

OF ENTREPRENEURS AND MANAGERS

HACKCORRUPTION

SO YOU THINK YOU'RE BEING UNDERPAID?  
COMPARED TO WHAT?

VOL 11 • ISSUE 7 • MAY 2023 • RS 100

# BUSINESS<sup>360°</sup>

**PRIVATE SECTOR  
REFUTES COMING  
UNDER CIAA  
SCANNER**

**AI: ADVANTAGES  
COME WITH  
RISKS AHEAD**

**FUNDAMENTAL  
ANALYSIS VS  
TECHNICAL  
ANALYSIS**

**BUILDING  
BIG**

**RAJESH KUMAR AGRAWAL**

Director, RMC

Senior Vice President, CNI







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Corruption and economic uncertainty are key words today, making life in an ambiguous post pandemic world all the more difficult. It goes beyond inefficient regulations, red tape and government failure to bending the morality compass beyond recognition. It has seeped into all aspects of life wherein the shadows of hope that the common man was laying the foundations of their future stands razed to charr.

The ongoing drama in the government has made it forget its purpose, its values, or even why it exists. Do people want to be ruled over or, have people chosen representatives from among us to enable decisions that will take the nation on a collective path of prosperity? Perhaps the politician has forgotten.

I often think what is it about power that makes a human being so weak. What is it about authority that so few can handle it? Why is ethical behaviour so easily compromised by those who have been elected on the promise of good deeds? What guides good governance? What drives the legal and regulatory framework? What allows this prevailing sense of impunity?

If we cannot trust the integrity of our public institutions, if we cannot trust our financial institutions, if we cannot trust our politicians, we become a country of mistrust, a country whose stability becomes a question mark.

Money meant to build roads and bridges, for medicines and hospitals, for schools and universities, has been pilfered to build a system that favours a few, and that has been funnelled to fuel the private wealth with the misuse of power. We grappled with corruption even in humanitarian emergencies like the earthquake and the pandemic. Even in the face of lives being lost, deals were being made, delivery mechanisms were manipulated and young people had to take to the streets in protest to demand relief.

Fraud, waste, abuse are synonymous with many public and a growing number of private mechanisms. Anti-corruption initiatives cannot be successful until and unless each citizen of the country demands it. We need to build an environment where people are not forced to sell their integrity to survive, to get things done.

Our trust in our government, in the rule of law, in our institutions and businesses, in each other needs to be re-established. At the onset, it will demand a strong political will and the capacity to implement necessary reforms that address the cause of corruption. It will also demand that each person makes conscious, enabling choices. It is what we can do together for one another.

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

Charu Chadha  
editor



## BIZ INDICATORS

FOREX MARKET	12-May-23	12-Apr-23	Year ago
USD	131.46	131.32	123.86
GBP	163.76	163.91	151.10
Chinese Renminbi (Yuan)	18.89	19.11	18.25
Indian Rupee (INR 100)	160.00	160.00	160.00
Euro	142.61	144.31	128.56
Australian Dollar	-	-	-
GOVERNMENT SECURITIES	Lowest	Highest	Weighted Avg.
Discount rate of T-bill (Subject to latest issuance )			
Treasury bills (28 days)	7.99	8.37	8.18
Treasury bills (91 days)	9.48	9.89	9.71
Treasury bills (182 days)	8.98	9.67	9.45
Treasury bills (364 days)	8.98	9.38	9.23
PRICE INDICES	12-Apr-23	12-Mar-23	12-Apr-22
National Consumer Price Index (base year 2014/15 = 100)	158.77	157.02	147.34

Source: Refinitiv Eikon, Nrb

P = Provisional, R = Revised

Compiled for Business 360° by



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media9

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

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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



I AM A STUDENT OF ECONOMICS AND SOMETIMES, I FEEL THAT MAYBE WE NEED TO UNPACK ECONOMICS AND LOOK AT DIFFERENT ASPECTS OF IT. WHENEVER WE TALK ABOUT GROWTH, WE ONLY TALK ABOUT GDP BUT ARE WE COUNTING THE GDP PROPERLY IS A KEY QUESTION? HERE WE ARE TALKING ABOUT 51% OF THE POPULATION IN NEPAL. IS THIS 51% CAPACITATED?

**CHANDNI JOSHI**  
Gender, Rights and Policy Specialist  
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## IN THE LEAD

### BUILDING BIG

#### RAJESH KUMAR AGRAWAL

Director, RMC  
Senior Vice President, CNI

THERE ARE MANY LAWS THAT WERE DRAFTED MORE THAN 50 YEARS AGO AND THEY HAVE BECOME IRRELEVANT IN THE PRESENT CONTEXT. IT IS TIME TO AMEND MANY OF THEM. AND IF YOU LOOK AT THE LAWS CLOSELY YOU WILL NOTICE THAT LITERALLY ALL HAVE 'NIYANTRAN' ATTACHED TO THEIR NAMES. NIYANTRAN MEANS TO CONTROL OR RESTRAIN. THIS, SOMEHOW, SUGGESTS THEY HAVE BEEN DRAFTED TO CONTROL BUSINESSES.



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WE CAN NEVER BE PREPARED FOR THE UNKNOWN BUT  
THE CONFIDENCE TO TACKLE A DIFFICULT SITUATION  
IS THE MOST VALUABLE QUALITY A LEADER CAN  
POSSESS"

**Mani R Lamichhane**

Director – Research, Planning and  
Monitoring, Nepal Tourism Board  
National Project Coordinator, Sustainable  
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(UNDP)

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ON THE COVER

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# **HILUX**

**RUGGED BODY, ADVENTUROUS SOUL.**



## FACE2FACE

"THE ONLY FINITE COMMODITY WE HAVE AS HUMAN BEINGS IS TIME. I THINK THE ONE TRUTH OF LIFE IS WE ALL DIE ONE DAY. AND I THINK THE MINUTE YOU REALISE THAT THERE IS A FINITENESS TO LIFE THAT GIVES YOU A LIFE WITH A LOT MORE MEANING. ULTIMATELY THAT ALSO HELPS YOU DIVIDE YOUR TIME BETTER"

### AMEYA PRABHU

FOUNDER AND MANAGING DIRECTOR, NAFA CAPITAL ADVISORS

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"IT IS ALWAYS THE CONSUMER WHO LIES AT THE HEART OF ANY BRANDING OR MARKETING ACTIVITY OF ANY PRODUCT OR SERVICE. ONE MUST NEVER FORGET THAT THEY HAVE TO AT ANY GIVEN TIME BE FOCUSED ON THE CONSUMER BECAUSE THE CUSTOMER IS THE KING. THAT IS ONE THING I LEARNED FROM MY VERY FIRST JOB. THE OTHER ASPECT THAT ONE HAS TO UNDERSTAND AND WHICH IS PARAMOUNT IS TO UNDERSTAND THE NEEDS OF THE CONSUMER, THE UN-MET NEEDS TO BE PRECISE. WE HAVE TO LOOK AT HOW WE AS A BRAND CAN HELP CONSUMERS WITH THEIR NEEDS"

**Thomas Mayr**

Marketing Director - Asia, Campari Group

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# BUILDING BIG

RAJESH KUMAR AGRAWAL

Director, RMC

Senior Vice President, CNI









What started as a small trading business dealing in hardware has now grown to become one of the leading business houses of the country with verticals in steel and iron manufacturing, cement production, banking and insurance, and also the food industry.

"We had a small trading business called Rajesh Hardware in Teku when I first joined my father's business in 1987," says Rajesh Kumar Agrawal, Director of RMC and Senior Vice President of the Confederation of Nepalese Industries (CNI). He adds it was later in 1995 after the partners in his father's business decided to go their separate ways that they decided to get into manufacturing and established Rajesh Metal Crafts.

Agrawal shares that the family business was started on a very small scale. "My father had immense business knowledge but we were not a big business that I could say I was carrying forward the family legacy," he candidly says, adding that it has been a journey of struggles.

"There will always be ups and down when one starts any business but there are three things – truth, sincerity and integrity – that one must never forget if they want to be successful," Agrawal states. "I think these three fundamental characters are required not just to become a successful business person but also a good human being," he adds.

In this edition of **Business 360**, we caught up with Agrawal, who is set to become the president of CNI during its 20th annual general meeting in June, to get insight into what it is like to be in business in the current times and his views on the economy. Excerpts:

**You have been involved in business since a very young age. What were the initial challenges when you started out?**

When I first joined my father to help him in his business, the banking sector was not as vibrant as it is today.

It was really difficult to avail loans from banks as there were hardly any private banks with just Nabil Bank and Himalayan Bank among a couple others. Moreover, the banks were very conservative back then and would provide only collateral-based loans. Initially we had a very small budget so we decided to stick to the trading business as setting up a manufacturing plant is financially intensive. We had to actually borrow from some close friends in the beginning. Back then, you could have a fantastic business idea but it would be next to impossible to work on the idea due to constraints in availing finance.

We did have many business ideas but we stuck to trading as we didn't have the required funds and access to banks was nearly nil. There actually was no trend to approach banks for business loans like how it is at the moment. My father urged us to approach banks for loans if we wanted to expand our business. He told us the only thing the banks could do is to refuse our proposal.

In the days to come, the banking sector also grew and we could think of materialising our business ideas. Financing was a problem faced by many who wanted to set up industries then. The other major problem was in obtaining a licence to start a manufacturing plant. These were the two main challenges then.

**How do you view the country's economy in the current context?**

If you look at the country's economy cumulatively, then I would say it has grown. In the early 1990s after the advent of democracy in the country the subsequent governments started reforming the economy. The reforms that were taken had a very positive impact. So, if you compare the economy at the moment to what it was prior to democracy, then I would say we have improved though it has been slow when compared to other countries that started the economic

liberalisation process then. But we also have limitations. We are a landlocked country and we have to import basically everything. We do not have proper infrastructure and to develop infrastructure we do not have enough resources. So, if you take these into consideration, I would say we have had quite a good growth.

However, the biggest impediment to our economy is our political situation. From the time we have had democracy we have not had a government that has lasted for a full five-year term. This hampers the economy a lot because there will always be policy inconsistency when there is frequent change in government. Definitely, we have not been able to realise the growth we could have achieved but overall, I would think it is quite good.

**What are the current major challenges for the economy?**

We have to go back in time a little bit. We have to start talking about the time when we had the earthquake in 2015. It was a big shock for us at the time, however we gradually came out of that shock and everything was recovering and we received foreign aid too. After the quake, the infrastructure sector grew quite well and there was a sort of boom in the economy. There was growth in the number of industries too with the cement and steel industries seeing significant growth, for example. Our economic growth was on a positive trajectory and then we had the Covid 19 pandemic which nobody had even thought about. But we were able to come out of this problem gradually as the government then took some prudent steps based on suggestions that not only CNI but other private sector organisations provided.

We were hopeful that the economy would now be back on track and then we had the Russia-Ukraine conflict. As soon as this conflict started

everybody began to panic because Ukraine is the food supplier of the world. Due to this conflict, the prices of commodities have risen tremendously. We are in a bit of a problem right now because all our efforts in the past few years have gone into managing the various shocks that we have been facing time and again since the earthquake.

Some time back, we started facing pressure on our foreign currency reserves and Nepal Rastra Bank took some measures to take stock of the situation. However, what happened with these measures is that definitely the foreign currency reserves shored up but it hurt our domestic economy as demand went down. Moreover, credit interest rates started rising substantially. That is why, at the moment, the situation is such, our external sector became strong but our internal sector went down tremendously. There was a need to have balanced the two sectors and moved ahead accordingly. May be at that time looking at the economic situation of Sri Lanka, we took a knee-jerk reaction and adopted extreme steps. Now that has created a lot of challenges in the internal sector.

**We are officially in a recession right now. What, according to you, are the concrete ways we could come out of this situation?**

The biggest problem at the moment I would say is that the government has adopted a bit of contractionary policies and it has limited lending too. As a result, demand has drastically reduced. The issue right now is that there is no demand in the market and cost has gone up in terms of interest. So, the situation is such that income has gone down but expenses have risen. Due to this, the public do not have disposable money in their hands. If people do not have enough money to spend then subsequently there will be no demand in the market.

At present, the situation is such that there is hardly any customer in New Road, which is supposed to be the main shopping hub of not only Kathmandu but the country. A shop that used to previously conduct business worth around Rs 40,000 on a daily basis does not have business worth even Rs 10,000 at present. The government has been focused on decreasing loans but what it should realise is that loans go to people who will spend it in the market whether it is for asset creation or for consumption. But now loans are few and far between and people do not have the funds to spend.

The solution to this would be to increase the flow of funds in the market. Economic activities have to be given a boost, for instance real estate business is totally nil at the moment. There is restriction on lending to real estate business but this is a sector that could help money flow in the market. There are many restrictions in the share market too. I have still not been able to fathom why the government considers investment in the share market as unproductive. A share market can never be unproductive, it is a medium to raise funds. The more vibrant it is, the better it is for the economy. As an industrialist, it is difficult for me to obtain loans because the interest rates are high but if the share market is vibrant, I can raise funds from the capital market. And I will not be concerned about the interest rates. So, I would say there is a need for a vibrant share market in Nepal.

If we could give a lift to some sectors then funds will start rotating in the market and the government needs to look into this factor. If I have money, I will buy what I need from you and you will then buy something you need from somebody else; that is how funds flow in the market. And when funds start flowing in the market then there will be demand creation. So, the main reason why we are in a

recession is that funds are not flowing within the system.

**Experts say that shortage of funds in the market is also due to the government not being able to increase its capital expenditure. What are your views?**

Capital expenditure is definitely one factor. When the government spends the development budget, it will boost the flow of money in the system but at the moment, the central bank's policy seems to be in curtailing new loans. Loans are so expensive that the public does not have the confidence to avail credit. As per recent data, deposits in the banking sector have increased by the billions but lending has increased by only about 4%, whereas last year increment in lending stood at 13.5%. So, if there has been an increase in lending by only around 4% then it means that money is not flowing into people's hands. That is one major factor why there is less money in the market. NRB tried to restrict lending and it has been successful in doing so.

The second factor definitely is capital expenditure or the lack of it. When the government spends its development budget there will always be two simultaneous benefits. The first is we will have proper infrastructure and we get the returns of that infrastructure for many years to come. And when we start developing infrastructure then related industries also start getting business whether it be sand or cement or any other related industry for that matter. Even the heavy equipment industry is mobilised and fuel is consumed. A lot of labour is also utilised and electricity too is consumed. A lot of things get consumed when we develop infrastructure projects. I think it is the largest employer of goods and services. When we first invest in infrastructure, we have to be mindful that we will not get returns immediately but over the long term there are tremendous benefits.

However, even while building infrastructure we have to be careful about where we invest the money. For instance, look at the two international airports we built; we made the investment but getting back returns is very difficult. We have to do an analysis before we invest in certain types of infrastructure.

However, there are some infrastructure projects like building roads and bridges where we do not have to think too much while investing. Or maybe if you want to convert the four-lane East-West highway into six lanes or the Kathmandu-Nijgadh Fast Track, which has been delayed. Such infrastructure should be developed in a timely manner. The moment such infrastructure is built then cost and time of transportation are saved. Moreover, fuel consumption will also drop and we will have to import less amount of petroleum products. The other infrastructure that is in the pipeline is the Raxaul-Kathmandu electric railway for which the DPR has already been prepared. Definitely a lot of investment will be required for that project but there are so many inherent benefits of it. We can't even imagine how much it will help in bringing down the cost of transporting goods to Kathmandu. Moreover, it is electric and we have enough hydropower. So, we should look at such types of benefits and invest in infrastructure projects.

**Are you satisfied with the latest Monetary Policy?**

The good thing about the policy is that the central bank is focusing on fiscal stability. It is focusing on the health of the banks, the quality of loans being disbursed by the banking sector. This is the duty of the central bank, so don't take it otherwise. But I feel the economic impact should be taken into consideration whenever any policy is drafted. During Covid 19, literally all businesses faced a hard time and after coming out of the

There are many restrictions in the share market too. I have still not been able to fathom why the government considers investment in the share market as unproductive. A share market can never be unproductive, it is a medium to raise funds. The more vibrant it is, the better it is for the economy.

pandemic we increased the flow of money in the market. We loosened many provisions to boost the economy and now many are saying that we loosened up too much at that time. But now is not the time to harp on what happened then because we did what we thought was good for the economy at that time. It is necessary to tighten that now and unwind some measures but the crucial factor is at what speed should we have done that. The government should have tightened policies gradually. The problem is we tried to tighten everything at once. For two years we adopted expansionary policy





and when we try to tighten everything within three to four months then we will definitely start facing problems. The expansionary policy was for two years, so we should bring that into contraction in a similar time period. That is the major issue I see now.

**How do you define a startup and what areas of business would you advice startups to get into?**

Don't take me otherwise but startups have become a new fad now. The first thing is we need clarity on what a startup is. I think people should research and study on what a startup is. Secondly, they should look at the viability of that

business; is it required in Nepal. What is the point in launching a startup when there is no need for it in the market? The third aspect, one has to focus on is how much can they scale up the business. The private sector is working to help startups and we do have incubation centres. I think it is necessary to develop this culture. In fact, CNI also conducted a Startup Fest and we recently tied up with an Indian company and started an incubation centre. We identified 10 startups through the incubation centre and we are working with them now. I think within six months we will see results. I feel the ecosystem for startups has not yet been fully

developed in Nepal.

One good aspect is private equity has also started in Nepal. Things have begun from the private sector level but I feel the systematic way in which an ecosystem should be developed is lacking. The government too has a big role in developing startups. We are holding talks with the government on how we could take this forward. Recently, we spoke to the government and discussed on whether we could replicate the model that the Indian government has adopted or make some amendments to India's policy to suit our requirements and start something here. Work is going

on but it will take a little time for that to come to fruition.

To be very honest, I am also not very clear on what to call a startup. What is happening at the moment is even if I open a manufacturing plant it is called a startup. How can that be a startup? A startup I feel is a new idea which will fulfil the needs of the public. For example, Foodmandu definitely was a startup, it started something totally new. And even Pathao, though it has come from outside, is a startup. It has helped people move around on budget. People who cannot afford taxis and don't want to travel in crowded public transportation and also need to

One of the biggest hurdles to attracting investments, be it domestic or foreign, is the lack in policy consistency. To establish any industry, we require policy consistency from the government. When a person is involved in the trading sector then it might not make much of a difference; you can sell your goods within a couple of months and close down. However, setting up manufacturing plants is a long-term investment and it involves millions or at times billions of rupees. Once an investor sets up an industry, they should be made to feel confident that they will be able to run that industry for the next 20 to 25 years without having to go through major policy changes.

reach various places quickly are using Pathao. Such new ideas which cater to the needs of the public, I would say, can be defined as a startup.

**The country's trade deficit is ballooning. What measures could be taken to reduce this deficit?**

The one way that we can reduce our trade deficit definitely would be to increase our exports but we need to focus on where our strength lies. When people can afford they will start consuming and when there is demand, businesses will import goods if they are not available here. Those who can afford will even travel abroad to buy what they need if it is not available in the country. So, we have to look at our strengths. Right now, there is so much talk about electricity, if we can fully develop that sector and export electricity it will help a lot in reducing the trade deficit and this is a long-term business too. When we develop hydropower projects there is a one-time investment and after that it is only about returns.

The one product that we have not explored at all are herbs and aromatic plants. Till date we have not started proper commercial farming of those products. If we start commercial farming of such plants and then process them and export, I think it will boost our exports. Tourism is also another sector we should look into. Even though we cannot export anything in tourism but we can earn foreign currency. Let us not look at trade deficit in such a way that we calculate only the goods we import and export. Let us look at it in a way whereby we calculate how much foreign currency we use to import and how much foreign currency we earn. Let us look at trade deficit in that way too. That is why tourism could be one fantastic way to reduce that deficit.

One other way is to increase production in the country and the government should provide ample support

for this. When we increase production then maybe we will not be able to export a lot of what we have manufactured but it will help reduce imports. This is basically import substitution. For that we need government support and a bit of protection too. Also, there are many products being manufactured in the country but we are not aware of it. For instance, it was only recently I got to know that we produce talcum powder and even lipsticks. However, such businesses are on a small scale and there is no marketing and promotion of such products. It is not that things cannot be done here, there are many who are doing fantastic things. It may be because they have not been promoted, we don't know about such products.

I would also like to touch upon another factor which relates to our mindset. Oftentimes, most of us believe that goods manufactured abroad are of a better quality than domestically produced goods. That is also one reason why we import so much even though there are companies here manufacturing quality products. Maybe even I am not using Nepali products because I am not aware of them. So, promoting small industries is also crucial. One of the aims of the Make in Nepal – Swadeshi campaign that CNI has launched is also for this. We want to make people aware that products made by Nepali companies are of a good quality. It is not that we cannot produce quality products, it is just that local brands are not being promoted.

**The country has become self-reliant in cement, what other goods can be identified where we can be self-reliant?**

With cement, the thing is we had the required raw materials and the only necessity was to tap into that. The government also provided a lot of support. There is a list we have on the products we could be self-sufficient in. Just recently, six companies

have announced they will start manufacturing tiles in the country. Some of them will be bringing in foreign investment too. These companies have said they will be using 40% domestic raw materials initially and in the next two years they will try to use 100% local raw materials. They have already started research to that end. So, we could be self-sufficient in tiles soon. Around three years back the government banned the import of energy drinks and some local business people saw an opportunity there and now we are self-sufficient in it and they are producing quality drinks. There are many products where I think we could be self-sufficient. Shoes is another such product. We produce quality shoes in Nepal but our mindset is that only foreign brands are good. And when domestic industries flourish, they also help generate employment opportunities.

**How can we improve domestic and foreign investment in the country and any suggestions to the government for the upcoming budget?**

Prior to foreign investment I think we should first focus on domestic investment. One of the biggest hurdles to attracting investments, be it domestic or foreign, is the lack in policy consistency. To establish any industry, we require policy consistency from the government. When a person is involved in the trading sector then it might not make much of a difference; you can sell your goods within a couple of months and close down. However, setting up manufacturing plants is a long-term investment and it involves millions or at times billions of rupees. Once an investor sets up an industry, they should be made to feel confident that they will be able to run that industry for the next 20 to 25 years without having to go through major policy changes.

Regarding the budget, the major suggestion that we have been providing



the government is it should make major investments in infrastructure projects. When we start building infrastructure then its spillover effects touch practically every sector. Not only the infrastructure but the money that is spent building the infrastructure will also have a positive spillover effect. The government should reduce its recurrent expenditure and lay emphasis on capital expenditure. The other suggestion we have given to the government is to provide some form of protection to local industries.

**How has the experience with CNI been and as its Senior Vice President what are your major agendas for the organisation and the overall economy?**

CNI was established around 20 years back and I have been associated with it for the last 16 years. Initially, I was a national council member and later headed various committees and then went on to be the vice president for two terms. At present, I am the senior vice president. Being with CNI has been a learning experience. It has helped me grow as a person and helped me enhance my knowledge. Otherwise, I might have been involved in only one industry and my knowledge could have been limited to that particular business. After joining CNI, I got a broader view and started understanding the nitty-gritty of the economy. For instance, now if someone talks about the need to reduce the interest rates, I know whether or not it will be beneficial for the economy. I have also been able to develop my relations in the government sector.

I have seen the organisation grow, and have myself grown along with it. CNI has reached a certain respectable level which can be ascertained by the manner in which the government views the organisation and takes its suggestions. We try to act as advisors to the government on economic policies. Even during



Covid, the government followed many of our suggestions and Nepal Rastra Bank implemented various policies. We have established a research cell at CNI and as a result we are able to provide data-based suggestions to the government. My plan is to further strengthen our secretariat and the research cell so that we can collect more data and I want to work based on that data. I also want to enhance the capacity of the staff at our secretariat so that we can develop ourselves as a think tank to the government. We are providing feedback and suggestions to the government but I want to make it stronger.

While talking about the economy, I think CNI was the first to talk about double-digit growth. We want to see the type of growth that our two neighbours have witnessed or even countries like Vietnam which was in the same position like us a few years back but have leapfrogged. We, at CNI, are working towards that goal and we are doing a lot of research. We are also working on changing a lot of laws. There are many laws that were drafted more than 50 years ago and they have become irrelevant in the present context. It is time to amend many of them. And if you look at the laws closely

you will notice that literally all have '*Niyantran*' attached to their names. *Niyantran* means to control or restrain. This, somehow, suggests they have been drafted to control businesses. It would be a good start if we could change the names of the laws and have something that deals more with encouragement and guidelines. We are trying to transform the mindset of the bureaucracy from 'controlling' to 'encouraging'. The government is positive towards that. Right now, we are facing economic hurdles due to political instability. A lot of things depend on political will,

the will to start something. No matter what we do, CNI's main focus is to have double-digit growth in Nepal.

**CNI has also been holding various types of summits like the Infrastructure Summit and Investment Summit. How relevant do you think these are?**

Such summits may not look relevant in the immediate future and you might not see any immediate tangible results too but it helps in creating awareness among people. We bring investors and experts from abroad and they get the opportunity to witness our country and our policies. So, these summits are basically held to start creating awareness. When we started the Infrastructure Summit, we did it at a small scale but now it has become a major event of the nation. We have called ministers from India and taken ideas from them and worked accordingly. When we hold the summit, we do a lot of research and make presentations which are also forwarded to the government and we follow up on that too. Due to those researches, we

now have a proper database. So, we know tentatively how much investment is required in the next 30 years and how to get that investment and from where. Yes, there will not be any immediate benefit but it helps a lot in the long term, it is a continuous effort. For instance, in the first summit there might just be awareness creation but in the second there could be a follow-up on the issues raised in the first one. So, when summits are held database is created and the government is also somehow impelled to address certain issues raised in the summits. Moreover, policy discussions are also held during the summits and the government becomes aware of what is lacking where. It is also an opportunity to learn for both the private sector players and the bureaucracy.

The other aspect we have to always emphasise on is interaction with international chambers. After Covid, I have noticed we have been having very less interactions with institutions from abroad. We do have MoUs with international chambers but the number of interactions has gone down. So, we at CNI, are working on establishing an association of all the chambers within the SAARC region so that there is regular interaction. During this term, I have placed an agenda to have regular interactions with all the international chambers we have partnered with. At least the director generals of these chambers should interact on a monthly basis. We also want to have cross-visits of delegations so that we can learn more and also work on things that are mutually beneficial.

**The country has adopted a federal structure of governance but there are voices being raised now that it is not economically viable. What is your opinion?**

I would not like to make comments on the political side of it. Even when you look at it from the economic perspective, it is a debatable topic. Personally, what I see is that when there is a federal structure there will be development work in specific regions. Otherwise, what could happen is that one area will develop while some other area could be left out when everything is centralised. When we have provinces then the provincial governments will be responsible for the development of their respective provinces. The second thing is funds will filter down to the local levels, hence the local regions will also develop. I myself have seen some nice local roads that have been constructed by the local governments. Yes, at the moment there might be a running cost involved. However, the development that will take place at the local level will be tremendous and expenses for development activities at the local levels are quite low. A local level government will know better what is required, whether it be a drainage or electricity poles or drinking water facility. Such types of investments were not being made previously in the centralised system for whatsoever reason. Development expenditure has percolated to the local levels and we will gradually see the results.

The debate on whether it is economically viable or not has come up because our revenue base is not strong since we have an import-based revenue system. We now have to look at ways in which we can increase our revenue base, which means we have to focus on production and industrialisation. We have to focus on our strengths and one area I see is the information technology sector. We have educated manpower in our

country who can speak good English so we could open call centres. Big companies are not bothered where their backend offices are located as long as they get the service. There is a lot of good work being done by IT companies in Nepal. We need to look at sectors where we are competitively better and can earn more revenues. We need to find more ways for the government to generate revenue. Once there is revenue then there will be no issue regarding capital expenditure or expenses at the provincial level or local level. This issue about the federal structure not being economically viable has cropped up because the government has less revenue.

**What are the current strengths and weaknesses of our economy?**

The major two challenges are political instability and policy inconsistency. The third challenge I see is that it is time we changed our old laws. It has already become very late. Until we are able to overcome these fundamental challenges, I don't think we will be able to move forward.

While talking about our strength, from the very beginning we have been prudent in our activities. We must also appreciate the good measures that our bureaucracy has taken. We did not take a lot of foreign loans. Even now our internal and foreign loan is only around the 40% mark of the GDP. That is a big strength; as far as I know our bureaucracy has always focused on grants rather than taking loans. As a result, we are in a better position now as compared to the other SAARC countries like Bangladesh, Pakistan or Sri Lanka. We have other strengths too and the only issue is that we have not been able to cash in on them due to political instability. **B**

**we are facing economic hurdles due to political instability. A lot of things depend on political will, the will to start something. No matter what we do, CNI's main focus is to have double-digit growth in Nepal.**





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# PRIVATE SECTOR REFUTES COMING UNDER CIAA SCANNER

The National Assembly passed two bills - The Commission for the Investigation of Abuse of Authority (Third Amendment) Bill and Prevention of Corruption (First Amendment) Bill on April 11 proposing to bring private businesses, particularly banks and financial institutions, under the scope of the anti-corruption body which were hitherto not under its ambit.

The move by the Upper House has partly addressed the long-standing demand of the commission for a wider jurisdiction including powers to investigate private sector corruption. But the private sector has long been opposing such a provision claiming it will affect investment decisions of the private sector and discourage it. The private sector holds that if private businesses are brought under the CIAA scanner, it will discourage domestic as well as foreign investment in the country.

Apart from defining fully or partially owned public agencies as public institutions, the two bills state that public institutions also mean banks, financial institutions, insurance firms, medical colleges, hospitals affiliated to medical colleges, other colleges, public limited companies, government-funded bodies or projects or any organisation designated as a public institution by the government by notification in the Nepal Gazette.

In this edition of **Business 360**, we spoke to some members of the private sector to get their views on the issue. Here is what they had to say.





## CHIRAG GOYAL

Executive Director, Goyal Group  
President, Nepalese Young Entrepreneurs' Forum (NYEF) Kathmandu

My view on these two bills is that I don't think it is helping the government or the private sector at the moment. Instead of coming up with these bills in a situation where the country is facing a financial crisis, I think we should focus more on policies related to foreign direct investment, information technology, labour laws, etc. The growth of the economy is when the private sector and foreign investment are safe. Nepal already ranks somewhere at the top in the least investable countries in the world because of its political instability and

this move will make it worse. We might question what is the problem in this if everything is transparent and not corrupt but I personally think the private sector is a victim of corruption, if we are a part of the corruption, it's only because the system is demanding it at times.

Before anything else, I think the CIAA needs to keep an eye on political parties, government offices, public institutions and all tender related work. Burdening the commission with more responsibility will not be a good decision

as there are plenty of cases already pending since more than a decade. Shifting focus from that to the private sector might just open doors for more corruption. We understand it is important for the government to safeguard the public's money and their interests but there are respective regulating bodies which look after the banks, insurance companies, microfinance firms and it will be unfair on them too. The private sector institutions which have public interests and investment can be scrutinised by these bodies and then, if any

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further issues arise, it can be reported to the CIAA.

I think the government needs to come up with stronger policies and everything else will fall in place in terms of corruption. The long-term vision has to be clear while making any decision whether it is related to licensing, tenders or anything else. We don't want a situation where licences are distributed in bulk and then you are forced to merge the entities without your will. I believe that stronger policies, visionary leadership and love for the nation are what is required to fix the corruption in our country.



## PRASIDHA RAJ ARYAL

Deputy General Manager, Machhapuchchhre Bank

The CIAA was originally formed to investigate companies, banks, or committees fully or partly owned or controlled by the Government of Nepal. The recent amendments to its jurisdiction now grants the body direct access to corruption cases in the private sector including banks and financial institutions in Nepal. The move has received mixed reviews while the private sector including the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Confederation of Nepalese Industries (CNI) and

others have expressed their dissatisfaction over the move.

As a professional, for me, other than the right and wrong, we also need to factor in its relevance in a country like Nepal. The banking industry over the last four decades has emerged as a highly regulated and compliant industry supporting growth of the nation's economy along the way. All private organisations come under purview of their respective authorities and banking sector in particular is being fully supervised and regulated by Nepal Rastra Bank. There is Bank and Financial

Institution Act (BAFIA) in place as a legal framework for the issues related to banking.

In order to maintain ethical practices, promote efficiency, consistency, effectiveness, accountability, simplification, ease of compliance, and promote the growth of the banking sector, it is essential that Nepal Rastra Bank maintains the primary regulatory authority in the banking industry. Multiple regulatory bodies can create confusion and uncertainty, which can have a negative impact on the growth of the banking industry and it will

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The country is passing through its worst economic crisis in history and has already slipped down in the Ease of Doing Business Index in recent times. As such the need of the hour is to boost private sector confidence and investment and this bill will certainly not help the case.

ultimately be detrimental to the overall growth of the private sector.

Therefore, direct involvement in the banking sector by CIAA or any other body except Nepal Rastra Bank should be avoided. Our central bank is very well equipped, proactive and focused on ensuring healthy practices in the banking industry. It needs to be noted that NRB has also collaborated with CIAA and Nepal Police to investigate and prosecute cases of corruption and other financial crimes in the banking sector as and when required. So, the liaisoning already exists and direct intervention of CIAA is not necessary. Another issue is about the timing of this bill. Even if we keep a close eye on its relevance this is not the right time to even be discussing it. The country is passing through its worst economic crisis in history and has already slipped down in the Ease of Doing Business Index in recent times. As such the need of the hour is to boost private sector confidence and investment and this bill will certainly not help the case.





## DEEPAK RAJ JOSHI

Director General, Confederation of Nepalese Industries

The private sector has a strong perspective and believes that the current bill related to CIAA is not needed nor relevant in the current scenario. As of today in Nepal, there are many authorities and regulatory bodies which work relentlessly to neutralise the private sector and look into cases of corruption with

strict audit bodies, rules and regulations and much more. I and the whole community of private bodies believe that such an amendment should not be passed.

Meanwhile, when the government passes bills as such it decreases the morale of the businesses and whenever we hear the jurisdiction role in any

sector, let that be good or bad, there is lack of productivity. If this Act does get implemented in the private sector, it will decrease the confidence and productivity as well. It will also contribute to creating a fear cycle. A country which has many rule-making bodies creates numerous obstacles for business to grow and expand

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A country which has many rule-making bodies creates numerous obstacles for business to grow and expand and automatically hampers the economic growth of the country. The other area that the bill will have an adverse effect on is foreign direct investment (FDI) as FDI is solely focused on doing business. Having the government involved will hamper investments as it could be a hassle to deal and answer every move of the investment.

and automatically hampers the economic growth of the country. The other area that the bill will have an adverse effect on is foreign direct investment (FDI) as FDI is solely focused on doing business. Having the government involved will hamper investments as it could be a hassle to deal and answer every move of the investment.

There are many companies, businesses and startups that are recently being acknowledged and are rising in number which is a good scenario for the economic growth but on the contrary, it is difficult to even register a company with all the procedures. If the bill is implemented, people will find it challenging and burdensome to report and go through additional processes to sustain their business which directly or indirectly will decrease productivity in the country. **B**



# OF ENTREPRENEURS AND MANAGERS

## LET NONE CLAIM SUPREMACY FOR THE GOOD OF BUSINESS



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

Entrepreneurship is one word which figures the most in media columns aimed at young managers. Over the years, managers are ceding space to entrepreneurs. What could be the reason?

I have no hard data to prove my hypothesis but it somehow appears that entrepreneurs are being increasingly viewed as creators who come up with new ideas, slog and strive to implement them, and in the process, generate work opportunities and wealth for a large number of employees and other stakeholders. Not only do they keep the wheels of business moving, entrepreneurs launch projects and activities unheard of before. That is why news about startups fast turning into unicorns no longer surprises us. It is becoming a norm.

On the contrary, managers, however good they may be, are viewed as employees. They are usually not expected to come up with path-breaking ideas or disruptive technologies that could change the face of a market, business or enterprise. At best, they are expected to function as intrapreneurs, displaying the zeal and innovativeness of the original entrepreneur.

How far is this distinction and perception justified?

I personally feel that

both entrepreneurs and managers have their own place in business. They are complementary to one another for the success and growth of a company or conglomerate. It would be injudicious for entrepreneurs, promoters or owners to look down upon their managers as 'mere employees' with inferior abilities. Yes, there is a difference between the two; it is a difference of mindset. One is perfectly entitled to opt for an employee's position. It may not be the best idea to force him into entrepreneurship. The right to choice is supreme. People are more likely to excel in domains they love.

that it is not prudent to force people into work domains where they do not have their heart.

This contention applies to all, including wannabe entrepreneurs. Question is whether they think and act like promoters. Do they possess the entrepreneur's mindset? Do they have the faintest idea of the troubles and tribulations a promoter has to go through to taste success? Is it not true that the shining road to success which we see an entrepreneur walking on currently is preceded by a path littered with failures and fumbling? Is it not true that a monthly pay



Let me narrate an old anecdote. Seeing masons working at a place, a passerby asked what they were doing. The first mason said that he was constructing a wall. The second mason said he was engaged in building a temple where people could pray. The third mason responded, "I am building a temple where people may connect with their deity and realise the divinity within." Same question but different replies! This indicates how different persons possess vastly varying mindsets. Their worldview is different. So are their expectations from work and life. The wise have realised

cheque was only a dream for the budding businessman for years? Is it also not true that the aspiring entrepreneur had to endure personal sacrifices like separation from family and friends for long spells? Entrepreneurial success is highly demanding; it extracts your pound of flesh.

How many are willing for this baptism by fire? So, I again assert that there is nothing right or wrong in one's choice between the roles of entrepreneur and manager. After all, you know yourself best, and you will be able to give your best in the role of your choice.

It is a known fact that most enterprises could not have reached the heights which they did without their highly accomplished and dedicated managers at different levels. Unlike their promoters, most managers do not have the privilege of failing and falling all too frequently. Therefore, their cautious approach to the day-to-day company affairs imparts stability and predictability to the functioning and future of their organisations.

It has also been seen that many promoters, who have inherited their business from entrepreneurial ancestors, get used to receiving a certain fixed return come what may. These second and third generations, it has been observed, have lost the fire in the belly their ancestors were known for. They are no longer able to keep their batteries charged. They have put on fat, so to say. In other words, despite being the owner they are governed by the employee mindset.

On the contrary, there is no dearth of forward-looking managers who wish to put the organisation on a sounder footing. Not always in sync with the owner, such professional managers want to build and leave behind something bigger than themselves!

Are we not seeing many business behemoths being run by professional managers, whom we describe as employees, and largely independent boards of directors? The probability of hunting and employing high-performing managers is much higher than ensuring that inheritors of the business will necessarily be as bright as their ancestors.

May harmony prevail between inheritors of business and their managerial 'employees'. **B**





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**“The only finite commodity we have as human beings is time. I think the one truth of life is we all die one day. And I think the minute you realise that there is a finiteness to life that gives you a life with a lot more meaning. Ultimately that also helps you divide your time better”**



**Ameya Prabhu**

Founder and Managing Director, NAFA Capital Advisors

Ameya Prabhu is an entrepreneur, investor, and author based in Mumbai, India. He is the Founder and Managing Director of NAFA Capital Advisors, a leading asset management firm in India that invests in public equities, private equity, venture capital, and debt capital markets. Additionally, he is Partner in UAP Advisors LLP which is involved in asset management, principal investing, investment

banking, and sustainability-focused strategic advisory services.

Prabhu is a graduate of the University of Warwick where he received his BSc in Economics, Politics and International Studies. He also holds an MSc degree in Financial Management from IE Business School in Madrid, Spain. In 2022, he completed the Global Leadership and Public Policy 21st Century

Programme at Harvard University's John F Kennedy School of Government.

Prabhu has been designated a Young Global Leader by the World Economic Forum. He is also the President elect of the Indian Chamber of Commerce (ICC). In addition, Prabhu is a trustee of Manav Sandhan Vikas Sanstha, an NGO focused on skill training and development in rural and semi-urban India, with an

emphasis on job creation for women and underprivileged classes. He is also the Vice Chairman of Konkani Krida Prabodhini, which promotes sports in the rural Konkani region of Maharashtra. He is also a member of the advisory board of Climate Group India and serves on the board of MiracleFeet India, an NGO focused on eliminating clubfoot in India. He was formerly the Chairperson of the Young Leaders Forum of the IMC Chamber of Commerce and Industry and is currently the Brand Ambassador for startups in the Indo-Canadian Chamber of Commerce.

Prabhu is a prolific writer, and his writings have been published by well-known global media outlets such as the Huffington Post, The Quint, and Business Today. His book of short stories, 'The Rock Babas and Other Stories', has been published by Amazon and sold in over 40 countries globally.

In this edition of **Business 360**, we had the opportunity to talk to Ameya Prabhu and get his views on the latest trends and strategies in the business world. Excerpts:

**Asset management is a new term in Nepal but India is way ahead. Could you explain the scenario of asset management in India and its importance for countries like Nepal?**

If you look at India 30 years ago, we opened up our markets in 1991 and there were almost no private equity funds, no PMS and at the time there were government mutual funds and not many private mutual funds at all at the time. Moving forward 30 years, India has plenty of private mutual funds, plenty of players. In the private debt markets, you have a lot of global private equity funds from Blackstone. They are all present



in India. It's a large market. It's now the world's fifth largest economy and dominant, and it is the third largest on BPP terms.

We have seen that change happen, we have seen greater participation of people in the markets, and people investing is also increasing. This happened over time and eventually the same will happen in Nepal as investment opportunities increase here.

I think one great advantage for Nepal is that you have a very large community abroad which sends back billions of dollars in remittance. As asset managers, we manage somebody else's capital and furthermore invest that in various sectors such as infrastructure, road equity, startups, public markets and also in debt. But the core essence of all of this is that it's actually being invested in the economy because every economy needs capital to grow.

An example would be if you look at China today. It is the second largest economy in the world and the largest economy in the world on purchasing power parity terms. Now, when did China really grow? If you think of it, China opened up in 1979, but in the early 90's, Deng Xiaoping really called upon the global Chinese community. The Chinese also have a lot of non-resident Chinese expats. People have been living away from China for many years. He told the global Chinese community to come and support China in its growth journey and invest in its growth journey. The country needs an experienced person who's got knowledge of the market, knowledge of the ability to de-risk and find the right investment opportunities to invest. And that's where an asset manager really comes in.

Asset management is crucial because it will help allocate capital to various sectors, especially because Nepal has a huge inflow of remittances, a lot of NRNs investing or sending money back to Nepal. So effectively channelling that money to get good returns is very important because there's no point in that money coming in and not being invested in markets. Hence,

asset management is important for every country. A stable government and investors who have a good amount of knowledge of where and how to invest can help in boosting the economy of Nepal.

**Private equity and mutual funds are considered to be important to minimise risks associated with investments. Could you please elaborate on how risks are minimised for investors?**

Every investment has its risk. Fundamentally, one has to do their own risk assessment, how much risk are they willing to take? And based on the risk of the investment where they are completely risk averse, they might want to focus on being in fixed deposits or insurance or debt mutual funds which are invested in good or reputable companies, for example, in India it could be the Tata Group or ONGC.

The government companies that are large corporations will give you a lower rate of return, but the risk reward is that they have a low rate of return making them less risky. Every other fund has high and low risks. Explaining that risk to investors in a simplistic manner, safeguarding the interests of investors and disseminating that information in a way that can be understood by all should be the key focus to minimise risk for investors.

**Low returns on mutual funds has been seen as a reason for low response from the public. Will this change?**

On the public equity side, what we have is a PMS which is slightly different from mutual funds. So, in a mutual fund the minimum investment is much smaller. You can even invest as low as INR 500, whereas for others, the Securities and Exchange Board of India (SEBI), which is the public market regulator in India, has made it mandatory whereby the minimum investment for PMS is INR 50 lakhs. Similarly, for an Alternative Investment Fund, the minimum investment side is about a crore. The reason why the barrier to entry is higher in a PMS or in AIF is that SEBI wants experienced investors to invest in that space. Whereas mutual funds are

more of a retail product where everybody can invest in retail. But I wouldn't say that mutual funds have given lower returns. It would all depend upon which mutual fund is the one that you are focused on. There will be mutual funds which underperform in the market and there are mutual funds that outperform the market.

Also, not all mutual funds are equity only; you have equity mutual funds, debt mutual funds, liquid mutual funds, mixed mutual funds which invest in a mix of debt and equity. So, I think based on the risk profile that each investor has, they should choose what they want to invest in. The market today offers a wide variety of financial products for the interested party. And even today, the equity participation in a market like India is still quite low because even now the mutual fund penetration is low, insurance penetration is also low and has a long way to go.

**As the President elect of the Indian Chamber of Commerce, what is your agenda moving forward?**

The Indian Chamber of Commerce is the third largest chamber in India but the largest in the eastern region meaning it is a huge responsibility. Our focus is promotion of business, policy advocacy, and promoting the region. We have signed a memorandum with the Confederation of Nepalese Industries (CNI) because we are big believers in the neighbourhood first policy. India will be hosting the G20 meet this year. I think as we continue to grow, we should not forget our neighbours. India is the largest market for Nepal and Nepal is the ninth largest market for India. Hence, it is not small. In terms of goods and services, there are issues that are faced by Nepali business people and vice versa.

Therefore, through the collaboration with CNI, we want to see how we can resolve these issues because ultimately the greatest job of a Chamber of Commerce is to facilitate businesses and solve problems. So as long as we can do that, become a problem solver, solve issues for our members, for business people, for small

entrepreneurs in India and in Nepal, then we will be happy. Our goal is to create a pathway for everyone.

**How do you manage your time even writing books and actively engaging with different organisations?**

I think the key is effective time management. If you ask me, I think firstly, the only finite commodity we have as human beings is time. I think the one truth of life is we all die one day. And I think the minute you realise that there is a finiteness to life that gives you a life with a lot more meaning. Ultimately that also helps you divide your time better. So, it's important. In my life, I believe there are four pillars that I like to divide my time between. One is my work, which is what I do for profit where I have my financial services, asset management firm, investment banking business and we are now expanding into agriculture as well. I have to allocate time for each of the ventures and it does take a substantial portion of my time.

The second is what you love to do and I really love to write. That's what gives me happiness. That's my passion. And I've written a book of short stories. The pandemic gave me a lot of time to do that.

I would say the third aspect, of course, is your family aspect. It's very important to spend time with your family because they are the ones who are always with you - your wife, your parents, your children. The fourth one is giving back to the community. I think it is very critical that one must give back to society because ultimately, knowingly or unknowingly, it is a society that is helping us in our endeavours while we move forward. The fact that all of us can sleep at home at night peacefully, the fact that we have access to all the necessities is because some people are working in the municipal department, some are working in other utilities. There are tireless people putting in a lot of effort. So, I think it's important that we give back to society, especially in countries like India and Nepal where poverty rates are still high. **B**



# SO YOU THINK YOU'RE BEING UNDERPAID? COMPARED TO WHAT?

Annoying as it may be, your labour is only worth what someone is willing to pay for it.



**PATRICK CARROLL**  
HAS A DEGREE  
IN CHEMICAL  
ENGINEERING FROM  
THE UNIVERSITY OF  
WATERLOO AND IS AN  
EDITORIAL FELLOW AT  
THE FOUNDATION FOR  
ECONOMIC EDUCATION.

What is your labour worth? If you ask most people, they'll probably say it's worth somewhat more than what they're being paid. Many people seem to regard their own profession as particularly undervalued - a completely coincidental observation, no doubt. If you ask a teacher, it just happens to be the case that they picked one of the professions that most exploits and underpays its workers. How dreadfully unlucky. And yet, if you ask a mechanic, they'll say the same thing about mechanics. Ask a nurse, and they'll tell you why it's

actually nurses who are some of the most abused of all workers. It's as if everyone got the short end of the stick, and the long end doesn't exist.

## Funny how that happens.

Regardless of profession, the common gripe among workers is that they aren't being paid a "fair wage" for the work they do. Their employer is ripping them off, they say, paying less than they deserve.

The question that ought to be immediately posed is this: how do you know what constitutes a fair wage? By what standard can you say you are being underpaid? It's not like there is a table of fair wages we can all consult. If only there were! Then one could simply look at the table. "Ah yes, there it is. Nurse in New York City in 2023. The table says a fair wage is \$100,000 per year. I see you are only getting \$85,000. Clearly, you

**4** Regardless of profession, the common gripe among workers is that they aren't being paid a "fair wage" for the work they do. Their employer is ripping them off, they say, paying less than they deserve

are being underpaid."

Since such a table has yet to be discovered, proponents of "fair wages" have had to resort to other arguments to justify their grievance. One argument is to simply assert that they are worth more, perhaps because they've gone through extensive training or have been on the job for many years. But this line of reasoning is unconvincing. If you aren't creating value, training and experience aren't worth much.

Conceding this point, some have developed a slightly different argument. "Workers in comparable jobs make more than us," they say. "Thus, we should be making roughly as much as them. The fact that we are making less is evidence that we are being exploited."

This is a better argument, because it actually specifies an approximate standard of fair pay, namely, the pay currently being



received in a comparable job. Surely, it's reasonable to expect similar pay for similar work?

Yes...but. The critical assumption here is that the job being specified as the standard is in fact comparable to the job in question. But is it really? Well, that depends on whether comparable work is a meaningful concept in the first place.

### The Value of Work

In the Equal Pay Act of 1963, Congress mandated that employers give men and women equal pay for equal work. "Equal work" in this context essentially means work with the same job description.

But in the decades following, some argued this didn't go far enough. Specifically, they pointed out that male-dominated jobs often pay more than female-dominated jobs that carry similar demands. Thus, even though "equal pay for equal work" had already been achieved, many now wanted broader requirements mandating equal pay for "comparable" work, even if that work was in a completely different field. This came to be known as the comparable worth or pay equity position.

Historically, the debate over comparable worth emerged in the context of the gender pay gap debate, but the reasoning of comparable worth has also been applied in other contexts. In particular, some studies argue unionised workers earn more on average than "comparable" non-union workers, a phenomenon known as the union wage premium. To be fair, the jobs being compared in these studies are not nearly as disparate as those compared in the gender-based arguments. Even so, they are not identical jobs either, yet the implication is that non-unionised workers are providing the same value for less pay.

To determine which jobs should be considered equally valuable, comparable worth proponents have come up with a variety of criteria for evaluating jobs. For example, in a 1974 study commissioned by the state of Washington, the consulting firm Norman Willis & Associates used four criteria to classify jobs. These were: (1) Knowledge


and Skills (job knowledge, interpersonal communication skills, coordinating skills), (2) Mental Demands (independent judgment, decision making, problem solving requirements), (3) Accountability (freedom to take action, nature of the job's impact, size of the job's impact), and (4) Working Conditions (physical efforts, hazards, discomfort, environmental conditions).

In her 1988 paper *Comparable Worth: Theoretical Foundations*, political scientist Ellen Frankel Paul discusses the methodology of the study. "Evaluation committees assessed job classifications on these four criteria and awarded points to each. Comparable jobs, then, were those that achieved approximately the same overall point scores. In this way, such disparate jobs as secretary, nurse, surveyor, highwayman, etc, could be compared. This methodology attempts to replace subjective and, hence, discriminatory market decisions with objective, nondiscriminatory assessments by trained evaluators."

The problem with this approach, Paul points out, is that it rests on dubious philosophical foundations. Notably, her criticism applies just as much to comparisons of secretaries and surveyors as it does to comparisons of unionised carpenters and non-unionised carpenters.

"Comparable worth depends on an intrinsic value theory or an objective-value theory," Paul writes. "It assumes that the worth of jobs to employers can be measured on an objective scale. If we leave aside, for the time being, the consideration of whether any given set of people can impartially implement such a system, the notions of intrinsic-value or objective value themselves are defective."

As Paul goes on to discuss, many economic thinkers in the past held to theories of objective value such as the labour theory of value, which states that the price of commodities primarily depends on the amount of labour effort put into making them. This theory was advanced by the classical economists (such as Adam Smith) as well as Karl Marx and his followers. But as Paul notes, this way of thinking was discarded

 **There is no intrinsic value to any job. A job has value to someone who creates it and is willing to pay someone to do it. The price for that job is set by the market, which is nothing more than an arena for averaging the demands for labour of each particular kind by numerous employers**

in the late nineteenth century in favour of the marginal utility theory, which—among other things—holds that value is subjective. The marginal utility theory explains real-world phenomena much better, and it is accepted by nearly all economists to this day.

What does this have to do with the topic at hand? Paul explains.

"Comparable worth shares with the labour theory of value a desire to discern some objective characteristic of worth or value apart from the valuations of actual buyers," she writes. "For comparable worth it is no longer the hours of labour embodied in a thing which sets its value, but rather that the value of labour itself can be determined by assessing the knowledge and skills, mental demands, accountability, and working conditions that characterise each job. But there is no intrinsic value to any job. A job has value to someone who creates it and is willing to pay someone to do it. The price for that job is set by the market, which is nothing more than an arena for averaging the demands for labour of each particular kind by numerous employers."

In short, comparable worth makes no sense because there is no such thing as intrinsic value. A job is worth what someone is willing to pay for it. Period.

"If jobs have no intrinsic worth," Paul writes, "then the comparable worth position has been severely wounded, for it bases its case on precisely such an assumption. All commodities, labour included, are worth what buyers are willing to pay for them and what sellers are willing to take in order to part with them. Furthermore, if jobs have no intrinsic worth, they cannot be compared on any objective scale. In fact, we cannot even say that a plumber who makes \$10 an hour is worth the same to his boss as a teacher who earns the same wage is worth to his employer. Such comparisons are vacuous."

"The problem with comparable worth is similar to the problem of making interpersonal comparisons of utility," Paul continues. "While each person can order his own preferences, these separate preference orders cannot be equated. Similarly, different



jobs cannot be equated on any objective scale. Even the market cannot equate the worth of one job with another. Thus, any attempt to employ supposedly objective job-assessment criteria must be inherently discretionary; the judgements of bureaucrats would be forcibly substituted for the assessments of those who are the actual purchasers of labour services."

"There is no intrinsic value to any job," Paul concludes, "and hence they cannot be measured or compared."

#### Reconsidering the Equal Pay Act

Not only does this analysis completely refute the comparable worth position, it also raises questions about the more mild arguments behind the Equal Pay Act. Sure, nurses can't be equated with construction workers, but what about jobs that have the same job description? What about jobs which, to quote the Equal Pay Act, require "equal skill, effort, and responsibility, and which are performed under similar working conditions?" Surely that is equal work?

If we take our subjectivism seriously, the answer has to be "not necessarily." Even if the job description is the same,

the workplace is the same, the employer is the same, and the tools and equipment are the same, employers will still sometimes have preferences for one worker over another. Each worker brings a unique personality and skill set to the table, after all, and the value of these is completely subjective. And yes, they also bring their gender, which can set them apart from other candidates as either more valuable or less valuable if that's something the employer cares about.

Ironically, then, the Equal Pay Act doesn't actually mandate equal pay for equal work. Rather, it mandates that equal pay be given in precisely those situations where, because of gender, the employer considers two jobs to be not equal in worth.

We can criticise the employer for their discrimination all we want. But so long as they genuinely place a different value on two different workers because of their gender, there is no basis for saying those two workers are performing equal work.

#### Value Is Not the Same as Effort

If comparable work is such a flawed concept, why is it so widely endorsed? Perhaps the answer lies in the word comparison.

**4 It's tempting to compare ourselves to others and complain when they earn more than we do for what seems like the same skill and effort. It's completely understandable when people look at such situations and say, "It's just not fair." But the market does not reward skill and effort. It rewards value creation, and the fact is some jobs create a lot more value than other, equally demanding jobs**

Though they would be loath to admit it, comparable work proponents seem to be driven by a subtle yet persistent envy. "Look at how much money plumbers make," they might think to themselves. "I went through just as much school as them, and I work just as hard. Why should I be paid any less?"

It's tempting to compare ourselves to others and complain when they earn more than we do for what seems like the same skill and effort. It's completely understandable when people look at such situations and say, "It's just not fair."

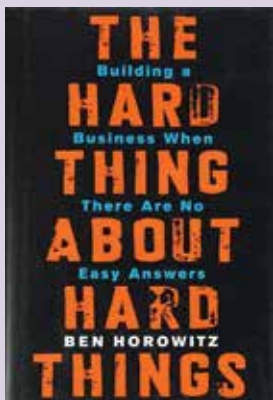
But the market does not reward skill and effort. It rewards value creation, and the fact is some jobs create a lot more value than other, equally demanding jobs.

Now, we could spend our lives fighting this reality and striving to create a world where people are compensated for their effort rather than their value. But we could also choose to accept this reality and focus on finding ways to create more value with less effort ourselves, either in our current field or a completely different one.

I know which option I'm choosing. **B**

Source: fee.org

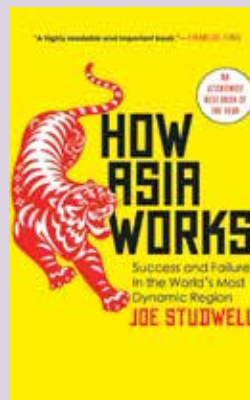
## BOOKS OF THE MONTH



### The Hard Thing About Hard Things: Building a Business When There Are No Easy Answers

Author: Ben Horowitz

Filled with personal anecdotes and advice "The Hard Thing About Hard Things" analyzes some of the most challenging issues entrepreneurs may face while building a business such as firing a friend, managing bad employees, deciding whether or not to sell your company, and managing your own mind as a leader. Readers love this book for Horowitz's brutal honesty and his perspective as he writes to current and future CEOs as a CEO himself.



### How Asia Works

Author: Joe Studwell

In the 1980s and 1990s many in the West came to believe in the myth of an East-Asian economic miracle, with countries seen as not just development prodigies but as a unified bloc, culturally and economically similar, and inexorably on the rise. In *How Asia Works*, Joe Studwell distills extensive research into the economics of nine countries – Japan, South Korea, Taiwan, Indonesia, Malaysia, Thailand, the Philippines, Vietnam, and China – into an accessible, readable narrative that debunks Western misconceptions, shows what really happened in Asia and why, and for once makes clear why some countries have boomed while others have languished. Impressive in scope, *How Asia Works* is essential reading for anyone interested in a region that will shape the future of the world.

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# HackCorruption



**A**ccountability Lab implemented an anti-corruption hackathon under the #HackCorruption initiative in partnership with the Centre for International Private Enterprise (CIPE) and Development Gateway in Kathmandu from April 28 to 30. With HackCorruption, it aimed to create a digital town square where technologists, activists, and governance professionals could ideate together to

devise creative and uncommon solutions to corruption.

It also went beyond the traditional three-day hackathon model to build regional networks of gov-tech enthusiasts and support ideas that could be implemented. This included a pre-hackathon orientation programme where experts were brought in to unpack the problem statements so that all participants understood the corruption challenges they sought to address. HackCorruption

also provided ongoing support to the teams with the most feasible ideas in the form of seed funding, mentorship, tech/developer accompaniment, and access to sector experts.

The hackathon in Kathmandu convened 52 participants from Nepal, Bangladesh, India and Pakistan. This cohort included research, CSO practitioners working at the intersection of corruption

and other social challenges, developers from the emerging technologies space, and digital anthropologists, among many other specialties. They received close to 650 applications, and the competition for the 50 spots paid off through the quality of the participant ideas. Among 11 teams, five teams have been selected for an intensive three-day bootcamp and will continue their ancillary programming over the next six months.



## Here's an introduction to the five:

### e-PMS



The purpose of e-PMS (e-Procurement Monitoring System) is to establish a monitoring tool for the e-procurement system (E-GP portal) in Nepal and Bangladesh, which will enable third party or civil society monitoring of procurement. The system will flag potential corruption using a series of indicators such as the frequency of awards to single contractors, reduced time between bidding deadlines and award dates, and dummy bidding, among others.

### DAAC



Grounded in Digital Anthropology and using Natural Language Processing and Digital Humanities, DAAC seeks to reimagine corruption data analysis. It will provide a natural language understanding of how corruption is taking place through citizen reviews, stories and media articles that are already available online but not aggregated, and that will help policymakers, CSOs and researchers understand where and how corruption can be curbed.

### Support My School



Support My School will hold schools accountable for infrastructure projects by enabling community members to measure and track the progress of development projects for which public funding is received. As a budget utilisation tracking mechanism, Support My School will also gather data and highlight where schools need funding beyond their allotted budget.

### PAK Zameen



PAK Zameen aims to digitise land records in Pakistan and will combat corruption by eradicating manipulation, duplication and mutability of land records. Using blockchain to decentralise records and decrease corruption, PAK Zameen will simplify land purchases and boost tax revenue by expanding the registered property tax base.

### KYP: Know Your Parliamentarian



KYP aims to aggregate all the data available in the public domain (official government data, from authenticated data reports) and create a profile of individual parliamentarians. In addition to basic demographic, work and party affiliation information, KYP will also aggregate information on assets and changes in their wealth, past and pending civil and criminal investigations, and their family tree to reveal political and business interest.

*\*Accountability Lab will be hosting the next hackathon in Colombia later in the summer.*







**Cheri-Leigh Erasmus**

Global Director of Learning, Accountability Lab

Cheri-Leigh Erasmus is the Global Director of Learning at the Accountability Lab, a nonprofit organisation aimed at making governance work for people by supporting active citizens, responsible leaders, and accountable institutions. She supports Accountability Lab's learning and impact in 12 countries across Africa, South Asia and Latin America.

Erasmus has conceptualised and implemented knowledge, skills, and network-building curricula for reformers in the public service and civil society. She is committed to finding new ways of using citizen-generated data to strengthen civic participation, especially related to the increased inclusion of traditionally marginalised groups. She currently co-chairs the Steering Committee of the Transparency, Accountability

and Participation (TAP) Network, co-chairs the board of Berrett Koehler-Foundation, and serves on the Board of Directors of Berrett-Koehler Publishers.

**Business 360** caught up with Erasmus during her visit to Kathmandu to learn about the initiative. Excerpts of an interview with Erasmus.

#### **How did the concept of HackCorruption come about?**

We conceptualised the idea when responding to a call for proposals from the Bureau of International Narcotics and Law Enforcement Affairs at the US State Department in late 2021. Initially, our idea was based on a single-country hackathon aimed at creating anti-corruption tools, but this later evolved into the regional model once we

started implementing it. We've worked with two implementing partners, the Centre for International Private Enterprise (CIPE) and Development Gateway on this project.

#### **What is the major objective behind this initiative?**

Ultimately, we want to build regional interconnected networks of technologists, activists and governance practitioners who work together to use technology to find uncommon solutions for corruption-related problems. Many hackathons in this field convene people with tech skills, who don't necessarily understand corruption challenges or the government processes their tools seek to enhance. This leads to the creation of tech tools that don't fit the challenge, or for which

you can't secure government buy-in. We hope to shift this by building diverse cohorts that can unpack and solve problems in a more nuanced and feasible way. At the end of the day, our hope is that HackCorruption will lead to the adoption of some new technologies by civil society and government.

#### **What do you plan to achieve with this?**

First, we hope that HackCorruption will lead to the adoption of some new technologies by civil society and the government. But more importantly, we believe that there is real value in the networks we are building. If we think about the hackers, our participants, as entrepreneurs, it's safe to say that their first idea won't necessarily succeed. But maybe their second or third idea does. We hope that these networks will continue to work together to ideate around govtch solutions and continue working on corruption challenges beyond the scope of HackCorruption. We want to support diverse new networks of skilled individuals who are eager to use their expertise to create govtch solutions.

#### **What do you believe to be the reason for corruption throughout the world?**

This is a very difficult question. I believe that corruption is closely tied to social norms, and what we allow or accept in our society. These things are hyperlocal. In one community, corruption may be seen as acceptable because civil servants' power goes unquestioned and people normalise paying for basic service delivery. In other spaces, corruption may be accepted because we expect civil servants or elected officials to have a certain standard of living that doesn't align with their salary. There are many reasons and many grey areas, but ultimately the most marginalised among us suffer disproportionately when corruption goes unchecked. The reasons may vary greatly, but I believe that corruption thrives when there is impunity and when perpetrators are not held accountable.



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# YETI TEETH: A Made In Nepal Powered Toothbrush

Both Aashish Pudasainee and Dipta GC, Co-founders of Yeti Teeth, decided to drop out from an engineering college they were studying in Bangalore and decided to venture into the business world. Their first venture, Led Light Nepal, quickly gained traction as it transformed thousands of rooms with its fancy decorative lights. Recognising the potential for growth and innovation, the co-founders realised the need to expand their horizons and explore new opportunities. They then hit upon an idea to launch their second venture, Yeti Teeth, as the first sonic electric toothbrush company in Nepal on February 13, 2022. Pudasainee says, "Yeti Teeth aims to revolutionise the way people brush their teeth by introducing a more efficient and effective trend of brushing. We envision a future where people in Nepal embrace the benefits of sonic electric toothbrushes, promoting better oral hygiene practices and overall dental health."

As electric use of toothbrushes is widely prevalent in developed countries, the co-founders saw the space to develop it in Nepal. As first movers in this business, they know that they have the advantage. GC says that their products are designed with the latest technology and high-quality material ensuring a comfortable and efficient dental care experience for users with a commitment to providing exceptional customer service and promoting oral health education. The brand has since used strategic social media marketing such as PR packages, influencer collaborations, engaging campaigns, and word-of-mouth referrals. Like any business startup, Yeti Teeth has had its share of challenges. Their initial



**AASHISH PUDASAINEE AND DIPTA GC**  
CO-FOUNDERS, YETI TEETH

days of research and planning were difficult because of the almost negligible use of electric brushes in the market. Pudasainee explains, "We faced numerous challenges in developing a suitable electric toothbrush specifically designed for the Nepali market. We went through several prototypes before finally achieving a product that could meet the needs and preferences of our target audience."

At present, the electric toothbrush is limited to a niche market with the general perception of it being a luxury product. The focus market in the present time is the middle and upper-class population, while their long-term vision is to make the products

accessible to a wider range of people. GC says, "Gradually, more people are becoming aware about the quality of our toothbrushes and have started appreciating it. The other plus is that our toothbrushes come with replaceable brush heads and 100-day battery backup. It is like making a long-term investment for your dental health."

Talking about the entrepreneurial and startup culture in Nepal, they say that it is rapidly growing with more individuals taking the leap of faith. "There is a strong sense of creativity and innovation among young Nepali entrepreneurs who are eager to solve pressing societal challenges and create new

business opportunities," they say, adding, "However, there are the challenges of limited access to funds, infrastructure and mentorship. Despite this, the entrepreneurial spirit in Nepal remains strong and with the right support and resources, there is enormous potential for the startup ecosystem to thrive."

The two friends believe that life is a race and one should be willing to take risks. They also believe in staying consistent and disciplined in meeting their objectives. The co-founders want Yeti Teeth to be accepted by a wider range of customers and they are working towards achieving that goal. **B**





# Fundamental Analysis Vs Technical Analysis



**Vivek Risal** is a financial market expert and can be reached at [vivekrisal@gmail.com](mailto:vivekrisal@gmail.com)

A common question that confronts a trader in their day-to-day trading is whether to select fundamental analysis or technical analysis, or both. These two classes are widely used while analysing the financial asset and answering the million-dollar question-to go long (buy) or short (sell). Traders look at numerous factors at their disposal while trading in the financial markets and the choice of financial instrument to trade is factored in the summary of these two analyses. Both forms of study allow a trader to collect evidence to form a decision about the trades they are considering initiating. The evidence is collected by traders from all sources and rarely will it all fall into just one category. Likewise, as more data is collected from varied sources, it will help traders to paint a complete picture of the market they are planning to trade in.

## Fundamental Analysis

Fundamental Analysis refers to the analyses of various factors that contribute to change in the commodity's supply and demand. For example, when the crude oil inventories data is published every Wednesday by Energy Information Administration (EIA), it allows a trader to form

an assumption about whether the supply will increase or decrease in the future, driving the prices to go down or up respectively. The trader might initiate the sell position if prices are declining or initiate the buy position if prices are forecasted to incline.

Several factors will increase or decrease the demand and supply of a commodity. These factors are complex and interrelated and their effect on price can change over time. A detailed model and analysis is required to create a complete picture of the fundamentals of the market. Supply and demand are slow to react to the changes in the market fundamentals usually in the form of market shocks which are normally not factored. Shocks can occur in the form of natural disasters, supply chain issues, or defects in the products. For example, if there is a natural disaster in a major crude oil-producing nation and the ships cannot unload their cargo, it creates a surprise and an immediate reduction in the supply that may not have been initially predicted in a supply and demand model.

## Technical Analysis

Technical Analysis is studying past prices and chart movement to identify the next move in prices. It is simply the studying of historical prices and emerging patterns to forecast the direction of the market. It uses the visual representation of the price to help illustrate where the price is and where it may move in the future. There are various tools and indicators that traders may use to help in the decision process. A trader can look for candlestick patterns like a hammer, hanging man, bullish engulfing, bearish engulfing, morning star or

evening star. Chart patterns like a double top, double bottom, head and shoulders, ascending triangle and descending triangle or indicators like Simple Moving Average (SMA), Relative Strength Index (RSI), Moving Average Convergence Divergence (MACD) and Bollinger Bands can also assist traders. For professional traders, advanced technical tools like Fibonacci and Elliot Wave are also used.

A common area of interest for traders is the levels of support and resistance. Traders will look at these levels and

hand, many traders will first review the charts and then look at the fundamentals to see if the future supply and demand are sufficient to move the prices through the support and resistance levels. For example, if crude oil inventory report indicates a decline in supply increasing the price, the trader will support his hypothesis by looking at the various technical tools and indicators that he has employed. If the various technical tools and indicators do support this, then the conclusion will be to initiate a buy position in the contract since both the



make buy and sell decisions when the price is at a level that the technical analyst believes is a key buy or sell level. Support levels are below the current market price and the resistance levels are above the current market price. While each form of technical tool and indicator relies on different data sets and equations, all of them have a common goal - to assist the trader and build a more complete technical analysis of the market.

## Using Fundamental and Technical Analysis Together

Fundamental and Technical Analysis can be used simultaneously to provide traders with a bigger picture of the market. Numerous traders will build pricing models and then look at the charts to confirm their assumptions of entries and exits. On the other

analysis confirm the direction of the commodity. However, the trader's judgement and his past experiences will also influence the result.

## Conclusion

Fundamental analysis and technical analysis are both valid approaches when interpreting commodity markets. Both analyses provide helpful insights in identifying the various trends in the market. By comprehending market movements and the reaction to certain stimulants, it allows the traders to better grasp the choices they will be facing in the ensuing days in the financial markets. Although at the opposite ends of the spectrum, Fundamental and Technical Analysis are the two major schools of thought when it comes to approaching the financial markets. **B**

# Beed's take on the market



During the review period of March 28 to April 27, the Nepal Stock Exchange (NEPSE) index declined by 18.35 points (-0.96%) to close at 1,892.00 points. The secondary market continued its downward momentum in this review period reaching its lowest point of the review period on April 9 at 1,839.49 points.

The third quarter results of listed companies have failed to excite the general investors, while the growing fiscal deficit has further shaken investor confidence. During the review period, the overall total market volume plummeted by 6.81% to reach Rs 22.5 billion.

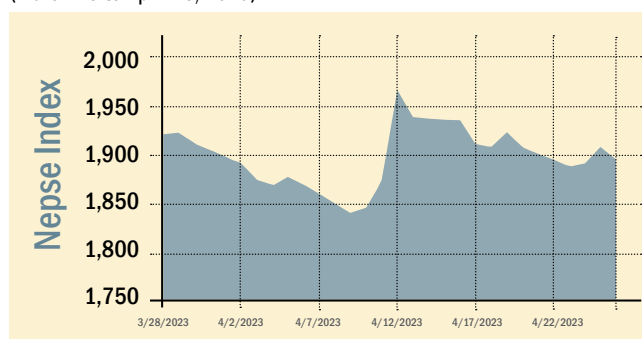
During the review period, six of the sub-indices landed

**Table 1 Sub-indices during the review period**  
(March 28 to April 26, 2023)

	March 28, 2023	April 26, 2023	% Change
NEPSE Index	1,910.35	1,892.00	-0.96%
Sub-Indices			
Commercial Bank	1,224.06	1,233.58	0.78%
Development Bank	3,556.80	3,469.40	-2.46%
Hydropower	2,572.23	2,436.36	-5.28%
Finance	1,651.16	1,586.79	-3.90%
Non-Life Insurance	8,774.41	8,600.98	-1.98%
Others	1,462.19	1,409.02	-3.64%
Hotels and Tourism	3,114.19	3,512.62	12.79%
Microfinance	3,325.86	3,382.36	1.70%
Life Insurance	9,579.92	9,440.48	-1.456%
Manufacturing & Processing	4,362.88	4,408.93	1.06%

Source: Nepal Stock Exchange

**Figure 1 NEPSE Index during the review period**  
(March 28 to April 26, 2023)



Source: Nepal Stock Exchange

in the red zone and four in the green zone indicating a slight stabilisation of the market in certain sectors.

In the red zone, Hydropower sub-index (-5.28%) was the biggest loser as the share value of Upper Tamakoshi Hydropower (-Rs 28.6), Himalayan Power Partner (-Rs 20.9), and Arun Kabeli

Power (-Rs 20) saw the most significant decrease. Finance sub-index (-3.90%) was second in line as it witnessed a fall in the share prices of Best Finance Company (-Rs 23), Pokhara Finance (-Rs 18.3), and Shree Investment Finance (-Rs 17.3).



Others sub-index (-3.64%) followed suit with decrease in the share prices of Citizen Investment Trust (-Rs 23), Hydroelectricity Investment and Development Company (-Rs 6.9), and Nepal Doorsanchar Company (-Rs 3.1). The Development Bank sub-index (-2.46%) also fell as share value of Excel Development Bank (-Rs 26), Mahalaxmi Bikas Bank (-Rs 15), and Narayani Development Bank (-Rs 13.8) declined.

Non-life Insurance sub-index (-1.98%) went down as share prices of Rastriya Beema Company (-Rs 322), Shikhar Insurance (-Rs 33), and Prabhu Insurance (-Rs 16.6) went down. Life Insurance sub-index (-3.11%) also dropped with fall in the share value of Asian Life Insurance (-Rs 56), Gurans Life Insurance (-Rs 54), and Prime Life Insurance (-Rs 45).

The remaining sub-indices were in the green zone. Commercial Bank sub-index (+0.78%) witnessed increase in the share prices of Everest Bank (+Rs 35.1), NIC Asia Bank (+Rs 29) and Standard Chartered Bank (+Rs 20.2). Manufacturing and Processing sub-index (+1.06%) saw an increase in the share value of Unilever Nepal (+Rs 2,160) and Himalayan Distillery (+Rs 20).

Further, Microfinance sub-index (+1.70%) saw an improvement with increase in share prices of Global IME Microfinance (+Rs 105.1), Swabalamban Microfinance (+Rs 47.9), and Chhimek Laghubitta Bikas Bank (+Rs 37.1). Hotels and Tourism sub-index (+12.79%) was the biggest winner with increase in the share value of Taragon Regency Hotel Ltd (+Rs 34.6), Soaltee Hotel Ltd (+Rs 31.6), and Oriental Hotels (+Rs 25).

#### News and Highlights

On the public issues front, SEBON has approved the Initial Public Offering (IPO) of Three Star Hydropower at Rs 492.5 million, Ghorahi Cement Industry at Rs 3.972 billion, and Nepal Republic Media at Rs 967.5 million. Himalayan Capital, Nabil Investment Banking, and Mega Capital Markets Ltd were appointed as the respective issue managers.

SEBON also approved the rights shares of Himal Dolakha Hydropower Company at Rs 1.2 billion, and debenture of Lumbini Bikas Bank at Rs 1 billion. Laxmi Capital Market and Nabil Investment Banking are the respective issue managers. SEBON has also put Nabil Mutual Funds 'NI 31' worth Rs 150 million and Global IME Mutual Fund's 'Global IME Samunnat Yojana-II' worth Rs 1.2 billion under its Mutual Fund Scheme pipeline.

#### Outlook

The decline in interest rates has provided investors with some respite in the face of constrained liquidity and fiscal deficit. However, market turnover has not improved due to investor scepticism regarding the performance of listed companies, particularly financial institutions, as loan loss provision has increased in the most recent quarter. The market is likely to maintain its current momentum, with no clear pattern. **B**

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# Legal and Regulatory Constraints on Foreign Equity Investment in the Nepali Industrial Sector



**Lajula Maharjan (Banla Madan)** is a Senior Associate at Pioneer Law Associates with extensive experience in Investment Law, Project Finance, and Transactions Law. She has been actively engaged in the legal reform projects, corporate litigation and leading the start-up clinic of the firm.

Foreign investment in Nepal must comply with the positive list and avoid the negative list as per the law. The Department of Industry (DoI) approves investments of up to Rs six billion, while the Investment Board Nepal (IBN) approves investments of above Rs six billion. The Nepali government

has recently lowered the minimum investment threshold to Rs 20 million providing relief to investors interested in non-capital-intensive businesses. Also, a gazette notification has been issued to implement an automatic route to establish a new company (with 100% or joint foreign investment) or increment of capital of an existing company with foreign investment.

Nepal Rastra Bank's survey report shows that gross Foreign Direct Investment (FDI) inflow increased by 1.2% to Rs 19.9 billion in 2020/21, with foreign investment repatriation remaining at around 2% of gross FDI inflow. However, as per the Synopsis Report 2022 issued by the DoI, foreign investment in Nepal has been declining since 2019. Despite approval by the Department of Industry, FDI dropped from Rs 55,760.48 million in fiscal year 2074/75 to Rs 12,201 million as of mid-June fiscal

year 2078/79. Despite the high approval, there is a significant gap between approved and actual net FDI inflow in Nepal.

Concerned authorities have not proactively identified the reasons for the significant gap between foreign investment commitments and realisations. To create a favourable investment climate and improve ease of doing business, the legal and regulatory regime must be flexible and accommodating for investors. Following represents the primary impediments to foreign investment in Nepal's legal and regulatory framework,

## NEGATIVE LIST

The law limits foreign investment in certain Nepali industries such as poultry farming, fish farming, beekeeping, fruit and vegetable cultivation, oilseed production, pulse cultivation, and primary agricultural production, except for large-scale (75% of the total

production) export-oriented industries. It also restricts investment in cottage and small industries, as well as travel agencies and guides involved in tourism, including homestays. It is time to revisit the negative list under the law and open up sectors with high potential for foreign investment to promote and increase foreign investment in Nepal.

## REGULATORY APPROVALS

Timeline for foreign investment approval. The timeline for foreign investment approval granted by the regulating authorities, specifically the DoI/IBN, often exceeds the statutory period. According to the law, foreign investment approval should be provided within seven days, but in practice it takes anywhere from 6 to 12 weeks or more.

Checklist of Documents. The law has provided a checklist of documents necessary for FDI approval. However, the provision regarding document request allows government officials to request additional documents beyond the checklist at any stage of processing. As a result, government authorities may request further documents for verification of the investment module several weeks after the initial submission. Among many, the requirement to submit Ultimate Beneficiary detail is a significant concern for foreign investors, particularly in cases involving commercially complex offshore entities or funds where such information may not readily be available due to privacy protections.

Ineffective One-window





System. The law envisaged the notion of a single window to ease regulatory approval and facilitate investors. However, in practice, the current 'One Point Service Centre' operates as a building with multiple regulating authorities under a single roof. Foreign investors must visit DoI/IBN and the Central Bank separately for investment approval, as well as the Office of the Company Registrar (OCR) for company registration and the DoI for industry registration.

Additionally, investors must separately process tax and business registration and obtain regulatory licences or approvals from various government authorities physically. The process becomes even more cumbersome when seeking approvals from multiple authorities for minor changes in the project proposal including but not limited to increase capital, enhancement of capacity, and change in location of the plant.

Restriction on Multiple Objectives. The current legal framework does not restrict to retain multiple objectives of a company, but the OCR prohibits retaining multiple objectives for a company with foreign investment. For example, a company manufacturing food cannot provide IT services.

Pricing. Regulators block foreign investment above or below share valuation, despite a laissez faire policy. The regulatory approvals are based on valuation report, not commercial decisions.

## LACK OF DIGITALISATION

Due to lack of digitalisation, physical copies of documents must be submitted, resulting in the need to submit the same set of documents to different regulatory authorities. Misplacing physical copies of transaction files can cause delays of months when restarting the approval process, such as for capital increment or updating company capacity.

## REPATRIATION

The law allows for the repatriation of investment, profit, dividends, and share sale proceeds, but obtaining recommendations from DoI/IBN and approval from Nepal Rastra Bank is unpredictable in terms of timing. Regulatory approval is often provided months after corporate resolution for repatriation, discouraging foreign investors from choosing Nepal for further investment.

## OTHERS

The 'Change in Control' tax is a major challenge for investors who prefer to enter a company for a short duration and make an exit after their goal has been completed. Frequent entry and exit of investors over a period of numerous years triggers payment of several taxes like the capital gains tax and change in control tax, which includes high costs and hampers the status of the balance sheet of a company. Obtaining a business visa for the authorised representative can be difficult and delayed. There is a lack of effective independent grievance handling mechanism to impartially hear investor queries without future obstacles. Intellectual property infringement is prevalent in Nepal, and registering intellectual property is a time-consuming process that can discourage investors. Simplification, rationalisation, and harmonisation of the multiple laws enacted by different line ministries, should be considered by the Government of Nepal. **B**

Successful people are always looking for opportunities to help others. Unsuccessful people are always asking, 'What's in it for me?'



– BRIAN TRACY  
Author and Motivational Speaker

When you assume negative intent, you're angry. If you take away that anger and assume positive intent, you will be amazed.



– INDRA NOOYI  
Former CEO, PepsiCo

When you make a mistake, there are only three things you should ever do about it: admit it, learn from it, and don't repeat it.



– LATE BEAR BRYANT  
College Football Player and Coach

Our mission statement about treating people with respect and dignity is not just words but a creed we live by every day. You can't expect your employees to exceed the expectations of your customers if you don't exceed the employees' expectations of management.



– HOWARD SCHULTZ  
Former Chairman & CEO, Starbucks

# AI: Advantages Come With Risks Ahead



Artificial Intelligence (AI) has become a ubiquitous buzzword in today's technological landscape, with its applications ranging from voice assistants to self-driving cars. The concept of AI has now gone through several stages of evolution to become what it is today. The origins of AI date back to the mid-20th century when computer scientists began exploring the possibility of machines that could perform tasks that required human intelligence. One of the first examples of AI was the 'Logic Theorist', developed in 1955 by Allen Newell and Herbert A. Simon, which was a programme that could prove mathematical theorems.

The 1960s saw the emergence of symbolic AI, which relied on the

manipulation of symbols and rules to perform tasks. One of the notable examples of symbolic AI was the General Problem Solver (GPS), developed by John McCarthy and Marvin Minsky in 1961, which could solve a wide range of problems by representing them as symbolic structures. In the 1980s, AI experienced a paradigm shift with the introduction of connectionist AI, also known as neural networks. Neural networks mimic the structure and function of the human brain and are capable of learning from data. The development of backpropagation, a technique for training neural networks, led to breakthroughs in fields such as image and speech recognition.

The 1990s saw the emergence of statistical AI, which combined elements of symbolic AI and connectionist AI. Statistical AI relies on probabilistic models to make predictions and decisions based on data. This approach has been successful in areas such as natural language processing and recommendation systems. In recent years, AI has experienced another significant shift with the rise of deep learning, which allows AI systems to learn and improve from vast amounts of data. Deep learning has led to breakthroughs in areas such as image and speech recognition, natural language processing, and predictive analytics. Today, deep learning algorithms power many AI applications, including self-driving cars and medical diagnosis.

The evolution of AI has been driven by advancements in computing power, algorithms, and data availability. The emergence of cloud computing has made it easier and more cost-effective for businesses and organisations to implement AI solutions. The availability of big data has also been a game-changer, allowing AI systems to learn and improve from vast amounts of data. The evolution of AI has been marked by several significant shifts, from symbolic AI to neural networks and deep learning. The future of AI is likely to be driven by advancements in areas such as explainable AI, which aims to make AI systems more transparent and understandable, and reinforcement learning, which allows AI systems to learn from





feedback and experience.

As AI continues to evolve, its potential to transform industries and disrupt traditional business models will only grow. It has become a critical component for organisations and businesses to stay competitive and relevant in today's fast-paced, data-driven world. However, implementing AI in an organisation can be a daunting task, and many businesses struggle to make it work effectively. Here, we will discuss some key steps that businesses can take to successfully implement AI in their operations.

Before implementing AI in your organisation, you need to identify the problem that you want to solve. This can range from automating routine tasks to improving customer experience. Once you have identified the problem, you can start looking for AI solutions that can help you achieve your goals.

There are several AI technologies available in the market such as machine learning, natural language processing, and computer vision. It is essential to choose the right technology that aligns with your business objectives and solves the problem you have identified. AI algorithms require vast amounts of data to learn and make predictions. Therefore, it is critical to gather and prepare data that is relevant and accurate. Data preparation involves cleaning, organising, and labelling data to make it suitable for AI analysis.

Once you have gathered and prepared data, you need to develop and train AI models. This involves selecting the appropriate algorithm, configuring the parameters, and training the model on the data set. It is essential to evaluate the model's performance regularly and refine it based on feedback. After developing and training the AI model, it is time to integrate it into your operations. This involves deploying the model in a

production environment and integrating it with your existing systems and processes. You may also need to train your employees to use AI tools and systems effectively.

It is essential to monitor and evaluate AI performance regularly. This involves measuring the accuracy of the model's predictions, identifying areas for improvement, and refining the model accordingly. You may also need to retrain the model periodically to keep up with changing business needs. As with any technology, AI raises ethical and legal concerns, such as data privacy, bias, and accountability. These issues must be addressed upfront and AI design systems must be transparent, fair and accountable.

With significant AI progress in recent years, it has had many subsequent positive advancements and benefits across industries. However, like any technology, AI also poses certain risks that must be addressed to ensure its safe and responsible development and use. Here are some of the possible risks of AI and how they can be mitigated. AI algorithms learn from data, and if the data contains biases, it can lead to biased decisions and discrimination. For example, if an AI algorithm is trained on historical hiring data that contains biases against certain demographics, it may perpetuate those biases in the future. To mitigate this risk, it is essential to ensure that the data used to train AI models is diverse and representative of the population.

As AI systems automate tasks previously performed by humans, there is a risk of job loss and unemployment. This is particularly concerning for low-skilled jobs that are vulnerable to automation. To mitigate this risk, it is essential to invest in reskilling and upskilling programmes to help workers transition to new roles that require human skills and expertise. AI systems can be

vulnerable to cyberattacks and data breaches, which can compromise sensitive information and cause significant harm. To mitigate this risk, it is essential to implement robust security protocols and conduct regular security audits to identify and address vulnerabilities.

Autonomous weapons systems that can make decisions without human intervention pose a significant risk of accidental or intentional harm. To mitigate this risk, it is essential to regulate the development and use of autonomous weapons and ensure that they are subject to human oversight and control. As AI systems become more integrated into our daily lives, there is a risk of over-reliance and dependence on them. This can lead to reduced critical thinking and decision-making skills, which can be harmful in situations where AI systems fail or make errors. To mitigate this

risk, it is essential to maintain human decision-making and oversight over AI systems.

AI systems can process vast amounts of personal data, raising concerns about privacy and data protection. To mitigate this risk, it is essential to implement strong data protection regulations and ensure that AI systems comply with them. Additionally, organisations should be transparent about the data they collect and how it is used. AI offers many benefits, but it also poses certain risks that must be addressed to ensure its safe and responsible development and use. To mitigate these risks, it is essential to implement robust regulations, invest in ethical and responsible AI development, and ensure that human decision-making and oversight are maintained over AI systems. By doing so, we can maximise the benefits of AI while minimising its potential harms. **B**

**“It is always the consumer who lies at the heart of any branding or marketing activity of any product or service. One must never forget that they have to at any given time be focused on the consumer because the customer is the king. That is one thing I learnt from my very first job. The other aspect that one has to understand and which is paramount is to understand the needs of the consumer, the un-met needs to be precise. We have to look at how we as a brand can help consumers with their needs”**

Thomas Mayr, Marketing Director, Asia of Campari Group was recently in Kathmandu to launch Skyy Vodka. The brand has been launched in Nepal in partnership with Jawalakhel Group of Industries, which will be handling the bottling and distribution aspects of the product in the country.

Mayr started his career with P&G right after university. He also did stints in China and Singapore for both haircare and beauty care products. It was around four years back that Mayr decided to shift to the spirits industry and joined Campari.

“I am originally from Italy and working with Campari is like going back home because it is an Italian company. Working in this industry has been a fascinating experience because every other day there are new trends coming up globally. As a marketing passionate, there is so much to talk about when it comes to our brands,” he says.

**Business 360** caught up with Mayr during his visit to Kathmandu. Excerpts of a conversation with him:

**What are the aspects that one needs to look into while branding and marketing a product?**

It is always the consumer who lies at the heart of any branding or marketing activity of any product or service. One must never forget that they have to at any given time be focused on the consumer because the customer is the king. That is one thing I learnt from my very first job. The other aspect that one has to understand and which is



**Thomas Mayr**  
Marketing Director - Asia, Campari Group



paramount is to understand the needs of the consumer, the un-met needs to be precise. We have to look at how we as a brand can help consumers with their needs. And we have to ensure that we cater to the right consumer with the right brand, moreover if you have a substantial brand portfolio. In that way you will not only build value for the consumer but subsequently you will build value for the company too. So, it always starts with meeting the consumer needs.

#### **Campari has launched Skyy Vodka in Nepal. Why Skyy Vodka?**

We have a portfolio of over 50 brands in the Campari Group. Why Skyy? Well, Skyy is a premium vodka from America that was born in San Francisco in 1992. We spoke to our partner, Jawalakhel Group of Industries, and we felt that Skyy Vodka is a great brand that is perfectly suited for Nepal because it is a brand that will help premium-ise the vodka category in the country. It is about providing an American vodka experience to Nepali consumers with its beautiful new packaging. I will not be exaggerating when I say Skyy is a great vodka. It is very smooth, it is very pure, and the first few consumer feedback have been fantastic in Nepal. We thought it would help to premium-ise the vodka category of Nepal. We think Nepali consumers have that need, that un-met need that I talked about earlier. It is an American brand in the premium category and we have a great partner here who I am certain will help us to market and distribute the product across all the different regions of Nepal. We have launched the brand in Kathmandu and I would say it is just the beginning of our journey in Nepal. We have great hopes from the market here and we have set targets for Nepal but I will not be able to talk numbers because it is against the policy of our group.

**Besides Skyy Vodka are there any other products you plan to launch in Nepal in the near future?**

We are looking into that aspect but to be honest we have just launched Skyy Vodka so it is early days for us. We, at Campari, prefer to do one thing at a time and do it well. From what I have seen in the last couple of days there is an exciting trend in the vodka category in Nepal and we want to be a part of it. Globally too, the white spirits category is not a big category. So, we will be slowly looking at other opportunities but it is too early now to say what brand from our portfolio we will be launching as you know we have a very big portfolio of brands. We are a leading company in spirits, bitters and aperitifs globally with a great Italian portfolio. We also have a very fast-growing brown spirits portfolio with single malts from Scotland. We do have blended Scotch and bourbon from the United States and not to forget our cognac. These are categories that are very popular across the world. So, we look into expanding our portfolio in Nepal. At the moment, we are still exploring. For now, we really want to focus on Skyy as we know there are a lot of opportunities here.

#### **How did the Covid pandemic affect the liquor industry globally and Campari specifically? Any key lessons from the pandemic?**

No one expected the pandemic to be so severe and to last so long. Everybody was taken aback by this. It did hurt literally all the businesses globally but it was a great period of learning for us. I remember in March 2020, I was with my team and we had to quickly decide on what we were going to stop, what we were going to continue, and what we were going to start. We completely scrapped our marketing plans and started from scratch based on the very unique situation that we were in. What we learnt was that the consumer wants to experience your products regardless of the channel through which it is delivered, that was probably the number one lesson for us.

During the pandemic all the premises were closed but the

consumer was still longing to experience the brands. What we need to realise is that no matter what happens, life moves on and celebrating and toasting life together is our company motto. Having celebratory moments, intimate moments with your close ones, sharing a cocktail or a spirit with a friend or partner will continue to be very important in people's lives. So, we thought about how we could bring that experience to the homes of our consumers. We thought of how we could educate consumers at home on how to create that same perfect cocktail with our portfolio that they were used to drinking on premise. During the Covid we witnessed very fast growth in our off-premise business. We used a lot of educational tools, we used QR codes on neck tags to explain how to make cocktails at home. We doubled down our investment on social media to target our consumers. In that process, the so-called home-tending which is bartending at home skyrocketed.

What we also noticed in that period was that people were at home and were consuming fewer spirits but wanted to discover premium brands. That actually helped us as people started discovering more spirits. Since people were going out less which means spending less outside the demand for premium spirits went up. People had so much of free time at home, they would go online and educate themselves on how to create a cocktail or which whiskey was right for their palette. After the pandemic it is great to see the on-premise business back because we still believe that brands are built on premise. That's what Campari believes in. However, the home-tending concept that was born then is still continuing. People have discovered how to do it at home so they still like to once in a while treat themselves or invite people over. So, now it is much more of an omni channel. You may be learning online but you still go to the bars and you know exactly what you order

or you are going off-premise and looking online on how to create a cocktail at home. So, the Covid has really blurred the lines between the channels. As long as the experience is there the consumer is well taken care of. Obviously, we are very happy that we are out of the pandemic but now we have learnt a lot about the different omni channels.

#### **What do you think the growth will be like globally for the spirits industry?**

I really don't have a crystal ball to make concrete predictions but what we see is that people are aspiring for imported spirits like somebody from Nepal may want to try out an American brand. People are more open to trying out international brands. All this is happening due to the pop culture. Consumers want to try out drinks that they see in movies or when they are online on some or the other social media. The trend of people moving from local brands to international brands is growing and will continue to do so.

In terms of categories, the beauty of our industry is that different markets have different preferences. Even within the same market there are different regions which have different choices. We could take India as an example where in the north, it is all about brown spirits but as you go down to Mumbai it becomes more of a gin country. Nepal has a very good mix of brown as well as white spirits. There is one interesting trend in the United States, which is the biggest market in the world, where tequila has overtaken American whiskey. Consumption of tequila in America is growing really fast. Similarly, consumption of mezcal (mescal), which is a distilled alcoholic beverage made from any type of agave, is also growing fast. These spirits are not so big in Asia where people still prefer brown spirits but gin is growing pretty fast. Over the last couple of years, cognac has seen a renaissance in many markets. Another example could be rum which has been a very small

market historically in Asia but at the super premium level it is growing fast.

So, there are a lot of changes taking place in the way people consume the categories that they are consuming. People are exploring more these days. The explorer mindset was probably accelerated by the pandemic. People did a lot of research at home and they are more willing to go beyond what they used to drink previously.

Another trend that is gaining ground is consumers have started making healthier choices as they have become more conscious about calorie count. For instance, in the US vodka used to be consumed late at night in the clubs but now people see it as more of a lifestyle choice. Consumers are drinking vodka with soda during the day too because it is one of the lowest calorie drink you can have. There are a lot of fascinating trends but at the end of the day I would advise people to drink responsibly.

**From among the various brands in your portfolio which category looks promising for the Campari Group?**

I would say tequila is on fire, especially in North America and Europe. It is a spirit that has become more refined than it used to be earlier and you can have it neat or you could have it mixed. It is a drink that is very much in trend in the US and the US usually tends to be the trend-setting market. We have espanol which is one of the leading tequilas in the world in our portfolio. What we have also witnessed is that people are moving from blended to single malt Scotch. We have Glen Grant in our portfolio, which is one of the most revered single malts and we are very proud of this brand. We are expanding it in Asia. The market in Asia is dominated by brown spirits, however people are moving up to single malts and that is continuing to accelerate.

Another interesting trend I have been noticing is that previously the 'age' statement used to be very much the signal for quality and status of a drink.



But now the consumer has learnt so much about single malts that 'age' statement is no longer the only signal. Now consumers are going into other details like the cask finish or in what type of cask the liquid was in. People are also looking at whether the drink is a limited release, whether it is available in other countries too. It is good that consumers are not only looking at the 'age' statement but other aspects of quality and prestige. Meanwhile, cocktails and mixology also have seen a renaissance. People have rediscovered classic cocktails. Negroni is doing fantastically well and it is the number

one classic cocktail in the world. Campari has continued to support the growth of mixology. It is a very passionate industry for bartenders as it is like creating an art piece and providing an experience to consumers who are finally back on premise. I have met some great bartenders here. In Kathmandu, there is great talent and I am very confident that mixology will grow very fast in Nepal although it is very small at the moment. That is my prediction as the youth is always looking for new cocktail experiences. Social media sharing has accelerated that because people are always

looking to share interesting things with their friends and this will give a boost to the mixology trend.

What is fascinating in our industry is there are always new trends coming. The consumer is more educated today and is able to make choices that suit them. Whether it is in Nepal or Singapore most people have access to a smartphone, so the democratisation of spirits and the choices that you can make will continue to grow. People shifting to more premium brands will also continue to grow as most consumers these days want to have less but better experiences. **B**



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## Newly appointed Finance Minister Mahat assumes office



Newly appointed Minister for Finance Prakash Sharan Mahat assumed office in Singha Durbar, Kathmandu, on March 31. President Ram Chandra Paudel administered the oath of office and secrecy to the newly-appointed Finance Minister at a special ceremony organised at the Office of the President on the same day.

Minister Mahat believes that the best legislation is born from a thorough understanding of grassroots issues and should reflect the needs of ordinary people, not just those of powerful interest groups. Born in Nuwakot on November 5, 1959, Mahat has had an active political career of more than three decades. He actively participated in the democratic movements, conflict resolution, and the peace process of the country and is keen on advancing inclusive economic development agenda.

He began his political career in student politics in 1970. From 1983 to 1987, he served as General Secretary of Nepal Students' Union. He was a Member of the Action Committee on behalf of Nepali Congress during the People's Movement of 1990. He also served as a Member of Central Economic Policy Committee in the Nepali Congress from 1998 to 1999. Since 2022, Mahat has taken responsibility as Spokesperson for Nepali Congress.

Mahat was also Minister for Energy from 2010 to 2011. He was Former State Minister for Foreign Affairs from June 2004 to February 2005. He was also a member of National Planning

## Chandra Prasad Dhakal assumes office as FNCCI President



The newly elected President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Chandra Prasad Dhakal, assumed office at the FNCCI Secretariat in Teku, Kathmandu on April 16.

After assuming office, he pledged to work for the welfare of businesspersons. A Co-founder of the IME Group, Dhakal began his business journey in 1989 with a grocery business, launched a cargo business in 1996, and then pioneered the first remit company, International Money Express, popularly known as IME. Under his visionary leadership, IME Group runs and manages over two dozen companies ranging from remittance, banking, trading, information technology, energy, tourism, automobile, and insurance to sports and entertainment.

As the Chairman of IME Group and Global IME Bank, Dhakal has successfully concluded mergers and acquisitions with 21 banks and financial institutions (BFIs) and turned the bank into one of the largest financial institutions in the country. He has represented the private sector including the FNCCI at various government and other institutions including the Investment Board Nepal and International Labour Organisation. He has been serving as the Honorary Consul of Indonesia as well as President of Nepal-Indonesia Chamber of Commerce and Industry. He has also served as Senior Vice President of FNCCI and chaired various committees at the apex private sector body. Dhakal is also strongly focused on tourism and infrastructure development, capital formation and employment generation with the development of cable cars, hotels and other large infrastructure facilities in Kathmandu Valley and in other provinces.

The Government of Nepal has decorated him with Kirtimaya Rastradeep, Prabal Janasewashree (Fourth) and Gorkha Dakshin Bahu (IV), recognising his significant contribution to business and the economic. He was also awarded by the Government of Indonesia for his outstanding service in rescuing and evacuation of Indonesian citizens during the 2015 earthquake.

During the 57th annual general meeting of FNCCI held on April 11 to 12, Anjan Shrestha was elected as Senior Vice-President while Sur Krishna Vaidya was elected Vice President (Industry, Commerce), Jyotsana Subba Shrestha as Vice President (Associate) and Hemraj Dhakal as Vice President (Commodity).

Commission from April 2002 to October 2002 and Advisor to the Prime Minister from September 2001 to May 2002. He has also served as Minister for Foreign Affairs from 2016 to 2017.

Minister Mahat has written a book titled 'Nepali Congress and Nation Building' which is based on his Master's Thesis on the Economic Policy of first-ever elected Nepali Congress Government led by BP Koirala.

## Consumer price inflation at 7.44%, remittance inflows up 25.3% to Rs 794.32 billion

According to the current Macroeconomic and Financial Situation of Nepal based on eight months data ending mid-March, 2022/23, released by Nepal Rastra Bank, the year-on-year (y-o-y) consumer price inflation remained at 7.44% in mid-March 2023 compared to 7.14% a year ago. Food and beverage inflation stood at 5.64% whereas non-food and service inflation rose to 8.87% in the review month.

Under the food and beverage category, y-o-y price index of cereal grains and their products sub-category increased 14.35%, restaurant and hotel 14.09%, spices 10.88%, tobacco products 10.83% and alcoholic drinks 8.78%. Under the non-food and services category, y-o-y price index of transportation sub-category increased 13.23%, health 10.39%, housing and utilities 9.72%, recreation and culture 8.81%, and furnishing and household equipment 8.79%.

In the review month, consumer price inflation in Kathmandu Valley, Terai, Hill and Mountain surged to 7.95%, 7.50%, 6.67% and 8.07%, respectively. Inflation in these regions was 6.31%, 7.36%, 7.69% and 7.56% respectively, a year ago.

The report states that during the eight months of 2022/23, merchandise exports decreased 29.1% to Rs 104.80 billion against an increase of 82.9% in the same period of the previous year. Destination-wise, exports to India and China decreased 37.5% and 4.9% respectively whereas exports to other countries increased 6% percent.

Exports of zinc sheet, cardamom, particle board, woollen carpets, tea, among others, increased whereas exports of soyabean oil, palm oil, oil cakes, textiles, silverware and jewelry, among others decreased in the review period.





In the review period, merchandise imports decreased 19.1% to Rs 1,058.39 billion against an increase of 38.6% a year ago. Destination-wise, imports from India, China and other countries decreased 17.6%, 21.7%, and 21.4%, respectively. Imports of petroleum products, chemical fertiliser, sponge iron, gold, other stationery, among others, increased whereas imports of transport equipment and parts, medicine, MS billet, crude soyabean oil, telecommunication equipment and parts, among others, decreased in the review period.

The total trade deficit decreased 17.9% to Rs 953.59 billion during the eight months of 2022/23. Such deficit had increased 34.5% in the corresponding period of the previous year. The export-import ratio decreased to 9.9% in the review period from 11.3% in the corresponding period of the previous year.

Meanwhile, remittance inflows increased 25.3% to Rs 794.32 billion in the review period against a decrease of 1.3% in the same period of the previous year. In US dollar terms, remittance inflows increased 14.8% to \$6.09 billion in the review period against a decrease of 2.6% in the same period of the previous year.

The number of Nepali workers (institutional and individual-new) taking approval for foreign employment increased 54.3% to 351,761 in the review period. The number of Nepali workers (Renew entry) taking approval for foreign employment increased 8% to 192,559 in the review period. It had increased 240.9% in the same period of the previous year.

The central bank report mentions that the current account remained at a deficit of Rs 44.31 billion in the review period compared to a deficit of Rs 460.72 billion in the same period of the previous year. In US dollar terms, the current account registered a deficit of \$345.7 million in the review period compared to deficit of

\$3.86 billion in the same period last year.

In the review period, capital transfer decreased 20.3% to Rs 5.58 billion and net foreign direct investment (FDI) remained at Rs 1.17 billion. In the same period of the previous year, capital transfer and net FDI amounted to Rs 7 billion and Rs 16.30 billion, respectively.

The Balance of Payments (BoP) remained at a surplus of Rs 148.11 billion in the review period compared to a deficit of Rs 258.64 billion in the same period of the previous year. In US dollar terms, the BoP remained at a surplus of \$1.12 billion in the review period against a deficit of \$2.17 billion in the same period of the previous year.

Meanwhile, gross foreign exchange reserves increased 15.2% to Rs 1,401.21 billion in mid-March 2023 from Rs 1,215.80 billion in mid-July 2022. In US dollar terms, gross foreign exchange reserves increased 12.1% to \$10.69 billion in mid-March 2023 from \$9.54 billion in mid-July 2022.

Of the total foreign exchange reserves, reserves held by the Central Bank increased 17.8% to Rs 1,244.94 billion in mid-March 2023 from Rs 1,056.39 billion in mid-July 2022. Reserves held by banks and financial institutions (except NRB) decreased 2% to Rs 156.27 billion in mid-March 2023 from Rs 159.41 billion in mid-July 2022. The share of Indian currency in total reserves stood at 23.9% in mid-March 2023.

### **Nepal, World Bank discuss strengthening management of fiscal risks in PPPs for infrastructure projects**

The Government of Nepal aims to deliver Rs 0.8 trillion (\$6 billion) infrastructure investments through public-private partnerships (PPPs) as part of its 15th Plan (2019/20 – 2023/24). While PPPs are vehicles to mobilise private sector financing, governments often must provide fiscal

support to mitigate risks. The need for robust fiscal management to manage the government's PPP-related fiscal risks, or Fiscal Commitments and Contingent Liabilities (FCCLs), was the subject of a workshop on strengthening PPP-related fiscal risks organised on March 27 by the World Bank. The workshop was attended by representatives from the Ministry of Finance, Public Debt Management Office, National Planning Commission, Office of Investment Board, Nepal, and Office of the Prime Minister and Council of Ministers.

"Mobilising private sector financing will continue to be a key priority for the Government of Nepal, making it critical to account for and manage PPP-related fiscal risks," said Harishchandra Dhakal, Under Secretary, Ministry of Finance. "Such strategic workshops will be key to provide a platform to share knowledge and guide policy actions in the management of risks going forward."

One of the main benefits of PPPs is that they can relieve some of the pressures on the government's budget by providing an alternative source of financing for infrastructure. However, the nature and extent of government support needs to be carefully structured in terms of allocating risks to balance requirements from investors and lenders to ensure the commercial feasibility and bankability of the project, potential for efficiency gains, and affordability of the government support mechanisms required to implement the PPP project.

The workshop involved a presentation by Mark Giblett, Senior Infrastructure Finance Specialist at the World Bank on key elements of a robust FCCL framework. These include limiting the overall exposure from PPP-related FCCLs, specifying procedures for extension of fiscal support for PPPs, and clearly identifying the responsibilities of government authorities.

"The World Bank is committed to support the Government of Nepal in its endeavour to formulate a comprehensive framework to manage fiscal risks," said Peter Mousley, Lead Private Sector Specialist at the World Bank. "At the heart of this are key reforms to help designate authority to quantify and manage FCCL related risks and having a ready pipeline of credible PPP projects to enable proactive management of FCCL exposures by the government."

### **53rd board meeting of IBN approves investments worth Rs 167.57 billion**

The 53rd Board meeting of the Investment Board Nepal (IBN) chaired by Prime Minister Pushpa Kamal Dahal held on April 13 at the Office of the Investment Board has approved investments worth Rs 167.57 billion for five hydroelectric projects, including Rs 146.2 billion in foreign direct investment (FDI) and Rs 21.37 billion in domestic investment.

Along with providing approval for investment worth Rs 92.68 billion proposed by the developer of the 669 MW Lower Arun Hydroelectric Project, the board has decided to form a negotiation committee convened by the chief executive officer of the Investment Board Nepal to prepare a consensus document of Project Development Agreement (PDA) after negotiating with the developer and submit it to the board.

Likewise, other hydroelectric projects that received IBN's approval comprise the 102 MW Upper Marsyangdi-1 (Rs 33.19 billion); 70 MW Dudhkoshi-2 Jaleshwor (Rs 20.35 billion); 70.3 MW Simbuwa Khola (Rs 13.44 billion) and 43 MW Upper Madi-0 (Rs 7.93 billion).

The board has approved the memoranda of understanding (MoUs) to be signed with DIAG Industries GmbH Germany to issue survey licence to establish a chemical



fertiliser plant and Dabur Nepal for capital increment to execute production capacity enhancement project in Nepal. Similarly, the prime minister-led board granted permission to Malaysia-based reNIKOLA Sdn Bhd to conduct a study on establishing Green Calcium Ammonium Nitrate (CAN) fertiliser plant in the country.

Moreover, the board has noted the initial study report of West Seti HEP submitted by NHPC Ltd, a Government of India enterprise, and instructed the developer to prepare the Detailed Project Report (DPR) as prescribed in the MoU that was signed with the latter on August 18, 2022. In addition, the progress of Tamor Storage Hydroelectric Project, Logistics Projects and Vehicle Manufacturing Assembly Plant were presented to the board. Further, the board endorsed the concept note of Nepal Investment Summit and authorised the OIBN to initiate necessary preparations to successfully convene the summit.

During the meeting, Prime Minister Dahal instructed the concerned stakeholders to carry out effective coordination and collaboration to deliver results. Citing a few barriers that are responsible for cost and time overruns in projects such as land acquisition and local benefit sharing, among others, the prime minister urged for continued coordination and collaboration among concerned ministries and agencies for the timely completion of projects.

In the meeting, IBN CEO, Sushil Bhatta, delivered a comprehensive presentation covering a wide range of issues concerned with project

facilitation and progress on the decisions made by the previous board meeting. He said the OIBN is highly determined to deliver results in project development and facilitation as instructed by the Board.

Minister of Finance and Vice-Chairperson of IBN, Dr Prakash Sharan Mahat; Minister of Energy, Water Resources and Irrigation, Shakti Bahadur Basnet; Minister of Industry, Commerce and Supplies, Ramesh Rijal; Minister of Agriculture and Livestock Development, Dr Bedu Ram Bhusal; Chief Secretary of the Government of Nepal, Shanker Das Bairagi; Governor of Nepal Rastra Bank, Maha Prasad Adhikari, private sector representatives Bhawani Rana, Hari Bhakta Sharma and Rajesh Kazi Shrestha, and other high-ranking government officials were present in the meeting.

### Significant revisions to Nepal-India trade treaty overdue



With the Nepal-India Treaty of Trade up for renewal this year, the Government of Nepal should seek revisions to the treaty geared towards removing barriers faced by Nepali goods in India, restoring Nepal's policy space to protect its farmers from unfettered

agricultural imports, and enabling Nepal to pursue preferential trade agreements with other countries. These views were expressed in a roundtable discussion on the bilateral trade treaty organised on April 6 by South Asia Watch on Trade, Economics and Environment (SAWTEE) where a study done by SAWTEE on the topic was also presented.

Trade experts, policymakers, exporters, importers and freight forwarders were among about three dozen participants in the event. The trade treaty has a validity of seven years. It was last renewed in 2016 without any amendments.

Madhu Kumar Marasini, Secretary, Ministry of Industry, Commerce and Supplies, stated that three rounds of negotiations with India have already taken place in connection with revising the trade treaty and he is hopeful of reaching an agreement, taking into account as many suggestions of stakeholders, as possible. He added that without increasing productive capacity and production, changes in the treaty alone will not help boost exports.

Shreejana Rana, President, Nepal India Chamber of Commerce and Industry, highlighted that NICCI and think tanks can play a big role in bridging the prevalent

beneficial bilateral trade.

"Nepal can't continue to afford providing tariff-free access to heavily subsidised agricultural products from India. Therefore, select primary agricultural products, including cereals, must be removed from the list of primary products on which both countries are currently providing reciprocal tariff-free access," said Dr Posh Raj Pandey, Chairman, SAWTEE, presenting the think tank's research on the treaty that suggests key areas for amendments. The research was supported by The Asia Foundation.

Nepal has the latitude to impose much higher tariffs than the agriculture reform fee of 5% or 9% it currently levies on certain agricultural products from India, thanks to the policy space it secured for itself when acceding to the World Trade Organisation in 2004, but that option has been hamstrung by the Nepal-India trade treaty.

The list of primary products eligible for duty-free access must be accompanied by Harmonised System codes to avoid ambiguities regarding which products qualify for duty-free treatment and hence to remove possible arbitrariness in the application of this provision, said Dr Pandey. In a similar vein, the list of primary agriculture products that are to be exempt from reciprocal duty-free access must also be specified in terms of HS codes.

### Nepal's growth faces slowdown amidst domestic and external challenges

Growth in Nepal this year will be slower than previously projected due to the impacts of import restrictions, monetary policy tightening, higher inflation, and shrinking government expenditure reflecting lower government revenue, according to the World Bank's twice-a-year country update.

Released on April 4, the latest Nepal Development Update (April 2023): Fine-

coordination gap between the private sector and government. She further stressed that regular research on Nepal-India trade and continuous monitoring of the implementation of the bilateral trade treaty are urgently needed to realise the huge potential in mutually





Tuning Policy in a Turbulent Environment, projects Nepal's economy to grow by 4.1% in fiscal year 2023, a downward revision from the October 2022 forecast. Growth is expected to accelerate to 4.9% in FY 2024, supported by the resumption of tourism, growth in remittances, and the gradual easing of monetary policy. However, risks to the outlook are tilted downside and include higher-than-expected inflation, which will dampen consumption and growth, the possible impacts of likely rotations in government officials, and rising inequality from reduced investments in human capital, especially amongst those yet to recover from unemployment following the pandemic.

"Amid measures taken to address pressures on the external sector, the Nepali economy has faced the unintended consequences of slowdown in economic growth and lower fiscal revenue," said Faris Hadad-Zervos, World Bank Country Director for Maldives, Nepal, and Sri Lanka. "This makes the government's Green, Resilient, and Inclusive Development (GRID) agenda even more pressing. These reforms will yield optimal results as the government communicates its intended policy changes with the public in advance, takes timely action, and fine-tunes policies during the course of implementation."

The report is a companion piece to the latest South Asia Economic Focus, Expanding Opportunities: Toward Inclusive Growth, which projects regional growth to average 5.6% in 2023, a slight downward revision from the October 2022 forecast. Regional growth is expected to remain moderate at 5.9% in 2024, following an initial post-pandemic recovery of 8.2% in 2021.

Inflation in South Asia is set to fall to 8.9% this year, and to below 7% in 2024. However, weaker currencies and delayed domestic price adjustments are contributing to a slower than anticipated decline in inflation. Elevated global and domestic food prices are contributing

to greater food insecurity for South Asia's poor who spend a larger share of income on food.

To move from recovery to sustained growth, South Asia needs to ensure economic development is inclusive. The region has among the world's highest inequality of opportunity. Between 40% and 60% of total inequality in South Asia is driven by circumstances out of an individual's control such as place of birth, family background, caste, ethnicity, and gender. Intergenerational mobility is also among the world's lowest. Data highlighted in the report shows that less than 9% of individuals whose parents have low levels of education reach education levels of the upper 25%. Such disparities lead to differences in access to jobs, earnings, consumption, and welfare and to calls for redistributive policies.

"South Asia's stark socioeconomic divides are both unfair and inefficient. They keep talented individuals from contributing to society, reduce incentives to invest in human capital, and derail long-term economic growth," said Hans Timmer, World Bank Chief Economist for South Asia. "Addressing these structural issues is vital to ensuring the region can achieve its full potential."

The report recommends continuing to improve the quality of primary education and expanding access to secondary and higher education, evaluate and strengthen affirmative action policies targeted to 'low opportunity' groups, and policies to improve the business climate for small and medium enterprises, who account for the bulk of job opportunities for the less well-off. In addition, reducing barriers to labour mobility can have a powerful equalising impact as urban areas tend to offer more opportunities for social mobility.

## NRB unveils Cryptocurrency Risk Assessment Report

Nepal Rastra Bank (NRB) has unveiled the Cryptocurrency Risk Assessment Report on April 4. In the report the country's central bank has concluded that cryptocurrency cannot be brought into use as transactions through it will be financially risky. Cryptocurrency transaction is banned by the existing laws of Nepal. "It entails risks as investment in cryptocurrency results in capital flight since the investment is in foreign land, it might hurt remittance flow and create challenges in managing the foreign exchange reserves," reads the report. It states that prohibition on cryptocurrency is necessary as it has risks including destabilising the overall economic balance, risk on financial stability, risk in terms of implementing the monetary policy and risks of fraud and tax evasion, among others.

NRB has stated that transactions in cryptocurrency will bring risks not only to the country but also to the people involved in such transactions. The central bank has imposed a ban on cryptocurrency as per the provision of Clause 12 of the Foreign Exchange (Regulation) Act, 2019 BS.

NRB stated in the report that there are around 23,000 cryptocurrencies in use in the world at present and Bitcoin alone occupies 42% of the total market. It is also stated that there are about 450 cryptocurrency exchanges in the world.

NRB has been issuing public notices from time-to-time warning that transactions in cryptocurrency are illegal. "There is no guarantee of any country or government in cryptocurrency, there is no security and financial intermediary, and it has no other use except for bookmaking. This virtual thing is not widely accepted but is issued and used by certain groups for their vested

interests," reads the report.

NRB has described cryptocurrency as a digital matter that can be transacted as a currency issued by the private sector. Its transaction is illegal in various countries including Nepal. Virtual currency is issued for carrying out works related to payments without any financial intermediary (central bank or monetary authority issuing currency).

Users connected to the network have themselves maintained accounts of the receipt and expenditure of cryptocurrency for carrying out its transaction. In the existing system, the central banks or financial institutions have been conducting this job.

People carrying out transactions in cryptocurrency use 'blockchain' or 'distributed ledger' technology for bookkeeping. Cryptocurrency is mainly obtained through mining and purchasing.

## Direct flights from London, Paris, Sydney, a 'Game Changer' in Nepal's tourism



As the tourism industry is undergoing the process of recovery from the impact of the Covid 19 pandemic that brought the whole industry to a standstill, Nepal, like many other countries, is looking for different ways to attract tourists.

While Nepal still lacks direct flights from the west that could bring a surge in the inflow of tourists, Himalaya Jet, a UK-registered airline owned by the Gurung Family



Conglomerate, could be a game changer for the country's tourism industry. The family of Nepali origin has prioritised Nepal with its aviation venture, but will also be operating in India (Delhi and Mumbai).

With the operation of direct flights to Kathmandu from London, Paris and Sydney from September, the economy of the country is likely to receive a significant boost with the inflow of tourist dollars.

In a meeting held at the Ministry of Culture, Tourism and Civil Aviation on April 25, a delegation from Himalaya Jet briefed Tourism Minister Sudan Kirati about the venture, and how the company supported by Boeing Startup would play a significant role to fly in tourists with direct flights from London, Paris and Sydney. It was shared that the airline company also has plans for America in the near future.

The visiting delegation comprised Arnaud Brun from Boeing Commercial; Sagar Ghimire, Director of Strategy and Planning at Himalaya Jet; and Devendra KC, former General Manager of Tribhuvan International Airport, who is also the Head of Operations of Himalaya Jet in Nepal.

On the occasion, Brun also expressed willingness to help Nepal get removed from the Safety List of Europe and the UK, which are now two different regulatory bodies post Brexit. Boeing's support in this matter could help expedite the process of allowing Nepali airlines to fly to Europe and bring in more tourists with direct flights from Europe.

With the private sector coming in, especially the UK-registered premium long-haul airline with owners of Nepali origin, the tourism sector of Nepal is expected to get a new start not only in terms of the number of arrivals but also in terms of global branding. Moreover, the removal of Nepal from the European Safety List will further help the nation drive economic growth via tourism.

## CG Finco marks 20th anniversary



CG Finco organised a programme in Kathmandu to mark its 20th anniversary on March 27. At the programme, Nirvana Chaudhary, Founder of CG Finco, expressed gratitude to the customers for the company's successful completion of 20 years. Chaudhary said that CG Finco, an independent company founded by him, was a landmark in his business career. He expressed his satisfaction that CG Finco is striving to be adept in the responsibility of bringing foreign currency into the country today and has become a reliable medium for Nepalis living abroad to send money to Nepal.

Chaudhary said that apart from being a reliable medium for sending money to Nepal from abroad, it is also playing a role in reducing illegal money transfers. He expressed his commitment to making remittance services easier, "CG Finco will solidify its foundation in the remittance industry by focusing on digital remittance".

On the occasion of the company's 20th anniversary, four employees were honoured: Ramesh Regmi, Renu Pradhan, Pratima Sharma Pokharel and Ashish Kumar Hamal.

CG Finco has been working as the super-agent of Western Union Money Transfer, an American company, since 2003. The company which started its service from 100 outlets across the country, is now providing remittance services throughout the country through more than 4,000 agents.

## CBFIN officials meet PM Dahal, raise issues of attacks on bank employees

A delegation of the Confederation of Commercial

Banks and Financial Institutions Nepal (CBFIN) met with Prime Minister Pushpa Kamal Dahal and held a discussion on the current economic and banking situation and reforms of the country on April 10. At the meeting held in the presence of the Finance Minister, Chief Secretary, Nepal Rastra Bank (NRB) Governor, Home Secretary and Finance Secretary at the Office of the Prime Minister and Council of Ministers (OPMCM), they intensively discussed the current economic and banking situation of the country and the possible measures for improvement, the press statement issued by CBFIN said.

The delegation headed by CBFIN President, Pawan Kumar Golyan, raised the issue of increasing violent attacks on employees of banks and financial institutions (BFIs) and the need for reduction of interest rates.

In the meeting, the delegation suggested increasing capital expenditure, increasing income tax or customs rate on imported goods and luxury goods to increase revenue, and reducing corporate income tax rate of banks from 30% to 25%. They further suggested the Central Bank ensure sufficient liquidity in the banking system to prevent lack of investable funds, control fluctuation and maintain interest rate stability. To expand access to credit, they suggested increasing employment and production, and added that Working Capital Guidelines should not be made applicable for loans of up to Rs 50 million disbursed to micro, small and medium enterprises to replace imports. It was also suggested that interest rate on loans required for the productive sector and employment-generating industries and business, energy, construction, tourism, and agriculture should have differences of at least 2% compared to other sectors.

In response, PM Dahal informed that the government is looking for various measures to reduce the interest rate of banks and will come to a conclusion soon. He said the government is serious about improving the overall economy while reducing the pressure on the economy. He informed the government is doing homework to make the real estate business organised.

The prime minister opined that the challenges and pressures of the economy could take a positive direction only through cooperation between the government and private sector. Further, he said a comprehensive discussion will be held with representatives of the private sector and government bodies before drafting the budget. He added the government is sensitive to the illegal activities going on against BFIs. He said no exemption will be given to those taking bank loans and not paying. The government will proceed with the task according to the requests of BFIs regarding the safety of banks and employees, he stated.

Finance Minister, Prakash Sharan Mahat, said he is holding discussions with Nepal Rastra Bank for the improvement of the overall economic system including the adjustment of interest rates. The issue of proper management of capital expenditure and increasing investment in the productive sector, and finding an appropriate solution to the problems seen in the stock market are also being seriously discussed, he informed.

NRB Governor Maha Prasad Adhikari said the Central Bank is preparing to adjust the interest rates on deposits and loans.





## Bajaj celebrates 25 years of leadership in Nepal



Hansraj Hulaschand & Co, the sole authorised distributor of Bajaj motorcycles and the largest motorcycle selling company in Nepal, successfully conducted the 'Bajaj 25 Years of Leadership-Leader's Meet 2023' on the occasion of its silver jubilee on April 5. Since entering the Nepali market in 1998, Bajaj has become a household name in Nepal, offering reliable, high-performance vehicles at affordable prices.

With over 800,000 contented customers in Nepal, Bajaj bikes are being assembled by Hulas Auto Craft, which is the largest motorcycle assembly plant in Nepal.

Over the past 25 years, Bajaj has established itself as a trusted brand in Nepal, providing transportation solutions to millions of Nepali citizens and Bajaj has consistently introduced new and improved products that have set new benchmarks in the Nepali auto industry.

Speaking on the occasion, Abhimanyu Golchha, Director of Hansraj Hulaschand & Co said, "This milestone is a testament to the hard work and dedication of our employees, our dealers and our customers. I thank them all for their unwavering support."

## SAWDF urges PM Dahal to support Green Industrial Park

Commerce, and Supplies and Panchkhal Municipality at Hokse, Panchkhal Municipality, Bagmati Province. The park



A delegation of the South Asian Women Development Forum (SAWDF) headed by its President Pramila Acharya Rijal paid a courtesy call on Prime Minister Pushpa Kamal Dahal on April 8 at the PM's office in Baluwatar.

During the visit, Rijal briefed the PM about the first Women Entrepreneurs Green Industrial Park project initiated by SAWDF in collaboration with the Ministry of Industry,

will be branded and promoted as an 'Agri-Tourism Green Industrial Park', with the goal of advancing Nepal's green industrial concept through well integrated climate change adaption strategies. This innovative project will establish 50 small industries related to the agro-food sector as well as the tourism-focused service sector which is the first of its kind in Nepal and the second in South Asia. This project is

a replication of a successful project from the 'Association of Lady Entrepreneurs of India' – SAWDF's official working counterpart in India, which has completed five successful women entrepreneurs' industrial parks on a public-private partnership model in Hyderabad, India.

Mahesh Kharel, Mayor of Panchkhal Municipality, who was also present, informed that Panchkhal Municipality has allocated 100 ropanis of land on lease to SAWDF for 25 years for this project. He highlighted the benefits of the project such as increased productivity for farmers, creation of high-quality processing infrastructure, an efficient supply chain system, with significant direct and indirect employment generation.

A memorandum was handed over to PM Dahal requesting him to support the Green Industrial Park by allocating a budget under the Special Programme for Women Entrepreneurs of the Government of Nepal and urged him to draft a law in the form of the Women Entrepreneurs Green Industrial Park Act to establish similar parks in the six other provinces. The memorandum stressed on the importance of the role of women entrepreneurs in the national economy with a focus on implementing such projects which would create a conducive environment for micro, small and medium women entrepreneurs.

## UN delegation calls on Finance Minister Mahat



A UN delegation led by Armida Salsiah Alisjahbana, Under-Secretary-General and Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), called on Finance Minister

Prakash Sharan Mahat at the latter's office in Singha Durbar, Kathmandu, on April 17.

In the meeting, Finance Minister Mahat discussed the current situation of Nepal's economy, the assistance provided by the United Nations to Nepal and the priority of investment in Nepal in the future. The UN delegation was interested in the economic situation of Nepal.

The UN delegation also called on Deputy Prime Minister and Minister for Home Affairs Narayankaji Shrestha at the latter's office in Singha Durbar. During the meeting, DPM Shrestha informed the visiting UN delegation that Nepal was in the process to graduate from the list of the Least Developed Countries (LDCs) to a developing nation by 2026.

Extending gratitude to the UN for its coordination and collaboration towards this end, DPM Shrestha called for special attention to achieve the Sustainable Development Goals (SDGs) adopted by the UN.

The UN delegation on the occasion emphasised agriculture, diversification in the export of renewable energy, sustainable tourism, facilitation in trade and sustainable investment for structural transformation. The visiting delegation also pointed out the need to give proper instructions and guidance to the subordinate bodies for effective disaster risk reduction (DRR) and management.

On the occasion, both parties reaffirmed their commitments to continue with the discussion, to bolster further cooperation between the two as well as to further strengthen mutual ties so as to accelerate and achieve SDGs within the stipulated timeline in 2030.

## Nepal Chamber of Commerce holds 72nd AGM



Nepal Chamber of Commerce (NCC) held its 72nd annual general meeting (AGM) on April 10. Addressing the inaugural session, Prime Minister Pushpa Kamal Dahal said the government is committed to resolving the problems seen in the country's economy. He asserted the government wanted the same level of support from the private sector for economic reforms. "The contribution of the private sector is important in running the nation's economy. Two-thirds of the total investment is from the private sector. The private sector has been playing a progressive role in the supply of essential goods and services as well as in increasing productivity and employment," he said, highlighting the contribution of the private sector.

He also stated that the three tiers of the government have been forging coordination with the private sector while formulating their plans and policies. The private sector has a significant role in achieving Nepal's goal of graduating from a least developed country by 2026 and meeting the Sustainable Development Goals (SDGs) by 2030, he added. The PM warned that failure to increase domestic production and employment would hamper the sustainable development of the economy.

Finance Minister, Prakash Sharan Mahat, asserted, "We all know that our economy lacks optimism, but it is not like the kind of narrative about the pessimistic outlook that is being created. Only a negative picture of the economy is being painted. We must move ahead with the confidence that the country's economy will improve and make progress. Return on investments has been low due to many factors like liquidity crisis, exorbitant interest rate and an increment in production costs. As a result of these factors, small and big investors are finding it difficult to invest".

"This year, the overall government revenue collection has drastically decreased beyond the target with customs revenue collection dropping 28%", Mahat said adding that reducing public expenditure and increasing capital expenditure has remained challenging.

Minister for Industry, Commerce and Supplies, Ramesh Rijal pointed out the 'equal' role of the private sector to improve the country's economy. He pledged to do his best to resolve the problems being faced by the private sector.

NCC President Rajendra Malla said, "The economy has not taken expected pace due to lack of coordination in the monetary and fiscal sector. The situation wherein the revenues cannot deal with current expenditures is not a good signal. There is a need to meet the target for revenue collection by expanding economic activities. The scope of taxes should be increased by curbing illegal trade along the Nepal-India border". He pointed out that the situation of capital expenditure has been disappointing, saying, "There is a problem in liquidity due to the failure to spend capital budget. An excessive trade deficit is also today's problem. To reduce the trade deficit, measures like increment in domestic production, and expansion of the information and communications sector should be adopted".

## Bringing private sector under CIAA will discourage investment: Deuba

Nepali Congress President and former Prime Minister Sher Bahadur Deuba has said there should not be a legal system for the Commission for the Investigation of Abuse of Authority (CIAA) to oversee the private sector.

In a meeting with a delegation of Federation of Nepalese Chambers of Commerce and Industry (FNCCI) led by its President Chandra Prasad Dhakal on April 23, Deuba said the bill to bring the private sector under the jurisdiction of the CIAA should not be passed. He opined this will discourage domestic and foreign investment.

FNCCI President, Dhakal, said if the amendment bill regarding the CIAA, which came from the National Assembly to the House of Representatives, is passed, the private sector, which accounts for more than 80% of the economy and provides employment, will be discouraged and the investment environment will deteriorate.

As per Article 239 of the Constitution, the CIAA is not allowed to regulate the private sector. FNCCI has already drawn the attention of Prime Minister Pushpa Kamal Dahal and former Prime Minister KP Sharma Oli and Minister for Defence, and Law, Justice and Parliamentary Affairs Purna Bahadur Khadka regarding the issue.

Previously, Prime Minister Dahal committed to remove the provision citing that the private sector cannot be regulated by the CIAA. Likewise, former Prime Minister Oli said this arrangement will create another mechanism to discourage the private sector and opined that this arrangement should not be passed.

In a programme held at the office of Nepali Congress parliamentary party leaders on April 20, lawmakers opined that the economy should not

be put at risk by bringing the private sector under the CIAA's jurisdiction.

In the meeting with former Prime Minister Deuba, FNCCI President Dhakal suggested that policy measures should be adopted to reduce the interest rate in the case of non-disbursement of loans even though liquidity worth Rs 200 billion is available in the banking system.

Dhakal mentioned, "The ability to pay the interest on the loan is decreasing. The bad loan ratio of banks has also reached around 4%." He added that bad loan was likely to increase by mid-July and stressed the restructuring and rescheduling of loans.

Responding to the FNCCI delegation, Deuba said that since his party believes in liberal economy, he will try to address the problems of the private sector. The FNCCI delegation included President Dhakal, newly elected Senior Vice-President Anjan Shrestha, Vice President (Industry, Commerce) Sur Krishna Vaidya, Vice President (Commodity) Hem Raj Dhakal, Vice President (Associate) Jyotsna Shrestha, Treasurer Nirak KC and other members of the executive committee.

## Dugar awarded 'Prawal Janasewashree'



Kumud Dugar, Managing Director of KL Dugar Group, has been awarded Prawal Janasewashree conferred by the President, Ram Chandra Paudel, at a ceremony organised at the Office of the President of Nepal in Shital Niwas, Kathmandu, on April 14. Dugar, an industrialist and social worker, and has been decorated for his contribution to the overall industrial and social sector of the country, the agro-industry.



## Turkish Airlines to offer free and limitless messaging above clouds



Carrying the concept of privileged travel to new heights year after year, and with the latest innovations in terms of internet access on board, Turkish Airlines continues to offer its guests an enhanced in-flight internet experience as communication has become an essential facet of life.

Flying to more countries than any other airline, Turkish Airlines will be offering free and limitless messaging services to all passengers on international flights where internet access is available, with the motto 'Enjoy Limitless Messaging' through applications such as WhatsApp, Messenger or iMessage, along with others.

On the new service, Turkish Airlines CEO, Bilal Ek i, stated, "We are adding another innovative development to the countless improvements we made for Türkiye's aviation sector as the national flag carrier. By combining our innovative approach with customer satisfaction, we are ensuring our passengers will be able to freely message their loved ones above clouds, staying in contact with them without any limits."

With the limitless messaging service being complimentary to all Miles&Smiles member passengers, non-members will also be able to benefit from this service upon filling out the Miles&Smiles membership form available before or during the flight. Moreover, Miles&Smiles Classic Plus, Elite and Elite Plus members will be benefitting from enhanced free internet packages.

Aiming to provide its passengers with privileges

beyond their expectations at every stage of their journey, Turkish Airlines will first launch this service on its aircraft with internet access by Turk Telekom, and then gradually on all aircraft with internet connection.

## NPC appoints three members

The government appointed three members to the National Planning Commission (NPC) on April 21. Senior economist Ramesh Chandra Paudel, is a graduate in Economics from Australian National University. He is currently working as Associate Professor with Tribhuvan University Central Department of Economics and is the Head of the Governance and Anticorruption Studies Centre of TU. Dr RP Bichha and Prabhu Budhathoki are experts who have worked in the health sector for a long time.

With the appointment of members, the NPC is expected to move forward through a careful review of the national projects and programmes. Previously, the government led by Prime Minister, Pushpa Kamal Dahal, appointed economist Min Bahadur Shrestha as NPC Vice Chairman. The government has already appointed Ram Kumar Phuyal and Jay Kant Raut as members of the NPC. The Prime Minister acts as the chairman of NPC.

## US ambassador inaugurates GrowByData office



GrowByData, a Boston and Kathmandu based marketing intelligence firm, established its new office in Sanepa on April 24. The new building is designed to enhance reliability and promote cross-team collaboration as the firm continues to grow and provide an exceptional experience for

marketing leaders at bluechip clients. The ribbon cutting was attended by US Ambassador Dean R Thompson, followed by a tour of the new workspace and engagement with team members and partners.

"Marketing leaders are overwhelmed with data today. We aspire to be the marketing intelligence partner of the top marketing firms by offering them novel insights and services that break silos to support them craft new strategies. The opening of GrowByData's new office marks our investment to support the importance of cross-team collaboration across engineering, customer success, and marketing to offer industry-leading insights across the evolving digital media landscape to our blue-chip clients," said Managing Partner, Prasanna Dhungel.

"In 2014, GrowByData began with a team of five members from a one-room shared office space in Naxal. Looking back, we have come a long way with a strong team of 100 plus working from our Boston and Kathmandu offices. We started serving just one client in 2014 and now are collaborating with over 100 brands through half a dozen agencies. We are delighted and proud to have contributed to both economies in the US and Nepal along with many CSR programmes to support the local community," stated Subin Shrestha, VP of Operations.

Founded in 2014, GrowByData specialises in providing novel insights to marketing leaders, enabling reporting of share of voice, pricing, promotions, customer reviews, competitive dynamics, and other digital shopper attributes. The firm has successfully served global advertising agencies and their household brand clients.

## CNIYEF holds interaction with NRB Governor Adhikari

Confederation of Nepalese Industries Young Entrepreneurs Forum (CNIYEF) organised an interaction programme with

Nepal Rastra Bank Governor Maha Prasad Adhikari on April 4. The programme was held to get insight into the country's financial landscape wherein Governor Adhikari talked about aspects of Nepal's economy and fiscal policies. He also discussed topics such as liquidity, interest rates, recession and the current situation of the national economy. He shared, "The entire world has gone through economic instability in the past few years and to be honest Nepal's banks and the financial sector are strong. Hence, we were able to sustain through the Covid 19 pandemic."

He also talked about the ban imposed on the import of luxury items last year and said we will not face such problems in the future. He added the country lacks market studies, and argued that the government can help in economic growth to some extent but totally depending on the government with a lack of study will not bring good results. The NRB governor informed about the government's initiatives to boost the economy and the prospect of assistance to the various sectors hit hard by the recession. The interaction served as a potent reminder of the value of working with forward-thinking leaders at all levels to build a better future for everybody.

There was an exchange of ideas on finding solutions to issues related to the current economic challenges including foreign exchange reserves, high interest rates, monetary policy, and market inconsistencies.

CNIYEF is an initiative taken by the Confederation of Nepalese Industries to bring together young business leaders so as to groom them to be the next generation of business leaders for Nepal. The main objective of this forum is to help its members realise their full potential so that young entrepreneurs can contribute fresh, effective ideas and feedback for the future of Nepal's businesses.

## Better migration policies can help boost prosperity in all countries

Populations across the globe are ageing at an unprecedented pace, making many countries increasingly reliant on migration to realise their long-term growth potential, according to a new report from the World Bank.

The World Development Report 2023: Migrants, Refugees, and Societies, identifies this trend as a unique opportunity to make migration work better for economies and people. Wealthy countries as well as a growing number of middle-income countries – traditionally among the main sources of migrants – face diminishing populations, intensifying the global competition for workers and talent. Meanwhile, most low-income countries are expected to see rapid population growth, putting them under pressure to create more jobs for young people.

“Migration can be a powerful force for prosperity and development,” said World Bank Senior Managing Director Axel van Trotsenburg. “When it is managed properly, it provides benefits for all people – in origin and destination societies.”

In the coming decades, the share of working-age adults will drop sharply in many countries. Spain, with a population of 47 million, is projected to shrink by more than one third by 2100, with those above age 65 increasing from 20% to 39% of the population. Countries like Mexico, Thailand, Tunisia and Türkiye may soon need more foreign workers because their population is no longer growing.

Beyond this demographic shift, the forces driving migration are also changing, making cross-border movements more diverse and complex. Today, destination and origin countries span all income levels, with many countries such as Mexico, Nigeria, and the UK both sending and receiving migrants.

The number of refugees nearly tripled over the last decade. Climate change threatens to fuel more migration. So far, most climate-driven movements were within countries, but about 40% of the world’s population – 3.5 billion people – lives in places highly exposed to climate impacts.

Current approaches not only fail to maximise the potential development gains of migration, they also cause great suffering for people moving in distress. About 2.5% of the world’s population – 184 million people, including 37 million refugees – now live outside their country of nationality. The largest share – 43% – lives in developing countries.

The report underscores the urgency of managing migration better. The goal of policymakers should be to strengthen the match of migrants’ skills with the demand in destination societies, while protecting refugees and reducing the need for distressed movements. The report provides a framework for policymakers on how to do this.

“This World Development Report proposes a simple but powerful framework to aid the making of migration and refugee policy,” said Indermit Gill, Chief Economist of the World Bank Group and Senior Vice President for Development Economics. “It tells us when such policies can be made unilaterally by destination countries, when they are better made plurilaterally by destination, transit and origin countries, and when they must be considered a multilateral responsibility.”

Origin countries should make labour migration an explicit part of their development strategy. They should lower remittance costs, facilitate knowledge transfers from their diaspora, build skills that are in high demand globally so that citizens can get better jobs if they migrate, mitigate the adverse effects of ‘brain drain’, protect their nationals while abroad, and support them upon return.

Destination countries

should encourage migration where the skills migrants bring are in high demand, facilitate their inclusion, and address social impacts that raise concerns among their citizens. They should let refugees move, get jobs, and access national services wherever they are available.

International cooperation is essential to make migration a strong force for development. Bilateral cooperation can strengthen the match of migrants’ skills with the needs of destination societies. Multilateral efforts are needed to share the costs of refugee-hosting and to address distressed migration. Voices that are underrepresented in the migration debate must be heard: this includes developing countries, the private sector and other stakeholders, and migrants and refugees themselves.

## USAID launches laboratory for testing construction materials in Nawalpur



USAID/Nepal Deputy Mission Director Karen Welch, Mayor of Gaidakot Municipality Madan Bhakta Adhikari, representatives from the engineering and local construction community participated in the launch of two laboratories that test construction materials for their strength, durability and sustainability in Nawalpur and Kathmandu district.

USAID is partnering with the private sector to establish a new construction material testing laboratory in Nawalparasi district and upgrade the existing laboratory in Kathmandu to meet the high demand for reliable testing of construction materials post the 2015 Gorkha earthquake. These labs will help ensure that construction materials used in Nepal meet modern safety

standards, making buildings and infrastructure more resilient in the event of future natural disasters.

Welch said, “We are partnering with the private sector to establish a new construction material testing laboratory in Nawalparasi district and upgrade the existing laboratory in Kathmandu Valley to meet the high demand for reliable testing of construction materials post 2015 Gorkha earthquake. This reflects the long-standing and continued support of the American people to a more prosperous and resilient Nepal.”

USAID has also awarded grants to two private sector companies to build mobile applications that will bridge the communication gap between service seekers and service providers in the repair and maintenance sector and construction material supply chain. These apps will help make it easier for individuals and organisations in Nepal to access reliable construction services and materials.

Since the 2015 earthquakes, the US government has invested more than \$190 million in earthquake response and recovery in Nepal. This funding helped homeowners rebuild more than 16,000 homes using modern safety standards, trained more than 15,000 engineers, contractors, architects, masons, and carpenters on earthquake-resistant construction techniques, and supported the reconstruction of 29 state-of-the-art schools and seven health facilities in mainly remote areas of Nepal. These facilities are now providing critical health and education services to more than 240,000 Nepalis, the majority of whom are from historically disadvantaged ethnic groups and communities.



## FENEGOSIDA nominated member of Industry Commerce Promotion Dialogue Committee



The Federation of Nepal Gold and Silver Dealers' Association (FENEGOSIDA) has been nominated as a member of the Industry Commerce Promotion Dialogue Committee formed by the government. The committee has high government bodies and representative organisations of the private sector as members.

FENEGOSIDA President, Manik Ratna Shakya, on behalf of the federation on April 17 participated in the first meeting of the Industry Commerce Promotion Dialogue Council chaired by Prime Minister Pushpa Kamal Dahal in Singha Durbar, Kathmandu.

The federation of gold and silver businesspersons takes pride in participating in the high-level council meeting and contributing to nation-building, President Shakya said, adding that it was a positive initiative of the present government to create such an opportunity. He opined that discussions held by the council will definitely play a positive role in the development of the country, and in making the economy sustainable. The prime ministerial level council has been formed for the overall economic development of the country.

## Coca-Cola Foundation partners to support Mountain Clean-up Campaign-2023

The Coca-Cola Foundation

is supporting the Mountain Clean-Up Campaign 2023 led by the Nepali Army for its fourth edition with the theme 'An Endeavour to Save the Himalayas'. The Coca-Cola Foundation is the major donor among multiple stakeholders for this year's campaign and the fourth year of such a partnership.

This campaign aims to protect and preserve the sanctity of the Himalayas by retrieving waste that has been left behind by trekkers and accumulated on the mountains over the years. Along with multiple stakeholders, the campaign began on March 28, and will go on till June 5. The expedition team consisting of 97 people will be cleaning four mountains of Nepal that are above 8,000 metres which include Mt Everest, Mt Lhotse, Mt Annapurna and Mt Baruntse. It is estimated that over 35 tonnes of waste will be collected and handed over to recycling partners for waste management.

The journey to the mountain range is strenuous due to harsh weather conditions and climbing at high altitudes. The team has been training dedicatedly for the past few months to prepare for the expedition. The team consists of climbers, doctors, and Sherpas. Each team is led by a campaign leader, who is assisted by two basecamp managers and two deputy directors from the Nepali Army. Similarly, 45 Sherpas will be present for waste collection, loading, and other support activities. There will also be 20 personnel for coordination, operations, and rear operations.

This campaign is a joint effort having multiple non-profits, corporate, civil society and recycling partners with the Nepali Army leading the efforts.



## Mahindra revs up its XUV300 brand with introduction of thrilling new variant



Mahindra & Mahindra, leaders in SUV segment in Nepal, are proud to announce the launch of the XUV300, the latest addition to its Twin Peaks branded showroom expansion strategy in the country. For this powerful and dynamic SUV, the offering starts at Rs 42.95 lakhs. The XUV300, first introduced in 2019, is back with a refreshed variant mix, keeping the requirements of the market in mind.

With its powerful engine, advanced features, and stylish design, the XUV300 promises to deliver an exceptional driving experience to Nepali customers. Furthermore, the XUV300 has been designed with safety as a top priority, making it one of the safest vehicles in Nepal. It comes equipped with a host of safety features like dual front airbags, ABS with EBD, reverse parking sensors, and more, ensuring the safety of passengers on every journey. The XUV300 has also received a 5-star rating in the Global NCAP safety tests, making it a reliable and safe option for Nepali roads.

The SUV also comes with a range of advanced technology features such as a seven-inch touchscreen infotainment system, steering-mounted controls, and push-button start/stop. Additionally, the top-of-the-line W8 variant offers a sunroof, leatherette seats, and dual-zone automatic climate control.

The XUV300 is powered by a 1.2-litre turbo-petrol engine with 110 PS and 200 Nm of torque. The engine is mated to a six-speed manual gearbox. Two airbags, ABS, disc brakes on all wheels, LED tail-lights and all four power windows are

standard on all models.

The XUV300 TurboSport variant powered by TGD i will bring the performance quotient to the portfolio, giving customers more choice and variety. Taking off from 0-60 km/h in five seconds, the all-new XUV300 TurboSport series, powered by the 1.2 L TGD i engine packs unadulterated performance of 130 PS Power @ 5000 r/min and 230 Nm of torque @ 1500-3750 r/min, making it one of the fastest Petrol SUVs in the range of Rs 42 lakhs.

## Morang Chamber urges NEA to find solution for regular power supply

Chamber of Industries Morang (CIM) has appealed to Nepal Electricity Authority (NEA) and relevant bodies to solve the power cut problems and find a solution for regular power supply to create a comfortable environment for industries.

A press note issued by CIM on April 17 has drawn the attention of authorities towards the serious negative impact being faced by the industrial establishments which are operating despite the complicated situation.

The chamber said the industrial business sector, hit hard by internal and external factors such as severe recession in the market, high interest rates, has been suffering from irregular power supply, frequent tripping, low voltage, and power cuts without prior notice since December 2022.

As the industries have been helping to balance the demand and supply of the domestic market, reduce the dependence on imported goods and to create jobs even in the current difficult situation, they will not be able to operate safely due to irregular power supply, frequent tripping, low voltage, and power cuts without prior notice, the CIM stated and urged the relevant bodies to be serious about the dire situation.

## NIBL Ace Capital signs agreement with National Biotech



NIBL Ace Capital has signed a Roadmap for an IPO agreement under its corporate advisory service with National Biotech. The agreement was signed by Sachindra Dhungana, Deputy General Manager of NIBL Ace Capital and Noorbindra Bikram Sijapati, CEO of National Biotech in the presence of Shyam Bikram Sijapati, Chairman of National Biotech and Bhuwan Raj Panta, Head of Corporate Advisory Service of NIBL Ace Capital.

National Biotech has been operating under the Company's Act, 2063 with its registered office in Kathmandu. It is Nepal's first internationally certified organic company, producing high-quality organic fertiliser in granular form. It has more than 100 dealers and retailers across the country. The company provides animal-based organic fertilisers, agriculture supplies, and animal and plant-based organic fertilisers at very reasonable prices.

According to the agreement, NIBL Ace Capital will provide the company with pre-IPO and IPO services. In the first phase, NIBL Ace Capital will provide consulting services to National Biotech in preparatory work to be done by the company before the issue of shares to the general public, on capital structure, issue process, size pricing and assist in necessary document preparation required in the process of conversion of private limited company to public limited company as a part of corporate advisory. And in the second phase, it will work as the issue manager for the share to be issued to the general public.

NIBL Ace Capital, under its Corporate Advisory Services, has been providing services

like business plans, market assessment and feasibility, equity raising, and raising and loan syndications to help develop business.

## Sunrise Bank customers to get 10% discount at Apollo Hospitals in India



Sunrise Bank has entered into an agreement with India-based Indraprastha Apollo Hospitals to provide high-quality medical services and health facilities to all customers of the bank. As per the agreement, all customers of Sunrise Bank, including their relatives, will get a maximum 10% discount on various services provided by Apollo Hospitals throughout India.

On behalf of Sunrise Bank, Deputy General Manager Robin Nepal, and Apollo Hospitals' General Manager of International Marketing, Ajay Bharadwaj, signed the agreement at a programme organised on April 26.

Indraprastha Apollo Hospitals is a reputed health institution in India which has been providing services to customers from 140 different countries.

All customers of Sunrise Bank will get up to 10% discount on general health check-ups and admission expenses, as well as coordination of all medical appointments, airport pick-up and other services and facilities provided by Apollo Hospitals all over India while making the bill payment using Sunrise Bank's debit and credit cards.

Meanwhile, Sunrise Bank has launched a separate 'Health Care Card' targeting Nepali citizens who go to India for health treatment. The bank has informed that expenses incurred during treatment at various Indian hospitals including Apollo can be claimed under the Sunrise Health Scheme.

## Basant Chaudhary launches servedplanet.com



Poet, writer and social enthusiast, Basant Chaudhary, has launched an environment-focused epaper titled servedplanet.com. The epaper, hosted on a portal of the same name, carries reports and analyses on the environment, planet earth, climate change, water scarcity, food insecurity and wildlife with a global outlook.

Chaudhary, who heads the diversified business group, BLC is the publisher. He explained that the epaper is committed to creating public awareness about the worsening state of the planet. Launched on Earth Day, the amply illustrated servedplanet.com will renew its content every fortnight. However, plans are afoot to increase the frequency of this digital venture with more features and content.

## Audacious Intention Maker's announce 200 scholarships annually



The Centre for Leadership and Entrepreneurship (CLE) announced 200 full scholarships under the title, Audacious Intention Maker's (AIM) Scholarship Programme, for disadvantaged students across all 77 districts of Nepal to study

Bachelor of Science (Hons) in Hospitality Management (BHM) at the Academy of Culinary Arts and Hospitality Management.

At a press conference organised on April 18, CLE Founder Ashesh Maharjan, announced that AIM will provide full scholarships to 200 deserving students to pursue higher education in Hospitality Management; one male and one female from each of the 77 districts in Nepal, one male and one female each from the seven SAARC nations, 12 students with disabilities, 10 LGBTQIA+ students and 10 refugees residing in Nepal.

To qualify for the scholarship, students must have passed grades 8 through 12 in public schools. The scholarship application process will commence on May 2. The first intake to commence their education is in October. Over the four years, students will be mentored on leadership values in collaboration with Anil Keshary Shah, Chairperson of Lead Nepal Inc (LNI). The scholarship covers tuition fees and other expenses related to the course besides accommodation costs for 18 months.

The sustainability of this programme is based on a strategic model that encompasses food, culture and tourism in which CLE will partner and collaborate with various organisations and individuals to build funds via hospitality services.

Maharjan envisaged providing a world-class education to the scholars besides building on their leadership skills in a way that they not only build their careers but also become able to give back to their communities and the nation.



## The critical Omega moment that helped to save Apollo 13



When the Apollo 13 mission lifted off on April 11, 1970, nobody on board, nor on the ground, could ever have anticipated the drama and near disaster that lay ahead

The crew, commanded by veteran astronaut James Lovell, was destined for the moon. This was to be the third ever human lunar landing, and the next successful chapter of the Apollo project. Together with Command Module Pilot Jack Swigert, and Lunar Module Pilot, Fred Haise, the three astronauts were each equipped with Omega Speedmaster Professional chronographs – part of NASA's official kit for all manned missions since 1965.

As, the timepieces had been issued as a vital piece of mission equipment. As described by James Ragan, the NASA engineer who first tested and qualified the Omega Speedmaster in 1964, "The watch was a critical backup. If the astronauts ever lost the capability of talking to the ground, or the capability of their digital timers, the only thing they would have to rely on would be the watches on always their wrists. It needed to be there for them if they had a problem."

Indeed, a major problem did occur for Apollo 13 just two days after launch. When an oxygen tank exploded on board, it crippled the Service Module and plunged the astronauts into a truly perilous situation. The mission to the moon was

abandoned. Now, it was simply about getting the crew home safely.

Part of the innovative rescue strategy, directed from Houston, was to move the astronauts into the Lunar Module. This craft, however, was not built to support so many people for such a long time. Therefore, to conserve energy, the crew shut down nearly all power - rendering their digital timers obsolete, and leaving the astronauts at the mercy of dark and freezing conditions.

Apollo 13 faced many serious challenges over the next several days, as NASA worked around the clock to overcome the increasingly volatile situation. But it was at the final hurdle, when Omega's essential precision was called for.

Because the mission had drifted off course by roughly 60 to 80 nautical miles, it meant that the module would re-enter Earth's atmosphere at the wrong angle, and bounce back into space with no chance of recovery.

Therefore, to manually readjust the course of the craft, an exact 14-second burn of fuel was required. There was simply no room for error. Without their digital timers, Swigert instead used his Omega Speedmaster chronograph to time the burn, while Lovell guided the craft using the Earth's horizon as his guide. As Mission Commander James Lovell would later say, "We used the Omega watch that Jack had on his wrist and I had to control the spacecraft. Jack timed the burn on the engine to make that correction to get us back home safely."

To huge relief, the unique manoeuvre worked perfectly, and finally, on April 17, 142 hours and 54 minutes after launch, Apollo 13 splashed down safely in the South Pacific Ocean. The watch had played its part, and performed exactly as intended.

Later that year, on October 5, 1970, Omega was presented with NASA's 'Silver Snoopy Award' – as a mark of gratitude for its contributions to the success of human space flight missions. When this prestigious

## HomeNet International hosts Second Congress in Nepal



HomeNet International hosted its second congress, in Kathmandu, from April 25-28, where home-based workers from 29 countries came together. This is the first time that 72 out of the 75 affiliates of HomeNet International, an international network of membership-based organisations, federations, networks and alliances of home-based workers from 33 countries met in person. The HNI delegates discussed their priority areas of work, showcased their products in a vibrant HBWs Bazaar, elected a new governing body, and deepened the solidarity and unity that were built by HNI through online activities during the pandemic. HNI hosted a series of thematic discussions that highlighted many of the emerging issues that home-based workers face, such as the struggle to organise, lack of access to markets and social protection, and the impact of climate change on their daily lives. During the HNI Congress, delegates from around the globe elected Josephine Cabahug Parilla from Homenet Philippines as the President of HomeNet International. The Congress witnessed the presence of supporters, sister organisations and major allies such as Women in Informal Employment: Globalising and Organising (WIEGO) and Ford Foundation. This historic event was a celebration and a showcase of solidarity of the home-based workers' movement from around the world, a movement that has been growing stronger since the 1970s. The theme of HNI's Congress – 'We Are Many, We Are United, We Are HomeNet International', summarised the vision of the event.



award was first created, Snoopy was chosen as NASA's unofficial mascot because of his ability to keep things light in serious situations. He also emphasised mission success and acted as a 'watchdog'.

Still today, the sterling silver lapel pin is a prized reminder of Omega's history in space exploration, and especially the major role it played in the 'successful failure' of Apollo 13.

TOP PICK



**Subarna Thapa**  
General Manager, Varnabas Museum Hotel



“As a manager, we always inquire about candidates’ education and experience. Without a question, both are equally vital, yet someone once told me: Hire a person with an Attitude. A person with a learning mindset is more likely to succeed than someone with unfavourable experiences”

With over 20 years of international experience, Subarna Thapa, General Manager of Varnabas Museum Hotel, is proficient in driving revenue performance, growth and service excellence, along with proven expertise in executing robust strategies, managing large budgets, and improving processes that result in reduced costs, higher quality and greater yield.

Through his career, Thapa has worked in Dusit Thani Dubai Hotel, Hotel Mystic Mountain and Kathmandu Marriott Hotel and believes that one has to work and gain experience to flourish in the field. He has completed his Master’s degree in Food Service Management with focus on Financial Management Certificate from Cornell University.

In this issue of **Business 360**, Thapa talks about some of his favourite brands and what he has learnt from some of them.

#### Top 4 apps that you use the most

**WhatsApp:** For quick and speedy communication, WhatsApp business is also a very useful platform for commercial usages.

**Viber:** Use this tool among family members.

**Instagram:** Since Instagram is used for both personal and commercial purposes and has mostly replaced Facebook for commercial purposes, I find it quite beneficial for staying up to date on industry trends.

**Facebook:** Exclusively

for commercial purposes, other than product promotion, examining what competitors are up to, and what the worldwide trend is.

#### 3 destinations within Nepal you want to travel to

##### Everest Base Camp:

Because I work in the hotel industry, I get to meet world record holder mountaineers from around the world every year. Being born and raised in Nepal, I dream of being near the foot of Mt Everest, the pride of Nepal.

##### Bardia National Park:

I have never visited this area before and since Chitwan no longer entices me with forest excursions, Bardia has piqued my interest.

**Shey Phoksundo:** Purely to enjoy the breath-taking natural beauty.

#### Women-run businesses you think deserve accolades

##### Designo Studio:

Smriti Thapa runs this company as the CEO. I have witnessed the creativity in her team and the passion she has for her design from start to finish, and I have nothing but praise for her and her team.

**Nina’s:** She takes on the role of owner, manager, server, guest relation, and everything else. I enjoy her sense of humour and the way she looks after her crew. I’ve never seen a business owner shut down a restaurant on a weekend to allow her team to relax. And obviously food is always one thing that keeps bringing me back to Nina’s.

#### A startup business that you think will ace later

**Yatri Motorcycles:** It’s incredible to see the first ever bike built in Nepal, and it’s not just a bike, it’s a competitive bike among all the other international bikes on the market.

#### An entrepreneur who inspires you

**Basant Lama of The Burger House and Crunchy Fried Chicken:** It’s amazing to see how many outlets are being culverted around the country. Though I have never visited any of the outlets to sample their food or services, Lama must have a secret formula for the brand’s success.

#### A non-profit you want to contribute to

**Maiti Nepal:** I have seen Maiti Nepal grow from its humble beginnings as a home for rescued girls in Gaushala to its current presence in major cities offering a variety of services to combat human trafficking. The team’s journey from 1993 to today has certainly not been easy, but despite many problems and obstacles, the Maiti Team has achieved their goal, and as a member of the same society, it is my personal ambition to do whatever I can.

#### What are the three things it takes to manage a company?

##### Attitude and Intention:

Attitude is a personal trait, while purpose is a desire; both are regarded as the most important qualities in a manager.

#### Knowledge & Previous

**Experience:** To become a teacher, you need to study first.

**Human Skill:** The essential duty of a manager is to achieve organisational goals using the resources available to them, and the most complicated resource available to any manager is the human resource. A manager or leader must be capable of managing the people’s resources around him or her.

#### The best work advice you have received

**Hire for the attitude:** As a manager, we always inquire about candidates’ education and experience. Without a question, both are equally vital, yet someone once told me: Hire a person with an Attitude. A person with a learning mindset is more likely to succeed than someone with unfavourable experiences.

#### Future plans with the company

Position Varnabas Museum Hotel as a luxury hotel for international and domestic segments.

#### 3 Nepali startups you think deserve the spotlight

Yatri Motorcycles  
inGrails (software development company)  
Sajilo (ride sharing app) **B**

BESIDES BUSINESS

HI 5

**Rajeev Dhar Joshi**  
Co-founder & Director, Kathalaya Inc



“The whole conversation right now across the globe is about digital. In early 2000 when technology was introduced people were saying technology will replace paper but in 2023, the market share for e-books is still stuck at 15% of the overall book market whereas 85% is physical books. After Covid we have seen that people are more inclined towards reading physical books rather than e-books. People have actually started visiting bookstores”

Kathalaya, an independent publishing company based in Kathmandu was established in 2007, has been focusing on publishing quality children's books in Nepali, English and other regional languages. The publication house has today expanded to include popular literature and youth-centric books under the imprint 'WeRead'. Kathalaya has also released Nepal's first e-book reader application called 'WeRead App' featuring books by Nepali writers and publishers.

Rajeev Dhar Joshi, Co-founder and Director of Kathalaya Inc, says the journey has not been easy but it has been an enriching one.

“I was previously involved with Room to Read since its inception and have helped establish around 450 libraries in government schools in 22 districts,” he says. While working there, he noticed there was a dearth of quality books for children in Nepal. “There were very few publication houses focused on children's books and whenever we approached them to publish such books they would say that Room to Read is a social organisation and if it decides to leave the country who will buy the books,” he recalls. And that is when the idea to start a publication house with emphasis on children's books came to him.

Joshi confides that prior to establishing Kathalaya, he had tried his hand in many

businesses but failed each time. “I was a bit apprehensive initially and decided to stick with my job because that was my bread and butter but the idea of setting up a publication house was consistently at the back of my mind,” he reveals. “It was in 2007 that I mustered the courage and with the help of a friend decided to take the plunge and opened Kathalaya,” he shares, adding that it was a very humble beginning with an investment of only Rs 2 lakhs. In the initial year, Kathalaya published only 15 books and later they started publishing 31 titles a year.

In this issue of **Business 360**, we spoke to Joshi about the five things that have impacted his work.

#### **Finding opportunities in problems**

While working on our objectives, we realised our local authors and illustrators and even the children had not got the opportunity to experience quality international publications. We had started publishing children's books but at the back of my mind, I was always wondering why our local authors had not been able to create interesting content for children and we realised it was due to limited access to books in the local language. There are good English titles but our local authors and illustrators have not been able to access or read them due to the language barrier. We, thus, decided to translate some of the world's best content into Nepali so that

authors and illustrators would have access to them and at the same time our children would also have access to the best books in the world. One of the first books we worked on was a photographic book called Time-to-Discover series published by Scholastic in 2009. We also published two encyclopedias; one on astronomy and the other on basic science for children.

One always has to look for opportunities when doing anything in life and opportunities come in different ways. In 2006, I had the chance to participate in an international conference where I was able to meet publishers whom I had been dreaming to meet. That conference became my gateway for connections and I started publishing books from Hachette UK and Clavis Publishing of Belgium, among others. Our objective was also to develop and promote Nepali authors, and we believe these international books in Nepali will provide access to them to understand and internalise international content.

We now have 135 titles from around 20 countries and we have published books related to diverse subjects. For instance, we have a children's book from Sweden which talks about migration and another on democracy. This is not a political agenda, it is just to teach young minds about how to practice democracy and it took us four years to translate it. We have the Rikki series from Clavis too which talks about

friendship and determination. These books are a big asset for children. If they do not have access to such books when they are small, then maybe they will have access later on in life which is already too late. When children don't get to read quality content, they lose out. That's why we have tied up with around 20 publishers from various nations.

And that is why I keep saying a leader is someone who has a vision. A leader has to dream and work towards achieving it.

#### **Developing a reading culture**

We started facing a big challenge from the early 2000s when a new education system was set up and the involvement of private players in the education sector started rising. It has been such that parents think if they send their children to an English medium school, they will have a better education. What we tend to forget is that the base language is always the mother tongue. If a student is taught their mother tongue initially and they become fluent in it, then at some level, if they are introduced to some other language, it will be easier for them to understand both the languages. However, these days, students are taught both the languages simultaneously from a small age and we can see most are neither proficient in their mother tongue nor in English.

The other challenge is that teachers are always prioritising only course books. We have limited ourselves and our children within those seven to eight text course books annually. As a result, our knowledge, reading fluency, comprehension get limited. It is only in a very few schools and families that children are encouraged to read books besides their subject matter.

Our generation was a bit lucky because we had access to comics and we developed a reading habit early on. These days it is next to impossible to find comics and there are very few books that interest children. Moreover, schools have been forcing them to only read course books. So, we can say the reading trend has declined from the early 2000s and now due to mobile technology it has almost died out among children. I believe there are three things needed to develop a reading culture – availability, accessibility and positive enforcement. Schools need to provide a list of 10 to 15 books a year and recommend or at times make it compulsory for students to read them. If this happens till the students are in Class 6 then not only will they develop a reading habit but will also be able to make choices on the books they prefer. Lastly, parents too need to encourage their children to read at home.

#### Sticking to the core objective

Over the years I have tried my hand in many businesses and failed but I never let those failures stop me from trying. At the moment, I am enjoying my time at Kathalaya. When we started there were a handful of publication houses but now there are 17-18 publishers. Over 300 titles get published for children annually which is remarkable.

When talking about the market, it is challenging because the reading culture in Nepal is declining and schools too are not buying children's books. However, we started out to reverse that trend and



to some extent we have been successful.

The other reason why I love what I am doing today is I get to travel widely and meet many interesting people. If I was not involved in this business, then maybe I wouldn't have so many friends from across the country and the world. Kathalaya has provided a lot of opportunities for myself and for the children of Nepal.

The publishing business has also taught me that whatever we do we need to give it our best. Never spread yourself too thin unless you have mastered one thing. Also, we need to stick to the core objectives of what we set out to do. Like I mentioned earlier, we have a few objectives and we stick to them. Everything else revolves around those objectives and that is why I feel we have been doing good in the market at the moment.

#### Inspiration can come from anywhere

I personally feel that you cannot have just one source of inspiration because as life passes, we go through different phases and meet so many people who teach us a lot of things. In school, maybe a teacher was your inspiration but, in the workplace, maybe a colleague is an inspiration. I have derived inspiration from many people. For my core understanding of publishing, it is my mentor, Arvind Kumar, who was with Scholastic India then. In Nepal, I have had the opportunity to work with Anil Chitrakar who also has taught me many things. And most of the times when I think of my personal growth then it would be my father who gave me a good education. He encouraged me to try out new things even though I had failed in the initial businesses I had started. He helped me develop confidence and that got me into this publishing business.

These days I have many international friends with whom I interact on a regular basis and they too inspire me a lot. They give me information about the business scenario in their countries which helps me make decisions for the market in Nepal.

I actually wanted to be a pilot when I was young but couldn't finish my science studies and shifted to management. So, there will be times when things don't work out but one must not give up hope and keep persisting. At times, you can derive inspiration from events too. For instance, in 2014, I had the chance to visit Sweden where I realised the value of children's books.

#### Will technology replace books. Not really.

The whole conversation right now across the globe is about digital. In early 2000 when technology was introduced people were saying technology will replace paper but in 2023, the market share for e-books is still stuck at 15% of the overall book market whereas 85% is physical books. After Covid we have seen that people are more inclined towards reading physical books rather than e-books. People have actually started visiting bookstores. In India, for example, some bookstores are opening seven to eight new outlets every year. The demand for physical books is increasing worldwide. It is only in Nepal that we have not seen bookstores being opened because there is no reading culture. The other paradigm shift now is from e-books to audio books. In Nepal's context, the market for physical books is very low and the market for e-books or audiobooks is negligible. When technology was first introduced, we thought the market for physical books will vanish but on the contrary, it is rising. The only change we have seen in the last couple of decades is that the e-book market is transforming into the audiobook market. **B**





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# TOWARDS SUSTAINABLE WEIGHT LOSS



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

When you are striving to lose weight, it can be especially hard at the beginning because not only are you making an effort to exercise, you are also changing your long-time habits of eating a certain way, and are doing most things differently. Some days can be bad and turn into weeks and months and actually derail you from the process. To start again requires double the motivation and sometimes never happens for some people.

I always suggest that you think of exercise as something healthy you are doing for your body, as something to learn to love and enjoy, and a way of life. If exercise is considered only a means to an end; here we are referring to weight loss – it is usually likely that you will deviate. That's why instead of focusing on a goal, focus on the process of getting healthy, fitter and stronger. And just that switch in thinking will lead you to sustainable weight loss and overall good health.

Here are some things that will help you on your journey to a fitter, stronger and healthier you:

Have breakfast every morning – this helps keep blood sugar steady throughout the day. Eat something nourishing. A cup of coffee is not breakfast. If you can't eat in the morning, try a green smoothie or oatmeal.

Drink more water – nothing like clean, pure drinking water to keep you hydrated and feeling well throughout the day. Many of us tend to drink in spurts or only when we are really thirsty. Ensure you drink water consciously through the day. Listen to your body. In fact, start your day with a glass of water.

Schedule your meals. Eat at the same time every day as much as possible. Eat in a calm environment. Eat slowly and consciously. Chew more. Don't attend phone calls in-between meals or watch TV or catch up on gossip while eating. How you eat is as important as what you eat.

Choose whole foods and lots of green seasonal vegetables – make your meals really nourishing. Choose foods that are good for you and not just convenient. Eat to nourish the body not satisfy a craving. Anything that is packed is not really good for you. Go fresh as much as possible. Adhere to portion control but ensure that

you are eating a well-balanced diet.

Sleep well. Good sleep manages stress and is restorative. Sleep deprivation is a major cause of ill health and high levels of stress. Try to sleep at the same hour every night. Make sure your room is comfortable, ventilated and lacks electronic devices that distract and disturb your sleep.

Exercise every single day if possible or at least four days a week for 30 -45 minutes. Routine exercise is important and cannot be replaced by sporadic movements or household work or having walked to office. It is important to stay active even otherwise like taking the stairs instead of the elevator but routine, planned exercise has enormous benefits and cannot be replaced by random activities. Choose an exercise form you like doing and you'll probably do it more.

Avoid the scale. Getting on that weighing scale everyday and even several times a day is not going to help your weight

loss efforts. You need to be patient and consistent in your efforts. Measure your weight once in 2-3 weeks to note your progress.

Don't judge yourself. It is so easy to judge yourself and berate yourself and make life miserable. But if you really think consciously, it's not even important. Life goes on. Every second lost thinking about why you did what you did and how you should or should not have done it is a waste of time. Learn from your mistakes and forgive yourself and others.

Just breathe. Take a few minutes to just breathe every now and then. Stop doing everything and focus on your breath. You will feel like whole new person making better decisions and feeling calmer.

Self-care. Read a book, take a nap, go for a massage, schedule a spa day, take a walk... whatever makes you feel good by yourself. Do at least one act of self care every day. **B**





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# WILL TECHNOLOGY OF THE FUTURE BECOME BOON OR BANE?



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

Right now, 90% or more of humanity lives by their physiological and intellectual capabilities. But everything that you can do, a machine will do in future. Anything that can be built by storage of memory, access to memory, analysis of this memory and expression of this memory, everything that you are doing through your intellect, thinking that is you, will be done by a machine at some point.

Once machines start doing this, it is inevitable for you to explore the deeper dimensions of who you are. And that will be a great day, because that means we are on a holiday. We will not work for a living. Then we can look at life in a completely different way.

## A Dimension Beyond Memory

What you call as your body and your mind is a certain accumulation of memory. Memory is what has made you everything that you are. For example, if a man eats a piece of bread, the bread becomes a man. If a woman eats it, it becomes a woman. If a dog eats the same bread, it becomes

a dog. That's a smart piece of bread! It is not the bread but the kind of memory the system carries that transforms bread into a man, woman or dog.

The very structure of your body is a certain dimension of memory. Memory is also a defining boundary. But there is a dimension of intelligence which we call chitta, or in modern terminology, it can loosely be called consciousness. This dimension of intelligence has no memory in it. Where there is no memory, there are no boundaries to it.

Human intellect is an island. All products of human intellect are small islands, including technology. Consciousness is the ocean in which we exist. Consciousness is an intelligence that is not identified with any memory or boundary of you and me, and this and that. This is a dimension of intelligence which has no boundaries.



As our technological capabilities increase, we must also strive to upgrade human beings to move beyond the limitations of their intellect and come to a deeper dimension of intelligence which is the very source of life itself within us.

## Infrastructure for Consciousness

If anything needs to happen, a certain amount of human energy, time, and

resource has to be dedicated to it. So, we have to invest in consciousness. Till now, we have been investing only in our survival. But once these technologies start becoming a reality, survival will not even be an issue. When survival is not an issue, we will definitely start investing. But the sooner we invest, the lesser the aberration when we move into these new possibilities that technology will open up.

Technology is always a double-edged sword. Which way you are going to use it depends on who you are. Whether your identity and your experience are very exclusive, or your identity and experience are very inclusive, will determine in which way the sword will swing.

So, what do we have to do for consciousness to manifest in human societies large-scale? In every generation, there have been very conscious beings.

But in some generations and in some societies, they have been heard. In other societies, they have been ignored. It is time we make that voice, which refers to a dimensionless, boundary-less consciousness, heard, and make available, methodologies of how to become conscious.

## Technologies for Inner Wellbeing

As there are technologies to create wellbeing in our

surroundings, there is a science and technology to do the same within us as well. With any amount of technology, if you do not know how to be, you still are not well. We know more comfort and convenience than any generation ever knew in the history of humanity. But can we claim we are the most joyful and fantastic generation ever? No! People are becoming neurotic. I am not saying that we are worse than other generations, but we are not significantly better, despite the amount of toll we have taken on every other life to have what we want to have.

These technologies will bring comfort and convenience but will not bring wellbeing. It is time to focus on inner wellbeing. Right now, your wellbeing is still determined by what is around you, not what is within you.

If your body and your brain took instructions from you, would you keep yourself healthy and blissful every moment of your life? If you had a choice, definitely you would. If you are not blissful every moment, obviously, your body and your brain are not taking instructions from you. This means you are not conscious enough.

So, we have to invest in that direction. In our cities, there are hospitals, schools, toilets, and everything. But do you have a place for people to meditate? When technology starts doing most of the things that you are doing now, and you do not know why you exist, then the need for inner wellbeing will become super-strong. So, if we want to be ready for that day, it is very important that we invest both physical infrastructure and human infrastructure which focuses on the innermost core of who we are. **B**



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We can never be prepared for the unknown but the confidence to tackle a difficult situation is the most valuable quality a leader can possess”

Mani R Lamichhane is currently Director of Research, Planning and Monitoring at Nepal Tourism Board and the National Project Coordinator of Sustainable Tourism for Livelihood Recovery Project (UNDP). He began his career in tourism in 1999, and joined the Nepal Tourism Board in 2008. In this time at NTB, Lamichhane has initiated several successful programmes among which the World Tourism Day Village stands out. “We launched this programme in 2013 to promote our villages as tourist destinations and to help visitors experience the delights of rural Nepal,” he shares, adding that it has played a major role in identifying the tourism potential of many areas that had long remained untapped even as it created economic opportunities and livelihoods for the communities there. In 2018, Lamichhane was positioned in Pokhara and an initiative that he recalls from his time there is to ensure that the lake city has street signs for easy navigation of tourists. The examples are many across Lamichhane’s career – some simple and some complex but what really stands out is his love for tourism promotion of the country.

In this edition of **Business 360**, we spoke to Lamichhane about his thoughts on leadership and some of the challenges of tourism in Nepal. Excerpts:

#### How do you define a leader?

Leaders are changemakers. They must always have a sense of ownership in whatever they do and also accept everyone around them as their own and provide a sense of security. For me the true definition of a leader is a person who is willing to bring change and who can see opportunity even when there are risks. A leader is somebody who can make a difference in society regardless of the challenges.

#### Is leadership ‘in-born’ or ‘acquired’?

I would say leadership qualities are acquired. A person’s growth in personal and professional life is determined by the environmental factors, especially the social environment where we are groomed and put through the experiences of life. The environment shapes one’s mindset, personality and how they perceive life. There could be cases where a few qualities are inborn but the qualities have to be groomed and enhanced over time. Thus, the qualities are acquired over time as per the situation, experiences and exposure.

#### Who comes to your mind as ‘an ideal leader’?

I enjoy reading biographies and while reading about Barack Obama, I was inspired by his dedication towards his responsibilities. Previously, I used to always be occupied with work but after reading his biography I learnt how to segregate time for work, family and my personal interests. It is amazing how Obama, despite having to look after so many national and international affairs during his tenure, was able to take time out for his family even as much as to take his dogs out for walks. And here I was, an ordinary individual, who didn’t have time for other things. After reading the biography I am better at time management and also have a positive outlook on life.

#### How essential is a team?

When you are part of the team and enjoy your work, you don’t have to actually work is a philosophy that I stand by. I am a firm believer that when you enjoy your work, people around you will also enjoy working with you. I have an open-door policy at NTB. If anyone has any kind of problem or query, they are free to come and talk

to me. When you are in a senior position, communication is even more vital because at the end of the day, it is the people around you that matter. It is your team that assists you in your work. A person must always be a team member before being a team leader.

#### How can a leader prepare for the unknown?

We can never be prepared for the unknown but the confidence to tackle a difficult situation is the most valuable quality a leader can possess. Hence, the experiences and ability to tackle a situation with sincerity will enable a person to be prepared for any situation thrown their way.

#### How did the Covid pandemic affect your line of work?

Tourism is a sector which is impacted greatly by calamities and Covid 19 was one which caused many employees who work in the sector to lose their jobs. Sherpas, porters, tour guides who work for only a few months during the peak season were left jobless as the start of the pandemic coincided with the start of the tourism season. To address the problem, we partnered with UNDP and brought immediate livelihood support programme which focused on short-term employment. A budget was set to cater to the most vulnerable and directly-affected people. The programme had the aim to cater to 250 people by providing them small scale jobs so that they could sustain themselves during the period. The challenge was immense as we wanted to help as many people as we could and even though it was a hard call, Nepal Tourism Board was successful in running the programme.

The success of the programme encouraged us to expand it to a greater scale and hence, Sustainable Tourism for

Livelihood Recovery Project (STLRP) was started. Through this programme, we initially aimed to provide employment to 1,600 people but we were able to provide employment to around 5,700 individuals. We provided training and life-sustaining skills to encourage them to be a part of a sustainable outcome. One of the achievements was that we bagged the gold medal from PATA which recognises the achievements of organisations and individuals and encourages the industry to create new responsible and sustainable initiatives as we look towards recovery from the pandemic.

#### In what ways are you promoting tourism in Nepal?

As the world has transformed into digital, we are extremely active on social media promoting Nepal. We also try to attend as many webinars and conferences as possible. We try to collaborate with embassies as well in order to build good relationships and organise programmes to promote Nepal in their respective countries.

Also, we have started to invite vloggers and bloggers to visit Nepal. This strategy is the best we could ask for. In recent times, there are many YouTubers who are visiting Nepal and promoting the country. At times, we sponsor them to explore the culture, history and landscape of Nepal. Additionally, we invite tour operators and travel companies.

Currently, we are promoting cross-border tourism because having an open border with India, thousands of visitors come through it. We want to showcase that Nepal is not only about Kathmandu, Pokhara and Lumbini but has a lot more to offer. Our aim is for tourists to travel to different parts of the country as Nepal has a lot to offer. **B**

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