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BUSINESS 360°

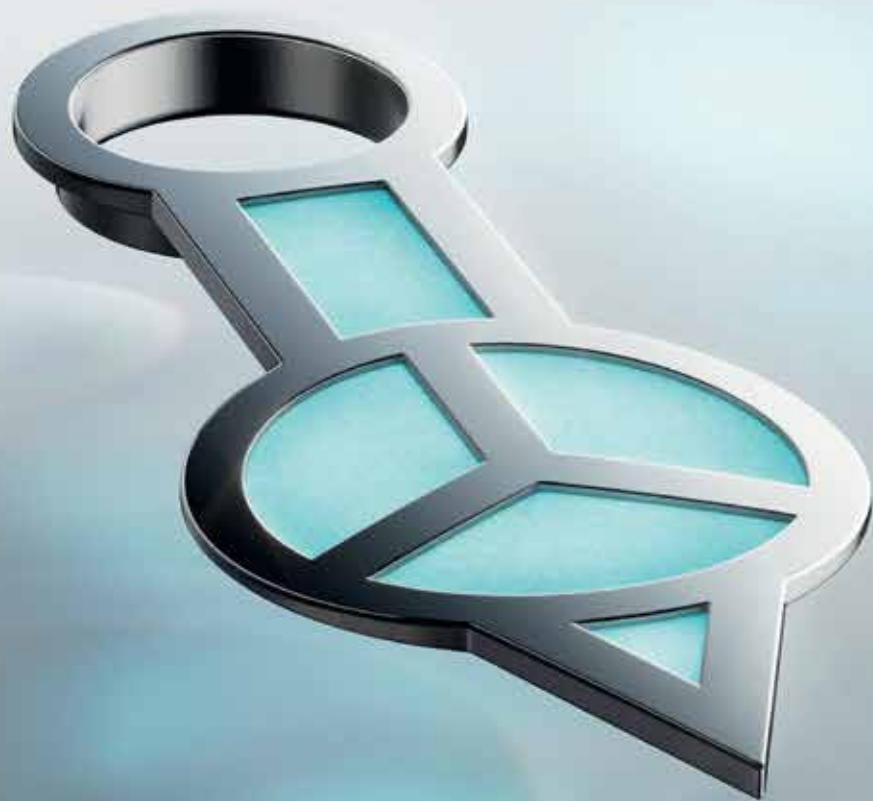
**GREEN
TAXONOMY: WHY
NEPAL SHOULD
STAY AHEAD OF
THE CURVE**

**THE IMPACT
OF RISING
INTEREST RATES
ON DOING
BUSINESS
IN NEPAL**

**RUSLAN
THE SPIRIT OF
THE NATION**

VIJAY K SHAH & RAJ B SHAH
JAWALAKHEL GROUP OF INDUSTRIES





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ambient light's energy only to better release it, gradually, whenever it may wane. First obtained in powder form, it is then heated to a very high temperature and mixed with a resin, before being applied manually to the hands and indexes. Its characteristic blue hue is a most reliable ally to repel the reach of darkness. A most precious glow in even the darkest of nights.

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Sometimes, the problems that surround our economy confound me; I can't help but think: why is it made so complicated. While some of the problems are very real, most are nuanced to be more than it is. But what gets me most is the fact that time has passed not in weeks and months but years and decades and we still struggle with the same issues. The contexts may have changed but at the core is sheer lack of vision, intelligence and the willpower to reform. Add to that, greed in so many forms, that now it is almost normal that nothing can be achieved without bribes, use of power and connection, or nepotism.

How many times can politicians harp on the same problems? How can we keep repositioning the same issues from different angles? And why does the public keep on listening, believing and hoping with a strange, learned helplessness.

The opportunities ahead of us are so immense with India and China growing their capabilities and influence. No global conversation on power and economics can afford to overlook these countries. If we have a government that is led by a visionary and courageous leader, we could be in the best position ever to leverage the path to prosperity in the nation.

I am not in denial that the world has been through some seismic shifts in recent years, and that we are collectively facing economic, geopolitical and environmental uncertainties, but I know that we can navigate these times better if we have leadership that knows how to weather these storms.

There is no denying that there is a continuing economic slowdown across the world, and we will all have to bear its consequences. But that should not stop us from finding opportunities.

Some 30 countries with half the planet will be going to polls in 2024, but there will be four elections that will shape the global order: USA, India, Russia and EU. While USA may face recession, China may face a slight slowdown but India is poised for growth; this means a drastic change in the overall balance of global economic power. Something, if Nepal understands well and works around with forethought could serve to her advantage in these trying times.

I am sure the powers that be have thought of this already but have they done anything about it or have a strategy in place is what concerns me more.

A handwritten signature in black ink, appearing to read 'Charu Chadha', written over a horizontal line.

Charu Chadha
editor

BIZ INDICATORS

FOREX MARKET	18-Dec-23	18-Nov-23	Year ago
USD	132.90	133.34	132.33
GBP	168.01	166.16	160.65
Chinese Renminbi (Yuan)	18.63	18.60	18.97
Indian Rupee (INR 100)	160.00	160.00	160.00
Euro	145.15	145.44	140.33
Australian Dollar	-	-	-
GOVERNMENT SECURITIES	Lowest	Highest	Weighted Avg.
Discount rate of T-bill (Subject to latest issuance)			
Treasury bills (28 days)	2.09	2.76	2.50
Treasury bills (91 days)	2.25	3.70	3.31
Treasury bills (182 days)	3.40	4.00	3.85
Treasury bills (364 days)	3.99	4.90	4.72
PRICE INDICES	14-Nov-23	15-Oct-23	14-Nov-22
National Consumer Price Index (base year 2014/15 = 100)	166.91	167.27	158.38

Source: Refinitiv Eikon, Nrb

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NEPAL PRESENTS A UNIQUE SET OF CHALLENGES FOR ENTREPRENEURS. THE MOST DAUNTING ASPECT HAS BEEN UNDERSTANDING AND NAVIGATING THE INTRICATE WEB OF POLICIES, LAWS AND REGULATIONS. THESE ARE OFTEN AT ODDS WITH PRACTICAL IMPLEMENTATION AND CAN POSE SIGNIFICANT HURDLES FOR BUSINESSES.

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VIJAY KUMAR SHAH
FOUNDER CHAIRMAN

OUR COMMITMENT IS EVIDENT IN THE TAXES WE HAVE PAID. I ALWAYS ASPIRE FOR OUR COMPANY TO BE ONE OF THE HIGHEST TAXPAYERS BECAUSE, HONESTLY, I MIGHT NOT BE WELL-VERSED IN SOCIAL SERVICE, AND THAT'S THE GOVERNMENT'S ROLE. I DON'T KNOW HOW TO BUILD SCHOOLS, COLLEGES, OR HOSPITALS. THE TAXES WE CONTRIBUTE SHOULD SERVE THAT PURPOSE. FOR ME, THAT'S HOW I FEEL I HAVE SERVED MY PEOPLE, AND IT'S THE MOST IMPORTANT ASPECT.



30

THE IMPACT OF RISING INTEREST RATES ON DOING BUSINESS IN NEPAL



OPINION

58

"FIFTEEN YEARS BACK THERE WAS NOTHING LIKE CLOUD-BASED PRINTING. TODAY, PEOPLE WANT TO PRINT FROM ANY DEVICE. IT'S NOT ONLY FROM A PC BUT ALSO FROM TABLETS AND MOBILES. SO, TO SHOW THESE APP-BASED OR CLOUD-BASED PRINTING SOLUTIONS WE HAVE OPENED THIS CENTRE"

AMIT ALI
Sales Director – Middle East and Africa, Brother International Gulf

ETC

78

"I BELIEVE THAT IN THE NEXT TEN YEARS, THERE WILL BE A MAJORITY OF YOUTH IN LEADERSHIP. I SEE THE NEED FOR YOUTH LEADERSHIP IN EVERY FIELD, AND POLITICS CANNOT BE LEFT BEHIND. IT ALSO SEEMS THAT THE PARTICIPATION OF WOMEN AT THE LEADERSHIP LEVEL HAS BEEN AND WILL INCREASE SIGNIFICANTLY. YOUNG, COMPETITIVE AND COMPETENT LEADERSHIP IS NECESSARY FOR RADICAL CHANGE IN THE COUNTRY. WE ALL HAVE TO BE READY FOR THIS"

RADHIKA ARYAL
Principal Secretary, Lumbini Province

LEADERSHIP

WRITE TO US AT

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ON THE COVER

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FACE2FACE

“FOR GRADUATION FROM LDC STATUS TO BECOME SUSTAINABLE, NEPAL NEEDS TO ACHIEVE INCLUSIVE AND HIGH ECONOMIC GROWTH AS ENVISAGED IN ITS 15TH FIVE-YEAR PLAN (FY2020-FY2024) AND ITS LONG-TERM VISION FOR 2043. NEPAL HAS AN EXTENDED PREPARATORY PERIOD OF FIVE YEARS TO PREPARE ITSELF FOR GRADUATION. NOW THE FOCUS SHOULD BE ON ACHIEVING A GREEN, RESILIENT, AND INCLUSIVE DEVELOPMENT TO ACHIEVE HIGH AND SUSTAINED RATES OF ECONOMIC GROWTH.

ARNAUD CAUCHOIS
COUNTRY DIRECTOR
ASIAN DEVELOPMENT BANK -
NEPAL



26

THE DISMAL REALITY OF BUSINESS INVESTMENT



FEATURE

40

WHILE OUR COMMITMENT TO ADHERING TO GOVERNMENT RULES AND LAWS IS UNWAVERING, THE COST OF COMPLIANCE IS SUBSTANTIAL. THIS COMMITMENT SETS US APART, BUT IT ALSO POSES A FINANCIAL CHALLENGE. CONSIDERING THAT NOT ALL COMPANIES IN THE INDUSTRY ADHERE TO THE SAME STRINGENT STANDARDS. THE COST DIFFERENTIALS BETWEEN COMPLIANT AND NON-COMPLIANT ENTITIES CAN CREATE AN UNEVEN PLAYING FIELD, POTENTIALLY IMPACTING THE COMPETITIVE LANDSCAPE.

SASHIN JOSHI
Group Executive Director, JGI

FACE2FACE

28 | BUSINESS SUTRA

38 | LEGAL EAGLE

44 | COMMODITY PERSPECTIVE

46 | BEED TAKE

48 | INNOVATION

50 | BITSNBYTES

52 | GUEST COLUMN

54 | NATIONAL

COLUMNS

28 | BUSINESS SUTRA

The Harvard Business Review Elixir

38 | LEGAL EAGLE

Technology Transfer Regime in Nepal

44 | COMMODITY PERSPECTIVE

Gold Outlook 2024

50 | BITSNBYTES

Mastering Efficiency: The Transformative Power of 5 Essential AI Tools for Streamlining Work Tasks

70 | BESIDES BUSINESS

- TOPPICK
- HI5
- GET FIT
- THROUGH THE MYSTIC EYE



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#FrenchDNA

VIJAY KUMAR SHAH & RAJ BAHADUR SHAH

RUSLAN

THE SPIRIT OF THE NATION

Enter the realm of Ruslan and you are caught in the winning spirit of a brand that is celebrating 50 years of success captivating the hearts of the Nepali people. Ruslan is synonymous with vodka in Nepal, and the brand only grows stronger as it evolves and grows.

Building a brand is no small feat, and building a brand that endures the test of time, even tougher. What captured our imagination was its trajectory from 1973 to today – the stories, the struggles, the victories and the people behind it.

Vijay Kumar Shah is a celebrated name in the corporate world of Nepal. He is highly respected for not just his business acumen and expertise but for his strong values and ethics. Among the country's highest tax payers, he has built his business from a single brand to a group of companies that has generated employment for thousands of people and unlocked opportunities for so many more.

His father, Ram Narayan Shah, was believed to be the man whose touch would turn water into the best spirit. A fifth-generation alcohol maker, Vijay Shah is a chemical engineer who brought the blueprint for his business from the United States. Years of hardship, near bankruptcy, numerous challenges did not deter the spirit of Vijay Shah who was in the pursuit of business excellence. He built every little aspect of the business with meticulous detail, in partnership with his wife, Maggie Shah, who worked equally if not harder to

build networks and markets in a Nepal that was just opening to the ideas of the outside world.

Raj Bahadur Shah embraced the family business in early 2000 after completing his education from the United States. Fuelled with new ideas and energy, Raj Shah infused a renewed sense of purpose into the business. Driven by ambitions larger than life, his dreams were grander and he aspired to build on the legacy his parents had diligently crafted. He says that the distillery ran in his blood; he never considered an alternative career path. He ensured continuity of Jawalakhel Group of Industries being the undisputed leader in the liquor industry and becoming one of the fastest growing companies in Nepal in the ensuing years.

Today, JGI is a business conglomerate managing multiple companies that manufacture and distribute alcoholic beverages. The distilleries, brewery facilities and research and distribution units produce a range of different brands – 75 brands over five decades, some of them the most recognised global brands - across various categories of alcoholic drinks in the Nepali market, and for overseas export.

Raj Shah is a strong proponent of systems, technology, knowledge, performance and risk appetite which have been the cornerstones of the group's remarkable growth. He holds a distinct interest in corporate strategy, human resource development and brand building. From a modest



marketing budget of Rs 20 lakhs annually, Raj Shah was spending a hundred crores on marketing alone every year. He understood the pulse of his consumers and ensured that his products found place at every consumer touch point. His marketing strategies were spot on and today, Ruslan is credited with building the careers of young artists, musicians, actors, sports people and giving momentum to sports, arts and culture in the country. In terms of philanthropy, he has ensured that his parents' progressive culture of giving back to the people and communities was given continuity.

Weathering the uncertainties of the political and economic conditions in the country over the years needs thick skin, unwavering focus and strong belief, Raj Shah has inherited these in good measure from his parents who he says allowed him the freedom to champion his ideas and the associated risks with faith in his abilities.

Standing by his side is his sister, Jaya Shah who is the custodian of the science behind the spirit. Jaya works with her father, Vijay Kumar Shah, in his relentless passion for perfection in getting the formulas right and ensuring that each batch of production is on point. Her unwavering commitment to quality and the company's investment in the latest state-of-the-art technology is what consumers enjoy in their drink, and what has brought the company numerous recognitions and awards.

Co-creation is the cornerstone of this family, and at the heart of their success is the deep insight that they complement each other's strengths by honing their own skills and abilities.

Family businesses are inherently complex. The years have not come without its share of disagreements, tears and anguish at holding together a shared vision because individually they are all strong people but what binds them is their humility, courage and the ability to step back and let the other take the spotlight when needed. They know in their hearts that family comes first. They also bring this to the company where employees are cherished and encouraged to grow their abilities.

In this edition of **Business 360**, we brought together the Founder Chairman and the Managing Director of Jawalakhel Group of Industries, Vijay Kumar Shah (VKS) and Raj Bahadur Shah (RBS) in a candid conversation that reflects on the dynamics of building and holding a business legacy as Ruslan celebrates 50 years. Excerpts:

What is it like to work together as father and son?

RBS: More than anything, my parents have always given me the freedom to make choices. I am accountable but I have the freedom to make tough decisions.

I respect my parents a lot, and I include them in every big decision that we make, whether it's for work, for family, or even with personal issues. Our family functions really well because we are open, we are honest and genuine with each other.

VKS: It's big fun. I learned it from my father. One thing he said: Whatever mistake you want to make, make it, I can afford it. But I want you to stand on your own feet and be capable of running this heritage. When you have the freedom and the trust, it's always fun to work with the family. We work together. We don't lie to each other. We have certain professional ethics and we have a certain deep understanding and love for each other. No matter if you are wrong, no matter if you differ, the family has to work together and produce the best.

What is the one common trait that you both share at work?

RBS: Definitely it is the pursuit of perfection. It's about ethics. It's about hard work. It's about giving back to our family, giving back to our staff, giving back to the community.

VKS: For me, heritage is a big deal. Just keep it real - no lies, no faking it. Put your heart into your work with honesty and pride. We are lucky to be born in Nepal, so let's be true to our country, our people, our team, and our family. I am sure we can all relate to that.

RBS: Can I add to that? I think for us, being in the office, being at work, being at our factories, it's like being at home. Definitely!

What do you value about each other's working style?

RBS: We value many things but I think our genuine effort, the fact that we are

generally interested to get things done. We are genuinely interested to do the best we can, and we are genuinely honest when things are not right that things have to change.

VKS: Raj's indefatigable energy. He never tires and he works with enjoyment. No matter how difficult the situation is, he can still laugh and say, 'Okay, let's have lunch or a glass of beer'. Work is fun for us.

Are there moments of conflict or differences and how do you work around those? Do you have working boundaries?

RBS: Absolutely. Being part of a family business is a rollercoaster, much like life, the country's situation, or any market scenario. There are highs and lows. Even in a relationship, disagreements happen. But with my parents, we have always maintained a professional attitude. Sure, there are moments of anger, yelling, and even tears, but we believe in forgiving and moving on. Maybe we don't always forget, but we genuinely try to forgive and move forward, primarily because of the mutual respect we share. Open communication has been our saving grace. We make it a point to keep each other in the loop, whether it's about business, family matters, or life in general.

VKS: There's always conflict. The differences are about issues and not about us. For me, all I want to know is how hard he has thought about it. After that, there is no problem. As long as one has chosen every step and looked at the problem thoughtfully.

There is no right way and wrong way. You can climb Everest from any side or any face, or in any way. In business, if you have thought over each and every step, and something is not working, then it's time to try a newer idea. Why not?

We are very lucky that we can accept each other's differences with lovingness and

“ We believe that AI is here to stay and that automation is a reality. But we also know human power cannot be replaced by machines because the human heart is not replaceable.



honesty... that's very important to both of us.

RBS: A lot of times we agree to disagree. And that is a great formula for any business or any family. One thing that does set us apart from most families, not just with work but with everything is that as we are all strong independent characters, there are many times we have to agree to disagree and accept everyone's different opinions; but then we just move on with life.

A challenging moment in your career.

RBS: We have had so many challenges in Nepal. It's hard to think of only one. Our company is celebrating 50 years of Ruslan. But we have tried 25 different companies. I have launched 75 different brands. We have had so many problems from bombings, from guns pointed at us, from bombs exploding, from labour strikes, from bandhs, from earthquakes, from the pandemic, you name it, we have been through it.

VKS: I know doing business in Nepal is a daily challenge, it may be social, professional and even political challenges at times. In addition to this, you also have to deal with competitors of questionable ethical considerations. Our approach is simple-face the challenge head-on. Every day, Raj, Maggie, and I gather to discuss and figure out our approach. We believe that those who put their heart into it will ultimately come out on top.

The day you felt you made it

RBS: I think the time when Golden Oak crossed a million cases for the first time, it was amazing to me. There's a magazine called Drinks International, and I have always looked at it for the last 25 years. But when I saw the Himalayan Distillery name with Golden Oak written on it, it was a matter of pride for me.

VKS: My greatest moment is to see how pure my vodka is. My whole life is dedicated

to it. It's my passion. It's my life. It has to be better than yesterday. So, whenever I go to the office, I say, 'Is it better than yesterday'. When I hear 'No, it's the same', I get fervent and say, 'Let's do more research'.

What motivates you to do what you do each day?

RBS: I wake up very early in the morning to three loving daughters, a loving wife, a father who is almost like a best friend, a mother who's like a pillar to me. And I know I have to work hard. Working hard is something that you have to do. So, I am up early, motivated and driven to go to work. And in Nepal, believe me, there are a lot of things that we need to do... that good entrepreneurs need to work hard to get this country back into shape. And that really motivates me to push forward every day.

VKS: I don't get old. I get younger every day. For me, my work makes me young because every day when I get up, there's a temple right next to my bed and I say, 'What's the challenge? How are you going to help me?' And you know what my answer is? You help yourself. So, I go out there and solve any problem with that deep faith that it can be done.

What have you learnt about each other, or appreciate as a strength different to your own in the other?

RBS: My dad is a true scientist. He's a true technocrat. I am completely different. I am more about management, marketing and operations by nature. But I love his pursuit for perfection. I love his energy and motivation. It's contagious, I admire how humble my father is, whether it's with people passing by or total strangers. My dad goes all the way out to be really nice to people which really means a lot to me.

VKS: Raj has the quality that I don't have. I mean, he can sit in a meeting for five hours. I am antsy in 15 minutes. He can sit on the computer, go through all the records and write down the notes very

methodically. I only memorise them. It's all in my mind. So, we complement each other. We don't compare ourselves; we just appreciate each other.

How do you communicate with each other?

RBS: The first person I meet in the morning is my father. I wake him up. He even knows the sound of the way the door opens and by my footsteps, that it's me. The moment we get to the office, we are hanging out together, having a good time. We eat lunch together every day. Our big topic in the evening is what's for dinner. And at night, he's the last person I look at too.

VKS: That is so true. I know my son's footsteps and the way he opens the door. I know my son Raj. We have great moments of togetherness. We may not have any specific topic to talk about, but we have the whole world within us. And that's the beauty of a family, father and son working together, just looking at each other, hearing about the difficult days and time and not getting upset about it. Some days he has challenges, some days he is relaxed, discussing what we should eat for lunch. And above all, as soon as Raj comes to my room, my grandchildren follow. They are my sunshine.

Deciding the company's future trajectory after 50 years of strong success, what is the common vision?

RBS: I have three lovely daughters. The way I look at it is that in 50 years they'll be celebrating the 100th anniversary, perhaps with all of you or your children.

VKS: I have prepared a team that even for 100 years, the spirit of the Shah family continues the research and the passion to do better. What we did yesterday is already obsolete. Move forward. I can see that even in the younger children. Like when my granddaughters come and they bring something and say, can

you smell it? They already are concocting rich chocolate. I see it in our blood and I am happy to see that. That makes me very content. As long as the spirit of innovation stays in this family. We want to be the best; we don't want to be second best. That passion is passed down. I am the fifth generation. The sixth generation has carried it forward and now I can already see that in the seventh generation. They will carry it through. I can see the inklings of it very clearly.

What would you like to accomplish at the end of your career?

RBS: I don't think my career will ever end. But definitely I can't wait to see my daughters sit in my seat and for them to make decisions. They'll take care of me like my parents took care of me when I was a child. Now I work hard to take care of them, but that's what I really look forward to: seeing my kids taking over.

VKS: At the end of these 50 years, I want to be in touch with my reality. And how to be in touch with reality requires a lot of experience. Passing on this wisdom to my son is my new mission. Right now, I want to engage in a conversation about life, not business, with him.

Being a Nepali holds significant importance in our lives. While our dreams may not always materialize, the effort we put in matters. I want to ask my son: Did we genuinely enjoy the journey? Does it all make sense to you?

Our commitment is evident in the taxes we have paid. I always aspire for our company to be one of the highest taxpayers because, honestly, I might not be well-versed in social service, and that's the government's role. I don't know how to build schools, colleges, or hospitals. The taxes we contribute should serve that purpose. For me, that's how I feel I have served my people, and it's the most important aspect.

Success is not easy. Success is always about struggle. Success is about making mistakes. It's about having failures. But keep giving, keep on getting up, keep on trying new things, keep on dodging bullets. The reward of success only comes from all the struggles you overcome.



Any advice for father-son or father-daughter teams?

RBS: You need to be patient. You need to respect each other. You need to be honest, but most important, you need to give each other space. Many families I have seen don't give each other space. In many families I have seen, the parents never give their children responsibility or accountability. This is a big problem. At a young age, if an entrepreneur is not given the freedom, the authority to make decisions, to make mistakes and get up from them, it becomes a problem.

But definitely any family business is a difficult business because sometimes our culture itself is so hierarchical that it becomes complicated. But space is important, respect is important, and giving authority to delegate responsibility, that's very important.

VKS: Keep working. Keep that spirit alive. It's your heritage. Never give up. Shah family should never give up, no matter how difficult it is. My father made me believe that you have to be the best in a very loving way because sometimes to be the best can be very painful. But if done very lovingly, you will imbibe the values and live them. And I think Raj has done that and he will continue. And I am happy that he is going to pass that timepiece to his children. I look forward that the heritage will continue.

Is there a succession plan?

RBS: We have all sorts of plans. We have three-year plans, five-year plans. I have a 2050 plan and a 2073 plan. So, the plans are all there. But definitely it's all about my kids. The succession of my teams. Hopefully my employees, their kids will work for us. Also, we already have several of our employees that are second to third generation in our company, so succession and long-term planning are important. But yes, in Nepal



it's difficult. My company has more plans than I think the country does, so it's not easy. We have to be flexible and keep changing with the wind.

VKS: Yeah, we have a lot of plans. I always think this way. If it works, we'll celebrate, but if it doesn't work, how do I work to make our goals come true. When it comes to research and development, I have the best team and they have been trained mercilessly like a bootcamp and they now believe they are at par with the best in the world. I am probably the only chairman of a group who gets a call at 11 pm asking me to help understand something a team member read; I love that dedication.

My succession is my heritage, my legacy, which my son does. He works very hard. At times I worry how hard he works. Our heritage is really to enjoy our work, to work hard

and to contribute in meaningful ways. To know that we are going to produce the best we can both in ethics, in workforce, for us and the people, as well as in our product.

RBS: When I grew up as a kid, I was born in a distillery, I grew up in a distillery. It never even crossed my mind even once that I would have to do anything else. I was born to work with the family. I was born to work in the distillery. And that's something that I hope I can instill in my kids.

Describe Ruslan in a sentence.

VKS: Spirit of heritage. Spirit of greatness. Spirit innovation. Spirit of perfection. Perfection, however, can never be achieved, there is always something more you can do. In that same understanding, we are always trying to improve on Ruslan. Perhaps we are the only people in the world who

try to remove each impurity in minuscule parts, like parts per billion. We analyse, we try to remove. We want Ruslan to be the spirit of the highest value.

RBS: I always say Ruslan is the spirit of good times. And when I think of Ruslan in the way we like to communicate about it, it's about youth, it's about celebration, it's about friendships, it's about bonding, it's about dancing, singing, laughing. It's about creating all those great memories that Nepalis are famous for.

We Nepalis are great people. We are fun-loving people, God fearing but fun-loving people. And Ruslan has played a major role in many different ways, but that's what we always like to promote. Ruslan creates good times and great memories. **B**



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DRIVE LIKE YOU ALWAYS HAVE

Toyota Hybrid Electric models seamlessly switch between electric energy and a blend of petrol and electric power to optimise driving performance.

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The self-charging hybrid battery charges when braking or coasting – so there is no need to plug in.





Arnaud Cauchois
Country Director, Asian Development Bank - Nepal

“In the upcoming Country Partnership Strategy 2025-2029, ADB expects to present its vision for private sector development, including policy reforms and strengthening operational environment for businesses. We plan to focus on upstream (policy/legal, regulatory) and midstream (project preparation) support to help generate viable financing opportunities. ADB is also in discussion with the government to support improving the PPP enabling environment and is exploring the potential to provide transaction advisory support. Going forward, ADB anticipates dedicated effort to support the transition to the green economy and expects the private sector to be a key player in this regard”

Asian Development Bank (ADB), as a multilateral development partner, has been working with the government to support in achieving the development targets of the country. ADB's active portfolio in Nepal stands at over \$3 billion being mobilised for a broad range of key sectors: energy, transport, agriculture, water and urban infrastructure and services, rural development and natural resources, health, and education.

ADB's Country Partnership Strategy (2020-2024) focuses on three priority areas: improving infrastructure for private sector-led growth, improving access to devolved services, and ensuring environmental sustainability and resilience. The multilateral development bank is now gearing up to frame its new Country Partnership Strategy for the next five years.

In this context, **Business 360** caught up with Arnaud Cauchois, ADB's Country Director for Nepal to learn about the priorities of engagement in Nepal going forward. Excerpts:

What are your recommendations to the government to cope with the current economic challenges of the country?

My foremost recommendation to the

government would be to accelerate the execution of capital expenditure budget. The fiscal policy reflected in the budget speech for 2024 had pledged to mend the past budget implementation issues and challenges through the finalisation of the work plan and issuance of work manuals and directives. But progress seems far-fetched as reflected by the poor capital budget execution at around 12% in the first five months of this fiscal year. In the current scenario of economic challenges, whereby construction activities have slowed down, it is imperative that the government ramp up public investment to stimulate the economy. This will also induce confidence in the private sector, thereby promoting private investment.

The second recommendation would be to ensure good coordination among line agencies and that agencies be held accountable for failing to comply with the promised deliverables within the stipulated timeframe. In the absence of accountability, development process has derailed in Nepal.

And the third recommendation would be to bring private sector into confidence by facilitating the business environment, ensuring

fair and predictable tax regime, and implementing various measures such as industry registration, dissolution, and investment approval electronically, among others.

In the medium to longer term, the government must aim at enhancing its domestic production and generating employment opportunities. These can be achieved if the government facilitates commercial farming, promotes micro and small medium enterprises, and advances information and technology, and tourism businesses. The government should also continue the rationalisation of recurrent expenditures to minimise the widening budget deficit. It should implement project banks and medium-term expenditure frameworks at provincial and local levels for making project development and selection systems more systematic and transparent.

With Nepal being in the process of graduating from Least Developed Country to Developing Country by 2026, how does ADB envision supporting Nepal?

Nepal qualified for graduation to a developing country status as it met two out of three thresholds - on human assets and economic vulnerability - to become

eligible for graduation. It did not meet the gross national income (GNI) per capita criterion. Once it graduates, Nepal will not be eligible for the benefits that LDCs are provided by the international trading system. For graduation from LDC status to become sustainable, Nepal needs to achieve inclusive and high economic growth as envisaged in its 15th five-year plan (FY2020-FY2024) and its long-term vision for 2043. Nepal has an extended preparatory period of five years to prepare itself for graduation. Now the focus should be on achieving a green, resilient, and inclusive development to achieve high and sustained rates of economic growth. This will require structural reforms and quality investments in physical and human capital to stimulate greater private sector investment including foreign direct investment; raise productivity in agriculture, manufacturing, and services; and increase and diversify exports of goods and services in terms of products and markets. ADB is committed to supporting the government of Nepal in all of this.

ADB's support in the coming years is geared toward supporting the government's Green, Resilient, and Inclusive

Development Strategy which takes a proactive approach to addressing structural issues and emphasises long-term green and sustainable growth, climate action, and resilience in the face of multiple risks. It comprises policy and institutional reforms, critical investments in infrastructure and human capital, and institutional capacity development along with context-specific innovation including digitalisation and knowledge solutions. Some of the areas of ADB support include customs and logistics reforms, public financial management and devolved service delivery, sector reforms in agriculture, aviation, and water supply. Other support includes upgrading the East–West Highway and the Tribhuvan International Airport, water supply and other urban infrastructure in the Kathmandu valley and other cities and towns, Dudh Koshi [storage] hydropower generation project, and high-capacity lines for domestic and regional power transmission; education and skills development; agriculture, rural connectivity, and irrigation. These would help crowd in private sector investment, raise productivity and economic competitiveness, and provide vital services to businesses, communities, and households.

Could you tell us about ADB partnership with the Government of Nepal in the energy sector and the progress of the Tanahu Hydropower Project?

ADB has been a longstanding partner in Nepal's energy sector since 1972. Nepal's energy sector has come a long way since then. The nation that once suffered from chronic power shortages has now started selling surplus electricity on the Indian energy trading platform. This is a significant achievement.

Today, Nepal is generating electricity in excess of its domestic demand in the wet season. More households and industries have access to grid electricity, and private

investment in hydropower generation has surged. It is heartening to see these transformations and ADB is immensely proud to have been a long-standing partner of the Government of Nepal in the energy sector.

In this partnership of over 50 years, we have seen many milestones. With ADB support, Nepal was able to build its first 132kV transmission line in the 1970s. Nepal also built the first hydropower project of over 100 MW with ADB's financial and technical assistance. The 144MW Kali Gandaki 'A' Hydropower Project commenced operation in early 2000s when electricity demand–supply mismatch led to frequent power cuts. It remains one of the largest power plants in the country.

We have seen significant progress in the construction of Tanahu Hydropower Project, and it has reached an approximate completion rate of 47%. Although the project did face some delays, it is now on track to be completed by the year 2026. The project is expected to generate 140 MW of electricity round the year. It's a reservoir type project, the electricity generated by this is expected to be smooth and uninterrupted. The project is expected to contribute to the increased level of economic activities in the country via more and regular electricity supply.

I was in Nawalparasi for the inauguration of Kushma–New Butwal 220kV transmission line on 11 December. I congratulated the Government of Nepal; Ministry of Energy, Water Resources and Irrigation; Nepal Electricity Authority; and all the stakeholders on successful completion of a significant portion of the Kali Gandaki corridor transmission line which includes the previously completed substations at Dana, Kushma, and New Butwal. I am happy to note that private sector investment for hydropower development has gained momentum in

Kali Gandaki river basin with the construction of this transmission line. I understand there are more than a dozen 300-megawatt hydropower projects currently under development and some have reached an advanced stage of completion.

With the completion of this transmission line, which is connected to the New Butwal substation, one of the proposed points for cross-border power trade with India, Nepal will be able to harness its resources for development and contribute to increasing the share of clean energy in the South-Asia region. Additionally, the industrialising Butwal–Bhairahawa area will benefit from the power supply originating from the Himalaya and the hills.

With the Nepal government's decision to start the construction of the Dudh Koshi Storage Project in coordination with ADB, when can one expect construction to begin?

ADB and the World Bank Group signed a memorandum of understanding stipulating cooperation and collaboration to strengthen Nepal's hydropower sector, specifically in the context of the proposed Upper Arun and Dudh Koshi hydropower projects. The MoU for an initial period of five years was signed on December 6 on the sidelines of COP28 by ADB Vice-President for Sectors and Themes Fatima Yasmin and World Bank Vice-President for South Asia Martin Raiser.

The pilot approach between the two multilateral development banks (MDBs) provides opportunities for collaboration in knowledge and experience sharing to ensure common understanding of the hydropower sector in Nepal, joint analytical studies, and consultation in support of the development of the hydropower sector.

Under the MoU, ADB and the World Bank Group will also work together on strengthening the institutional capacity of Nepal's executing and implementing agencies in the development of large

hydropower projects, and the preparation and financing of these two projects. This is the first MoU signed between ADB and the World Bank Group following the joint statement on strengthening collaboration for greater impact issued by the heads of MDBs at the World Bank Group–International Monetary Fund Annual Meetings in Marrakesh in October. The MoU specifically targets three critical areas for collaboration: enhancing country-level collaboration, strengthening co-financing, and boosting joint action on climate change.

The project has been earmarked within the ADB pipeline for 2024, contingent upon its readiness.

What will be ADB's future climate change strategy, including in Nepal?

As the climate bank for Asia and the Pacific, ADB has significantly raised ambitions to deliver climate finance to developing member countries, targeting \$100 billion between 2019 and 2030. To further accelerate our efforts, ADB is piloting the Innovative Finance Facility for Climate in Asia and the Pacific (IF-CAP), leveraging guarantees and grant contributions from financing partners and philanthropies to generate \$4 for every \$1 invested. We are also actively engaging the private sector in delivering climate solutions.

In Nepal, ADB supports the Strategic Programme for Climate Resilience. We have also helped facilitate \$70 million in financing to improve the livelihood and climate resilience of Nepali farmers in five provinces, with a project that will boost the productivity of 30,000 farming households, mainly by developing around 10,000 hectares of climate-resilient orchards. Nepal was one of the first countries to submit its updated nationally determined contribution (NDC) under the Paris Agreement, and ADB is proud to support the country in achieving its NDC goals by helping mainstream

climate change and mobilise resources and financing. ADB Nepal is currently engaging in three interesting projects. The Building Adaptation and Resilience in the Hindu Kush Himalayas (HKH) initiative that addresses geo-physical and climatic risks in the HKH regions, the Green and Resilience Financing Facility that aims to bridge gaps for NAP implementation, and the third project is the budgetary support project to the Government of Nepal that focuses on reforming policies and regulations related to climate change, environment and disaster issues facing Nepal. Let us bear in mind that our primary agenda is poverty alleviation but to be successful, we need to ensure that development is low-carbon and climate-resilient.

Could you tell us about ADB's Hindu Kush Himalaya Climate Risk Management Initiative?

The Building Adaptation and Resilience in the Hindu Kush Himalayas was launched at COP28 by Nepal's Minister of Forests and Environment. The initiative will help assess and manage climate and disaster risks in the Hindu Kush Himalaya region, a critical water tower supporting the livelihoods of more than a billion people across Asia. Through this technical assistance, ADB will undertake deep analysis of multi-hazard risks which include landslides, earthquakes, and floods - including from glacier lake outbursts - and vulnerabilities in Bhutan and Nepal. This will help to strengthen the two governments' capacities to conduct risk assessments in priority river basins. These assessments will be used to develop early warning systems and risk management options for future infrastructure development.

From 1985 to 2014, economic losses resulting from disasters in the Hindu Kush Himalayas region totalled \$45 billion, much higher than those of any other mountain region.

Since then, the increasing frequency and intensity of disaster events have pushed up economic losses and the number of people killed or displaced by such events. Governments and the private sector need to invest in climate resilience now to ensure hydropower facilities, roads and other kinds of infrastructure can sustainably meet the region's growing demands.

ADB's assistance will help the governments, private sector, and local communities to understand the risks they face so they can decide on disaster risk reduction and adaptation measures, as well as risk transfer solutions including insurance. The technical assistance will set up partnerships with regional and international technical institutes and academia to bridge knowledge gap across the Hindu Kush Himalaya region on climate resilient investment planning, development, and risk management.

How is ADB working to minimise the vulnerabilities of women, marginalised and ethnic minorities in the view of increasing climate induced catastrophes?

In Nepal, the adverse impacts of climate change disproportionately affect women and disadvantaged groups due to prevalent gender inequality and the exclusion of marginalised communities. Defined gender roles result in varying risk exposures and perceptions, along with differing abilities to respond between men and women. Moreover, women and disadvantaged groups encounter barriers such as limited access to productive assets, secure income sources, education, health facilities, and decision-making roles, rendering them more vulnerable to climate and disaster risks while constraining their adaptive capacity.

ADB's Nepal Country Partnership Strategy for 2020-2024, aligned with Strategy 2030 operational priorities (OP) 1 - addressing

persistent poverty and reducing inequalities, OP2 - advancing gender equality, and OP3 - combating climate change while enhancing climate and disaster resilience, along with the SARD GESI Framework 2022, offer directives for integrating Gender Equality and Social Inclusion (GESI) into ADB-supported projects. In project/programme design, ADB employs a participatory and inclusive approach, engaging women and disadvantaged groups (such as Dalits, persons with disabilities, sexual and gender minorities, and senior citizens) in stakeholder consultations. These consultations aim to understand the challenges these groups face due to climate change and disaster risks, subsequently providing support through project/programme interventions to bolster their resilience and adaptive capacity. Examples of such interventions include the development of GESI-responsive climate and disaster-resilient infrastructure, fortification of financial protection systems, community-based resilience initiatives, and targeted social assistance programmes tailored for women and disadvantaged groups.

But much more needs to be done. To strengthen women's resilience to climate change and disasters, gender-responsive laws and policies are needed in addition to properly resourced, key actions - such as increasing women's participation in decision-making, using sex-disaggregated data, and following guidelines on gender mainstreaming.

Is there any plan to open up private sector lending through ADB?

ADB is currently financing the 216 MW Upper Trihuli 1 hydropower project, along with eight other development financial institutions. We have been partnering with commercial banks to support trade transactions under our Trade Finance Programme. We are also close to signing a

project to support the SMEs, including women-led SMEs, through a commercial bank. Likewise, ADB is exploring a potential partnership to implement its Microfinance Programme in the country. Similarly, through a technical-assistance project, ADB is seeking to generate lead for private-sector transactions in the areas of Nepal's priority, including agriculture, tourism, clean energy, selected social sectors, etc.

In the upcoming Country Partnership Strategy 2025-2029, ADB expects to present its vision for private sector development, including policy reforms and strengthening operational environment for businesses. We plan to focus on upstream (policy/legal, regulatory) and midstream (project preparation) support to help generate viable financing opportunities. ADB is also in discussion with the government to support improving the PPP enabling environment and is exploring the potential to provide transaction advisory support. Going forward, ADB anticipates dedicated effort to support the transition to the green economy and expects the private sector to be a key player in this regard. We also aim to work with the private sector to mobilise greater climate finance resources as well as strengthen their capacity to prepare and implement green and resilient projects. **B**

THE HARVARD BUSINESS REVIEW ELIXIR

A CENTURY-OLD TREASURE TROVE LIES LARGELY UNEXPLORED



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

Harvard Business School is a revered name in the sphere of business management education and research. Though figuring at number four along with Stanford in the Financial Times' 2023 ranking of the world's leading 100 business schools, Harvard's legacy and pedigree have endured for over a century.

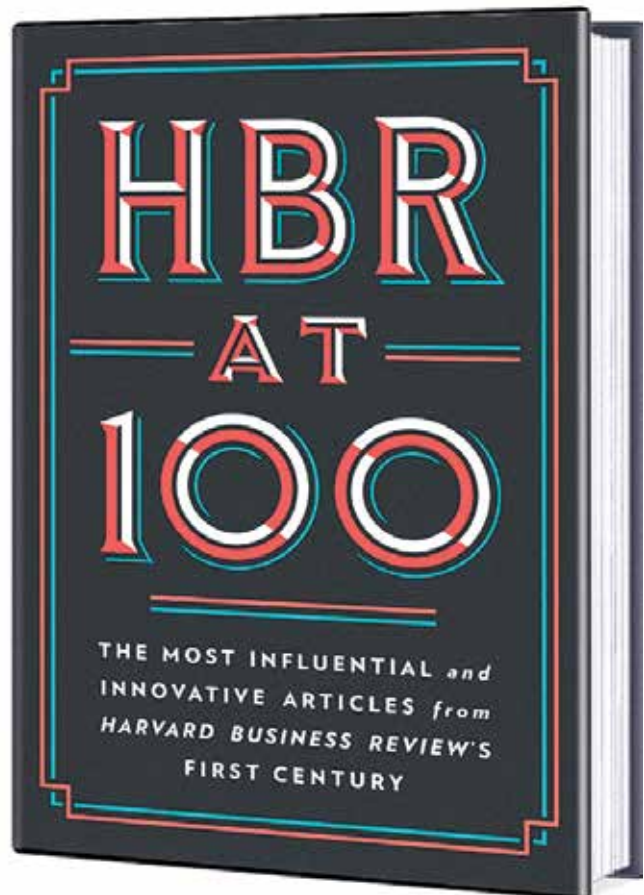
Contextually, FT's ranking places Indian School of Business at #39, the Indian Institute of Management - Ahmedabad at #51 and IIM - Bangalore at #52 in the Indian sub-continent. Other high ranking Asian B-schools include Ceibs China at #20, Shanghai University China at #23, National University Singapore at #25, Nanyang Business School Singapore at #38 and Fudan University China at #48. Measured by different parameters, even the most renowned management education institutions tend to move up and down the rankings year to year.

But HBS's affiliate publication Harvard Business Review has managed to hold its own for a century since its inception in 1922. Practitioners, researchers, educators and students of management look up to HBR which is published six times a year and commands a circulation of over 250,000



copies per issue. Known for its transformative and innovative ideas, it is held in the highest esteem among general management magazines. Ever since the present editor, Adi Ignatius, took over the reins in January 2009, HBR has veered towards practical management ideas which are timely and easy-to-understand and implement. This editorial approach has brought the journal closer to managers who see a friend, philosopher and guide in it. The erudite writers are deeply rooted in day-to-day management practice, teaching, research and consultancy. No wonder, HBR is perceived as a business school in itself.

That being the case, wouldn't it be rewarding to access HBR's essence in the form of its most popular and impactful articles of 'all time'? Yes, that has become possible through 'Big Ideas Series – 100 years of HBR' in celebration of the journal's century in business management publishing. The series is an aggregation of readers' favourites through the years.



Here are a few of the most path-breaking pieces that have helped readers tread the right course over decades. You may access them one by one for in-depth perusal. Let us start with the very basics.

15 Rules for Negotiating a Job Offer, a 2014 article by Harvard professor Deepak Malhotra, offers remarkable tactics for pulling off job discussions. How to Write a Cover Letter by Amy Gallo in 2014 and updated in 2020 shows the way a cover letter can still change the game in your favour. The piece draws readers in droves even now.

Among the life-altering articles in HBR, the top spot is occupied by the 1996 piece What is Strategy? by HBS professor Michael Porter. Widely respected as the father of the modern strategic field, Porter says strategy is 'about choosing a unique, valuable position that's rooted in systems of activities that are hard for other companies to match, providing competitive advantage'. He explains the difference between operational effectiveness and strategy.

Finding happiness in our careers is of utmost importance. Late HBS professor, Clayton M Christensen, opined that one should evaluate and value personal lives just as seriously as professional ones. In his 2010 article headlined - How Will You Measure Your Life? - Christensen raised three pertinent questions: How will you find happiness in your career? How will you find happiness in your personal relationships? How will you live your life with integrity? Based on his own experience, the scholar said that building up others was most rewarding.

In their 2007 article Manage Your Energy, Not Your Time, authors Tony Schwartz and Catherine McCarthy stated, 'The core problem with working longer hours is that time is a finite resource', energy, the duo opined, 'can be systematically

expanded and rewarded with a few simple interventions'.

Talking years earlier in 1999 in almost a similar vein in Managing Oneself, Peter Drucker, who created the bedrock of management education, described how one can rise from ordinariness to excellence by assessing one's positives and creating skills.

What Makes a Leader? published in 2004, is a tribute to emotional intelligence (EI) which is so much in vogue today. Psychologist and author Daniel Goleman will help you understand what comprises EI — self-awareness, self-regulation, motivation, empathy and social skill. The current management world is realising how important it is to select and assess leaders with these metrics in mind. Intelligence quotient still has its place but it no longer commands the position it did earlier.

Defining the difference between leadership and management in What Leaders Really Do in 1990, top-selling author John P Kotter wrote, 'Management is about coping with complexity. Leadership, by contrast, is about coping with change'. Enterprises can steer through volatility and turmoil only when they gain mastery over both.

HBR's Big Ideas Series is a treasure trove. The deeper you dig the more you gain. **B**

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THE IMPACT OF RISING INTEREST RATES ON DOING BUSINESS IN NEPAL



Nepal's economic landscape has witnessed a series of significant shifts, particularly in the banking sector, with Nepal Rastra Bank (NRB) playing a pivotal role in shaping the trajectory of the nation's financial stability. In recent months, echoing through the corridors of businesses and financial institutions is the screaming surge in interest rates. While NRB tries to navigate the volatile waters of the economy, the fluctuation in interest rates and inconsistent policies continue to dampen business temperament as all sizes of entrepreneurs and business houses struggle to keep afloat.



ASHISH JAJODIA
Director, Kabsons Industries

How have recent increases in interest rates affected business operations and financial planning?

The recent surge in interest rates has undeniably cast a substantial shadow over business operations and financial planning. The pronounced escalation in interest costs has triggered a domino effect, exerting considerable pressure on both current operations and aspirations for business

expansion. Managing the working capital requirements has become an intricate challenge in the wake of these interest rate hikes. The confluence of heightened interest expenses, escalating global raw material prices, and a downturn in demand has resulted in a perfect storm. The working capital demands have surged significantly, straining resources and posing a formidable hurdle to smooth

operations. The ramifications extend beyond the immediate operational challenges.

The global surge in raw material prices, coupled with sluggish cash flow, has exacerbated the strain on the working capital. This intricate dance of increased costs and decreased liquidity has left us grappling to strike the right balance and meet our financial obligations. Moreover, the impact on the financials is

unmistakable. The surge in interest rates has translated into a substantial uptick in overheads. This surge, coupled with a dip in sales, has created a situation where we find ourselves navigating through the financial landscape with higher interest burdens and a diminished revenue stream.

In essence, the recent surge in interest rates has posed multifaceted challenges to our business. From the intricacies of managing working capital in the face of increased costs to the broader financial implications of elevated overheads amid lower sales, we are navigating uncharted waters. The need for strategic financial planning and nimble operational adjustments has never been more pronounced as we strive to weather this challenging economic landscape.

How have business investment decisions been affected in particular and what adjustments have been made to accommodate these changes?

The prevailing climate of heightened borrowing costs, coupled with the volatility in the financial landscape, has cast a shadow over investment decisions. The confluence of increased borrowing costs and a subdued demand scenario has acted as a significant deterrent to the initial investment plans, compelling to reevaluate and, in some cases, postpone new business projects. This direct impact on the investment decisions underscores the formidable challenges posed by the current economic conditions. In response to this challenging environment, businesses are compelled to make strategic adjustments to their financial strategies. The optimisation of cash flow has become paramount in efforts to navigate the complexities of increased borrowing costs.

Additionally, business people are adopting a prudent approach by lowering inventories, renegotiating existing loan terms, and implementing cost-cutting measures across all feasible areas. The aim is to create a

leaner operational framework, allowing us to weather the financial headwinds and maintain financial stability. The concept of going asset-light has emerged as a viable strategy amid the current economic conditions. This entails a deliberate shift away from asset-intensive structures, enabling greater flexibility and resilience in the face of unpredictable market dynamics. By streamlining our asset base, we aim to enhance our agility and ability to adapt to the evolving financial landscape.

However, it's essential to note that these adjustments are necessitated by the existing economic challenges. To truly stimulate investments and foster a more conducive environment, there's a consensus among businesses that a moderation in interest rates is crucial. A shift towards single-digit interest rates would not only alleviate the burden on borrowing costs but also potentially invigorate investment activities and, in turn, spur demand – an essential catalyst for economic recovery in these challenging times.

Does this slowdown affect the workforce?

The current scenario, shaped by the impact of interest rates on businesses, has indeed cast a pall over hiring dynamics, directly impeding the expansion plans of companies and hampering the ability to bring in new talent. This has had a profound effect on workforce planning strategies, forcing companies to make tough decisions regarding fresh hiring, with some opting for reductions or freezes. Unfortunately, this disruption in hiring has far-reaching consequences, not only for businesses but also for job seekers who find their career opportunities curtailed, limiting the growth prospects of the workforce as a whole. The subdued job market is more than just a challenge for individuals seeking employment; it also



The prevailing climate of heightened borrowing costs, coupled with the volatility in the financial landscape, has cast a shadow over investment decisions. The confluence of increased borrowing costs and a subdued demand scenario has acted as a significant deterrent to the initial investment plans, compelling to reevaluate and, in some cases, postpone new business projects. This direct impact on the investment decisions underscores the formidable challenges posed by the current economic conditions. In response to this challenging environment, businesses are compelled to make strategic adjustments to their financial strategies. The optimisation of cash flow has become paramount in efforts to navigate the complexities of increased borrowing costs

carries broader implications for the overall perception of the country's economic health.

A job market characterised by reduced hiring can be interpreted as a symptom of economic instability or sluggish growth. The scarcity of job opportunities has triggered a significant outward migration as individuals seek employment opportunities elsewhere, contributing to a reduction in the young consumer base within the country. One of the sectors most acutely affected by these dynamics is the construction and related industries, which traditionally serve as major employers in the economy. The lack of capital expenditure by the government has resulted in a substantial loss of jobs within these sectors, amplifying the economic ripple effect. The decline in capital expenditure not only restricts job creation within these industries but also dampens the overall economic vitality.

In essence, the slowdown in hiring, driven by the impact of interest rates on businesses, has created a challenging landscape for both job seekers and businesses alike. It not only limits career opportunities and growth prospects but also contributes to a perception of economic instability, exacerbated by significant outward migration and job losses in key sectors. Addressing these challenges requires a comprehensive approach that considers both short-term hiring strategies and long-term economic policies to foster a healthier, more resilient job market.

SME businesses are often more sensitive to changes in interest rates. In your opinion, how are these businesses being affected?

Undoubtedly, small and medium-sized businesses are highly affected by high interest rates, resulting in an increased cost of doing business. The impact is tangible and widespread, extending to the very core of these businesses' operations. The heightened interest rates

have cast a shadow over the demand and revenue streams of SMEs, translating into a direct reduction in profitability. The cost implications are significant, creating a challenging environment that requires nimble navigation to ensure sustainability. The challenges faced by SMEs extend beyond the immediate cost burden. Managing existing debt and financial obligations has become a complex juggling act for these businesses.

From meeting payroll obligations to ensuring a steady supply chain through payments to suppliers, handling inventory costs, and managing rent commitments, the elevated interest rates add layers of complexity to these financial responsibilities. This dynamic landscape necessitates a delicate balance to avoid financial strain and maintain operational integrity.

The impact on consumer spending is another critical facet of the challenges faced by SMEs. Higher interest rates contribute to a decline in consumer spending, resulting in a reduction in demand for goods and services provided by these businesses.

This decrease in demand further compounds the strain on revenue streams, creating a challenging cycle that requires strategic adaptation. Access to loans from financial institutions, a lifeline for many SMEs, is becoming increasingly elusive due to the tightened monetary policy reflected in higher interest rates. The decreased credit growth of banks further limits the growth potential of these businesses, hindering their ability to invest in expansion or navigate through challenging economic conditions. The confluence of these factors poses a formidable hurdle for small and medium-sized businesses, requiring innovative financial strategies and adaptability to sustain and thrive in this challenging economic landscape.

The government has implemented directives impacting banking metrics and interest rates. How confident are you in the effectiveness of these policies in maintaining economic stability, and what concerns do you have?

Government directives and policies aimed at impacting banking metrics and interest rates in Nepal are typically designed with the objective of maintaining economic stability. Such policies have the potential to wield influence over critical factors like inflation, lending rates, liquidity and the broader spectrum of economic growth. The underlying assumption is that these policies, when effectively implemented, can serve as stabilising forces for the national economy.

However, my confidence in the effectiveness of these policies is tempered by the observed challenges in their execution. Despite the intentions behind the directives, the actual implementation has fallen short of expectations. One notable concern is the persistently high interest rates, which have not seen a significant reduction despite the government's efforts.

The average cost of lending remains disproportionately high, indicating a misalignment between policy objectives and the practical outcomes in the financial landscape. Furthermore, despite ample liquidity in banks, the Credit-Deposit (CD) ratios are currently at record low

levels. This discrepancy raises questions about the efficiency of channelling available resources towards productive economic activities. The sluggish credit growth in the economy is a concerning indicator, as it reflects a disconnect between the intended impact of policies and the real-world movement of capital within the economy. The overarching concern revolves around the sluggishness in credit growth and its broader implications for economic dynamics. A slow credit growth rate hampers the momentum needed for a vibrant and growing economy.

It restricts the flow of capital to businesses, limiting their capacity to invest, expand

and contribute to overall economic development. In conclusion, while government directives aim to influence banking metrics and interest rates for the greater good of economic stability in Nepal, the effectiveness of these policies is contingent upon robust implementation. The current challenges, including high interest rates, low CD ratios, and slow credit growth, underscore the need for a comprehensive evaluation and potentially recalibration of these policies to ensure they align more closely with the intended objectives of fostering a stable and thriving economic environment.



BINAYA RATNA SHAKYA
Liability Business Head, Muktinath Bikas Bank

How have recent increases in interest rates affected business operations and financial planning?

The recent increase in interest rates has significantly impacted business operations and financial planning in Nepal. The foremost repercussion lies in the elevated minimum interest rates set by banks for providing loans. This surge renders loans more expensive for businesses, thereby imposing a financial strain. From a business standpoint, the escalation in interest rates translates to a heightened need for funds to service debts. This, in turn, poses a formidable challenge for small and medium-sized enterprises that typically function within constrained cash flows, making it arduous to acquire additional loans for unforeseen expenses due to the augmented interest rates.

The ramifications extend beyond the immediate financial burden on debt repayment. SMEs, which often lack detailed financial planning, now find it increasingly challenging to navigate the financial landscape. The dearth of meticulous cash flow planning, financial projections and debt service planning exacerbates the difficulties. This shortfall in financial preparedness hampers the ability to gauge the true magnitude of the impact stemming from the recent increase in interest rates. Furthermore, the broader implications manifest in the operational facets of businesses. The elevated interest rates exert direct and indirect pressures on the cost of holding inventory and managing regular working capital.

These essential aspects of day-to-day operations are intricately linked to the financial health of the business, ultimately squeezing profit margins. The compounding effect of increased interest rates, coupled with a lack of comprehensive financial planning, leaves businesses



As job security becomes uncertain, consumers may become more cautious in their spending, contributing to a broader economic slowdown. In essence, the slowdown in hiring, driven by the impact of interest rates on businesses, creates a ripple effect that permeates various facets of the economy. It underscores the intricate interplay between business decisions, workforce planning, and the overall perception of economic health. Adapting to these shifts requires a nuanced understanding of the interconnected factors influencing hiring trends and consumer confidence, thereby fostering resilience in the face of evolving economic dynamics

grappling with the challenges of sustaining operations and preserving profitability in the face of heightened financial constraints. In essence, the recent surge in interest rates in Nepal has cast a pervasive shadow over the financial landscape, particularly for SMEs, necessitating a recalibration of financial strategies and planning to navigate these challenging times.

How have business investment decisions been affected in particular and what adjustments have been made to accommodate these changes?

The rise in interest rates has indeed cast a significant influence on business investment decisions. Investment, by its nature, hinges on the anticipation of a certain return. However, the escalation in interest rates has cast a shadow over this expected return, diminishing the economic viability of projects that were initially deemed feasible during the feasibility assessment. Consequently, businesses find themselves compelled to reevaluate and, in some instances, delay major investment decisions. This, in turn, contributes to the prevailing low credit demand in the market. To navigate these shifts, adjustments become imperative. Businesses must explore alternative financing avenues and one such adjustment involves a shift towards more equity financing, entailing an increase in equity capital or a reliance on retained earnings.

This strategic pivot serves as a response to the higher borrowing costs incurred due to the surge in interest rates. Moreover, businesses may implement cost-cutting measures as a proactive measure to offset the impact of these elevated borrowing costs. In addition to these adjustments, refinancing existing debt

emerges as a viable strategy, where businesses seek more favourable conditions to alleviate the burden of higher interest rates. This may involve renegotiating terms or exploring alternative financing options, including government grants and subsidies or attracting equity investors. These adaptive measures are crucial in sustaining financial viability amid changing economic conditions.

Furthermore, strategic planning gains prominence in the face of interest rate fluctuations. Businesses must engage in comprehensive strategic planning and develop contingency plans to effectively address potential issues arising from the rise in interest rates. This forward-looking approach enhances resilience and equips businesses to navigate the complexities introduced by the evolving financial landscape. In essence, the impact of rising interest rates necessitates a multifaceted approach, encompassing adjustments in financing strategies, cost management, and strategic planning to ensure the continued sustainability of business operations.

Does this slowdown affect the workforce?

Certainly, the observed slowdown in hiring is a direct consequence of the impact of increased interest rates on businesses. The rise in interest rates translates to a higher cost of capital, prompting businesses to adopt a more conservative stance towards expansion initiatives. This, in turn, has a cascading effect on new job creation, as businesses divert their focus towards enhancing the efficiency and productivity of the existing workforce. One strategic approach involves investment in technology and training programmes as a cost-effective means to optimise operations. However, the implications extend beyond the internal dynamics of businesses.

The slowdown in hiring has a palpable impact on various stakeholders, influencing the overall perception of the country's economic health. Investors, businesses and consumers alike are affected by this shift in hiring trends. The conservative approach to expansion and the corresponding slowdown in job creation can erode confidence among investors, businesses and consumers. For instance, the slowdown in hiring can trigger concerns about job security among employees, leading to changes in spending behaviour among consumers. The nexus between hiring trends and consumer spending habits plays a pivotal role in shaping the economic health of the country.

As job security becomes uncertain, consumers may become more cautious in their spending, contributing to a broader economic slowdown. In essence, the slowdown in hiring, driven by the impact of interest rates on businesses, creates a ripple effect that permeates various facets of the economy. It underscores the intricate interplay between business decisions, workforce planning, and the overall perception of economic health. Adapting to these shifts requires a nuanced understanding of the interconnected factors influencing hiring trends and consumer confidence, thereby fostering resilience in the face of evolving economic dynamics.

SME businesses are often more sensitive to changes in interest rates. In your opinion, how are these businesses being affected?

The sensitivity of small and medium-sized businesses to changes in interest rates is undeniable, primarily attributed to their size, financial structure and reliance on external financing. The impact on SMEs, especially those heavily reliant on debt financing, is noteworthy.

The rise in interest rates directly translates to higher interest payments, resulting in reduced profitability for these businesses. This challenge is exacerbated by the fact that, unlike their larger counterparts, SMEs often face persistent difficulties in securing loans at favourable terms. The increase in interest rates further contributes to tightened credit conditions, posing additional hurdles for SMEs in accessing the necessary capital for their operations and growth initiatives. Limited access to financing emerges as a significant constraint for SMEs, impeding their ability to invest, expand or upgrade. The potential consequences are far-reaching, potentially stifling the growth trajectory of these businesses.

Unlike larger enterprises, SMEs lack the financial cushion to absorb the impact of unfavourable lending conditions, making them more vulnerable to the repercussions of rising interest rates. Moreover, the challenges extend beyond long-term strategic decisions, affecting the day-to-day operational aspects of SMEs. Higher interest rates amplify the operational expenses that SMEs incur regularly. This, in turn, creates additional challenges in meeting short-term financial obligations, putting a strain on their cash flow management. The confluence of reduced profitability, limited access to favourable credit terms, and increased operational expenses creates a complex web of challenges for SMEs, necessitating a careful and strategic approach to navigate the intricacies of the financial landscape.

In essence, the impact of rising interest rates on SMEs underscores the unique challenges faced by these businesses, ranging from reduced profitability to constraints in accessing essential financing. As integral

contributors to the economic landscape, addressing these challenges becomes crucial for fostering the resilience and sustainability of SMEs in the face of evolving financial conditions.

The government has implemented directives impacting banking metrics and interest rates. How confident are you in the effectiveness of these policies in maintaining economic stability, and what concerns do you have?

The government's directives impacting banking metrics and interest rates have undeniably shaped the operational landscape for banks. The banking sector, by virtue of its commitment to transparency and adherence to regulatory requirements, has earnestly complied with the various circulars issued by the central bank or the government. However, it's crucial to recognise that banking is, at its core, a business entity with a bottom line aimed at earning profits and delivering favourable returns to investors, depositors and other stakeholders. In recent periods, the implementation of government directives has led to a compression of the bank's income. While recognising the importance of contributing to the economic well-being of the country, it's imperative to balance the interests of all stakeholders involved.

The effectiveness of these policies, particularly in maintaining economic stability, hinges on a nuanced understanding of the multifaceted challenges facing the banking sector and the broader economic landscape. While the government's directives on interest rates address a pertinent aspect of the current economic conditions, it's essential to acknowledge that they are

not the sole determinants. A holistic assessment reveals that a business-friendly environment, tax policies, physical infrastructure, market conditions and overall government policies collectively play pivotal roles in shaping the economic landscape. Consequently, while the implemented directives concerning interest rates and banking metrics may contribute to economic stability, they alone may not suffice.

Concerns arise from the recognition that a comprehensive and multifaceted approach is required to address the diverse challenges impacting the economy. A myopic focus solely on interest rates and banking metrics may overlook other crucial factors influencing the economic health of the country. Thus, for the directives to be truly effective in promoting economic stability, a broader examination of the business environment, infrastructure and policy landscape is warranted. In conclusion, a balanced and comprehensive strategy that addresses the myriad facets of the economic ecosystem is essential to ensure enduring stability and growth.



SUMAN RAYAMAJHI
Managing Director, Upaya

How have recent increases in interest rates affected business operations and financial planning?

The current increase in the interest rate has adversely affected business operations and financial planning of all the businesses in Nepal. The surge in interest rates has led to higher costs, thereby raising concerns about the viability and sustainability of businesses. A 100-basis point increase on a 5% to 10% margin translates to a significant surge in the cost of business, ranging from 8% to 20%. Such changes have a profoundly adverse effect, particularly on capital-intensive and infrastructure projects. Over the last few years, we've witnessed a substantial rise in interest rates, moving from 8% to 10% to as high as 13% to 15%.

This drastic change of 300 to 500 basis points, especially in infrastructure projects, poses a serious challenge to the viability of the projects. This is particularly concerning given that the leverage in such projects is often around 70:30 or even 80:20 in terms of the debt-to-equity ratio. Many hydropower and capital-intensive manufacturing projects have experienced setbacks in their business operations, and their preliminary financial planning has taken a hit due to the increase in interest rates. The impact is profound, as the leverage ratios are significantly affected and the viability of these projects is now questionable.

Likewise, trading businesses that heavily rely on leverage for importing stocks have also been adversely affected by the increase in interest rates. The heightened costs are inevitably being transferred to the customer level, resulting in an increase in the prices of goods and services. This ripple effect through the supply chain further complicates the financial landscape for businesses in Nepal, creating challenges that demand strategic reassessment and adaptation to the new financial environment.

How have business investment decisions been affected in particular and what adjustments have been made to accommodate these changes?

In the current economic landscape, marked by the global

financial crises triggered by the post-pandemic impact and the ongoing Russia-Ukraine war, coupled with increased interest rates and concurrently tighter monetary policies aimed at mitigating risks in the highly exposed real estate and previously inflated stock market of Nepal, there has been a noticeable deceleration in economic activities. Many businesses are now operating at a reduced capacity, ranging from 50% to 60% of their previous year's operations. The impact of this economic slowdown is evident on both sides of the borrowing equation. On one hand, despite a favourable liquidity position, bankers are displaying reluctance to lend easily.

On the other hand, businesses are exhibiting hesitancy towards expansion and making new investments under these challenging circumstances. The current economic scenario has led to a situation where cash is either trapped or excessively exposed in real estate and the stock market. This has particularly affected businesses that were previously adequately leveraged, as they now face challenges arising from the tighter policy environment. Despite ongoing dialogues with concerned authorities advocating for a relaxation of monetary policy, tangible and effective changes are yet to be realised.

While there are signs indicating a gradual decrease in bank interest rates due to the adequate liquidity situation, the business community remains cautious. Confidence in the stability of the financial environment is yet to be fully restored and there is lingering apprehension about a potential recurrence of the cycle of increased interest rates and tight liquidity. Consequently, the uptake of additional borrowing remains low under the current tighter policy scenario, as businesses adopt a prudent approach, awaiting clearer signals of financial stability before committing to further investments and financial obligations.

Does this slowdown affect the workforce?

In light of the ongoing challenges in business operations, there has been a discernible impact on workforce planning, leading to a slowdown in hiring. As the operational performance of businesses falls below expectations, some companies have found it necessary to resort to layoffs, while others have decided to halt hiring activities temporarily. The economic climate, characterised by increased interest rates and a general slowdown, has prompted a cautious approach among businesses regarding their workforce. One notable consequence of these circumstances is the phenomenon of brain drain being witnessed in Nepal. Historically, such migration was often associated with the blue-collar and labour classes; however, in the current scenario, there's a concerning trend involving the departure of young, educated professionals from the middle working class.

Individuals working in sectors such as banking, insurance, corporate and startups are choosing to leave the country in pursuit of further studies and opportunities offered by dependent visas in other nations. The departure of this educated and skilled segment of the workforce is a matter of serious concern, as it represents a potential loss of valuable human resources for Nepal. The implications of this brain drain are far-reaching, particularly in terms of the quality of the workforce available in the country in the near future. These departing individuals, who contribute significantly to the current employment landscape, are not easily replaced.

Many are placing their professional aspirations on hold, awaiting a return to normalcy in business operations before considering reentry into the workforce. This trend poses challenges not only to the immediate hiring landscape but also to the overall perception of the country's economic health. The exodus of skilled professionals may contribute to a perception of instability



In the current economic slowdown, SMEs find themselves grappling with a double burden. On one hand, their sales are being adversely impacted, affecting the top line of their financial performance. On the other hand, the increased interest rates add to the cost pressures on the bottom line. This dual challenge poses serious issues for SMEs in terms of their ability to service regular debt payments and manage the associated interest obligations

and may further complicate the recovery process. It underscores the importance of addressing the economic challenges comprehensively to retain and attract a robust workforce that can contribute to the long-term growth and development of Nepal.

SME businesses are often more sensitive to changes in interest rates. In your opinion, how are these businesses being affected?

Small and medium-sized enterprises are notably more sensitive to changes in interest rates, primarily because they operate their businesses with lower capital funds. This heightened sensitivity is compounded by the fact that SMEs often face challenges in accessing finance and in normal circumstances, they are subject to higher interest rates compared to corporate customers, as perceived

by banks. In the current economic slowdown, SMEs find themselves grappling with a double burden. On one hand, their sales are being adversely impacted, affecting the top line of their financial performance. On the other hand, the increased interest rates add to the cost pressures on the bottom line. This dual challenge poses serious issues for SMEs in terms of their ability to service regular debt payments and manage the associated interest obligations. The slowdown in sales can be attributed to various factors, including reduced consumer spending, market uncertainties and overall economic contraction. This decline in revenue creates a significant strain on the financial health of SMEs, limiting their capacity to generate the necessary funds for debt servicing. Simultaneously, the increased interest rates add a layer of financial stress, making it harder for SMEs to manage their overall cost structures effectively.

The combination of these challenges puts SMEs in a precarious position, as they navigate the complexities of a sluggish market and heightened financial pressures. To address these issues, SMEs may need targeted support, including access to more favourable financing terms, assistance in managing debt obligations and measures that stimulate economic activity to revive their sales and overall business performance. Recognising the unique challenges faced by SMEs in the current economic climate is crucial for developing effective strategies and policies aimed at supporting the resilience and sustainability of these vital contributors to the economy.

The government has implemented directives impacting banking metrics and interest rates. How confident are you in the effectiveness of these policies in maintaining economic stability, and what concerns do you have?

In light of the recent changes seen in the mid-term monetary policy review and other directives, there is a sense of optimism, and I am hopeful that the government, especially Nepal Rastra Bank, is taking

proactive steps to address the current economic challenges. Given the multifaceted nature of the economic slowdown, stemming from both controllable and uncontrollable factors, I believe that measured relaxation in policies and directives could play a crucial role in restoring normalcy and instilling confidence in the business environment. The specific mention of overdraft facilities and restrictions on lending against shares indicates a recognition of the nuanced challenges faced by businesses, particularly in the context of the real estate sector.

While it might be argued that such relaxations may not align perfectly with technically correct monetary measures, there is a pragmatic acknowledgment that they are the need of the hour to counter the existing economic slowdown. These measures, especially in overdraft facilities, have been influential in fuelling the real estate boom and their adjustment reflects a responsiveness to the evolving economic landscape. It is crucial to view these relaxations not as long-term solutions but as timely interventions to address the immediate challenges at hand. The call for a definite period for such policy adjustments is strategic, with the understanding that these measures should serve as temporary relief until the economy regains its momentum.

The suggestion of a phased tightening approach after the economic bounce-back demonstrates a thoughtful consideration for the long-term health of the economy. Without these policy adjustments, businesses find themselves caught in a double-edged sword, facing challenges from both policy constraints and the broader economic slowdown. The nuanced approach advocated by the guest recognises the dynamic nature of economic challenges and the need for adaptable policy responses. It remains to be seen how these directives unfold and whether they effectively contribute to rejuvenating economic activity and restoring business confidence in Nepal. **B**

THE DISMALAR REALITY OF BUSINESS INVESTMENT



Text: Pushpa Raj Acharya

In 34 years since the restoration of democracy in 1990, Nepal has witnessed frequent government changes; 30 governments were formed in this period and not a single prime minister served a five-year tenure. Not only coalitions but intra-party conflicts have been responsible for repeated destabilisation.

Ever since Nepal adopted mixed electoral system comprising of FPTP (First-Past-the-Post) and proportional representation following the People's Movement of 2008, it has become increasingly difficult for a single party to garner majority in the House of Representatives (Lower House) which elects the Prime Minister. Subsequent hung parliaments

have given rise to coalition governments which by nature have been unstable.

Forming and toppling government is now a common phenomenon for the country and this has jeopardised development work, government service delivery, policy reforms and implementation, and lowered investor confidence among other issues.

The 2023 Investment Climate Statement of the US Department of State, which was unveiled recently states, "Despite considerable potential - particularly in the energy, tourism, information and communication technology (ICT), infrastructure and agriculture sectors - political instability, widespread corruption, cumbersome

Trend of FDI inflow in last 5 years

Fiscal Year	FDI inflow
2022-23	Rs 5.96 billion
2021-22	Rs 18.56 billion
2020-21	Rs 19.51 billion
2019-20	Rs 19.48 billion
2018-19	Rs 13.07 billion

(Source: Nepal Rastra Bank)

bureaucracy, and inconsistent implementation of laws and regulations have deterred potential investment. While the Government of Nepal (GoN) publicly states its keenness to attract foreign investment, this has yet to translate into meaningful practice.” This publicly available propagation regarding Nepal’s investment climate by the world’s largest economy is a definite deterrent for foreign investment in Nepal.

“It is a pity that there is nothing actionable to change the status quo quashing all the concerns from the international community and investors regarding the country’s investment climate,” said Rameshore Prasad Khanal, Former Finance Secretary. Nepal has no compelling message to give among international investors to pursue the FDI route, he added.

This apart, political uncertainty is now increasingly challenging the confidence of domestic investors. Nepal’s ruling parties have hardly paid attention to improve governance, introduce reforms, work for institutional strengthening, procedural facilitation, infrastructure development to create a sound ecosystem for investment. Political instability often engenders policy stagnation and uncertainty which leads to less room for the private sector to grow.

“Unfortunately, Nepal has nothing to celebrate in any sector because the country doesn’t have a vibrant private sector,” Manish Jha, a parliamentarian representing the Rastriya Swatantra Party said. He added, “As a result, the country is sorely lacking a production base. The lack of employment and vibrant infrastructure in the country

is causing rampant brain drain and youth migration, now especially among educated youth.”

Foreign Direct Investment to country’s GDP ratio is merely 0.4%, the lowest in the South Asian Region. There has been no large investment coming into the country in the last five years.

Babacar S Faye, Resident Representative of International Finance Corporation to Nepal opines that Nepal should seriously ponder upon why investors are choosing Sri Lanka, Maldives or Bangladesh in this region instead of Nepal.

He further said that Nepal must develop a conducive atmosphere for investment that may come in different forms including equity or loan that may be availed from innovative financing solutions including syndicated loan, climate finance or offshore investment bonds.

Nepal’s parliament is also seen to be in no rush to endorse the investment bill which has the potential to create significant impact in Nepal’s trade and investment; specifically, the AML/CFT Bill which was tabled in the parliament in February this year.

In the meantime, Nepal has undergone the review process of the Asia Pacific Group (APG) on Money Laundering which is a Financial Action Task Force (FATF) regional inter-governmental body, narrowly escaping the grey list. FATF has granted a one-year extension to revise laws and combat money laundering that will end in mid-July 2024.

Recalling the rigoristic exercises of policy, legal, administrative and institutional, procedural reforms during the 1990s, Mahesh Acharya, a Former Finance Minister and one of the initiators of liberalisation in Nepal stated, “Reform is the continuation of tasks of strengthening investment ecosystem to make it robust for achieving the desired outcomes. The current tokenism or piecemeal approach cannot deliver

tangible results.”

Experts suggest that with digital being the way forward, Nepal could build a strong base for investment in ICT businesses however the government is taking baby steps in this direction. ICT firms are seen to be setting up their operations outside the country, shared Suman Maharjan, Director of Operations at Fusemachines. He pointed to the lack of an enabling environment for companies like his to grow. Lack of policy consistency, inconsistent tax incentives, and lack of adequate and skilled human resources along with stringent criteria for availing foreign exchange facilities are forcing companies like his to relocate from Nepal.

“Policymakers have to change their mindset and develop capacity of envisioning the importance of ICT because lack of readiness for leveraging technology to deliver efficient public services hinders us from competing with rest of the world,” he stated.

Political instability has intensified rent seeking, corruption, revenge and misconduct, scams, donation drives, exploitation from politically connected groups and created an environment where rule of law seems to be amiss. The private sector in recent times has faced allegations and corruption charges from government mechanisms and the constitutional anti-corruption bodies for irregularities that have actually occurred from the government decision where the private sector doesn’t have any role in making decisions.

Ethical business norms, values and standards are constantly compromised due to the strong nexus between certain politicians, business individuals and groups and the bureaucracy killing competency and healthy competition.

The public looks on in frustration as the nexus between politicians and business people strengthens wherein politicians are accumulating wealth and

business people are buying into political opportunities or entering politics by pleasing party leaders.

Faris H Hadad-Zervos, Country Director for Nepal, Maldives and Sri Lanka of the World Bank Group has said, “There should be something actionable to spread out the message that Nepal is open for business which we don’t see happening.”

The International Monetary Fund (IMF) in a recently held third review of the Extended Credit Facility Arrangement for Nepal (which is providing the country with access to \$52.25 million) sought commitment of the government for structural reform focusing on three major areas:

- maintaining overall fiscal discipline and enhancing quality of fiscal spending
- advancing reforms in governance, banking regulations and overall business climate by lowering cost of doing business and removing barriers of FDI
- strengthening anti-corruption institutions for corruption control

Political leadership and governance especially in the current volatile economy should be focused on ensuring stability and livelihoods of people. Instead, it acts as a barrier to progress on all fronts. Accountability and transparency are empty words that leadership uses in forums and speeches, while the reality is that every day thousands of youths leave the country to look for work and create a future that is worthy of their dreams, reality is that businesses struggle to survive and many are sitting on timelines that may see themselves closed; reality is also the burden of debt is growing heavier as the country continues to experiment with empty speeches and little action, reality is the people are going out of work and inflation continues to grow, reality is that Nepal needs to wake up to its reality. **B**

WHY WE SHOULDN'T FEAR AI DESTROYING HUNDREDS OF MILLIONS OF JOBS

Workers, entrepreneurs, and companies should explore ways to incorporate artificial intelligence into their workflows and businesses, and give the job displacement fears a rest.



JONATHAN MILTIMORE
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LARGE OF FEE.

I recently saw a quote on Facebook attributed to Sigmund Freud that I was going to share on social media.

“One day, in retrospect, the years of struggle will strike you as the most beautiful,” the quote read.

It’s a lovely quote, but something about it didn’t smell right. Though I haven’t read Freud since college, it didn’t strike me as something he’d say. So, I decided to investigate.

First, I went to Wikiquote – my go-to source for sourcing quotes. Nothing. So, then I went to Quote Investigator. Same result.

After striking out on the web, I decided I’d try academia. In the past, I’ve debunked fake Lincoln and Twain quotes by consulting

historians. This might have worked if I had persisted, but I got frustrated after about 20 minutes. (Finding Freud historians is harder than one might think.)

Then I got an idea: I’ll ask AI.

I have used artificial intelligence here and there on small tasks, but I am far from an expert. Fortunately, I at least remembered my password for ChatGPT, which I used to ask about the quote.

I received this response a nanosecond later:

“The quote you mentioned, ‘One day, in retrospect, the years of struggle will strike you as the most beautiful,’ is commonly attributed to Sigmund Freud. However, there is no concrete evidence that he actually said or wrote these words. It is possible that the quote has been paraphrased or interpreted from some of Freud’s ideas or writings, but the precise origin

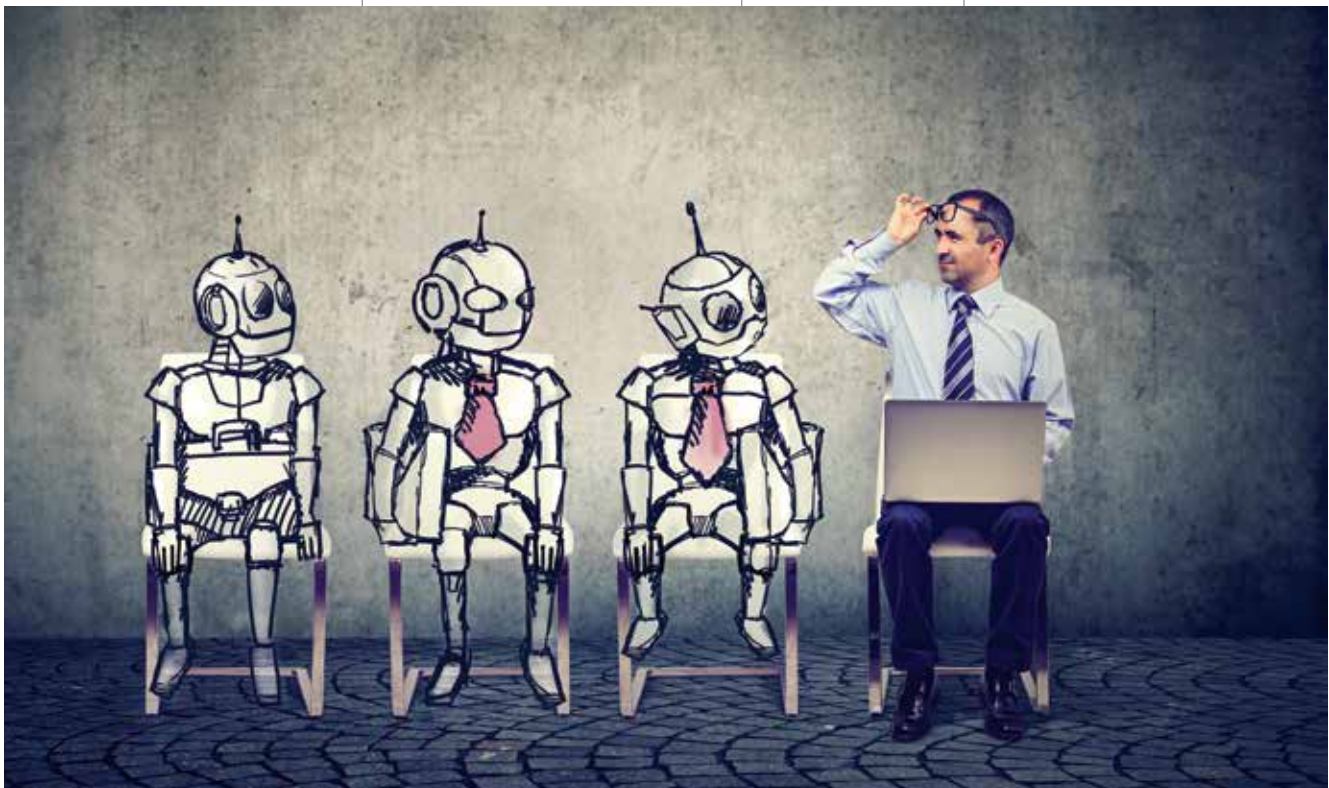
Workers, entrepreneurs, and companies should celebrate technology and explore ways to incorporate it into their workflow and businesses – and give the job displacement fears a rest

of the quote remains uncertain. As with many famous quotes, the true source can sometimes become blurred, and they are often attributed to well-known figures for their wisdom and authority. Regardless of its origin, the quote carries a meaningful message about finding beauty or meaning in life’s challenges and struggles when reflecting on them later.”

Many people reading this might not be impressed, but I found the response and the whole experience exhilarating.

My personal experience with AI helped me understand how disruptive the technology will be. It’s one thing to read a BBC report stating that AI could destroy 300 million jobs, and it’s something else to see firsthand how AI will make some jobs obsolete.

If you are a fact-checker for a magazine – I mean a real fact-checker, not a journalist pretending



to fact check government narratives for social media or partisan organisations – my suggestion is to start working on your resume, because we are going to need a lot fewer of them.

AI is streamlining the process. One good editor with a competent intern can probably handle what a small team of fact-checkers was doing a few years ago with the help of AI.

Getting Beyond the Doom and Gloom of AI

While there is no consensus on the future of artificial intelligence, there has been a lot of doom and gloom surrounding its widespread adoption.

This is understandable. Popular culture – including hit films such as 2001: A Space Odyssey, Alien, and The Terminator – has long portrayed AI as a dangerous and sinister force. In many cases we see AI not just working against the interests of humans, but actively trying to destroy humans.

I can't speak to the likelihood of AI rising to destroy the human race like Skynet, but I can speak to the economic consequences of AI.

Fears that AI will destroy hundreds of millions of jobs might be relatively new, but the idea of machines replacing human labour is not new at all. The Industrial

Revolution might have resulted in material wealth our ancestors could scarcely dream of, but it also brought a great deal of fear and social backlash because of the job destruction it wrought.

Buggy whip makers could be forgiven for despising the automobile, because it slowly destroyed their livelihood. And candle makers surely cursed the light bulb. Yet these technologies improved the lives of humans in ways we can scarcely comprehend.

Thousands of other examples could be cited, including the later rise of computers, which would destroy typewriter companies and the jobs of fax machine repairmen. It's easy to forget just how bitterly many people – especially intellectuals – opposed the rise of computers because they would displace workers and cause social change.

But this is the nature of technology. It makes us more efficient, but this efficiency also has a cost: it displaces workers and makes jobs that were once important obsolete. This is the basic idea of creative destruction, a term coined by Austrian political economist Joseph Schumpeter.

In his seminal work Capitalism, Socialism, and Democracy, Schumpeter described the evolutionary process of capitalism.

“ This is the nature of technology. It makes us more efficient, but this efficiency also has a cost: it displaces workers and makes jobs that were once important obsolete. This is the basic idea of creative destruction ”

Schumpeter understood that capitalism is never stagnant or stationary; on the contrary, it 'incessantly revolutionises the economic structure from within, incessantly destroying the old one.'

Schumpeter understood humans would naturally feel a desire to 'conserve obsolescent industries', but he saw this as a generally futile, self-defeating task, which is why he argued that 'perfect' competition was the best way to maximise human prosperity.

"The question is not how capitalism administers existing structures," wrote Schumpeter, "but how it creates and destroys them ..."

This destruction of course leaves in its wake a broad swathe of economic carnage – including the jobs of buggy whip makers, fax machine repairmen, candle makers, and countless others – but it's also the engine of human prosperity.

It's okay to have some security concerns about AI, even though I personally don't think we need to worry about Skynet sending a cyborg back in time to kill Sarah Connor. But workers, entrepreneurs, and companies should celebrate the technology and explore ways to incorporate it into their workflow and businesses – and give the job displacement fears a rest. **B**

Source: fee.org

WWW.



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

Technology Transfer Regime in Nepal



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In an era characterised by rapid technological advancements and global interconnectedness, 'Technology Transfer' has emerged as a pivotal mechanism fostering collaboration between industries based in low-income countries and foreign investors. Within Nepal's evolving economic landscape, this concept has become a critical catalyst, propelling the nation into the global arena of innovation and collaboration. Since the inception of the technology transfer regime in 1991, technology transfer arrangements have played a pivotal role in shaping Nepal's industrial and technological landscape. This legislative milestone not only opened doors to foreign investments but also recognised the paramount importance of technology transfer as a key pillar in the nation's economic development. Over the years, this framework has facilitated the exchange of technological know-how, fostering a culture of collaboration and innovation.

Foreign Investment and Technology Transfer Act, 2019 (FITTA 2019) serves as the cornerstone of Nepal's technology transfer regime. This legislation defines technology transfer comprehensively, encompassing elements, to be outlined comprehensively in agreements, including but are not limited to: (i) intellectual property assets such as patents, designs, trademarks, goodwill, technological specialisations, and proprietary formulas or processes; (ii) licensing arrangements granting users access to valuable innovations, sharing of proprietary know-how, or participation in franchise systems; and (iii) the provision of foreign technical

consultancy, management expertise, marketing services and other technical skills or knowledge.

Application and Approval Process

In the context of Nepal, an individual seeking to engage in technology transfer must submit an application to the Department of Industry (DoI) for approval. The approval process typically spans approximately three months. Unlike other forms of foreign investment, such as equity investment, technology transfer is permissible in industries listed under the negative list of FITTA 2019, such as primary agricultural production.

In the case of a licensing agreement, intellectual

property (such as trademark or patent) covered under such an agreement needs to be registered in Nepal. Generally, FITTA 2019 grants parties the autonomy to define the terms of technology transfer in the agreement concluded between an industry and a foreign investor. However, in practice DoI has been granting approval for technology transfer agreements for a maximum period of five years on a future renewal basis, without extending an additional period of five years in each renewal.

Royalty Regime

Before the enactment of Foreign Investment and Technology Transfer Regulation, 2021 (FITTR 2021),





there was no cap in royalty, and the other associated fees and costs such as front-end fees, set up fees, etc., deposits from industries were allowed to pay out over the top of agreed royalty. Since the implementation of FITTA Regulation there is a cap in royalty payment which is either made on 'Total Sales Amount' or 'Net Profit', and such basis is stipulated in the concerned royalty agreement applicable to each fiscal year.

In the present context, specific caps on royalty rates apply to various types of technology transfers. For local sales, the limit for royalty or other fees is set at up to 5% of the total sales amount, excluding VAT. Meanwhile, for export sales, the cap is slightly higher, allowing for up to 10% of total sales, excluding VAT. Additionally, there are provisions for royalty based on net profit, with limits set at up to 15% of net profit for local sales and up to 20% for export sales.

Moreover, concerning trademarks, the caps vary between industries. For the alcohol and tobacco sector, the limit for local sales is up to 2% of total sales, excluding VAT, and for export sales, it's up to 5%. In contrast, other industries have different caps, allowing for up to 3% of total sales, excluding VAT, for local sales and up to 6% for export sales. This regulation seeks to establish a structured framework for managing and controlling royalty payments in the current business landscape. However, FITTA 2019 is silent in this regard and only imposes a cap on the liquor industry, stipulating that the amount of royalty or net profit for the use of trademarks in a liquor industry, excluding cases where 100% of liquor is exported, shall not exceed the prescribed 5% of the gross sales revenue, excluding prevailing tax.

In practice, there is no clear mechanism to calculate royalty when industries are involved

WHILE THE TECHNOLOGY TRANSFER REGIME IS WELCOMING, IT IS PERCEIVED THAT IT IS OVERLY RESTRICTIVE, POTENTIALLY DISSUADING FOREIGN INVESTORS WHEN COMPARED TO THE PREVIOUS REGIME. TO FORTIFY NEPAL'S POSITION AS AN ATTRACTIVE DESTINATION, CONTINUOUS UPDATES AND ALIGNMENT WITH INTERNATIONAL STANDARDS ARE IMPERATIVE FOR SUSTAINING A VIBRANT AND COMPETITIVE TECHNOLOGY TRANSFER LANDSCAPE IN THE COUNTRY

in both local and export sales. Regulating authorities have been providing rates on royalties to be repatriated on a case-by-case basis. Such approved royalty and associated fees are allowed to be repatriated post obtaining approval from the DoI and the central bank of Nepal.

Furthermore, the regulation stipulates that if an industry has entered into one or more Technology Transfer Agreements with a foreign investor, the repatriated net royalty amount or any fee in a fiscal year is limited to the prescribed cap set in the regulation. It is also unclear

whether the cap remains applicable when a local industry has entered into technology transfer agreements with more than one foreign investor.

Similarly, it is not clear if the law permits any fee in addition to the royalty. In international practice, apart from royalty, technology transfer agreements may also involve additional fees such as front-end fees, set-up fees, etc. The DoI holds the view that an investor cannot receive any amount beyond the royalty cap. However, the specified royalty rate is comparatively low, potentially lacking appeal to investors. To alleviate this concern, a clear demarcation is crucial to prevent confusion. It is suggested that service fees under the Service Agreement should operate independently of the royalty cap. This separation is proposed to enhance attractiveness to foreign investors, considering the regulatory limitations on royalty payments.

Similarly, in the current technology transfer framework, services like foreign technical advisory, management, marketing and other technological expertise are viewed as integral parts of technology transfer. As a result, they necessitate additional approvals and compliance with royalty caps. The regulatory authority insists that service fees in Service Agreements should match the royalty caps defined for Technology Transfer Agreements. This approach limits foreign service providers from receiving fees based on commercially negotiated prices, introducing a standardised compensation approach within regulatory boundaries. The lack of demarcation between pure service pursuant to the Nepal Rastra Bank (NRB) Unified Directives and technical service under FITTA 2019 has also impacted foreign service providers, leading to a call for a clear demarcation between service fees and royalty.

Enforcement and Dispute Resolution

In the context of the form of franchise agreements, governing law, and dispute resolution, Nepal allows flexibility as there are no restrictions on the format of licensing agreements, granting parties the freedom to agree upon terms and conditions as they deem fit. Notably, Nepal is a signatory to the New York Convention, and its legal framework supports the enforcement of foreign arbitral awards. However, it is essential to consider the reciprocity criterion for the enforcement of foreign arbitral awards. Past instances reveal challenges, such as awards held in India not being enforced in Nepal, showcasing the nuanced dynamics of cross-border legal reciprocity. It is also noteworthy that Nepali law currently lacks provisions for the enforcement of foreign court judgements, highlighting a potential area for further legal development.

Conclusion

As Nepal navigates its technology transfer regime, the legal framework and regulatory dynamics continue to evolve. Clarity in demarcating service fees from royalty caps, addressing concerns over low royalty rates, and ensuring robust dispute resolution mechanisms are crucial for fostering a conducive environment for foreign investment and collaboration. While the technology transfer regime is welcoming, it is perceived that it is overly restrictive, potentially dissuading foreign investors when compared to the previous regime. To fortify Nepal's position as an attractive destination, continuous updates and alignment with international standards are imperative for sustaining a vibrant and competitive technology transfer landscape in the country. **B**

While our commitment to adhering to government rules and laws is unwavering, the cost of compliance is substantial. This commitment sets us apart, but it also poses a financial challenge, considering that not all companies in the industry adhere to the same stringent standards. The cost differentials between compliant and non-compliant entities can create an uneven playing field, potentially impacting the competitive landscape.



Sashin Joshi
Group Executive Director, JGI

Sashin Joshi is the Group Executive Director of Jawalakhel Group of Industries since 2018. JGI is celebrating 50 years of its iconic vodka brand, Ruslan this year. Joshi has extensive experience in strategic planning and execution, with a strong and impactful professional record. Formerly the CEO of Nabil Bank, the largest and most profitable bank in Nepal, Joshi has worked more than three decades in the banking industry in Nepal, India and Australia. Amongst his many achievements, he orchestrated the first-ever merger of two commercial banks in Nepal when he was CEO of NIC Asia Bank. He is also a former President of Nepal Bankers' Association and Chairman of National Banking Institute. Joshi holds an MBA degree in Finance and a Post-Graduate Diploma in Marketing. Excerpts of a conversation with Joshi on 50 years of Ruslan and the way forward.

After 50 years of tremendous success with Ruslan, what do you see as the opportunities ahead?

After an illustrious 50-year journey marked by unparalleled success with Ruslan, we, at JGI, take pride in being acknowledged as being among the best in manufacturing excellence in Nepal. Our commitment to quality standards, unwavering support for our people, and the innovation reflected in our products have solidified Ruslan Vodka's status as an iconic brand, not just for us, but for the entire Nepali community. Looking ahead, our vision is clear — to emerge as the foremost spirit producer in Nepal. We aspire to elevate our standing beyond national borders, envisioning a future where JGI stands as a symbol of premier spirit production.

Our immediate focus revolves around expanding our capabilities, mirroring the distillation facilities found in the renowned distilleries of Scotland, facilities that rival the best in the world. Our trajectory extends beyond self-sufficiency; we envision becoming a major exporter of high-quality spirits. The plan involves not just meeting domestic demands but also extending our reach to international markets.

We are committed to showcasing the excellence ingrained in our products as per international benchmarks. In essence, our journey has been remarkable, and the legacy of Ruslan Vodka serves as the foundation for our ambitious future. By investing in state-of-the-art facilities, nurturing our people, and setting our sights also on international markets, we are poised to redefine the spirit production landscape in Nepal and make a lasting impact. The spirit of Ruslan will continue to transcend borders, embodying the very essence of premier quality and craftsmanship.

What is the percentage of Ruslan sales in the company's overall income?

In evaluating the contribution of Ruslan to our company's overall performance, we find a nuanced picture that underscores the dynamic nature of our business. In terms of volume, Ruslan accounts for approximately 10% of our total sales currently. This metric provides insight into the sheer scale of our diverse product offerings, illustrating that while Ruslan holds a significant presence, it is one among many contributors to our sales volume. However, when considering revenue, Ruslan contributes about 20%. This emphasises the premium nature of the Ruslan brand and its impact on the financial health of our organisation.

In the past, Ruslan has demonstrated its market strength by achieving sales figures as impressive as 700,000 cases in a single year. During such peak periods, the revenue contribution from Ruslan soared to an impressive 80% and beyond, reflecting the brand's formidable position in the market. To adapt to the evolving market landscape and consumer preferences, we've strategically diversified our portfolio. Currently, we boast a comprehensive range of 18 brands, a significant expansion from the earlier days when we operated with just a few brands at a time. This diversification not only allows us to cater to broader target groups but also de-risks the impact of potential fluctuations in consumer behaviour and market trends.

While Ruslan remains a cornerstone of our success, the presence of multiple brands underscores our commitment to innovation, responsiveness to market dynamics, and the ability to meet the varied tastes and preferences of our customers. In conclusion, Ruslan's significance within our company is multifaceted. It plays a vital role both in terms of volume and, more significantly, in contributing

to the overall revenue. The strategic decision to diversify our brand portfolio reflects our forward-thinking approach, ensuring that we continue to thrive and adapt in an ever-changing industry.

The spirits business comes with its own set of challenges. What are some of these for you?

In navigating the complexities of the spirits business, we encounter several challenges that require strategic management and adaptability. Foremost among these challenges is the substantial burden of high taxes imposed on liquor. The consistent annual increases in government-imposed taxes have reached a point where the tax rates in Nepal significantly surpass those of our neighbouring country, India. This poses a considerable challenge as it impacts the pricing of our products, potentially affecting consumer affordability and market competitiveness. A second pressing issue involves the prevalence of counterfeit products within the industry and smuggling. The unauthorised replication of our labels by unscrupulous manufacturers adds another layer of complexity. It's a challenge to combat this illicit activity, particularly considering that a portion of the Nepali consumer base may be unaware of such counterfeit products. This not only undermines the integrity of our brand but also poses risks to consumers who may unknowingly purchase substandard or potentially harmful imitations.

Recruiting highly qualified technical personnel stands out as a recurring challenge in our operations. The specialised nature of the spirits industry demands skilled professionals, and at times, we find it necessary to source talent from India and overseas to oversee our operations. This introduces complexities related to cross-border talent management, adding to the intricacies of running a successful spirits

business. We are now investing significantly in training and developing local talent so that we will no longer have to depend on expatriate resources. An additional challenge lies in the realm of compliance. While our commitment to adhering to government rules and laws is unwavering, the cost of compliance is substantial. This commitment sets us apart, but it also poses a financial challenge, considering that not all companies in the industry adhere to the same stringent standards. The cost differentials between compliant and non-compliant entities can create an uneven playing field, potentially impacting the competitive landscape.

It is noteworthy that despite these challenges, we remain steadfast in our commitment to upholding legal and regulatory standards. However, the prevalence of non-compliance within the industry creates an environment where some entities evade tax regulations, rules, and laws. This creates an uneven playing field, as those who choose to flout regulations may gain a cost advantage. In summary, the challenges in the spirits business are multifaceted, ranging from high tax rates and counterfeit products to the availability of skilled professionals and the cost of compliance. Navigating these challenges requires a combination of strategic planning, regulatory advocacy, and a commitment to maintaining the highest standards of quality and integrity within our operations.

As one of the highest taxpayers in the country, what are three things if done rightly that would help the industry grow?

As one of the highest taxpayers in the country, we take pride in our commitment to transparency and compliance with all rules and regulations. There are three key areas where, if addressed appropriately, would not only foster the growth of our industry but also contribute

positively to the overall business environment in Nepal. Firstly, our dedication to transparency sets us apart from many businesses in Nepal. Having only one set of books, shared by management, owners and tax authorities, underscores our commitment to openness. If more businesses adopt such transparency practices, it would not only enhance trust within the business community but also improve the overall financial integrity of enterprises in Nepal. This transparency could potentially serve as a model for fostering a culture of honesty and accountability across various industries.

The second crucial aspect is related to compliance with laws and regulations. Addressing the issue of leakage in trading, particularly in the liquor industry, is vital. The enforcement of electronic billing, even at the retail level, would significantly reduce the potential for leakage. This comprehensive digital approach ensures that every transaction is captured, minimising opportunities for tax evasion. By tightening these loopholes, the government can enhance revenue collection without resorting to increasing tax rates. Lowering taxes, in fact, could stimulate economic growth and result in higher overall tax revenue for the government.

The third key recommendation revolves around creating a more business-friendly regulatory environment. Currently, stringent labour laws and bureaucratic hurdles pose challenges to business operations. Simplifying and streamlining approval processes, especially for endeavours that aim to improve business efficiency, would be instrumental. For instance, obtaining approvals for bringing in international consultants and technology should be made more straightforward. Reducing bureaucratic obstacles and making labour laws more business-friendly would not only benefit our industry but also encourage foreign expertise to contribute to the

growth and development of businesses in Nepal.

In summary, our recommendations for fostering industry growth involve promoting transparency across businesses, addressing issues of compliance through digital solutions, and creating a regulatory environment that is conducive to business expansion. By adopting these measures, we believe that the government and businesses alike can contribute to the sustainable growth of industries in Nepal, ultimately leading to increased revenue and improved standards of doing business in the country.

How has consumer behaviour changed in recent years and what are some of the things you have done to stay relevant?

Consumer behaviour has undergone a significant transformation over the past several decades, marked by a tectonic shift that reflects increased awareness and access to global trends. The advent of the internet and short-term out-migration have played a pivotal role in shaping this evolution, empowering individuals with information about the best products worldwide and fostering a heightened global consciousness. One of the noteworthy changes in consumer behaviour is the increased awareness among people regarding global happenings. The accessibility of information and international travel for work and studies have enabled consumers to stay well-informed about international trends, products, and developments. This heightened awareness has created a more discerning consumer base, characterised by a desire for products that align with global standards and preferences.

Furthermore, the dynamic nature of fashion trends has significantly influenced consumer preferences, especially among the younger demographic. The youth, in particular, seek products that resonate with their aspirations, align with their sense of fun, and encapsulate the latest

trends. As consumer tastes and behaviours evolve, the demand for products that are not just functional but also aspirational and relatable has become pronounced. To stay relevant in this changing landscape, we, as a company, have been proactive in adapting our products to align with evolving consumer preferences. This involves not only adjusting our blends to meet changing tastes but also reimagining our packaging to appeal to the aesthetic sensibilities of the modern consumer. The goal is to create products that not only meet the highest quality standards but also resonate with the values, aspirations, and preferences of the contemporary consumer, especially the youth demographic.

By staying attuned to the shifts in consumer behaviour, we strive to offer products that go beyond mere functionality; we aim to provide an experience that connects with consumers on a personal and aspirational level. This adaptability is essential in ensuring that our brand remains relevant and continues to be a preferred choice in a market where consumer preferences are dynamic and influenced by global trends. In essence, our commitment to staying relevant involves a continuous process of innovation, refinement, and realignment with consumer expectations. By embracing change and proactively adjusting our products to suit evolving tastes and behaviours, we aim to not only meet but exceed the expectations of the modern, globally aware consumer.

What are the industry trends and what does the future look like for Ruslan?

The outlook for Ruslan is exceptionally promising, positioned to maintain its status as one of the bestselling brands in Nepal and further solidifying its association with the spirit business in the country. Looking ahead, our vision for Ruslan encompasses not only sustained success in terms of sales but also the establishment

of Ruslan as a brand deeply intertwined with the essence of Nepal in the realm of spirits. The trajectory for Ruslan is optimistic, with a commitment to retaining its position as a market leader in the Nepali spirit industry. Building on the legacy of success spanning decades, we aim to continue delivering a product that resonates with consumers, meeting and exceeding their expectations. This dedication to quality, coupled with a proactive approach to adapting to changing consumer preferences, positions Ruslan for enduring success.

Beyond being a standalone brand, our aspiration is for Ruslan to become synonymous with the spirit business in Nepal. We envision Ruslan as a name that is not just recognised for its exceptional products but also revered as a symbol of the spirit industry's growth and prominence within the country. This association seeks to go beyond mere market presence, aiming to contribute to the narrative of Nepal's evolving and thriving spirit landscape. To achieve these goals, we remain committed to innovation, quality, and a customer-centric approach. As industry trends evolve, we anticipate staying at the forefront of these changes, ensuring that Ruslan continues to meet the dynamic needs and preferences of consumers. Whether through product enhancements, marketing strategies, or embracing technological advancements, Ruslan is poised to adapt and thrive in the evolving landscape of the spirit business in Nepal.

In summary, the future for Ruslan looks bright, marked by sustained sales success and an ambition to be more than just a brand - a symbol of Nepal's spirit industry. By staying true to our commitment to quality and customer satisfaction, we are confident that Ruslan will not only endure as a bestseller but also play a pivotal role in shaping the narrative of the spirit business in Nepal for years to come. **B**



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Gold Outlook 2024

B360 Correspondent-

We are in the middle of a historic milestone. For the first time in its glittering career, gold has soared past \$2,100 per ounce as the global rush for the yellow metal appears to continue. Since the Israel-Palestinian conflict hit headlines, the price of the bullion has skyrocketed with expectations of further interest cuts supporting the hike. In hindsight, gold performs well during periods of global uncertainty due to its status as a safe haven trading instrument.

In 2023, gold grabbed the attention of traders worldwide. Gold commenced the year at \$1,822.79 per ounce and thereafter drove forward to register the highest price of \$2,080.07 per ounce by May. However, gold retreated and slumped to \$1,810.33 per ounce in October. The fortunes of the bullion turned with the emergence of the Israel-Palestinian conflict and the prices since then have only looked upwards. Hence the question arises where are gold prices headed in 2024? Here are a few factors for gold in the next year.

Inflation Driving Gold

One of the major factors driving gold is inflation. While the US Federal Reserve has announced interest rate hikes to counter the soaring inflation in USA, the central bank is still far away from its 2% target. The ongoing inflation could boost the demand for gold and its prices. In the recent past, when inflation rises, gold prices follow suit. If the current trends of economic uncertainty and inflationary pressure continue, there could be an upward pressure on the yellow metal. In 1980, the value of gold reached the then-record of \$800 per ounce following numerous years of high inflation over the preceding decade. Inevitably,



there is an uncertain tag attached to the forecast but certain analysts believe if economic conditions worsen, the demand for gold could rise sending prices even higher.

Geopolitical Tensions

In historical terms, geopolitical tensions have fueled the demand for gold and 2024 may not be any different. In recent months, the Israel-Palestinian conflict has driven the interest and the demand for gold. A glance at the gold charts and we can corroborate the preceding notion. Since the conflict began in early October, gold prices have soared to unbelievable heights. Market analysts opine that if the conflict is not contained, the regional war could disrupt the global markets and the supply chain triggering a global gold rush away from other speculative assets. Traders look at gold as a safe haven asset in times of economic uncertainty adding upward pressure on the yellow metal.

US Elections

Remember the influence on gold prices when Donald

Trump won the US Presidential election in 2017? The unpredictable nature of the Presidential election always leaves an indelible mark on the financial markets with gold acting strangely if the popular candidates end up on the losing side. A change in leadership is often associated with risk to finances. Market pundits expect the retail demand for gold to remain high as traders turn to the yellow metal to hedge against what they feel is a risk of an adverse outcome.

Demand and Supply

According to World Gold Council (WGC), gold demand declined by 6% to 1,147.5 tonnes during the third quarter of 2023 on slowing demand for bars and coins from the central banks. In its latest report, it announced that the demand for gold in China, the world's largest gold-consuming nation, rose marginally to 247 tonnes while the demand in India rose 10% to 210.2 tonnes. As per the report, the global jewellery demand declined by 1% to 578.2 tonnes in the third quarter of 2023 from 582.6 tonnes in the 2022 numbers.

Outflows from the exchange-traded funds (ETFs) storing bullion for investors remained due to the investor sentiment that interest rates would remain high.

Conclusion

Most experts agree that on the back of the degrading economic conditions and the enveloping political tensions, gold prices are going to rise in 2024 as more consumers seek out a safe spot to store their wealth amid a brewing storm. Gold is undoubtedly the best hedge in every portfolio. When the global economy heads to a downturn, every investor needs that one asset that will keep you afloat while you wait for the rest of your portfolio to recover from the ashes. Forecasts are uncertain since it is based on the current environmental factors. However, we can predict that since the number of bullish factors is outnumbering the bearish factors, gold is looking up in its quest to claim further accolades as we enter 2024. **B**



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Beed's take on the market

During the review period of November 1 to November 26, 2023, the Nepal Stock Exchange (NEPSE) index grew by 49.39 points (+2.66%) to close at 1,907.95 points, the highest point of the review period. The market had fallen at the beginning of the review period, however since then, the market has been trending upwards. The lowering of the bank interest rate by a majority of commercial banks for the month of Mangsir (mid-November to mid-December) has also led to a slight positive shift in market sentiment. The total market volume during the review period decreased by 50% to reach Rs 12.8 billion, as the market remained closed for five working days during the festival of Tihar.

During the review period, eight sub-indices ended in the green zone, and two in the red zone. The Life Insurance sub-index (+9.78%) was the biggest gainer as the share value of Life Insurance Corporation Nepal (+Rs 76.9), Reliable Nepal Life Insurance (+Rs 67.6) and Sun Nepal Life Insurance (+Rs 65) increased substantially. Tourism sub-index (+9.35%) was second in line as it witnessed a rise in the share prices of Oriental Hotels (+Rs 109.1), Taragaon

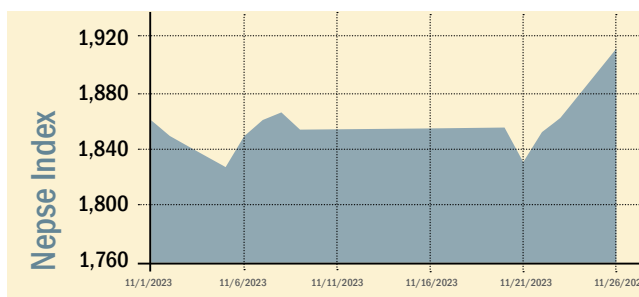
Regency (+Rs 96), and Kalinchowk Darshan (+Rs 70).

Non-Life Insurance sub-index (+5.60%) followed suit with a growth in the share prices of Rastriya Beema Company (+Rs 449), Nepal Insurance (+Rs 73), and Himalayan Everest Insurance (+Rs 63). Hydropower sub-index (+4.74%) also rose as share value of Mandu Hydropower (+Rs 89), Bhagwati Hydropower (+Rs 68.8), and Three Star Hydropower (+Rs 67) went up. Additionally, shares of Mathillo Mailun Khola (Rs 254.9) also started trading in the secondary market in the review period.

Similarly, Finance sub-index (+4.07%) went up with share prices of Reliance Finance (+Rs 35.1), Goodwill Finance (+Rs 33) and Shree Investment Finance (+Rs 33) seeing an incline. The Development Bank sub-index (3.75%) saw a rise in the share values of Shine Resunga Development (+Rs 29), Lumbini Bikas (+Rs 25.3) and Miteri Development (+Rs 23).

Others sub-index (+2.95%) followed suit with increase in share value of Sonapur Minerals and Oil (+Rs 38.1), Nepal Telecom (+Rs 20.6), and Nepal Reinsurance Company

Figure 1 NEPSE Index during the review period
(November 1 to November 26, 2023)



Source: Nepal Stock Exchange

(+Rs 19.1). Manufacturing and Processing sub-index (-6.84%) also witnessed a growth in the share prices of Unilever Nepal (+Rs 6,900) and Ghorahi Cement (+Rs 39.9).

On the other hand, the remaining two sub-indices ended in the red zone. Commercial Bank sub-index (-0.52%) witnessed a decline in the share value of Nabil Bank (-Rs 44.6), NIC Asia (-Rs 11.3). Finally, Microfinance sub-index (-3.30%) lost the most with a decrease in share prices of Upakar Microfinance (-Rs 200), Aatmanirbhar Microfinance (-Rs 185), and Nesdo Sambridha Microfinance (-Rs 171).

News and Highlights

While Securities Board of Nepal (SEBON) has not approved the initial public offerings (IPOs) of any new company during the period, it did see the issuance of various IPOs that had been approved during the preceding one. Most notably, Sarbottam Cement issued its IPO through a book building process, making it the first in Nepal. It has completed the bidding process for Qualified Institutional Investors and will be launching its IPO to the general public at Rs 360.90 per share with a minimum requirement of 50

units. SEBON has also added the IPO of Hotel Forest Inn worth Rs 980 million under preliminary review. NIC Asia Capital has been appointed its issue manager.

Outlook

A majority of the sub-sectors had some recovery compared to the previous period. Despite the current surge, investors remain vigilant for potential indicators of a trend reversal that could trigger a market rebound as economic activities start to pick up post festivities and as listed companies continue to declare and distribute dividends from last year's earnings. **B**

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Table 1 Sub-indices during the review period

(November 1 to November 26, 2023)

	November 1, 2023	November 26, 2023	% Change
NEPSE Index	1,858.56	1,907.95	2.66%
Sub-Indices			
Commercial Bank	1,191.99	1,185.74	-0.52%
Development Bank	3,589.75	3,724.40	3.75%
Hydropower	1,950.23	2,042.72	4.74%
Finance	1,622.16	1,688.16	4.07%
Non-Life Insurance	9,590.41	10,127.46	5.60%
Others	1,381.08	1,421.89	2.95%
Hotels and Tourism	4,648.80	5,083.55	9.35%
Microfinance	3,453.94	3,339.99	-3.30%
Life Insurance	9,628.02	10,569.63	9.78%
Manufacturing & Processing	4,883.47	5,018.10	2.76%

Source: Nepal Stock Exchange

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“I have always seen investment as an impact”



MANISH THAPA
MANAGING DIRECTOR, GLOBAL EQUITY FUND



“I have always seen investment as an impact,” says Manish Thapa, Managing Director of Global Equity Fund.

After completing doctoral and postdoctoral studies in International Relations focusing on Political Economy, Thapa worked as a professor for almost 15 years. His teaching career took him across various countries including Poland, Thailand, the United States, Japan, Canada and finally Costa Rica.

In 2018, Thapa decided to come back as he wanted to work in the financial sector in Nepal. He believes that for Nepal to gain economic height, the impact has to be created at the grassroots level. “When we talk about impact, let’s not only talk about donor-funded projects. Let’s also see how the private sector can work on creating impact businesses,” he states.

With the determination to make an impact on the lives of people through finance and investment, Global Equity Fund was started in March 2019. It is supported by two corporate houses – Khetan Group and BLC Group, and two insurance companies – Himalayan Everest Insurance and Himalayan Life Insurance. “When we started, we wanted to create this as an investment company but the Securities Board of Nepal (SEBON) came up with the licensing regulation. So, we were the first company in Nepal to apply for the private equity venture capital fund manager licence in April 2019,” recalls Thapa. However, due to political instability and the Covid 19 lockdown, the licence process was delayed for almost four years. But Thapa was not someone who would sit around and wait. In the meantime, before receiving the licence as the first fund manager company from SEBON, he helped create



Changing the mindset of female entrepreneurs who resist growth and partnership is difficult. We are trying to make them understand that equity is not about us taking over their business

Nepal Infrastructure Investment Fund which was funded by Himalayan Everest Insurance and Himalayan Life Insurance Company.

“I have always wanted Global Equity Fund to be an impact fund so we decided to invest 30% of the Nepal Infrastructure Investment Fund in women-led businesses,” says Thapa, adding, “But our minimum ticket size of investment from the fund was Rs 5 crores and such businesses only required as low as Rs 50 lakhs. There was a mismatch in the ticket size.”

“And there is a lot of time limitation for women to follow through all the compliance procedures and the requirements that the banking industry requires to get a loan equity from a private equity,” he says, adding, “We, thus, realised the need for a separate fund to focus on women-led businesses and that’s how the Nepal Women Growth Equity Fund came into the picture in 2023.”

One of the unique aspects of Nepal Women Growth Equity Fund is that it is the only fund in the country that is dedicated to investing in female-led and owned businesses. To ease the process for female entrepreneurs, the fund provides both pre-and post-investment funds. Through the pre-investment funds, they assist with business plans, compliance, and due diligence. The post-investment funds build business capacity through blended finance mechanisms. “We are also collaborating with donor agencies and one of the earliest supporters of the fund is the USAID Trade and Competitiveness Project. They have helped us to structure the fund and have also committed to helping the portfolio companies in the pre-investment stage,” shares Thapa.

The Nepal Women Growth Equity Fund aims to create and support women entrepreneurs who have the potential to be role models in society. They have estimated their total fund to reach Rs 50 crores out of which 30% will be allocated to women entrepreneurs outside Kathmandu valley. Another distinct feature is that they only invest in growth-stage companies. “We aim to create such businesses that meet environmental, social and governmental standards,” says Thapa. After the fund’s launch on November 7, they have committed to support three businesses. “We have a portfolio pipeline of almost 15 businesses now and through this Rs 50-crore fund, we will be supporting about 15 to 20 businesses. Through this investment, we envision creating at least 10,000 indirect jobs, out of which 60% will be held by women,” he shares.

However, Thapa is quick to point that it is a challenging process. “Changing the mindset of female entrepreneurs who resist growth and partnership is difficult. We are trying to make them understand that equity is not about us taking over their business,” he says, adding, “We want them to understand that we are supportive partners to help their business grow.” The second challenge that Thapa talks about is the funding dryness. “Due to recession, fundraising becomes difficult at times but partners like Basant Chaudhary and Rajendra Prasad Khetan have been supportive. We want more partners like them to create more female leaders to back businesses. And now we are also working with corporate businesses so let’s see how this goes,” he shares.

Despite the challenges, Thapa believes in maintaining consistency. Having started with Nepal Investment Infrastructure Fund and recently launching Nepal Women Growth Equity Fund, he has plans for some more impact funds. “We are also working on startup and growth funds which will basically focus on startups which have the potential for growth, which we will probably launch in April next year. Another is a tech fund which we are planning to launch in the middle of next year. Through this we want to dedicate the entire fund to the growing tech industry and continue to create impact,” concludes Thapa. **B**

Mastering Efficiency: The Transformative Power of 5 Essential AI Tools for Streamlining Work Tasks



Artificial intelligence (AI) in the ever-evolving landscape of technology has emerged as a transformative force, reshaping the way we approach and execute our daily work tasks. The integration of AI tools into various aspects of professional life has heralded a new era of efficiency, streamlining processes and introducing a level of automation that was once considered futuristic. As organisations and individuals navigate the intricacies of the modern workplace, these AI tools have proven to be indispensable allies, augmenting human capabilities and revolutionising the efficiency with which tasks are undertaken.

The beauty of AI lies in its ability to not just assist but to adapt and learn from patterns, continuously evolving

to meet the demands of an ever-changing work landscape. From refining our written communication with real-time grammar checks to optimising project management through intuitive platforms, AI tools have become integral to our daily routines. In this article, we explore the profound impact of AI on the professional sphere, unravelling the intricacies of five standout tools – Grammarly, Hootsuite Insights, Trello, Zoom, and Salesforce Einstein – that exemplify the diverse ways in which AI is enhancing our work lives. These tools are not just technological marvels; they represent a paradigm shift in how we approach productivity, collaboration and decision-making in the contemporary workplace.

Grammarly: Elevating Communication and Writing Skills

Grammarly, a pioneer in the realm of AI-powered language processing, has become an indispensable companion for individuals and professionals alike, revolutionising the way we approach written communication. Functioning as a virtual writing assistant, Grammarly employs advanced machine learning algorithms to analyse text in real-time, offering more than just basic grammar and spelling corrections. Beyond the fundamentals, Grammarly provides nuanced suggestions for enhancing clarity, tone, and overall writing style. Its intuitive interface seamlessly integrates into popular word processing applications, web browsers and even emails, ensuring that users receive immediate feedback and

corrections as they compose.

The beauty of Grammarly lies not only in its ability to catch errors but in its capacity to understand context and provide constructive recommendations. Whether crafting an important email, composing a document, or engaging in professional communication, Grammarly acts as a sophisticated proofreader, helping users articulate their thoughts with precision and impact. Its adaptability extends to a range of writing styles, from formal business communication to creative endeavours, making it a versatile tool for individuals across diverse industries. In essence, Grammarly has transcended the traditional boundaries of spell-checking, evolving into a comprehensive writing companion that elevates

the quality of written expression and significantly expedites the editing process.

Hootsuite Insights: Unleashing the Power of Social Media Analytics

Hootsuite Insights stands at the forefront of AI-driven social media analytics, offering a sophisticated platform that empowers businesses to extract valuable insights from the vast ocean of social data. This tool harnesses the power of artificial intelligence to analyse social media trends, sentiment, and key performance indicators, providing organisations with actionable data to inform strategic decisions. By monitoring and interpreting the social landscape, Hootsuite Insights goes beyond basic analytics, enabling businesses to understand audience behaviours, gauge the impact of marketing campaigns, and stay ahead in the dynamic realm of digital communication.

The significance of Hootsuite Insights lies in its ability to transform social media data into actionable intelligence. Businesses can identify emerging trends, measure the success of marketing initiatives, and make informed decisions that resonate with their target audience. This AI-powered tool not only facilitates data-driven strategies but also saves valuable time by automating the process of gathering and analysing social media metrics. By offering a comprehensive view of social media performance, Hootsuite Insights allows organisations to refine their online presence, engage more effectively with their audience, and ultimately optimise their social media strategies, making it an indispensable asset in the modern digital marketing landscape.

Trello: Agile Project Management Redefined

Trello, an AI-infused project management tool, has emerged as a cornerstone for organisations seeking to



THE BEAUTY OF AI LIES IN ITS ABILITY TO NOT JUST ASSIST BUT TO ADAPT AND LEARN FROM PATTERNS, CONTINUOUSLY EVOLVING TO MEET THE DEMANDS OF AN EVER-CHANGING WORK LANDSCAPE. FROM REFINING OUR WRITTEN COMMUNICATION WITH REAL-TIME GRAMMAR CHECKS TO OPTIMISING PROJECT MANAGEMENT THROUGH INTUITIVE PLATFORMS, AI TOOLS HAVE BECOME INTEGRAL TO OUR DAILY ROUTINES

enhance collaboration and streamline workflows. At its core, Trello leverages AI to provide an intuitive and visually appealing platform for managing tasks and projects. The system is built around boards, lists, and cards, allowing users to organise work in a dynamic and flexible manner. What sets Trello apart is its adaptability, allowing teams to tailor their boards to fit their specific projects and work styles.

The AI capabilities of Trello shine in its automation features, which eliminate the need for manual task management. With the ability to automate repetitive processes, such as task assignments, due date reminders, and progress tracking, Trello liberates teams

from mundane administrative tasks, enabling them to focus on more strategic aspects of project development. The visual nature of Trello's interface enhances transparency and collaboration, as team members can quickly grasp project statuses and contributions. Overall, Trello serves as a dynamic AI-driven hub that not only simplifies project management but also fosters a collaborative environment where teams can work efficiently and effectively toward shared goals.

Zoom: Facilitating Seamless Remote Collaboration

Zoom, an AI-powered video conferencing platform, has become synonymous with seamless virtual communication and collaboration. The platform's AI-driven features contribute significantly to an enhanced user experience. Automatic transcription, for instance, allows users to obtain written records of meetings, fostering better comprehension and follow-up. This not only aids in capturing key points but also ensures accessibility for participants who may need to revisit discussions.

Another noteworthy aspect of Zoom's AI integration is its background noise cancellation and intelligent meeting scheduling. The platform employs advanced algorithms to filter out ambient noise during virtual meetings, promoting a distraction-free environment. Additionally, AI assists in scheduling meetings more efficiently, taking into account participants' time zones and availability. This level of automation not only saves time but also contributes to smoother coordination for teams spread across different regions. As the demand for remote collaboration continues to rise, Zoom's AI features play a pivotal role in fostering clear, organised, and efficient virtual communication, ultimately making work tasks more manageable in the digital age.

Salesforce Einstein: Transforming Customer Relationship Management (CRM)

Salesforce Einstein, a groundbreaking AI tool in the customer relationship management (CRM) space, has redefined how businesses engage with their clients. At its core, Einstein leverages machine learning and predictive analytics to transform the vast amount of data within the Salesforce platform into actionable insights. This AI integration enables organisations to gain a deeper understanding of customer behaviours, preferences and patterns, facilitating more personalised and effective interactions. By automating routine tasks and offering predictive analytics, Einstein empowers sales and service teams to make data-driven decisions, identify opportunities and optimise their strategies to deliver an unparalleled customer experience.

One of the standout features of Salesforce Einstein is its ability to automate processes intelligently. Whether it's automating lead scoring, prioritising sales opportunities, or suggesting next-best actions, Einstein's AI capabilities streamline workflows, allowing teams to focus on high-value tasks. Moreover, the tool continually learns from user interactions and data trends, adapting to evolving business needs. This adaptability, coupled with its ability to uncover valuable insights from customer data, positions Salesforce Einstein as a pivotal tool in enhancing the efficiency of sales and customer service processes, ultimately making work tasks more manageable and strategically aligned with organisational goals. **B**

Green Taxonomy: Why Nepal Should Stay Ahead Of The Curve



Govind Ghimire is the Deputy Chief Executive Officer of NMB Bank

Having one's own Green Taxonomy is a wise strategic step during periods when every country has kept the fight against climate change at the forefront. Despite being a small developing nation, Nepal has made a firm commitment to fight global warming together with resourceful countries. It would be a tactical move to have a clearer naming and classification of green activities and portfolios in place so that initiatives supporting carbon neutrality are coordinated and segmented aligning with the global norms.

This article aims to suggest how to set up stepping-stones on this pathway by using a few exemplary taxonomies as a reference tool in other regions of the world. Though there are common approaches to follow during formulating Taxonomy, it is vital to adopt policy borrowing to use with caution and as a study material because Nepal faces unique and varying challenges due to its divergent topography and biodiversity.

Concept & Evolution of Green Taxonomy

A 'Green Taxonomy' is a classification system used to categorise and characterise environmentally sustainable economic activities and investments. It is used to assist investors, businesses, and policymakers in identifying and



promoting activities that have a sustainable impact. Green taxonomies seek to provide clarity and transparency about what qualifies as green or environmentally friendly. It helps investors and financial institutions with clear recommendations on ecologically sustainable projects and businesses to deploy funding to projects and assets that match long-term development goals as well as prevents 'greenwashing.' It promotes pollution avoidance, biodiversity preservation, circular economy principles, and sustainable use of marine and freshwater resources, also incorporated in the UN's SDGs and the Paris Agreement.

With an emphasis on the preservation of natural resources and the battle against pollution, it first took shape in the middle of the 20th century with the emergence of environmental movements. Socially responsible investing (SRI) thought emerged in the 1960s when investors started considering social and environmental implications in addition to financial returns. To help governments assess

and lessen the environmental effects of significant projects, environmental impact assessments, or EIAs, became essential in the 1970s. The Kyoto Protocol in 1997 raised awareness of the necessity for financing clean energy and low-carbon technology on a worldwide scale. Green finance norms, such as the Equator Principles, began to take shape in the 2000s. The European Union's Green Taxonomy Regulation, which established standards for environmentally friendly economic activity across sectors, marked a turning point, nevertheless, in 2021.

International Landscapes of Green Taxonomy

One of the most preferred and commonly referred to green taxonomy frameworks in the world is the European Union's Taxonomy Regulation, which came into force in July 2021. It keeps six main goals related to the environment in the centre such as climate change adaptation, climate change mitigation, sustainable use and protection of water and marine resources, transition to

a circular economy, pollution prevention and control, and preservation and reconstruction of biodiversity and ecosystems.

It encourages investments in eco-friendly ventures, lessens the practice of greenwashing, directs investment decisions, and advances wider policy goals - all of which contribute to the promotion of sustainability. It has also established a global standard for green taxonomy, giving rise to debates across the globe. Its mandatory implementation will need to take some review due to its complexity and associated expenses.

The United States has made significant progress in sustainable finance and voluntary ESG disclosure while lacking a full national green taxonomy similar to that of the European Union. Regulatory agencies in the US, such as the SEC, are investigating methods to standardise ESG reporting.

Likewise, the Green Technical Advisory Group (GTAG) has recommended the UK Green Taxonomy, which attempts to categorise environmentally friendly activities to improve



comprehension of the environmental impact. GTAG recommends that the government establish a clear, believable, and practical taxonomy. Similarly, China has been pushing forward with its sustainable finance projects and green taxonomy to coordinate financial operations with environmental and sustainability objectives. The Belt and Road Initiative now incorporates green finance principles. The China Securities Regulatory Commission has developed a green securities classification system. India has also demonstrated significant progress in sustainable financing, as seen by its active involvement in the green bond market across multiple industries, including water conservation, sustainable transportation, and renewable energy. Transparency in the financial sector has been strengthened in India by regulatory agencies like the Securities and Exchange Board of India (SEBI), which has enforced ESG-related disclosures. To encourage further ethical behaviour, the Reserve Bank of India (RBI) released guidelines for loans tied to sustainability and green bonds.

Current Initiatives & Aids of having country-specific Taxonomy

Nepal has been making great progress in encouraging sustainability and ecologically friendly practices. The nation's dedication to environmental preservation, renewable energy, and climate resilience is strongly linked to a commitment to sustainability and going net zero by 2045, even though the creation and use of a thorough green taxonomy are still in infancy.

Nepal is aggressively looking for ways to use its plentiful water resources for the production of clean energy, especially through hydropower projects. This programme supports the nation's objective of lowering its carbon footprint



Nepal has been making great progress in encouraging sustainability and ecologically friendly practices. The nation's dedication to environmental preservation, renewable energy, and climate resilience is strongly linked to a commitment to sustainability and going net zero by 2045, even though the creation and use of a thorough green taxonomy are still in infancy

and switching to a more environmentally friendly energy mix.

Nepal's green financing programmes also heavily depend on sustainable agriculture techniques. The nation is attempting to encourage ecologically conscious farming methods to reduce agriculture's negative effects on the environment while maintaining food security. In addition, rules for Environmental Social Risk Management (ESRM) have been introduced by Nepal Rastra Bank.

The adoption of green taxonomy in Nepal is highly relevant because of Nepal's unmatched water resources, dense forest, fertile land, mountainous topography, and biodiversity. Nepal is also extremely vulnerable to the effects of climate change,

such as altered precipitation patterns and glacial melt. A green taxonomy helps to ensure agricultural output securing food and health safety that enhances the long-term viability of the agricultural economy. It can be instrumental in raising financial resources through green bonds, and green climate borrowings and can have access to green climate funds, etc. Nepal can take a lead role in the international platform due to its credible stand on carbon-neutral initiatives earlier even than developed nations. By putting green taxonomy into practice, the nation can better identify and finance climate-resilient projects, like building infrastructure to prevent flooding in high-risk locations. Furthermore, Nepal can improve its international recognition and draw in more tourists by adhering to international sustainability standards.

Major Challenges for Nepal

In Nepal, creating a green taxonomy is fraught with difficult obstacles. Because of its Himalayan terrain, Nepal has unique climate change issues that need a customised strategy while developing its green taxonomy. Resilience-building measures should be prioritised due to the nation's susceptibility to landslides, glacier melt, and changing precipitation patterns. Furthermore, the taxonomy's emphasis on river, lake, and glacier protection underscores the significance of sustainable water resource management in Nepal. The nation needs to address problems with data availability and quality, as well as create a legal framework that complies with global norms while taking into account its particular circumstances.

To make sure that financial institutions and government bodies are prepared to use and oversee the concepts of the green taxonomy, capacity-building initiatives are required. For a taxonomy that is inclusive, transparent,

and widely accepted, it is essential to involve a wide range of stakeholders, including corporations, civil society, and academics.

Furthermore, because of Nepal's interconnectivity of economic activities, which include manufacturing, services, and agriculture, it might be challenging to classify certain activities as green or non-green. Given Nepal's sensitivity to climate change and reliance on natural resources, the taxonomy has to be modified to take into account the cons when handling the transition to a green economy. Nepal must also look into issues including financial accessibility, oversight, enforcement procedures, and fiscal constraints. Making sure its taxonomy complies with international norms while handling geopolitical and regulatory issues is another challenge.

Scope and Coverage of Green Taxonomy

The process of creating and executing a green taxonomy legal framework is intricate and necessitates giving considerable thought to Nepal's unique requirements. To make it effective in promoting environmental sustainability while simultaneously supporting economic growth, the government, civil society, and the business sector should work together. Building the ability of financial institutions, regulators, and companies to understand and successfully apply the concepts of green taxonomy is one of the most important factors in the successful implementation of green taxonomy in Nepal. It might be advantageous to broaden the taxonomy gradually to cover more economic and business activities.

A complete Green Taxonomy should cover aspects such as Definition and Scope, regulatory authority, stakeholder engagement, data and metrics, and disclosure

requirements. Other issues and areas that need to be included in Green Taxonomy are categorisation and accreditation, incentives and penalties, monitoring and reporting, capacity building, enforcement and legal recourse, adaptability and review, and coordination with other policies.

For several reasons, Green Taxonomy reporting is supposed to be coordinated with Taskforce on Climate-related Financial Disclosures (TCFD) reporting. This alignment removes uncertainty caused by disparate reporting requirements and streamlines the reporting environment, relieving pressure on businesses that are already familiar with TCFD principles. The Green Taxonomy's connection with TCFD reporting promotes sustainability integration across regulatory agencies and enterprises while also improving transparency.

Voluntary to Compulsory Adoption

For several important reasons, a developing nation like Nepal must gradually implement a green taxonomy. It makes it possible and easier for old, resource-intensive businesses to transition economically to a more eco-friendly and sustainable economy. A gradual strategy minimises employment losses and economic shocks by preventing abrupt disruptions in conventional sectors, which can be a complex transition. Adoption that happens gradually promotes the growth of essential skills and abilities.

Building capacity over time can guarantee that firms, financial institutions, and government authorities are ready to comprehend and apply green taxonomy in their operations. A gradual approach considers risk management, stakeholder participation, resource restrictions, and social factors. It also makes it possible to tailor green financing and investment

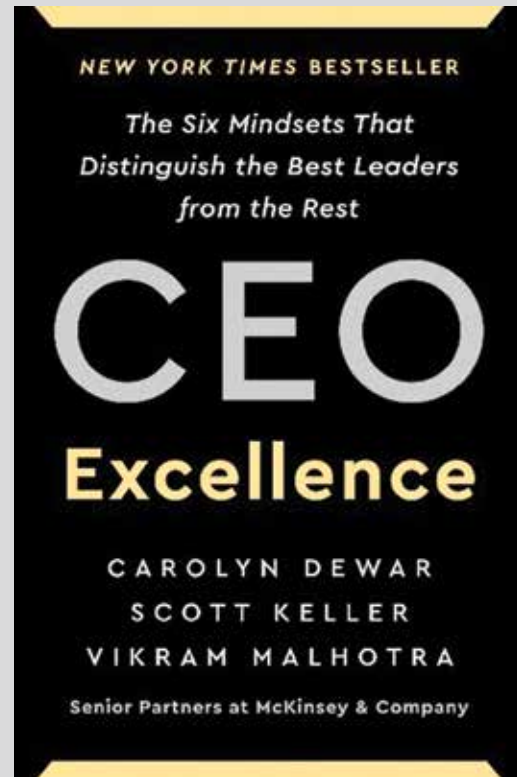
criteria to the unique economic and environmental difficulties that developing nations like Nepal face. A more robust and sustainable route toward a greener economy is made possible by gradual acceptance.

In the context of sustainable finance and investing practices, the words 'voluntary adoption of green taxonomy' and 'compulsory adoption of green taxonomy' refer to the application of a green taxonomy framework. When a corporation or financial institution decides to employ a green taxonomy framework on its initiative, it is a voluntary adoption. They see benefit in applying the green taxonomy's ideas and criteria to their investment plans, reporting procedures, and decision-making processes. When a government or regulatory body requires the use of a green taxonomy framework for a certain set of financial activities or reporting, this is referred to as compulsory adoption. It ensures compliance with the green taxonomy standards and principles mandated by law or regulation for enterprises and businesses.

The decision between mandatory and voluntary adoption is often influenced by the goals of a government's policies as well as the aim to promote sustainable investment and finance practices more broadly. While the two strategies seek to promote environmentally conscious business practices, they diverge in implementation and reach.

Having our green taxonomy cannot be avoided for long. Thus, every stakeholder, from the line ministry to other government agencies, the central bank, umbrella organisations, and business communities, must collaborate to formulate a workable, usable, and relevant taxonomy that can serve as a guiding principle for Nepal's future efforts to achieve economic and environmental sustainability. **B**

From the world's most influential management consulting firm, McKinsey & Company, this is an insight-packed, revelatory look at how the best CEOs do their jobs based on extensive interviews with today's most successful corporate leaders, including chiefs at Netflix, JPMorgan Chase, General Motors, and Sony.



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Extensive screening distilled that group into an elite corps, 67 of whom agreed to in-depth, multi-hour interviews. Among those sharing their views: Jamie Dimon (JPMorgan Chase), Satya Nadella (Microsoft), Reed Hastings (Netflix), Kazuo Hirai (Sony), Ken Chenault (American Express), Mary Barra (GM), and Peter Brabeck-Letmathe (Nestlé).

What came out of those frank, no-holds-barred conversations is a rich array of mindsets and actions that deliver outsized performance. Compelling, practical, and unprecedented in scope, *CEO Excellence* is a treasure trove of wisdom from today's most elite business leaders.

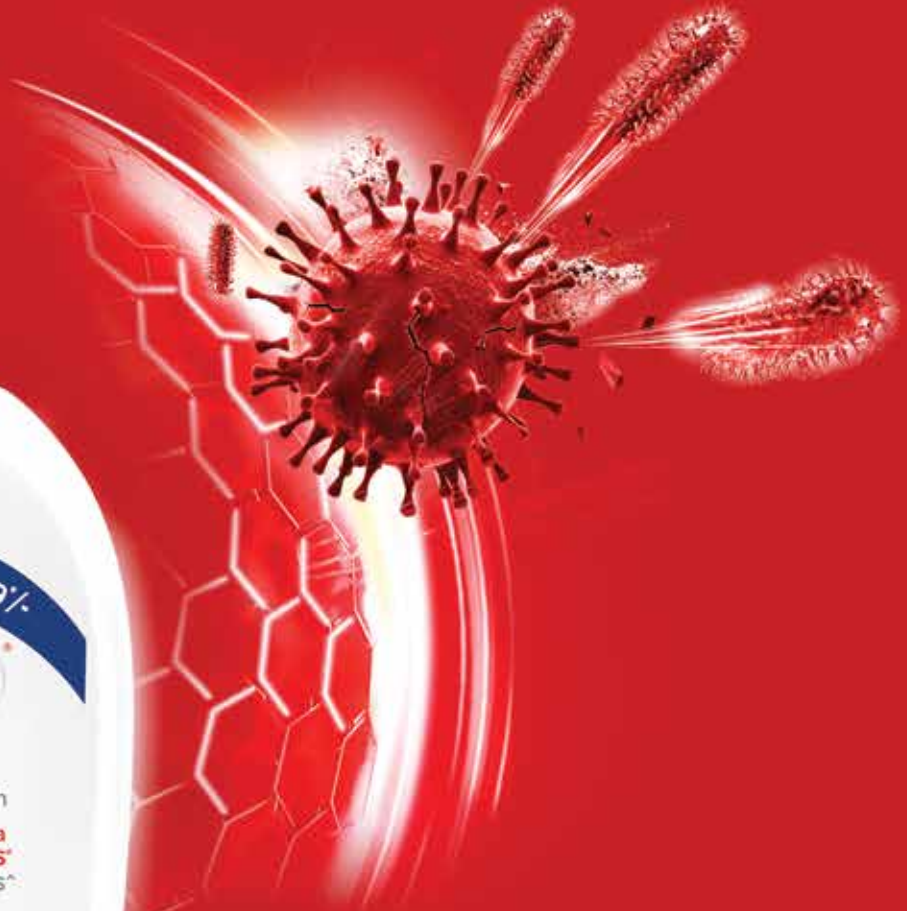


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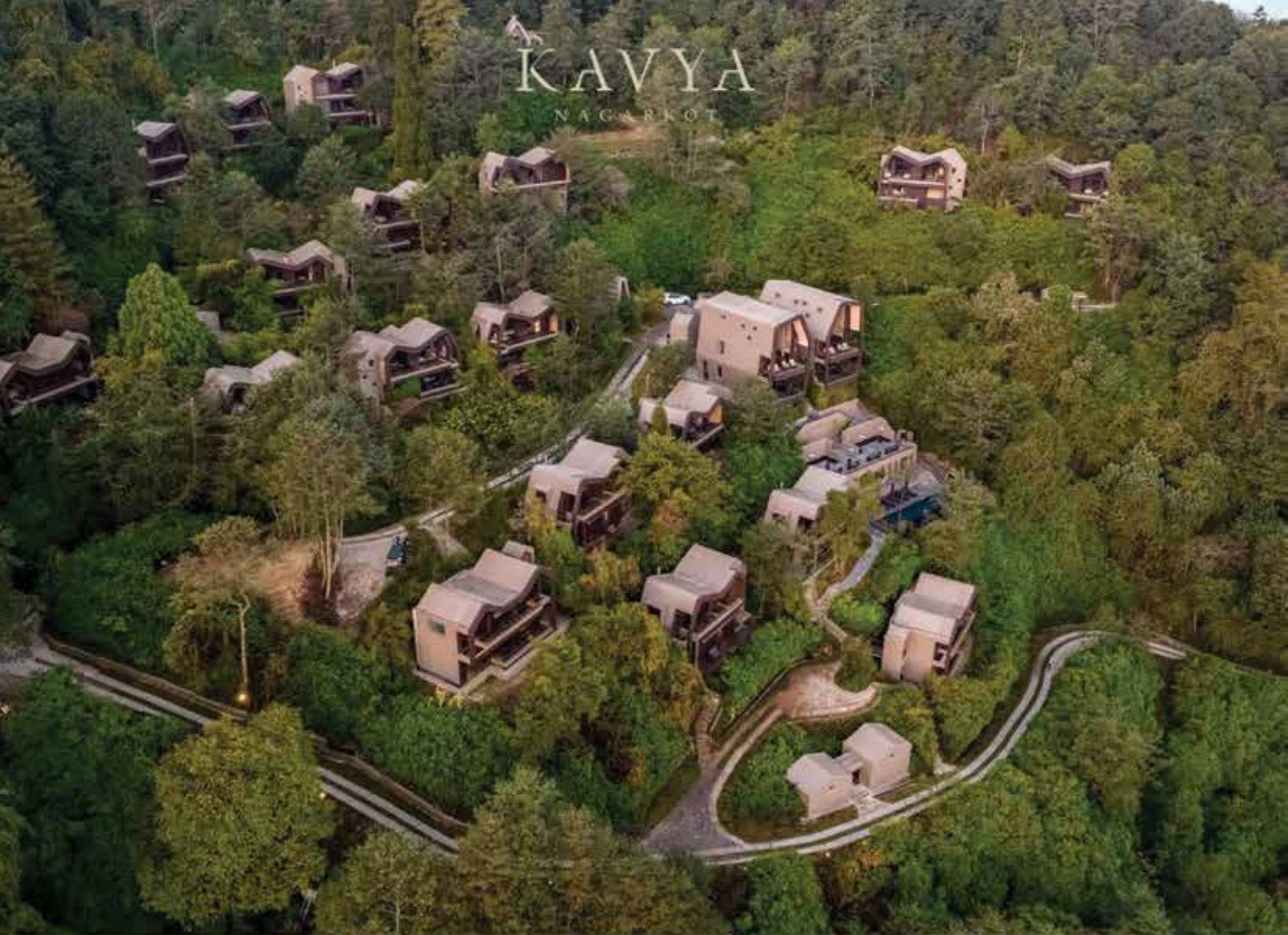
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“Fifteen years back there was nothing like cloud-based printing. Today, people want to print from any device. It’s not only from a PC but also from tablets and mobiles. So, to show these app-based or cloud-based printing solutions we have opened this centre”

Amit Ali, Sales Director for Middle East and Africa of Brother International Gulf, was recently in Kathmandu to inaugurate the Brother Experience Centre. As Sales Director, he is responsible for the sales and business for Middle East, Africa and a few countries in South Asia like Nepal, Bangladesh, Pakistan and Afghanistan. Ali has been associated with Brother and Sagar Group, the authorised distributor of Brother, for the last 15 years. During his visit, he spoke to **Business 360** about the recent Experience Centre and future direction of the brand. Excerpts:

What makes Brother different from other brands in the market?

Brother is a 115-year-old Japanese company. Initially, we started our journey as a company manufacturing sewing machines. We got involved in the printing business in 1971 and for the last 60 years we have been in this sector. Our main business is printing and solutions which comprise 60% of our total business. We also have a labelling printing business and a home sewing machine business. And we were the first company to bring table top multifunction products. We are actually the only vendor or manufacturer to have our own proprietary technology in all the three main technologies. We don't use anybody else's technology and our products are manufactured in our own ISO certified factories. We don't do any Original Equipment Manufacturer (OEM) production. Brother actually is famous for its quality, reliability and convenience. So, I would say our quality, our reliability and our Japanese heritage make us different.

How do you assess your collaboration with Sagar Group?

I started this relationship of Brother with Sagar Group



Amit Ali
Sales Director – Middle East and Africa, Brother International Gulf

and from the very beginning, I have found the Sagar team to be very involved and committed. They always have a young team so they have that energy and these things always matter and help in business. Initially, when the brand was not known in the market for the first three to four years it was very difficult. But gradually through our activities we have got to the market well. Today, we can say that we have a long history and we are improving every year and we hope to continue this relationship for many years to come.

Could you elaborate on the Brother Experience Centre?

The main purpose of the centre is to showcase Brother's technology and products for the market here. I wouldn't say that it's really meant for the retail customer, it's more for our partners. We have a really big network of partners here in Nepal. Suppose a partner wants some new products, where will they be able to see it? This will be the centre for them to come and see. It's also meant for corporates and users like for banks and other institutions who want to see live products

and feel the experience. If you go to the market, you won't find many places to see the live products. Also, the media and bloggers who want to talk about the products can come here. The printing business has evolved a lot over the year. Fifteen years back there was nothing like cloud-based printing. Today, people want to print from any device. It's not only from a PC but also from tablets and mobiles. So, to show these app-based or cloud-based printing solutions we have opened this centre. I believe that our customers, end users and partners will come and see live demonstrations and get a better experience of our products.

What is Brother's current market share and what's the competition like?

As per our estimates, we have a market share of 55-60%. We don't have any published third-party statistics. In other markets where I work, there are third-party statistics but here we don't have such data. We have to follow the gut instinct of the Sagar team. And if their instincts say 50%-60% that's what we follow. Brother worldwide is one of the top four manufacturers.

All the top four vendors are present here in the market. So, competition in the printing industry is fairly uniform. Every country we go to we see the same four vendors competing. So, in terms of competition, it is not much different. However, one element of difference in this market is, it is a completely open market. Sometimes people bring products which are not authorised for the market and that adds an element of competition in the market but other than that I don't see anything unusual, it's the same everywhere.

What is Brother's market fit in Nepal?

In terms of printing products, the customers here are very 'value for money' conscious and that's a very big challenge in this market. Also, when we talk about inks and toners for the machines, customers are not really appreciative of original inks and toners and considering the current economic conditions, it's understandable. But under these circumstances our goal is to bring products that are reliable and easy to use and repair and this is our definition everywhere.

What are your future plans?

In the coming one year, we'll be refreshing the entire line-up with new products, especially the laser side technology. Also, towards the end of next year we'll be bringing a new range of ink-tank printers. I think the coming one year is going to be very exciting for Sagar and Nepal as we will be introducing new products every quarter. It's after a really long time that we have so many new products coming up at the same time. I expect 2024 to be a very active year and I am looking forward to engaging much more with the market and our partners here in Nepal. **B**

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Policy Roadmap for Nepal to transition to 100% RE by 2050 launched



The document 'Policy Roadmap for Nepal to Transition to 100% RE by 2050' was launched at the National Conference on 100% Renewable Energy: Accelerating RE, Implementing NDC, Advancing Just Transition held in Kathmandu, on November 23.

The document aims to complement the policy pathways for Nepal to transition towards 100% renewable energy (RE) by 2050 to support in meeting the national commitments made for the energy sector and in obtaining green and inclusive low carbon economic development. It is expected to support policy makers and RE practitioners by identifying key barriers to transition to 100% RE pathways and proposes recommendations to achieve it.

The document was launched in the presence of over 100 participants across varied stakeholders – government, civil society, business and academia in sectors adjacent to climate change and energy. The event was chaired by Nawa Raj Dhakal, Executive Director of Alternate Energy Promotion Centre (AEPCC) with Deepak Bahadur Singh, Chair, Infrastructure Development Committee, Parliament of Nepal, as chief-guest. It also hosted Gopal Prasad Sigdel, Secretary of the Ministry of Energy, Water Resources and Irrigation as special guest.

"In our journey towards 100% RE, it is important to look deeper into Nepal's Nationally Determined Contributions and find areas of emphasis within

them. We found that residential, industrial and transportation sectors were the sectors where traditional energy sources and fossil fuels were most prominent," said Dhakal, stressing the need for the policy roadmap document.

"Access is not enough in these sectors; we need to be more dedicated to these sectors and give more emphasis. Hence, these sectors have been included in the policy roadmap. This document will serve as a guiding document for both the government as well as for those working in the private sector," he added.

The policy roadmap has been prepared through a collaborative and evidence-based approach by engaging with key energy stakeholders from the Multi-Actor Partnerships (MAPs) platform. It specifically focuses on the N-1.5°C and provides the roadmap for the three priority sectors – residential, industrial, and transportation.

The national conference was organised by Prakriti Resources Centre (PRC) and WWF Nepal in collaboration with Alternative Energy Promotion Centre with support from the Federal Ministry of Economic Cooperation and Development, Germany via the Multi-Actor Partnerships for Implementing Nationally Determined Contributions for All in the Global South project. The main objective of the event was to bring multi-stakeholders

together to discuss challenges, opportunities and the way forward on the accelerating RE initiatives for NDC implementation and advance the national discourse and build collective vision towards just energy transition with 100%RE and a resilient energy system to realise net-zero emission by 2045.

Discussion on 'Nepal-China Trade: Prospects and Challenges'

With significant disruptions to cross-border trade between Nepal and China stemming from the 2015 earthquake and the global Covid 19 pandemic, Nepal's trade with China is yet to return to normal. The specific challenges arising from the sanitary and phytosanitary (SPS) measures impacting Nepali products require prompt attention, as do the specific issues surrounding transportation, connectivity, and logistical aspects, in both exports and imports. This agenda was put forth during a roundtable discussion titled 'Nepal-China Trade: Prospects and Challenges', organised today by South Asia Watch on Trade, Economics, and Environment (SAWTEE). The discussion programme was supported by The Asia Foundation.

The discussion centred on the trade relationship between Nepal and China, examining the challenges within overall trade ecosystem that have contributed to lacklustre export performance. According to a study conducted by SAWTEE on Nepal-China Trade, between 2020 and 2022, over 90% of the value of goods exported to China from Nepal were covered by the zero-duty list for the least developed countries (LDCs), but the utilisation of preferences averaged 68%.

Rupesh Tha, Research Officer, SAWTEE, highlighted in his presentation that although China stands as Nepal's second-largest trading partner, the trade balance has distinctly favoured China. He said it is vital for Nepal to fully harness the advantages of zero-tariff

treatment provided to over 8,000 products originating in Nepal and diversify its exports to China. Current bilateral agreements, such as the trade and payment agreement 1981, are outdated and ill-suited to the present circumstances and need to be reviewed, he noted. This is particularly pertinent as Nepal grapples with a significant trade deficit with China, he further added.

Rabi Shanker Sainju, Former Joint Secretary, Ministry of Industry, Commerce and Supplies (MoICS), said that Nepal's trade with China is adversely affected by the high transportation costs resulting from its inadequate logistics infrastructure. With the evolution of the landscape of the Chinese consumer market, demand for high-quality products has increased, and this must be taken into account when looking to boost exports to China, he added.

Achyut Dhungana, Under Secretary, MoICS, identified four key factors that should be considered for enhancing trade with China: infrastructure and logistics, the negotiation and execution of trade agreements, market access, and the facilitation of cross-border payments. He informed a meeting has already been held to discuss the review and amendment of trade and payment agreement signed between MoICS and Chinese Ministry of Commerce to enhance bilateral trade relations.

Ashok Kumar Shrestha, Chairman, Nepal Trans Himalaya Border Commerce Association, emphasised the need for enhancing trust between stakeholders (public and private sector) of the two countries, in addition to improving infrastructure, logistics and connectivity, to build trust to give a boost to Nepal-China trade ties. Highlighting the need for meeting phytosanitary requirements for export of Nepali products to China, he suggested establishing a multifunctional quarantine laboratory.



Ram Chandra Tiwari, Joint-Secretary, MoICS, said that Nepal's incentive structure doesn't place enough emphasis on supporting entrepreneurship, startups, and the overall industrial ecosystem, leading to a lacklustre export performance. Moreover, he noted that the three-tiered structure of government under federalism has diminished collaboration between the different levels of government, resulting in ineffective resource utilisation and subpar export performance.

Participants drew attention to evaluate the trade consequences for Nepal following its graduation from the LDC category in 2026. They further suggested that studies on Nepal-China trade should also look into the impact on trade with China and the existing tariff benefits provided by China, and explore alternative trade agreements and provisions to safeguard Nepal's trade with China in the years after graduation.

Government, development partners prioritise investment in GRID



The Government of Nepal and 16 development partners agreed to consolidate and scale up financing and technical assistance to support Nepal to implement a set of high-priority investments and policies in line with Nepal's Green, Resilient and Inclusive Development (GRID).

A joint communique to operationalise Nepal's GRID Strategic Action Plan was endorsed at a high-level event organised on November 2 by the Ministry of Finance with support from the World

Bank and other development partners.

"In Nepal, we have already internalised the GRID approach to build a greener, more resilient, and more inclusive economy that can withstand shocks, protect our environment, and uplift the lives of our people," said Finance Minister, Prakash Sharan Mahat. "Nepal's new GRID Strategic Action Plan can be a policy vehicle that accelerates growth and job creation, strengthens livelihoods, and boosts the prosperity of Nepali people sustainably."

The external financing for the GRID Strategic Action Plan includes grants and other concessional financing such as subsidised loans, and innovative financing such as carbon finance. External financing is complemented by Nepal's public budget and also aims to leverage foreign and domestic private sector investment.

The GRID Strategic Action Plan identifies a set of 10 priority actions including: managing land, water, and forests in a more productive, sustainable, and integrated

way for more resilient infrastructure, ecosystems, and food systems; equipping people with new skills and resilient livelihoods; greening urban development; scaling up water supply and sanitation, reducing air pollution and managing solid waste; scaling up renewable energy; boosting the sustainability and resilience of transport; strengthening disaster risk management; and enhancing social protection and health systems to be more responsive to shocks.

"The World Bank is proud

to support Nepal to take this strategic step toward a more sustainable, resilient, and inclusive economy," said Anna Bjerde, World Bank Managing Director for Operations. "Nepal's GRID approach focuses on the quality of development and growth – the type of growth that reduces extreme poverty, narrows structural inequalities, protects the environment, sustains the growth process, and makes it more resilient."

Investment priorities in the GRID Strategic Action Plan aim to build on Nepal's development success stories, scale up action on the ground, help mobilise private sector investment, and deliver sustainability along with resilience and inclusion at the same time. This will help create more jobs for more people; build the resilience of people and their livelihoods; boost environmental, climate, water, and food security; and create opportunities for a more inclusive and durable economy.

Nepal's first women entrepreneurship focused fund launched

Global Equity Fund and USAID Trade and Competitiveness jointly launched the Nepal Women Growth Equity Fund, Nepal's first fund focused on women entrepreneurs on November 7. The fund will unlock investment opportunities for women and increase women's access to financial services to enable them to grow their businesses.

US chargé d'affaires Jason Meeks said, "The Nepal Women Growth Equity Fund will help address the systemic challenges that are faced by women entrepreneurs in accessing financing," he added.

Women entrepreneurs face multiple complex barriers to start and operate businesses, but one persistent barrier is limited and unequal access to capital. To overcome this, the Global Equity Fund through the Nepal Women Growth Equity Fund will raise and mobilise Rs 500 million investment (\$3.5

million). It will increase women entrepreneurs' access to growth capital, build their capacity, and foster linkages to domestic and global markets. The fund is expected to support over 10,000 direct and indirect jobs.

Sneha Khetan, on behalf of NWGEF signed investment agreements with three different companies on the occasion namely, Rhino-The Leather Store, Angel Fertility Clinic, and Tranquility Spa.

ADB to invest in 635MW Dudh Koshi hydel project

The Asian Development Bank has expressed its commitment to invest in the 635-megawatt Dudh Koshi reservoir-type hydropower project. A team comprising Executive Director of Nepal Electricity Authority, Kul Man Ghising, ADB Director General, Ramesh Subramaniam and ADB-Nepal Resident Mission Director, Arnaud Cauchois carried onsite monitoring of the project. The team inspected the reservoir area and the powerhouse area. It also interacted with people's representatives of local levels at Rabuwa Bazaar of Khotang, the dam site. Saying the on-site visit by the high-level team to forward the project is almost the last inspection, Subramaniam shared that financial management will be made soon under ADB's leadership. He pointed out the need to start construction of the project by taking the technical, environmental and social aspects to the conclusion as soon as possible.

A total of \$1 billion will be invested through different international financial organisations under the ADB leadership in the project. Of it, ADB has expressed a commitment of \$550 million loan investment in the project.

ADB Nepal Resident Mission Director Cauchois mentioned that they have been actively working to accelerate the decision process and have been involved in talks with the Government of Nepal frequently. He urged the local community to adopt forbearance as Dudh Koshi is a mega project and the largest dam project of the SAARC region.

Consumer price inflation at 7.50%, total trade deficit increases to Rs 366.88 billion

According to the Current Macroeconomic and Financial Situation of Nepal based on three months' data ending mid-October, 2023/24, published by Nepal Rastra Bank, the year-on-year (y-o-y) consumer price inflation stood at 7.50% in mid-October 2023 compared to 8.50% a year ago. Food and beverage category inflation stood at 8.38% whereas non-food and service category inflation stood at 6.81% in the review month.

Under the food and beverage category, y-o-y consumer price index of spices sub-category increased 37.63%, sugar and sugar products 18.22%, fruits 14.02%, cereal grains and their products 12.23% and milk products and eggs 11.92%. The y-o-y consumer price index of ghee and oil sub-category decreased 11.61% in the review month.

Under the non-food and services category, y-o-y consumer price index of recreation and culture sub-category increased 15.55%, miscellaneous goods and services 12.11%, education 9.10%, housing and utilities 8.08%, and furnishing and household equipment 6.25%. The y-o-y consumer price index of transportation sub-category decreased 1.62% in the review month.

In the review month, y-o-y consumer price inflation in Kathmandu Valley, Terai, Hill and Mountain region surged to 10.23%, 5.66%, 7.38% and 10.24%, respectively. Inflation in these regions was 6.93%, 9.42%, 8.84% and 7.07%, respectively a year ago.

As per the report, during the review period, merchandise exports decreased 2.3% to Rs 40.87 billion compared to a decrease of 35.7% in the same period of the previous year. Destination-wise, exports to India decreased 9.4% whereas exports to China and other countries increased 345.9% and 9.5%, respectively. Exports of

zinc sheet, particle board, juice, cardamom, polyester yarn and thread, among others increased whereas exports of palm oil, soyabean oil, jute goods, woollen carpets, rosin, among others decreased.

Merchandise imports increased 1.7% to Rs 407.76 billion compared to a decrease of 16.2% a year ago. Destination-wise, imports from India and China increased 2.4% and 42.4%, respectively while imports from other countries decreased 22.8%. Imports of readymade garments, MS wire rod, bars, and coils, chemical fertilisers, electrical equipment, textiles, among others increased whereas imports of crude soyabean oil, crude palm oil, petroleum products, gold, MS billet, among others decreased.

The total trade deficit increased 2.1% to Rs 366.88 billion during the review period. Such deficit had decreased 13.1% in the corresponding period of the previous year. The export-import ratio decreased to 10% in the review period from 10.4% in the corresponding period of the previous year.

Meanwhile, remittance inflows increased 30% to Rs 365.34 billion in the review period compared to an increase of 16.8% in the same period of the previous year. In US dollar terms, remittance inflows increased 25.9% to \$2.76 billion in the review period compared to an increase of 7.9% in the same period of the previous year.

In the review period, the number of Nepali workers, both institutional and individual, taking first-time approval for foreign employment stood at 113,397 and taking approval for renew entry stood at 49,297. In the previous year, such numbers were 147,932 and 57,861, respectively.

The central bank report states that the current account remained at a surplus of Rs 59.09 billion in the review period against a deficit of Rs 35.24 billion in the same period of the previous year. In US dollar terms, the current

account registered a surplus of \$445.2 million in the review period against a deficit of \$276.7 million in the same period last year.

In the review period, capital transfer decreased 55.6% to Rs 1.15 billion and net foreign direct investment (FDI) remained a positive of Rs 3.37 billion. In the same period of the previous year, capital transfer amounted to Rs 2.59 billion and net FDI amounted to Rs 79.6 million.

Meanwhile, Balance of Payments (BOP) remained at a surplus of Rs 99.07 billion in the review period against a surplus of Rs 12.43 billion in the same period of the previous year. In US dollar terms, BOP remained at a surplus of \$747.2 million in the review period against a surplus of \$91.8 million in the same period of the previous year.

The gross foreign exchange reserves increased 6.7% to Rs 1,643.09 billion in mid-October 2023 from Rs 1,539.36 billion in mid-July 2023. In US dollar terms, the gross foreign exchange reserves increased 5.3% to \$12.33 billion in mid-October 2023 from \$11.71 billion in mid-July 2023.

Of the total foreign exchange reserves, reserves held by NRB increased 6.5% to Rs 1,433.36 billion in mid-October 2023 from Rs 1,345.78 billion in mid-July 2023. Reserves held by banks and financial institutions (except NRB) increased 8.3% to Rs 209.73 billion in mid-October 2023 from Rs 193.59 billion in mid-July 2023. The share of Indian currency in total reserves stood at 22% in mid-October 2023.

Based on the imports of three months of 2023/24, the foreign exchange reserves of the banking sector are sufficient to cover the prospective merchandise imports of 12.4 months, and merchandise and services imports of 10.3 months.

Nepal Investment Conference held in London



Finance Minister and Investment Board Nepal Vice Chairperson, Prakash Sharan Mahat, addressed the Nepal Investment Conference organised in the Mansion House of London city on October 31, on the occasion of the centennial of diplomatic relations between Nepal and the United Kingdom. Minister Mahat, as the chief guest of the event, urged potential investors of the UK to invest in Nepal citing that Nepal has been creating a favourable investment climate for foreign investments.

"To ensure a better investment climate, the government has revised the legal and procedural obstacles in consultation with the private sector including foreign investors. The fiscal budget 2023-24 has announced various schemes for investors investing in IT, tourism, agri business, mines and minerals as well as infrastructure projects," he said.

Ambassador of Nepal to the UK, Gyan Chandra Acharya, highlighted Nepal's potential in transnational energy trade in a larger quantum with Bangladesh along with India, which carries a prospect to be a hub of clean energy in South Asia.

Alderman & Sheriff of the City of London, Bronek Masojada; Ben Mellor, Director, India and Indo-Pacific Ocean Directorate,



Foreign, Commonwealth and Development Office (FCDO); Birendra Sharma, Chairperson of Nepal-UK Parliamentarians Group; Chief Executive Officer of UK Export Finance, Tim Reid; Nepal Rastra Bank Deputy Governor, Bam Bahadur Mishra; President of the Federation of Nepalese Chambers of Commerce and Industry, Chandra Prasad Dhakal; President of Independent Power Producers' Association, Nepal (IPPAN), Ganesh Karki; Joint Secretary of the Ministry of Energy, Water Resources and Irrigation, Sandip Dev; Managing Director and General Counsel of British International Investment, Colin Buckley; and Founder of Dolma Impact Fund, Tim Gocher delivered their remarks in the event.

Joint Secretary of the Office of the Investment Board Nepal, Amrit Lamsal, delivered a comprehensive presentation on investment opportunities, procedures and project facilitation. The Ministry of Finance also signed memorandums of understanding with six entities - British International Investment (UK), FMO (The Netherlands); Belgian Investment Company for Developing Countries (Belgium), Finnfund (Finland), Proparco (France) and Swiss Investment Fund for Emerging Markets (Switzerland) to facilitate investments in Nepal.

FNCCI establishes Green Growth Advisory Service



The Green Growth Advisory Service has been established at the secretariat of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) to promote green economy. Chairperson of the Sustainable Development and Good Governance Committee in the National Assembly, Prakash Pantha, FNCCI President

Chandra Prasad Dhakal, and International Labour Organisation (ILO) Country Director, Numan Özcan jointly launched the service on November 9 at the FNCCI Secretariat, established with the technical assistance of ILO.

Through this service, FNCCI will actively advocate for the adoption of environmentally sustainable practices while promoting economic growth. Awareness campaigns will be organised at the central, state and local levels, focusing on employment skill development, green employment and just transition, with a special emphasis on industrial corridors, industrial areas and villages. The advisory will also take the initiative in assisting the development of strategies and action plans to promote green economy.

Furthermore, it will provide regulatory guidance to ensure the implementation of green growth by establishing metrics and indicators to measure the importance of green growth, advocacy and progress at the central, state and local levels. The advisory will work in cooperation with concerned stakeholders to exchange knowledge, technology and best practices related to green growth.

To ensure effective operation, an advisory service consisting of representatives from FNCCI, Government of Nepal, universities, trade unions, ILO, and experts in this field has been formed.

World Bank Managing Director visits Nepal, emphasises partnerships for GRID

World Bank Managing Director for Operations, Anna Bjerde, concluded her four-day visit to Nepal on November 4, reiterating the World Bank's support for Nepal's green, resilient, and inclusive development (GRID) vision. She was joined by the Regional Vice President for South Asia, Martin Raiser.

Bjerde met with Prime Minister, Pushpa Kamal Dahal

and Minister of Finance, Prakash Sharan Mahat. The meetings discussed Nepal's progress in the GRID agenda, as well as the performance of World Bank-supported projects in Nepal.

Bjerde participated in a high-level event with senior representatives from the government, development partners, private sector, civil society and academia. During the event, a joint communique was announced to endorse the priorities outlined in the GRID Strategic Action Plan currently being prepared by the government.



"Nepal's GRID Strategic Action Plan sets a clear course for the country's development vision," said Bjerde. "It is very encouraging to see the strong and effective partnership between the government and development partners as they join forces to support Nepal's transition to longer-term resilience, inclusion, sustainability, and efficiency for the benefit of the people and the planet."

The GRID Strategic Action Plan identifies 10 GRID transitions, including managing landscape to optimise benefits from the water-agriculture-food nexus, disaster risk management, resilient roads and sustainable transport, renewable energy, and improved air quality, among others.

Meetings were also held with Nepal's development partners and representatives from the private sector. Outside Kathmandu, Bjerde and the World Bank delegation visited the proposed Upper Arun Hydroelectric Project site in Sankhuwasabha and the World Bank-financed Earthquake Housing Reconstruction Project site in Kavre.

Government, World Bank sign and exchange agreements to strengthen Nepal's health system



The Government of Nepal and World Bank, on November 2, exchanged the digitally-signed financing agreements for a \$100 million concessional loan from the International Development Association and a \$3.84 million grant from the Health Emergency Preparedness and Response Trust Fund to strengthen the quality, coverage and resilience of Nepal's health system. These agreements were digitally signed on October 27, 2023. This is the first World Bank-financed project in Nepal that was digitally signed.

The agreements for the Nepal Quality Health Systems Programme Operation were signed by Finance Secretary, Krishna Hari Pushkar and World Bank Country Director for Maldives, Nepal, and Sri Lanka, Faris Hadad-Zervos. The agreements were exchanged in the presence of Minister of Finance, Prakash Sharan Mahat, World Bank Managing Director for Operations, Anna Bjerde, and World Bank Vice President for South Asia, Martin Raiser.

The programme will be implemented by the Ministry of Health and Population in coordination with the Health Insurance Board at the federal level, and selected provincial and local levels in Koshi and Gandaki provinces. It emphasises improving the readiness of the health system for delivery of quality healthcare, enhancing coverage of health insurance, and strengthening health emergency preparedness and response capacity at the selected provincial and local levels.

"Quality healthcare serves as the cornerstone of human capital development. The comprehensive reform agenda set forth by the Nepal Quality Health Systems Programme Operation will be pivotal in enhancing access to high-quality healthcare services," said Pushkar.

Global IME Bank highest taxpayer in banking sector



Global IME Bank has emerged as the highest taxpayer among all banks and financial institutions (BFIs) in Nepal for the fiscal year 2021/22. The bank contributed corporate tax of Rs 3.2 billion during this period. At present, Global IME Bank holds the position of the largest bank in the country in terms of capital. It has paid-up capital of Rs 35.77 billion, the bank said in a press statement.

Established in 2007, Global IME Bank achieved this status through merger and acquisition of 21 BFIs including five commercial banks, 10 development banks and six finance companies. The bank is actively pursuing digitisation and has embraced 'Vision-2025', a strategic plan aimed at doubling its business with the utilisation of modern technologies and digitisation.

The bank has established a nationwide presence with 350 branches, 369 ATM counters, 322 branchless units, and 64 extension counters across all 77 districts of Nepal. It has also expanded its reach internationally with representative offices in London (UK), New Delhi (India) and Sydney (Australia), maintaining three international contact points.

With a customer base exceeding 4.2 million and a workforce of more than 4,000 employees, Global IME Bank continues to solidify its position as a key player in the banking sector.

Dr Atreya of BFIN receives Victoria University Alumni Awards 2023



Dr Binod Atreya, Managing Director of Banking Finance and Insurance Institute of Nepal Limited (BFIN), has been honoured with the coveted Victoria University Alumni Awards 2023. This recognition is a source of immense pride for the entire Victoria University community, and it marks a significant milestone in Dr Atreya's illustrious career. This recognition further underscores his outstanding contributions towards banking and finance sector, as well as his unswerving dedication to education and research.

Dr Atreya, a distinguished banking and finance expert, currently holds the position of Managing Director at BFIN, a prominent capacity development institution in Nepal. With over three decades of invaluable experience at Nepal Rastra Bank, Nepal Bank Limited, and UNDP projects in various countries, he has made significant contributions to policy development and financial inclusion. He is known for his strategic acumen, leadership and extensive publications in both national and international journals. His educational background includes a PhD in Public Management Reform from Victoria University of Technology, Australia. As a member of various boards and committees, Dr Atreya continues to be a pivotal figure in Nepal's financial and development sectors, with a focus on public-private

partnerships, financial literacy and strategic planning.

As the Managing Director of BFIN, Dr Atreya's leadership and innovative approach has set a benchmark for excellence. His influence has reverberated throughout the financial landscape of Nepal, setting new standards and pushing the boundaries of success. His contributions have not only shaped his personal journey but have also played a pivotal role in fostering the growth and development of the financial sector in Nepal.

Daayitwa signs MoU with MoICS to promote innovation-led economic growth



The Ministry of Industry, Commerce and Supplies and Daayitwa have signed a memorandum of understanding (MoU) to collaborate on issues related to economic growth and prosperity. This formal agreement marks a historic moment for institutionalising youth voices in strengthening Nepal's governance system. The MoU was signed by Arjun Sen Oli, Under Secretary of MoICS, and Susit Dhakal, Executive Director of Daayitwa in the presence of Under Secretary Anusha Koirala and other MoICS officials and Daayitwa representatives.

As stated in the agreement, both the parties will collaborate to research on issues related to youth employment, entrepreneurship and economic development, through programmes like the Daayitwa Nepal Public Policy Fellowship. It further states collaboration and scaling up of entrepreneurship development programmes such as Daayitwa's Rural Enterprise Acceleration Programme (REAP). The agreement also mentions the capacity building of governmental officials, affiliated to the ministry,

through organisations related to the Daayitwa Abhiyan.

Addressing the ceremony, Oli stated, "This partnership is an excellent opportunity with a huge impact potential and promotes hopefulness and optimism."

Meanwhile, Dhakal said, "This marks an important milestone for Nepali youth and rural entrepreneurs to bolster innovation-led economic growth in Nepal".

Government forms task force to conduct feasibility study on cannabis farming

The government has formed a task force in coordination with the Ministry of Home Affairs to conduct a feasibility study on cannabis farming. Minister for Finance, Prakash Sharan Mahat, while presenting the budget for the fiscal year 2023/24, had announced that he would take the initiative to study the prospect of cannabis cultivation. Point no. 105 of the budget statement said the feasibility of cannabis cultivation for medicinal use will be studied.

The newly formed task force has been given two mandates. It will study on medicinal use of cannabis and the prospect of industrialisation of cannabis farming. The task force will conduct research on making clothes from hemp stems, leaves and fibres.

The meeting held under the chairmanship of the Finance Minister on November 6 formed the task force which includes joint secretaries of the Ministry of Finance, Ministry of Industry, Commerce and Supplies, Ministry of Law, Justice and Parliamentary Affairs, Ministry of Foreign Affairs, Ministry of Agriculture and Livestock Development and representatives of Nepal Police.

Regional Conference on Powering Sustainable Growth #WithHydropower held in Kathmandu



The Regional Conference on Powering Sustainable Growth #WithHydropower was held on November 23, in Kathmandu. The main objective of the conference was to scale up climate finance for hydropower in the South Asian region. The event was jointly organised by the Hydropower Sustainability Alliance (HSA); International Hydropower Association (IHA); bizbell; Norwegian Agency for Development Cooperation (Norad); Nepal Hydropower Association (NHA); USAID and Independent Power Producers' Association, Nepal (IPPAN).

The regional conference was inaugurated by Minister for Energy, Water Resources and Irrigation Shakti Bahadur Basnet, who was also the chief guest of the event. The welcome speech of the conference was delivered by Alain Kilajian, Deputy Executive Director of Hydropower Sustainability Alliance.

During his address in the conference, Ganesh Karki, President of Independent Power Producers' Association, Nepal, stressed that the government should be more open towards public-private partnerships for hydroelectricity development in Nepal. He also mentioned that the draft of the Electricity Bill 2023 that was tabled by the energy minister in the Lower House of the Parliament needed to be amended before it is implemented. Karki said that if the Bill was not amended as per the suggestions of the private sector, then the private sector will not be able to participate in hydropower development

activities in the country.

Sushil Bhatta, CEO of Investment Board Nepal, said that stakeholders also need to concentrate on innovative finance instruments and develop access to international investment at low interest rates. He emphasised that while seeking markets stakeholders should focus equally on both domestic and international markets.

Dilli Bahadur Singh, Chairman of Electricity Regulatory Commission, said that there are plans to develop 28,000 MW of electricity of which 15,000 MW will be exported but the question that all stakeholders should be asking is where will Nepal export that electricity to and how will we do it.

During the inaugural session of the conference, a tripartite memorandum of understanding for collaboration was signed between IPPAN, HSA and IHA for pioneering sustainable growth through hydropower. A memorandum of understanding for investment was also signed by Tenzin Gonsar, Founder of Team Venture and Sushil Pokharel, Vice Chair of International Hydropower Association. Minister Basnet was witness to both the signings.

Call for mandatory good governance, inclusive policies, and coordination among agencies

In a recent policy discussion organised by the Society of Infrastructure Journalists - Nepal and Policy Entrepreneurs Inc, key stakeholders and experts shed light on prevalent challenges hindering the implementation of good governance and inclusiveness in major infrastructure projects.

Prakash Pantha, Chair of the Sustainable Development and Good Governance Committee, stressed the imperative nature of making good governance mandatory. He attributed the challenges

to human conscience and behaviour, stressing the pivotal role it plays in project success. Likewise, he shared that inclusiveness is consistently disregarded in every government bill. "Currently, except for the parliament and Public Service Commission, no other entity has fully embraced the inclusiveness policy. This situation calls for the introduction of a comprehensive inclusive policy to be adopted by all agencies, and its practical implementation should be made mandatory," stressed Pantha.

Member of Parliament, Pratima Gautam, expressed concern over the neglect of inclusiveness in government bills, highlighting the lack of full implementation across various agencies. "Individuals championing the cause of increased good governance in society are paradoxically getting entangled in more corruption," she observed. MP Rajya Lakshmi Gaire highlighted the challenges faced by employees in significant bureaucratic roles who are unable to uphold good governance in infrastructure projects due to political involvement. "The bureaucracy, tasked with supporting ministers, parliamentarians and leaders, becomes an enabler of corruption," she asserted.

Uday Kumar Bhandari, Secretary of the Infrastructure Committee of the House of Representatives, spoke of the challenge in upholding good governance in infrastructure projects, attributing it to a multitude of individuals from various agencies seeking an executive role. He also noted the paradoxical situation in Nepal, where despite the establishment of numerous governance-related policies and institutions, misrule has witnessed a surge.

Gopinath Mainali, Former Secretary of the Government of Nepal and a good governance expert, emphasised the importance of addressing

issues comprehensively, from policy to results, to maintain good governance in infrastructure projects. He highlighted the challenge in Nepal, where infrastructure planning often proceeds without proper preparation, resulting in only 16% of projects being completed on time. "The involvement of contractors and ministers as stakeholders has further complicated governance issues, with the Procurement Act undergoing 13 amendments in three years," he said.

37th conference of CACCI lays emphasis on sustainable entrepreneurship and business



The 37th conference of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) laid emphasis on sustainable entrepreneurship and business. President Ramchandra Paudel inaugurated the two-day conference jointly organised by the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) and the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) in Kathmandu, on November 6.

President Paudel said the conference would be a milestone in regional business investment and network building for Nepal as a member of the Asia-Pacific region. He appealed to international entrepreneurs to invest in the agriculture, tourism and energy sectors in Nepal citing that investment areas have been expanding in Nepal and laws are being formulated to facilitate investment.

Former Prime Minister, Baburam Bhattarai, as the main speaker pointed out that the growing middle class and the emerging consumer market

are positive aspects of Nepal. He said that there is a great potential for investment in the fields of retail, consumer goods and services. He opined that we should try to bring experience in investment, technology and development through platforms like CACCI.

Finance Minister Prakash Sharan Mahat and FNCCI President, Chandra Prasad Dhakal also spoke on the occasion.

CACCI is an umbrella organisation of 28 national-level industrial and commercial federations and associations in 26 countries in the Asia Pacific region. The conference was held with the theme 'Chambers of Commerce Helping Business Get Set For The Future'.

CNI Budget Watch points to significant gaps in implementation



The Confederation of Nepalese Industries held a programme to review the 'Budget Watch' which conducted a thorough assessment of the economic sector and discovered significant gaps between the intended budgetary allocations and actual implementation. The 'Budget Watch' revealed findings from its analysis of the budget implementation for fiscal year 2022/23. In the review programme recently held in Kathmandu, it was said that most programmes announced by the government through the annual budget were limited to paper.

CNI Vice President, Hem Raj Dhakal, informed that out of 62 points related to the private sector and economy, zero progress has been seen in 22 points (35%) in the budget. He said that only 11 points (18%) have been fully implemented. The study shows that 29 points (47%) have only been partially implemented.

CNI President Rajesh

Kumar Agrawal asserted that foreign investment is necessary as over Rs 2.02 trillion required annually for long-term development goals cannot be maintained through internal capacity. He stressed that eight points related to investment promotion in the budget for the current fiscal year should be implemented. He opined that the impact of the current recession, decline in overall market demand, and declining morale of the private sector can be improved by effective implementation of the policies and programmes announced in the budget.

Ministry of Industry, Commerce and Supplies (MoICS) Under Secretary, Govinda Karki, informed that in the first four months of the current fiscal year, work has been done in system reform and improving the legal sector. He mentioned that legal work is being done to facilitate visas for foreign investors investing in Nepal and highlighted that the government has prioritised the facilitation of foreign investment.

Securities Board of Nepal (SEBON) Chairman, Ramesh Kumar Hamal, said that foreign investment could not be attracted in Nepal due to the cumbersome legal procedures. He mentioned that he has taken the initiative to make a way for non-resident Nepalis to invest in the stock market of Nepal.

Nepal Rastra Bank (NRB) Deputy Governor, Neelam Dhungana Timsina, stressed the need for everyone's coordination in the implementation of the points mentioned in the budget. She said the central bank is also working to resolve the problems related to attracting foreign investment.

Former Finance Secretary, Sishir Kumar Dhungana, suggested keeping investment-related portals updated. He suggested the government pay attention to the fact that foreign investors get a lot of information from these portals. He also pointed out the need for contemporary reforms in the laws.

Meanwhile, CNI is keeping track of the budget for current fiscal year 2023/24 for the implementation of a total of 73 items that include priority points related to the private sector and the economy. According to CNI, the items have been classified into six areas. The Budget Watch includes energy (hydropower), tourism and hospitality, information technology, infrastructure, education and health, agriculture, medicinal and aromatic plants, and mining and minerals sectors.

Andries Smit joins inDrive as Vice President of New Ventures



inDrive, a global mobility and urban services platform, has announced the launch of a new venture and M&A arm aiming to invest up to \$100 million in promising startups. Seasoned entrepreneur and investment professional, Andries Smit, has joined inDrive as Vice President of New Ventures.

New Ventures investments will focus on rapid growth and positive community impact with the following investment criteria: A mission that challenges injustice, improving the lives of individuals and communities; local market startups with potential for global expansion; post-seed/pre-Series A companies with proven product market fit; rapid organic growth; and healthy economics and cash flow.

Smit said, "Once an underdog and now a global company, inDrive is certainly an investor to watch – the team has achieved rapid global growth while remaining committed to its mission

of challenging injustice. By investing in emerging companies innovating to improve people's lives, inDrive further strengthens its commitment to challenging injustice by helping successful, but overlooked startups. The company is uniquely positioned to do this, leveraging its presence and fast growth in these emerging markets that have much weaker access to capital markets than developed countries."

He added, "I am thrilled to apply my own venture building and investing experience to help inDrive transform the lives of innovative founders hungry to scale up their successful businesses that contribute to a better world."

InDrive's New Ventures unit is dedicated to help investee and acquired companies scale quickly across inDrive's platform. These companies are set to gain a competitive edge by tapping inDrive's global multi-million customer base across 45+ markets, access to the company's go-to-market know-how and technology.

Global Equity Fund bags 'Private Equity and Venture Capital Award 2023'

Global Equity Fund has received the 'Private Equity and Venture Capital Award 2023' in the Best SME Investment Firm Category. The award was conferred by the UK's prestigious magazine 'Wealth and Finance International'. Global Equity Fund had been nominated for this category in July, and after a rigorous selection process by a selection committee, the award was announced on November 17.

Global Equity Fund is the first licensed private equity and venture capital fund manager by the Securities Board of Nepal (SEBON). It is currently preparing to launch 'Nepal Impact Growth Equity Fund' under specialised investment fund, with a fund size of Rs 2 billion. This fund aims to invest in startups and growth-stage SMEs.



Currently, Global Equity Fund manages two investment funds. The first fund is the 'Nepal Infrastructure Investment Fund' with a size of Rs 1.5 billion which is jointly promoted by Global Equity Fund, Himalayan Life Insurance, and Himalayan Everest Insurance. The 'Nepal Infrastructure Investment Fund' has invested in six companies — Upaya City Cargo, TheeGO Electric Vehicle, Mewa Developers, ABI, Tattva Farms, and Urja Impact Fund.

Recently, Global Equity Fund announced the 'Nepal Women Growth Equity Fund'. This fund, with a size of Rs 500 million, is the first women-focused equity fund in Nepal targeted at women entrepreneurs. It aims to provide growth capital, enhance the capacity of women entrepreneurs, support business expansion, and provide opportunities to link with domestic and international markets.

Fonepay achieves milestone of settling over Rs 10 billion in transactions in single day

Fonepay, Nepal's largest payment system operator (PSO), achieved a significant milestone by successfully settling over Rs 10 billion in transaction volume in a single day on October 17 during Dashain festival.

Fonepay is Nepal's first mobile payment network licensed by the central bank as a PSO. The company, established in 2019, has been continuously moving forward in terms of innovative services, impact and infrastructure. In the first year of operation, the company got almost all the banks and financial institutions (BFIs) to join its network.

While introducing QR technology for the first time in Nepal, Fonepay has ensured the development of a merchant-friendly system, keeping in mind both cost and operational aspects compared to point

of sale (POS) infrastructure. Fonepay strives to introduce new features and implement them.

Meanwhile, Fonepay has a market share of 99% in the peer-to-merchant (P2M) transactions section and 62% in the peer-to-peer (P2P) payments section in Nepal. It is in the leading position among other payment operators in the country.

Achieving such market dominance while complying with compliance and regulatory requirements in such a short period of time reflects the company's growth mindset and also shows its continuous efforts to provide users with simple, secure and instant payment solutions.

Fonepay CEO, Diwas Kumar, expressed his excitement, "This achievement is a matter of great pride for us. Our collective efforts to empower digital payments in Nepal have been fruitful. We have prioritised the needs of our customers and have accordingly been moving towards the goal of further expanding our payment solutions. I would like to thank the BFIs and our regulators who have supported us."

Through its massive capacity to settle more than Rs 10 billion transactions in a single day, the company has made a huge impact on Nepal's digital payment transformation. Fonepay has emerged as the most preferred payment operator for customers in Nepal as the company has been constantly improving its services and adding new features.

Foodmandu's 13th year of delivering deliciousness

Foodmandu, Nepal's first and most popular food delivery company, has reached 13 glorious years of successful operations becoming a top choice among food lovers. Manohar Adhikari, Founder and MD of Foodmandu, said, "We started with a simple idea and a vision to make food delivery

convenient and enjoyable for everyone. Today, we are deeply touched by the support of our users and the dedication of our partners. We look forward to many more years of serving deliciousness to the people of Nepal. Thank you for being a part of our incredible journey."

Despite its humble beginnings, Foodmandu started growing significantly. In 2016, it had already gone through its first round of fundraising, inviting numerous investors into the company. Foodmandu went on to close its second round of fundraising four years later in 2020. The third and biggest round of fundraising was closed recently, which collected a whopping \$4 million for the company. Dolma Impact Fund, TNA, and Team Ventures have made strategic investments in Foodmandu, underscoring their confidence in the company's growth and potential within the culinary market.

Initially, only 10% of customers ordered online, with the majority preferring phone calls. Now, 95% of orders are made through Foodmandu's mobile app, which has reportedly more than 500,000 downloads to date. This showcases the significant transformation in the industry since the company's inception. Additionally, a company that had only 10 restaurants on board initially, has partnered with 1,400+ restaurants till date, and more than 250 dedicated riders in collaboration. More than four lakh Nepali food lovers have enjoyed Foodmandu's service.

Turkish Airlines starts Detroit flights, marking its 13th gateway in the US

Flying to more countries than any other airline in the world, Turkish Airlines continues to expand its network with the introduction of Detroit flights.

As of November 15, flights to Detroit will be operated three days a week, connecting Istanbul Airport with Detroit Metropolitan Wayne County

Airport. After December 25, 2023, the flag carrier's Detroit flights will be increased to four days a week. With the addition of Detroit flights, Turkish Airlines has increased its network to 345 destinations and now serves 13 destinations in the United States.



The first Detroit flight was warmly welcomed with a ceremonial water cannon salute. The event was held at Detroit Metropolitan Wayne County Airport and attended by local officials, Turkish Airlines executives, and aviation enthusiasts.

Detroit, a city in the state of Michigan, is the 10th largest city in the US known primarily as the centre of the automotive industry. Detroit, also referred to as 'Motor City' has a rich history in music and cultural heritage.

Photography-based art magazine MORPH launched



MORPH, a photography-based premium art magazine, was launched at a function held in Kathmandu, on November 10. People from the arts, media, cinema, entertainment and diplomacy attended the event. MORPH aims to highlight performing arts and showcase the ever-changing nature of creativity and redefined artistic expressions. The third anniversary of Gehendra Dhimal Foundation was also celebrated, on the occasion.

MORPH is published by the Gehendra Dhimal Foundation and the team comprises of Editorial Director - Gautam Dhimal, Chief Editor - Niladri Ranjan Chatterjee, Editor - Bikas Rauniar, CEO - Sabin Basnet and Design Chief - Pawan Raj Joshi.

Sagar Group inaugurates Brother Experience Centre



Sagar Group, the authorised distributor of Brother, inaugurated the Brother Experience Centre in Kathmandu, on November 2. For over 115 years, since 1908, Brother, a Japanese excellence awarded brand, has been a global leader in printing, copying, scanning, and sewing technologies.

The centre was inaugurated by Kennosuke Hirano, Managing Director of Brother International (Gulf) FZE, along with his top-level management team including Amit Ali, Sales Director, MENA Region and Board Member, and Risa Hamatsuki, Deputy General Manager.

Brother's latest venture aims to revolutionise the way individuals and businesses perceive and utilise printing, sewing and scanning technologies. The centre will showcase an array of innovative products designed to meet the diverse needs of modern-day consumers, offering a firsthand experience of Brother's cutting-edge solutions.

Another Sort of Freedom by Gurcharan Das



beed management, an international management consulting and financial advisory services firm, hosted an event on November 8 for the Nepal launch of 'Another Sort of Freedom' which is written by Indian author Gurcharan Das.

Das, the former CEO of Procter and Gamble India, has authored a much-acclaimed trilogy — India Unbound: from Independence to the Global Information age; The Difficulty of Being Good; and Kama: The Riddle of Desire — based on the classical Indian ideal of life's goals previously.

Individuals from various areas of interest including philosophers, economists, musicians and the author's admirers attended the event held in Kathmandu.

Kiran Krishna Shrestha, Publisher and Music Promoter at Nepa-laya, facilitated the conversation with Das, welcoming all the attendees and providing an introduction to the book, which is a memoir of a man's struggle to break free from expectations.

Addressing the event, Das said that when he was two years old, he was considered to be restless, at four 'difficult' and after a certain time, considered a troublemaker. He said, "I began with all three traits and I still have those. I started running when I was three years old and since then I have been running."

Highlighting his childhood memories mentioned in the book, Das said, "When I was in kindergarten, we were in a class of 20 children, all of us had pencil boxes and one of the students, who was the richest among all, had two pencil boxes and a kid called Ayan didn't have any pencil box. One day, when the classroom was empty, I took one of the two pencil boxes and put them on Ayan's desk. The rich kid screamed. Though Ayan didn't do it, he was punished. I never understood what happened to me that day except to say it must have been temporary insanity. Das also talked about Punjab at the time of partition between India and Pakistan when almost 20 million people were displaced.

Das said he has lived in London, Latin America and dozens of other places but the only home for him was the Indian subcontinent. Das, who

grew up in the border state of India, shared that he was not aware of the caste system as there used to be a mixture of people from every background including Hindus and Muslims. "Actually, I learnt about the caste system when I was studying in America," he stated.

He mentioned his parents' advice on life versus living and shared how his mother would ask him about his progress report card, and whether he secured first position. His father would stop her from asking such questions. "He suggested my mother should ask me what I liked about the school, my hobbies and interests," Das said, adding that he pursued both in life because both contrary advice from his parents were practical.

For Das, happiness is the key to success. In every work he has ever performed in his life, he always sought happiness in it. "When the dean at Harvard University asked me my reason for choosing Philosophy as my major subject, I told him that I wanted to learn about happiness as my purpose of living is to always be happy," he shared.

Das shared various aspects of the book, 'Another Sort of Freedom', relating to his personal and professional life.

Responding to Shrestha, who out of curiosity, asked Das about his interest in being a religiously secular person, Das answered, "Practicing Hindus, I believe, my wife and grandmother are far more secular. Hindus have three hundred crores of gods and no god can afford to be jealous. So, you learn tolerance from day one. Even the formation of the Hindu religion is unknown. So, the temples of the subcontinent are liberal. So, I feel the shelf life of Hindutva is very limited."

The event concluded with an interaction with Das.

Kathmandu Marriott Hotel holds Global Customer Appreciation Week



In the hyper-competitive world of business, where innovation is key to survival, Kathmandu Marriott Hotel held its Global Customer Appreciation Week from November 1 to 7. Kathmandu Marriott Hotel dedicated an entire week to express its gratitude to the lifeblood of their success – their customers. The Global Customer Appreciation Week, an annual celebration initiated by Marriott International, is not merely a token gesture of appreciation; it is a testament to the commitment of Kathmandu Marriott Hotel in driving the strategies that keep it at the forefront of innovation.

GCAW was observed from November 1 to November 7 where Kathmandu Marriott Hotel invited its patrons to join them in celebrating a unique blend of tradition and transformation.

Indo-Nepal Wedding Summit 2023 held in Kathmandu



Bull Events Nepal organised the 'Indo-Nepal Wedding Summit 2023' in Kathmandu on November 8. Nepal Tourism Board facilitated the event with the aim of elevating Nepal's position as a wedding destination. More than 200 people including guests from Nepal and India and media persons attended the event. Minister for Culture, Tourism and Civil Aviation Sudan Kiranti inaugurated the event.

Vaidya Energy launches electric scooter, Ather 450X

Vaidya Energy, a subsidiary of Vaidya's Organisation of Industries and Trading Houses (VOITH), has unveiled a new electric scooter, Ather 450X, in the Nepali market.

Vaidya Energy has partnered with Ather Energy, India's leading smart electric vehicle manufacturer to redefine the landscape of future mobility, placing a strong emphasis on safety and technology while also delivering an exhilarating experience for users. Vaidya Energy will facilitate the sales and service of products from Ather in the Nepali market.

Suryansh Vaidya, CEO of Vaidya Energy, at the launch event on November 6, said, "Innovation and sustainability is always our top priority. Ather stands out as a perfect premium ability solution in Nepal. It is a reflection of a smarter future. It provides an incredible riding experience. Ather is the only scooter that has Google Maps navigation. We are with you for the long run. We ensure that charging your scooter is convenient and you will never have range anxiety. We aim to build long-lasting relationships".

Surya Nepal donates Rs 14 million assistance for quake survivors



Surya Nepal, under its corporate social responsibility (CSR), has provided Rs 14 million to the Prime Minister's Disaster Relief Fund for the relief, rescue and rehabilitation of the earthquake-affected population in Jajarkot, Rukum and surrounding districts.

Of the donated amount, Rs 10 million was handed over jointly by the company's

Managing Director Ravi Rayavaram, Vice President Ravi KC, Vikas Bhutra, Dipra Lahiri and Finance Manager Prem Aryal to Prime Minister Pushpa Kamal Dahal to be deposited in Prime Minister's Disaster Relief Fund.

The company has dispatched food, tarpaulin and blankets worth Rs 3.5 million to Jajarkot. Additionally, Surya Nepal has contributed medicines worth Rs 500,000 that have been handed over to the rescue team from Bir Hospital headed to the districts affected by earthquake.

World Bank and ADB join forces for sustainable development of Nepal's hydropower sector

The World Bank and Asian Development Bank (ADB) announced collaboration to strengthen Nepal's hydropower sector specifically in the context of the proposed Upper Arun and Dudh Koshi hydropower projects.

A memorandum of understanding (MoU) stipulating cooperation between the two institutions for an initial period of five years was signed on December 6 on the sidelines of COP28 by Martin Raiser, World Bank Vice President for South Asia and Fatima Yasmin, ADB Vice-President for Sectors and Themes.

"The full potential of Nepal's enormous hydropower resources cannot be realised without close partnership between the Nepali government, development partners and the private sector," said Raiser. "With this MoU, the ADB and World Bank are laying the foundations for closer collaboration in financing and policy advice in Nepal's hydropower sector, with the aim to support the country's green, sustainable and inclusive development for decades to come," he added.

"This agreement between ADB and the World Bank is a significant step in strengthening Nepal's energy security amid rising demands from population growth and urbanisation. It also fosters power trade with neighbouring countries, promoting regional cooperation, economic growth, and green and inclusive development," said Yasmin, adding, "ADB is committed to promoting clean energy solutions that align with climate action goals. Our commitment goes beyond generating power; it's also about creating positive impacts on communities, livelihoods, and the environment and contributing to a more sustainable future for all."

The MoU specifically targets three critical areas for collaboration: enhancing country-level collaboration, strengthening co-financing, and boosting joint action on climate change. The pilot approach between the two

multilateral development banks provides opportunities for collaboration in knowledge and experience sharing to ensure common understanding of the hydropower sector in Nepal, joint analytical studies, and consultation in support of the development of the hydropower sector.

Under the MoU, the World Bank and Asian Development Bank will also work together on strengthening the institutional capacity of Nepal's executing and implementing agencies in the development of large hydropower projects, and the preparation and financing of projects in the energy sector.

This is the first MoU signed between ADB and the World Bank following the joint statement on strengthening collaboration for greater impact issued by the heads of multilateral development banks at the World Bank-International Monetary Fund Annual Meetings in Marrakech in October.

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TOP PICK

“I am an avid reader of Simon Sinek’s works. He talks about two important things in terms of leadership: Why all companies should lead with their purpose first and why leaders should eat last. That has to do a lot with servant leadership where leadership is not just about shouting orders, but more about helping and serving the team. So that’s a shift in leadership that Nepal needs. And that’s the kind of leader I would define as a good leader”



Karan Vaidya

Vice President, Vaidya Group

Karan Vaidya is the Vice President of Vaidya Group which is involved in several sectors including real estate, construction, pharmaceuticals, education, trading, automobiles and hospitality in the country. Having completed his undergraduate in Industrial Engineering from Purdue University, he went on to complete a dual International MBA from the Massachusetts Institute of Technology in the

United States and Tsinghua University in China.

While in London Business School for an entrepreneurship and finance exchange programme as part of the MBA degree, he and his classmate conceptualised a strategy paper for a competition, organised by a Canadian telecommunication startup company named Know Roaming. Having won the strategy competition, he was flown to Toronto to

conceptualise and execute the strategy, but as fate would have it Nepal faced a catastrophic earthquake in 2015. It was then he thought the country needed him more and left his position as the Vice President of Business Development – Asia, of the Canadian company and joined as Vice President in Vaidya Group. Vaidya is also the Honorary Consul for the Republic of Latvia in Nepal. The silver lining of his

return was that he tapped the opportunity and got appointed at the age of 25, he is the youngest appointed Honorary Consul in the world to date. In his role as Honorary Consul, he focuses on developing economic, scientific and cultural relations between Nepal and Latvia.

With an aim to empower the youth of Nepal, Vaidya also gives motivational speeches on lifestyle, digital detox, personality and entrepreneurial development. He is also an Executive Board Member of the European Economic Chamber Nepal, and SOS Children’s Villages Nepal, and plays an active part at Nepalese Young Entrepreneurs’ Forum.

In this edition of **Business 360**, Vaidya talks about his brand preferences and views on leadership and business.

Top 3 apps you use

Instagram: I love creating content. I am more right-brained than left, and it’s my creative outlet. My motto is to create not consume, because if you are creating, then you are using social media, but if you are just consuming, then the social media is using you.

Hevy: This is like my workout app. I am a huge fitness enthusiast and this app helps me track all my workouts daily.

Feedly: It is a news aggregator. There is so much news nowadays from so many platforms so this app makes it easier to funnel down the news from all over the world to a personalised page according to your preferences.

Favourite clothing brand

I am very much into suits, especially tailored suits. And like I said, I am a little creative, so I love designing my own suits.

Vehicle that you currently own

I am driving the Ford Endeavor. As I have so many project sites, where Nepal's roads are not in the right condition, it's a guarantee I get to those places without a problem. That's my daily beast right now.

Top 3 startups in Nepal that have the potential to grow big

Khalti: It has already grown big so I believe that it will only grow bigger. Their growth strategies are smart and impressive.

Kayo: Kayo is not your typical tech or finance startup. They are a startup that beautifully create things out of metal. Started by two very hardworking individuals - Prasanna Shakya and Sajan Joshi, they have grown a lot and I believe that they will only grow bigger further on.

SastoDeal: This is a growing local e-commerce business that has the potential to shake the e-commerce industry. Daraz is dominant in the Nepali market but it is still an international company. Hence, I want to see local e-commerce flourish in our market.

3 places in Nepal that are on your bucket list

Unfortunately, I was not in Nepal during my childhood and even after returning, I didn't have the time to explore well. But if I had the time, I want to go to Rara, the plains in Sudurpashchim, and Everest Base Camp.

Favourite startup globally and in Nepal

Viz.AI: I like startups that are doing something for society. I do read about a lot of tech startups globally and one interesting startup that I

found was Viz.AI. We know that heart strokes are one of the biggest killers and it comes like an earthquake, without any call. But what they do is, they use artificial intelligence to accurately and precisely detect who is at risk. I believe this can be a game-changer.

Kayo: In Nepal, I think it's Kayo. They are keeping traditional workmanship alive, through a novel platform. It is a new way of keeping our age-old craftsmanship alive.

A perfume you use

My signature scent is Tom Ford Ombre Leather. My mom gifted it to me after my graduation and ever since, I have been using it.

Shopping destination

I am not an avid shopper but if you take me to a bookstore or a library, I get lost. If I had the time I can get lost in a bookstore and spend hours there.

Go-to eating spot

I am a complete Nepali at heart. I am usually very strict about my diet but once in a while, I like to indulge in Thakali food. And my go-to place is Tukche Thakali Kitchen. The food there is authentic and just sublime.

Most used electronic gadget

(Takes out his flip phone). This is probably the most used gadget I have. You might be surprised that I still use a flip phone. So, what I do is something called a digital detox. I talk about this in my speeches in schools and colleges as well. I use my flip phone for corporate work and even for setting my alarms. This way, I avoid taking my smartphone to my bed (which I think is the biggest time waster in today's age). It's a way to avoid distractions and fight against the urge to check Instagram, emails or any other social media. This is a habit that I learned from a book called the 'Habit Loop'.

An entrepreneur that you look up to and why

Without a doubt, my father is the entrepreneur I look up to. Although he came from a big business family, he was not supported by his father, so he had to be raised by his single mother. His father didn't even support him for his education, so, he had to work since the age of 13 to make ends meet. Slowly, he began doing small businesses with whatever he had. Wherever he identified an opportunity or problem, he worked hard to provide a solution for it. For me, that is the very definition of an entrepreneur. He is my role model and the biggest lesson he has taught me is diligence. He is the hardest working human being I have seen in the world and a person I will always look up to.

Best work advice you received

I would say, in the long run, hard work always beats talent. We need to understand that all of us, every individual, all are trying to reach a certain goal whether it is a monetary goal or a spiritual goal, and have different forms of talents. However, one thing we can all use to differentiate ourselves, is through our diligence. So, you have to be the hardest working person in a room. Although some of us are fortunate for having received this platform, things won't be handed to us all the time. The only way to assure success is diligence. I would say just try to be the hardest worker wherever you are, whether it is the gym or the office, give it your 100%.

How do you define a good leader?

A good leader needs to be someone who understands their team. They need to analyse each teammate's weaknesses and strengths and understand how to link the team together so that the strengths are highlighted and weaknesses are diminished.

I am an avid reader of Simon Sinek's works. He talks about two important things in terms of leadership: Why all companies should lead with their purpose first and why leaders should eat last. That has to do a lot with servant leadership where leadership is not just about shouting orders, but more about helping and serving the team. So that's a shift in leadership that Nepal needs. And that's the kind of leader I would define as a good leader.

What does teamwork mean to you?

You can't ask someone to do things that they are not good at. In today's world, you need to understand a person's strengths and weaknesses. Some might be good at marketing while others, at accounting. If you understand this as a team then you can make the team greater than the sum of its individual parts.

Future plans

We have slowly started pivoting the traditional trading and construction platform into real estate and hospitality. My grandfather, Vishnu Shrestha, created the first resort of Nepal - Dhulikhel Mountain Resort. He was also an entrepreneur who dared to bring a new form of hospitality business in a place that was arid and had no water. He brought water from almost five kilometres away for the resort and the nearby villages and brought the whole community together by giving them employment. Today, Dhulikhel is the Dhulikhel as we know it, because one person dared to follow through with his dream. I am very much inspired with him for my pursuits into the hospitality and service sectors.

Also, I am very into technology and thereby machine learning and artificial intelligence. I will soon find a way to get into this sector as well. **B**

“Medical entrepreneurship in the field of reproductive medicine changed my perspective and helped me help those in need. By actively engaging in fertility treatments, it helped me not only break gender stereotypes but also provide a platform to educate society about the shared responsibility of fertility”



Preeti Bista
 Director & Senior Clinical
 Embryologist, Angel Fertility Clinic

Hailing from Baitadi, Preeti Bista chose a career to help alleviate the struggles of countless couples facing infertility. According to a new report published by WHO, around 17.5% of the adult population – roughly 1 in 6 worldwide – experience infertility, showing the urgent need to increase access to affordable, high-quality fertility care for those in need. She cofounded Angel Fertility Clinic to meet the rising need of couples struggling to have a child in the country.

Coming from a family of civil servants, Bista inherited the deep-rooted aspiration to contribute to society, mirroring the values instilled in her by parents and grandparents. Initially, she pursued an education in environmental engineering and sustainable development, but her career trajectory took a turn leading her to reproductive medicine. Her interest further propelled her to establish herself as one of the first few Clinical Embryologists in Nepal. From Reproductive Genetics, Oocyte retrievals and In Vitro Fertilisation to Embryo transfers and Andrology procedures, her skills encompass the entire spectrum of reproductive science. Passionate to excel in her field, Bista is a current PhD scholar at Universitat De Valencia in Spain where she is focused on advanced research into the field of Assisted Reproductive Technology.

Her current roles include serving as IVF Lab Manager at Nepal International Fertility

and Laparoscopic Centre (NIFLC), Founding Director and Senior Clinical Embryologist at Angel Fertility Clinic, and Visiting Clinical Embryologist at prominent healthcare institutions in Kathmandu. Her career landscape reflects the impressive statistics of her ART experience with more than 2000 successful IUI and IVF cycles.

In this edition of **Business 360**, she shares the five things that have impacted her work and life.

Your destiny will unfailingly guide you toward your destination when paired with unwavering determination

From a very young age, my heart longed to travel, learn, and bring back meaningful contributions to society. Coming of age amid the trials of the Maoist insurgency in the western part of the country, where I witnessed the daily struggles for basic needs, deepened my empathy. Having observed my parents' selfless commitment to societal welfare, I felt a calling to become a part of that assistance, making the developmental sector my ideal choice. Despite the widespread expectation for me to pursue medical school during high school, I surprised everyone by immersing myself in environmental and sustainability studies for my undergraduate degree.

During this time, I took on a role as a marketing executive for a pharmaceutical company at the age of 17, gaining my initial exposure to the hospital culture. Although my tenure in

the executive position was brief, subsequent job opportunities consistently steered me toward the medical field. It wasn't until I completed my master's degree that I realised my accumulated work experience was predominantly in a hospital setting, challenging the initial pull towards the developmental sector.

The transformative moment occurred when, at the age of 21, I unexpectedly crossed paths with the owner of a global fertility company. Initially tasked with overseeing operations, I found myself working intimately with international couples, guiding them through the intricacies of fertility treatments. Despite the rewarding nature of this role, I couldn't shake the feeling of disconnect from the biology and chemistry credits I had earned in university. This led to a gradual shift away from my original vision of the developmental sector in my professional considerations.

While still a member of a multinational fertility company, a serendipitous meeting during one of our sessions connected me with my current partners. Despite representing different companies, their youthfulness, enthusiasm, and shared passion for fertility treatments mirrored my own. Despite being the youngest, their infectious energy rivaled that of teenagers, complemented by a profound understanding of initiating a business in Nepal and robust connections within the medical fraternity.

Choosing the correct business partners is pivotal for achieving success

In 2015, Nepal was shaken by an earthquake, leading me to leave my position at the multinational company. As we shared our experiences during a casual hangout, my partners, recognising the potential in our collaboration, extended an offer to join forces. With my proficiency in designing fertility programmes and their expertise in fertility treatments, the three of us formed a formidable team. Encouraged by their unwavering support, they

also motivated me to pursue medical school. It was during my medical education that I encountered my fourth partner, serving as my mentor in clinical embryology.

The synergy among us propelled our collective effort, resulting in the initiation of various projects, with the most recent being Angel Fertility Clinic and Angel Medical Solution. The significance of choosing the right partners became evident throughout our journey, fostering my familiarity with the medical landscape in Nepal and offering invaluable training. Their ongoing motivation fuels our collective ambition, and together, we aspire to elevate our endeavours to new heights.

Identify the latent potential within yourself

Navigating a career shift and embarking on a distinctive path nearly a decade ago posed a formidable challenge. Venturing alone beyond the borders of Nepal for the first time, from unfamiliar business meetings to entirely new experiences, tested my resilience. Despite these uncertainties, I persisted. My professor's wisdom resonated deeply — a degree alone wouldn't pave the way to success; recognising opportunities and pursuing them with unwavering determination were key. Collaborating with seasoned individuals in the field became my learning ground. Not every encounter was favourable; I faced discouragement, isolation, and at times felt taken for granted. Yet, I held on to two fundamental ideas: to evolve into a skilled embryologist and to continue crafting personalised treatment programmes. These complementary career facets became my mutual support. Earnings from tailoring programmes fuelled my travels to learn from global institutions, enhancing my credentials and market credibility. Throughout this journey, a constant belief fuelled me — that I could build something meaningful from the ground up. It took time,

but I transformed my life by embracing consistency.

Advocacy for the right beliefs

There was a poignant moment in my career when I witnessed a husband emerging from the doctor's chamber, venting his frustration by slapping his wife. Upon inquiry, I discovered the heart-wrenching reality — the woman had experienced multiple miscarriages, struggling to sustain a pregnancy. The husband, unable to cope with the emotional turmoil, resorted to public aggression. Regrettably, he never delved into understanding the underlying causes of their recurrent fetal loss. Though I never crossed paths with that couple again, their story lingered in my thoughts. This compelled me to balance my approach to infertility workups, emphasising the scientific explanations behind subfertility. Another disheartening incident unfolded in a Terai community, where a 61-year-old man brought his four wives for consultations, holding them responsible for their childlessness. Desperate to have offspring, he continued marrying younger women but remained unsuccessful. After persistent urging, he reluctantly underwent his first fertility checkup, only to discover that he lacked the reproductive health parameters to biologically father a child. These incidents serve as poignant reminders of the hidden struggles behind closed doors, where women are often subjected to the belief that motherhood is their ultimate purpose. It deeply motivates me to advocate for the scientific understanding of infertility, emphasising that it's not anybody's fault and dispelling the blame often unfairly placed on women.

In Nepali society, infertility is often viewed through a gender-specific lens, with an inherent tendency to attribute challenges in conception solely to women. This perspective, deeply rooted in cultural norms, places a disproportionate burden on women, subjecting

them to societal scrutiny and pressure. Medical entrepreneurship in the field of reproductive medicine changed my perspective and helped me help those in need. By actively engaging in fertility treatments, it helped me not only break gender stereotypes but also provide a platform to educate society about the shared responsibility of fertility. Through the clinic, I have been able to contribute to destigmatising infertility by emphasising the need for a comprehensive understanding of both male and female factors. By addressing this issue holistically, I was able to foster a more inclusive dialogue, thereby empowering couples and individuals to seek fertility treatments without undue gender bias.

Challenges are transient; they won't last forever

In the tapestry of my life, the myriad challenges I faced underscore a powerful truth — struggles are transient, ephemeral moments that don't define the entirety of one's journey. What I learned in my life is to stay determined, couple it with a commitment to good intentions, propelling through career shifts, societal expectations, and personal tribulations. The key lies in holding onto the profound motivations that drive positive change, and I try to do that by changing one family's life at a time with a genuine intention. I had to navigate uncertainties with consistency, dedication, and empathy, had to weather storms but also built a meaningful enterprise that transcends individual struggles. My narrative could serve as a testament to the enduring impact of embracing challenges as temporary obstacles, emphasising the potential of good intentions to reshape not only individual destinies but also the societal landscapes you touch. **B**

GET FIT

EXERCISE: SOMETHING IS BETTER THAN NOTHING AT ALL



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

I can't emphasise enough about the benefits of exercise – right from how you feel and look, to the many values of maintaining your health and wellness, and avoiding diseases. Yet, most people struggle to commit to a regular exercise routine. I often have people talk about having the will to exercise but lacking the will to actually go do it.

Some people struggle with time and many struggle with staying consistent with an exercise routine. I also hear people talk about how sporadic bursts of exercise could do more harm than good. This is untrue. What you must know is that when it comes to exercise, every bit counts. While I always encourage people to get into the habit of exercising regularly, I also encourage them to show up with their sporadic attempts. The benefits of exercise and physical activity are immense whether you dedicate an hour each day or you find small moments of workouts that you do through the day.

Intermittent exercise is an effective way to get into building the habit of regular exercise. Current research shows that the body benefits even if the exercise is divided

into smaller blocks of time. Just remember it has to be sustained vigorous activity of at least 10-15 minutes each session. You need to stress the system to build muscle and strengthen the heart. Note here that if you are generally sedentary, short spurts of exercise may induce changes, but if you are in good shape this method may not help see visible changes although you will still benefit from the exercise.

If you have a busy schedule, are new to exercise or get easily bored but in need of improving your health and fitness while reducing health risks, intermittent exercise will be effective. You can start simply by using work breaks to walk briskly for 10-15 minutes at a time, or before or after meals. But if weight loss is your goal, you have to make exercise

and physical activity a regular feature of your day. To reduce weight, exercise alone is not enough; you will have to adopt good eating habits.

For those who already exercise but struggle with time, short speed interval training could be your answer. There are numerous ways to create routines that challenge you and get you results. While 10–15-minute workouts are a welcome message for those who struggle to find time to exercise, please note that high intensity workouts are not suitable for everyone. Do consult your trainer before you start one. Also if you know that you are unfit or have a health condition, build up your fitness gradually. **B**

CURRENT RESEARCH SHOWS THAT THE BODY BENEFITS EVEN IF THE EXERCISE IS DIVIDED INTO SMALLER BLOCKS OF TIME. JUST REMEMBER IT HAS TO BE SUSTAINED VIGOROUS ACTIVITY OF AT LEAST 10-15 MINUTES EACH SESSION.





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“I believe that in the next ten years, there will be a majority of youth in leadership. I see the need for youth leadership in every field, and politics cannot be left behind. It also seems that the participation of women at the leadership level has been and will increase significantly. Young, competitive and competent leadership is necessary for radical change in the country. We all have to be ready for this”



Radhika Aryal currently serves as the Principal Secretary of Lumbini Province. Before assuming this role, she contributed her expertise as the Joint Secretary in the Ministry of Industry, Commerce and Supplies, starting in 2021. In the ministry, Aryal spearheaded initiatives

in Supply Management and Consumer Right Protection, overseeing nationwide efforts to enhance supply management and advocate for consumer rights. Her influential work includes the development of policies and programmes aimed at strengthening supply chain and trade relations.

Aryal has also worked in the Ministry of Communication and Information Technology and the Ministry of Women, Children and Senior Citizens. She has previously served as a board member with Nepal Telecom, Nepal Television, Radio Nepal, Nepal Oil Corporation and Food Management and Trading Company.

With a civil service career spanning over 19 years, Aryal has represented Nepal in numerous prestigious international forums. These include the United Nations Human Rights Council - Universal Periodic Review 2015 in Geneva, the United Nations Social and Economic Council Commission on the Status of Women in New York, UN ESCAP in Bangkok, the Eurasian Women's Forum in St Petersburg, Russia, the South Asia Association for Regional Cooperation, and the Colombo Plan.

Aryal holds Master's degrees in Plant Taxonomy and Public Administration from Tribhuvan University and Master of Public Policy (Economics) from the University of Tokyo, Japan. She is currently a Doctoral candidate at the Nepal Sanskrit University.

In this issue of **Business 360**, we spoke to Aryal on her views about leadership and what it entails. Excerpts:

How do you define leadership?

The definition of leadership varies across different domains and has a particularly unique essence in the civil sector. Leadership is developed when working within the rules, laws and regulations in the civil sector. A civil servant's leadership is gauged by their ability to meet the aspirations and expectations of the people as well as the government's policies, instructions and guidance.

Drawing from my civil sector experience, I view leadership as the embodiment of ethical conduct and honesty in fulfilling assigned responsibilities. It involves timely and disciplined execution of tasks. Leadership opportunities arise from one's work responsibilities and the authority granted to execute these duties. Furthermore, the exercise of one's rights should always comply with the law and aim to maximise public benefit.

Creating an atmosphere of collective responsibility is crucial. Leadership is not about solitary progress or seeking individual credit; it's about recognising and valuing the contributions of others. True leadership is demonstrated through fostering a sense of unity, shared identity, and equal participation in decision-making and task execution. It's in this collective spirit that leadership is not only practiced but also enhanced.

Is leadership in-born or acquired?

I believe leadership is a skill that can be cultivated. It's a blend of education, skill enhancement, and the development of specific abilities, all nurtured within a conducive work environment. The capacity to assume responsibilities and embrace risks plays a pivotal role in shaping a leader. Beyond these, personal habits and behaviour are crucial elements. Key factors like the ability to mobilise and inspire a group, coupled with a collective mindset, and empathy are essential. Leadership also heavily relies on maintaining a positive outlook and behaviour. These components collectively contribute to the formation and strengthening of effective leadership.

What are the ways to create influence?

The sector I operate in focuses not on amassing followers through influence, but rather on enhancing service delivery within the framework of the legal system. Navigating this landscape involves facing various risks. To effectively manage these risks and achieve tangible results, it's crucial to take proactive precautions. The key to positively impacting individuals lies in fostering trust in the team, nurturing a sense of collective unity, and embracing shared responsibility. These elements are instrumental in guiding and influencing individuals positively in this context.

One incident that tested your leadership ability and the way you handled it.

Once I got an opportunity to be a part of an international negotiation to discuss a project with a foreign agency. The negotiation had to be done in a way that would derive the

maximum benefit for Nepal and believe me, at the end of the negotiation, all agreements were in Nepal's favour. I took it as a test of my leadership. I believe that success will be achieved by working in such a way that institutional interests and national sentiments are presented without personal interest in the work. Positive thinking prevails in all of my work. I have taken it as my good side. What I believe is: Leadership has to work sensitively in difficult situations, times of crisis and in areas of high risk. Everyone can fulfil their responsibilities and roles in an easy situation. Leadership is tested in times of crisis.

What aspects of your personality have helped you to serve various roles in the past?

My commitment to honesty and integrity in my work, coupled with a clear grasp of the subject matter, have been fundamental in fulfilling my duties. A firm belief in the power of teamwork, coupled with a positive mindset and empathy, have significantly contributed to my effectiveness. Additionally, my unwavering belief in equality and consistent demonstration of unbiased behaviour among colleagues have been pivotal. These qualities have not only aided me greatly but also form the foundation of my past achievements and performance.

What would you personally suggest to effectively lead a team?

To mobilise a group, you need to trust the group and the people in the group. If we can work in such a way, then there is a collective feeling and collective identity and all the members of the group will be ready to take risks as well

as fully utilise their individual abilities. It helps to generate synergy within the group and achieve better results.

How can a leader prepare for the unknown?

In order to deal with an unfamiliar situation, leaders should discuss the related issues with the relevant agencies, consult the subject experts, and make a decision with the advice of an experienced person. This will ensure everyone's acceptance of the decision and everyone will be ready to take the risk that may arise due to it. Even if the risk can be shared, the acceptability of decisions and leadership increases. It also helps bring uncertainty towards certainty.

What leadership style do you follow?

Participatory leadership.

Is there any ideal leader you look up to and why?

I have always looked closely at my immediate bosses and the role played by them in the context of their work. The methods and

procedures adopted by them while performing work has guided me. Additionally, I have received positive insights from various leaders who have worked in other fields. Different people have different qualities and I adopt the qualities that suit my values and I use it during my performance.

What would you suggest to young emerging leaders?

Working with a mindset rooted in positivity and shared objectives is crucial. This approach not only aids in problem-solving but also significantly mitigates risks.

How do you imagine the leadership of Nepal in the next ten years?

I believe that in the next ten years, there will be a majority of youth in leadership. I see the need for youth leadership in every field, and politics cannot be left behind. It also seems that the participation of women at the leadership level has been and will increase significantly. Young, competitive and competent leadership is necessary for radical change in the country. We all have to be ready for this. **B**

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Jim Rohm

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