NICCI e~Newsflash

Inside this issue:

Review of trade status and economy in 2011~12

Merchandise Exports soar by 15.4%, Trade deficit shoots up to Rs 419b

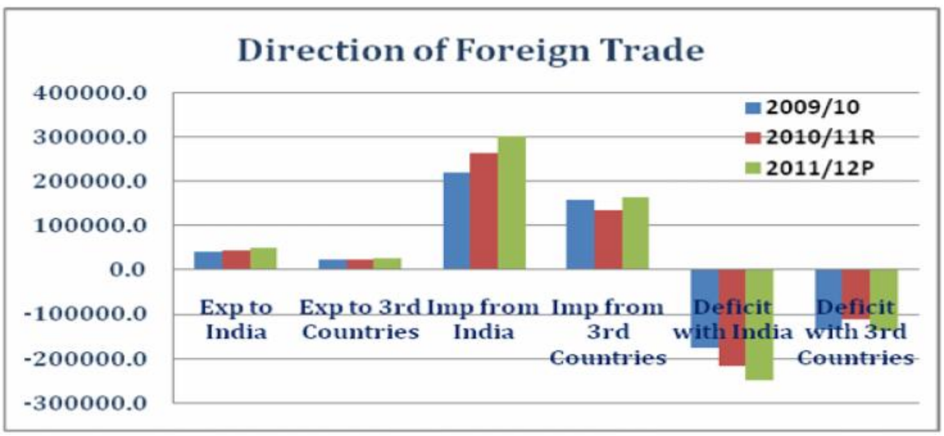
Overall Foreign Trade Scenario **(News in tables and charts)**

Direction of Foreign Trade*

(Annual)

(Rs. in biln)

	2009/10	2010/11R	2011/12P	Percent Change	
				10/11	11/12
Total Exports	**60.82**	**64.34**	**74.26**	5.8	15.4
To India	39.99	43.36	49.62	8.4	14.4
To 3rd Countries	20.83	20.98	24.64	0.7	17.5
Total Imports	**374.34**	**396.18**	**461.67**	5.8	16.5
From India	217.11	261.93	299.39	20.6	14.3
From 3rd Countries	157.22	134.25	162.28	(14.6)	20.9
Total Trade Balance	**(313.51)**	**(331.84)**	**(387.41)**	5.8	16.7
With India	(177.12)	(218.56)	(249.77)	23.4	14.3
With 3rd Countries	(136.39)	(113.27)	(137.63)	(17.0)	21.5
Total Foreign Trade	435.16	460.51	535.93	5.8	16.4
With India	257.11	305.29	349.01	18.7	14.3
With 3rd Countries	178.05	155.23	186.92	(12.8)	20.4



Review of trade status and economy in 2011-12 ....

Exports

Exports of almost all major goods increased in the fiscal year 2011-12. Overall merchandise export recorded a growth of 15.4 per cent reaching Rs.74.26 billion during the last fiscal year 2011-12 against its 5.8 per cent growth the precious fiscal year.

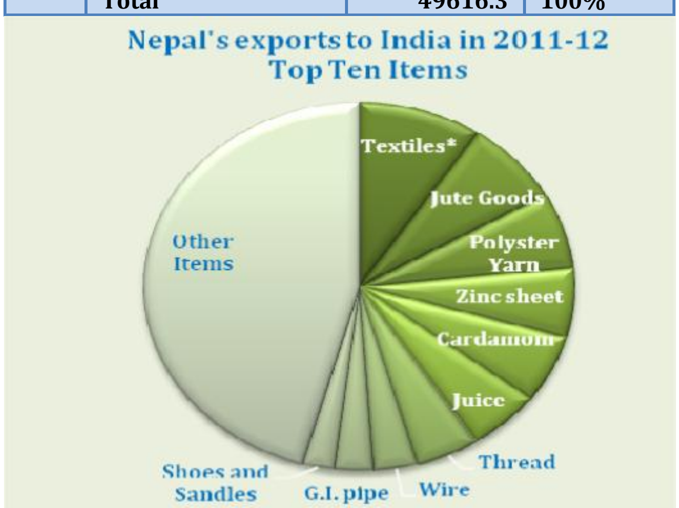
Exports to India went up by 14.4 per cent to Rs 49.62 billion during the review year compared to the growth of 8.4 per cent the previous year, according to a current macro-economic situation published by the Nepal Rastra Bank. The rise in the exports to India was mainly attributed to the increase in the exports of textiles (Rs 5.13 biln), Cardamom (Rs 3.28 biln), polyester yarn (Rs 3.66 biln), copper wire rods (Rs. 1.22 biln), G.I. pipe (Rs. 1593.2 biln), juice (Rs 3.03 biln), sandal and shoes (Rs 1.34 biln), Hessain goods (Rs 1.09 biln), stone and sand (Rs 0.91 biln) among others.

Nepal's exports to India

Top Ten Items

(Rs. in million)

SN	Commodities	2011/12P	Percent
1	Textiles*	5130.3	10%
2	Jute Goods	4064.7	8%
	(a) Hessian	1094.5	2%
	(b) Sackings	2102.4	4%
	(c) Twines	867.8	2%
3	Polyster Yarn	3657.2	7%
4	Zinc sheet	3343.4	7%
5	Cardamom	3275.5	7%
6	Juice	3027.1	6%
7	Thread	2628.2	5%
8	Wire	1809.6	4%
9	G.I. pipe	1593.2	3%
10	Shoes and Sandles	1341.4	3%
	Subtotal	**24464.5**	**49%**
	Other Items	25151.8	51%
	Total	**49616.3**	**100%**

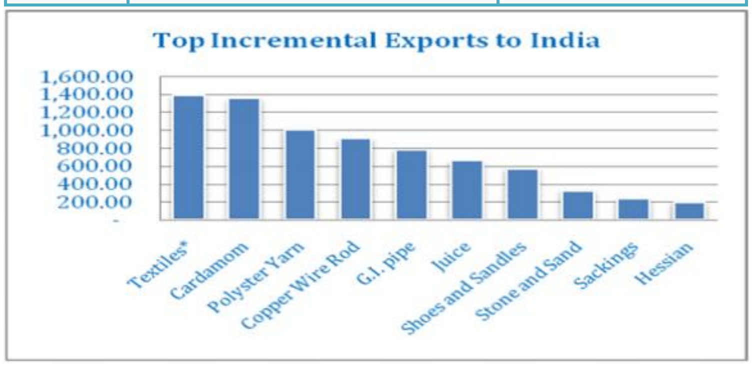


The commodity-wise incremental exports to India among top ten products (with incremental figures) were Textiles (Rs 1.4 biln) Cardamom (Rs 1.36 biln) Polyster Yarn Rs. 1.02 biln) Copper Wire Rod (0.91 biln) G.I. pipe (Rs. 0.79) Juice (0.66 biln) Shoes and Sandles (0.58 biln) Stone and Sand (Rs. 0.33 biln) Sackings (Rs. 0.24 biln) and Hessian (Rs. 0.20 biln).

Top Incremental Exports to India in 211-12

(Rs. in million)

SN	Commodities	Incremental export in biln. Rs.
1	Textiles*	1.40
2	Cardamom	1.36
3	Polyster Yarn	1.02
4	Copper Wire Rod	0 .91
5	G.I. pipe	0 .79
6	Juice	0 .66
7	Shoes and Sandles	0 .58
8	Stone and Sand	0 .33
9	Sackings	0 .24
10	Hessian	0 .20



Likewise, Exports to other countries went up significantly by 17.5 per cent to Rs 24.64 billion during the review year against 0.7 per cent the previous fiscal year. The export to third country went up due mainly to the increasing exchange rates of the US dollar and surge in demand in the US.

Nepal's Major Exports to 3rd Countries in 2011-12

(Rs. in biln)

SN	Commodities	2011/12P	Percent
1	Woolen Carpet	6.94	28%
2	Readymade Garments	4.01	16%
3	Pashmina	3.23	13%
4	Pulses	2.50	10%
5	Tanned Skin	0.72	3%
6	Nep Paper & Paper Products	0.59	2%
7	Handicraft (Metal+Wooden)	0.51	2%
8	Tea	0.25	1%
9	Herbs	0.20	1%
10	Silverware & Jewelleries	0.11	0%
11	Readymade Leather Goods	0.10	0%
	Others	**5.49**	22%
	Total	**24.64**	100%

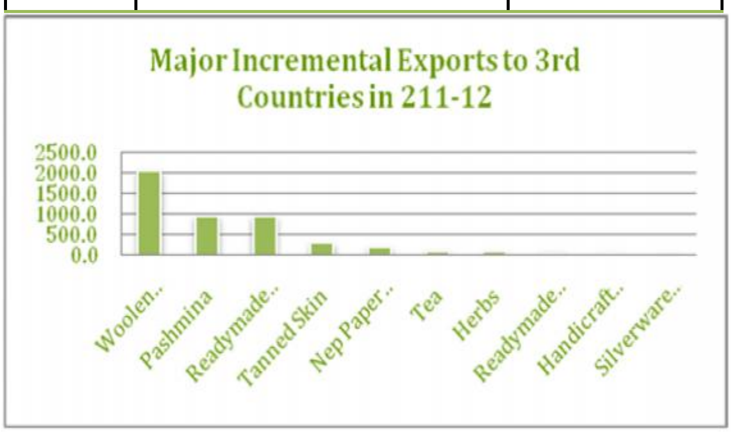
Review of trade status and economy in 2011-12 …….

Woollen carpets worth Rs 6.93 billion were shipped abroad in the last fiscal, representing a jump of 42.7 percent. Readymade garments and pashmina were the second and third largest exports after woollen carpets. Readymade garment exports soared 30.8 percent to Rs 4 billion while pashmina exports jumped 42.1 percent to Rs 3.23 billion. Likewise, the export of handmade paper and paper products registered a growth 47.2 percent to Rs 587.3 million. Wood and metal crafts increased 11.5 percent to Rs 510.1 million.

Major Incremental Exports to 3rd Countries in 211-12

(Rs. in million)

S.N.	Commodities	Incremental export in biln. Rs.
1	Woolen Carpet	2.08
2	Pashmina	0.96
3	Readymade Garments	0.94
4	Tanned Skin	0.29
5	Nep Paper & Paper Products	0.19
6	Tea	0.11
7	Herbs	0.07
8	Readymade Leather Goods	0.07
9	Handicraft (Metal+Wooden)	0.05
10	Silverware and Jewelleries	0.02



Imports

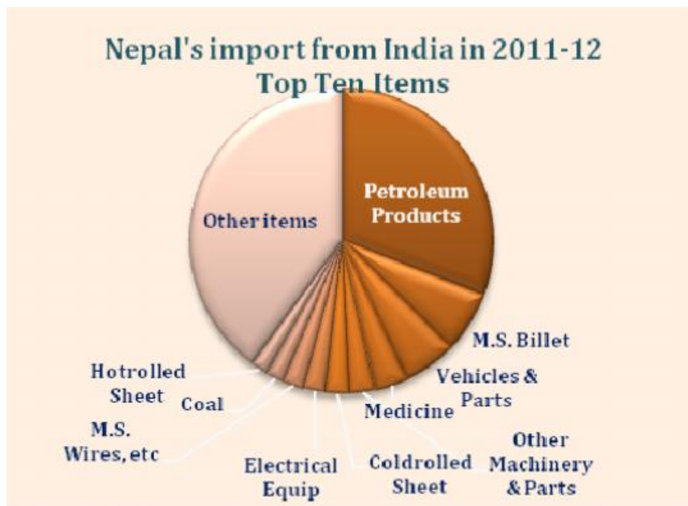
Similarly, total merchandise imports increased by 16.5 per cent to Rs 461.67 billion in the review year whereas imports had risen by 5.8 per cent to Rs. 396.18 billion the previous year. Total merchandise imports surged up significantly due to an increase in the imports of gold and petroleum products the report said.

Nepal's import from India

Top Ten Items

(Rs. in biln)

SN	Commodities	2011/12P	Percent
1	Petroleum Products	92.26	31%
2	M.S. Billet	19.44	6%
3	Vehicles & Parts	17.05	6%
4	Medicine	10.38	3%
5	Other Machinery & Parts	8.34	3%
6	Coldrolled Sheet	7.51	3%
7	Electrical Equip	7.10	2%
8	M.S. Wires, etc	6.76	2%
9	Coal	5.55	2%
10	Hotrolled Sheet	5.54	2%
	Other items	119.55	40%
	Total	**299.39**	**100%**



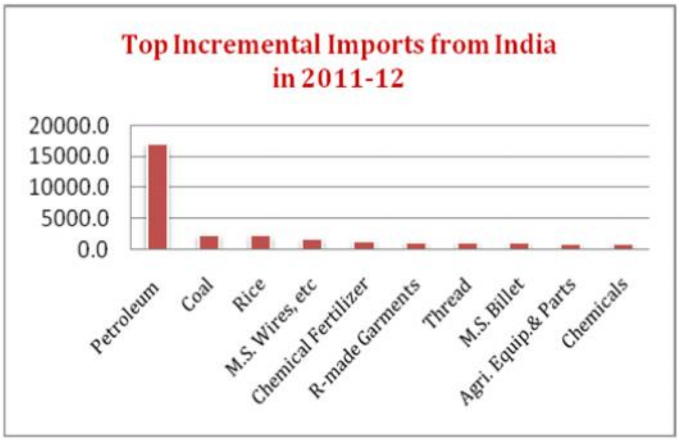
Imports from India rose by 14.3 per cent to Rs 299.39 billion during the review year compared to a growth of 20.6 per cent the previous year. This year, surged imports were petroleum products, coal, rice, M.S. wires/Rods/Coils/ Bars, Readymade garments, Thread, M.S. Billet, Agricultural Equipment and parts, and chemicals. (*Table and chart in next page*)

Likewise, some of the items of imports from India were drastically decreased in the previous year. Top ten such items were vehicles and spare parts, other machinery and parts, cement, Coldrolled Sheet in Coil, Sugar, Books and Magazines, Electrical Equipment, Plastic Utensils, Pipe and Pipe Fittings, and live animals. (*Table and chart in next page*)

Review of trade status and economy in 2011-12 …….

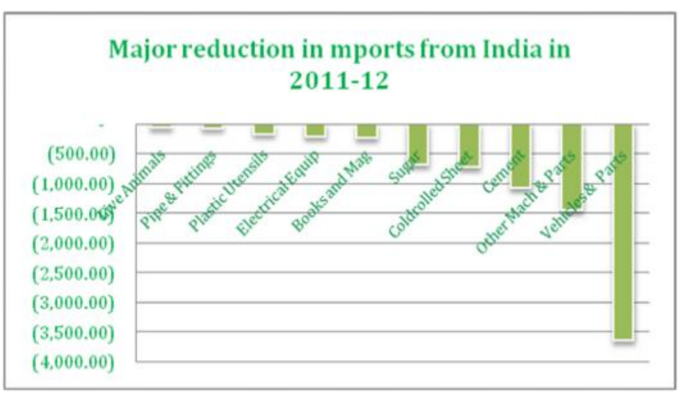
Top Incremental Imports from India in 2011-12

SN	Commodities	Incremental import in biln. Rs.
1	Petroleum Products	17.17
2	Coal	2.43
3	Rice	2.31
4	M.S. Wires, Rods, Coils, Bars	1.76
5	Chemical Fertilizer	1.43
6	Readymade Garments	1.29
7	Thread	1.28
8	M.S. Billet	1.10
9	Agri. Equip.& Parts	0.98
10	Chemicals	0.95



Major reduction in imports from India in 2011-12

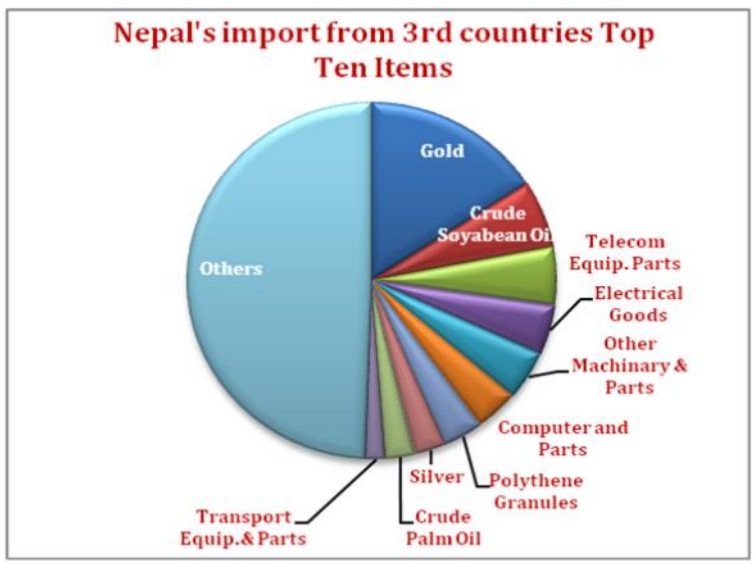
SN	Commodities	Reduction in import in biln. Rs.
1	Vehicles & Spare Parts	(3.63)
2	Other Machinery & Parts	(1.45)
3	Cement	(1.07)
4	Coldrolled Sheet in Coil	(7.28)
5	Sugar	(6.87)
6	Books and Magazines	(2.38)
7	Electrical Equipment	(2.14)
8	Plastic Utensils	(1.69)
9	Pipe and Pipe Fittings	(0.07)
10	Live Animals	(0.07)



Similarly, imports from other countries soared up by 20.9 per cent to Rs 162.28 billion during the last fiscal year in contrast to a rise by 14.6 per cent the previous year. Major commodities that pushed up imports from third countries were gold, crude soya-bean oil, edible oil, polythene granules, electrical goods, other machinery and parts, silver, Copper Wire Rod, Scrapes & Sheets, Medical Equip.& Tools, and Storage Battery among top ten.

Top Incremental Imports from third countries in 2011-12

SN	Commodities	Incremental import in biln. Rs.
1	Gold	14.41
2	Crude Soyabean Oil	3.45
3	Edible Oil	2.31
4	Polythene Granules	1.09
5	Electrical Goods	0.81
6	Other Machinary & Parts	0.79
7	Silver	0.65
8	Copper Wire Rod, Scrapes & Sheets	0.56
9	Medical Equip.& Tools	0.45
10	Storage Battery	0.41

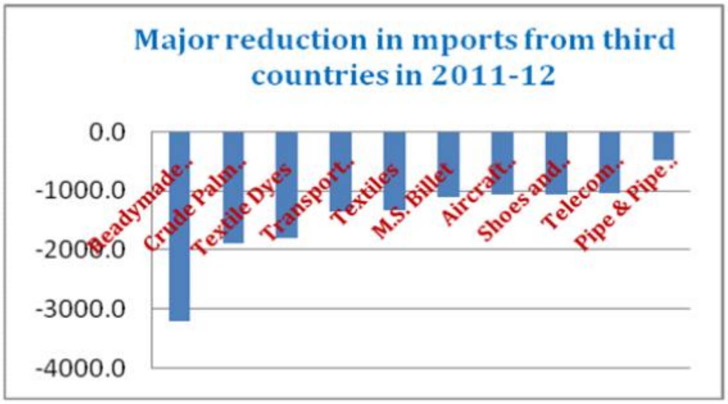


Likewise, some of the items of imports from India were drastically decreased in the previous year. Top ten such items were Readymade Garments, Crude Palm Oil, Textile Dyes, Transport Equip.& Parts, Textiles, M.S. Billet, Aircraft Spare parts, Shoes and Sandals, Telecommunication Equip. Parts and Pipe & Pipe Fittings.

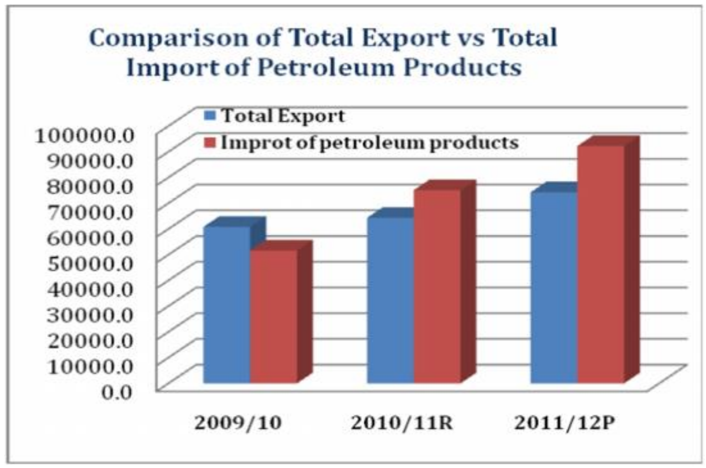
Contd on page 5

Review of trade status and economy in 2011-12 …….

Major reduction in imports from third countries in 2011-12		
SN	Commodities	Reduction in import in biln. Rs.
1	Readymade Garments	(3.21)
2	Crude Palm Oil	(1.89)
3	Textile Dyes	(1.81)
4	Transport Equip.& Parts	(1.36)
5	Textiles	(1.33)
6	M.S. Billet	(1.10)
7	Aircraft Spare parts	(1.07)
8	Shoes and Sandals	(1.06)
9	Telecommunication Equip. Parts	(1.03)
10	Pipe & Pipe Fittings	(0.48)



Comparison of Total Export Figure vis-à-vis imports of Petroleum Products in last 3 fiscal years			
			(Rs in biln)
	09/10	10/11R	11/12P
Total Export	**60.82**	**64.34**	**74.26**
To India	39.99	43.36	49.62
To 3rd Countries	20.83	20.98	24.64
Import of petroleum products	**51.61**	**75.08**	**92.26**
Source : N R Bank			



Trade Deficit

Despite the increase in exports, Nepal's trade deficit rose 16.7 percent. The country exported goods worth Rs 74.26 billion while imports accounted to Rs 461.66 billion. Due to the strong base and high growth rate of imports compared to exports, total trade deficit went up by 16.7 per cent to Rs. 387.41 billion during the review year.

Trade deficit with India rose by 14.3 per cent to 249.77 billion during the review year as compared to a growth of 23.4 per cent the previous year.

Likewise, trade deficit with other countries went up by 21.5 per cent to Rs 137.63 billion as against a decline by 17 percent in the previous year.

The ratio of exports to imports decreased marginally to 16.1 per cent in the review year compared to 16.2 per cent the previous year.

Import of Petroleum Products exceeds total export of Nepal

As in the past 2 consecutive years, last year also Nepal foreign trade witnessed a surge in import of petroleum products which has remained alarming, due to continuous import of vehicles, increase in price of petroleum products in the international market and devaluation of Nepalese currency against US dollar.

Gross Domestic Product

According to the preliminary estimates of the Central Bureau of Statistics (CBS), the real GDP at basic price grew by 4.56 percent in 2011.12 compared to 3.81 percent in the previous year. The real GDP at producers' price was estimated to grow by 4.63 percent in the review year compared to the growth of 3.88 percent in the previous year.

Foreign Direct Investment

Prolonged political transition of the country has also resulted into a declining commitment of foreign direct investment. In 2011/12, the Department of Industry granted approval to 277 joint venture projects with a foreign direct investment commitment of Rs. 7.14 billion. In the previous year, 209 joint venture projects were approved with a total amount of Rs. 10.05 billion. Out of 277 registered projects, 106 are service related, 64 tourism, 31 manufacturing, 15 agriculture, 7 mineral and 4 energy related projects. In the previous year, there were 88 service related, 47 tourism, 39 manufacturing and 23 were agriculture related projects.

Balance of Payments Situation

The overall BOP recorded its highest ever surplus of Rs. 127.70 billion in the review year compared to a surplus of Rs. 2.18 billion in the previous year. The current account posted a surplus of Rs. 75.98 billion in the review year compared to a deficit of Rs. 12.94 bullion in the previous year. The substantial rise in the growth of remittances and the improvement in the service account were the responsible factors for the encouraging surplus in the current account.

Cut shipment duration, raise grace period: Nepal asks shipping firms

In an effort to bring down transit cost between Kolkata Port and Nepali border, the Consulate General of Nepal (CGN) in Kolkata has requested shipping companies to step up movement of consignments and also increase the grace period - a duration within which importers need not to pay detention charges.

Presently, the shipping companies have set grace period at 14 days for the round trip between Kolkata-Nepali border-Kolkata. But shipping companies themselves are taking at least 16 days to complete the shipment process.

"This impractical timeline over the years has forced Nepali importers to pay huge detention charges for delaying return of the containers. Hence, we have requested the shipping companies to speed up the shipment process and increase the grace period for detention," said Chandra Kumar Ghimire, Nepalese Consul General to Kolkata.

Around one dozen companies are involved in shipment of containers from Kolkata port to Nepal. A majority of them have been even compelling the reputed Nepali importers to sign contracts for the payment of detention charge if the containers are used for more than five days on a round trip of Kolkata-Kathmandu shipment.

"Such practice has been going on despite the fact that the agreed grace period is 14 days," said Ghimire, referring to the complaints he has received from Nepali importers.

Nepali freight forwarders, however, are not optimistic of the implementation of Nepali mission´s requests. "As the shipping firms operating in Kolkata are affiliated to the international companies, they have no authority to decide on the grace period on their own," said Rajan Sharma, president of Nepal Freight Forwarders´ Association (NEFFA).

Moreover, referring to a wide disparity in detention charges levied by the shipping companies at present, the Nepali mission in Kolkata has also urged them to make such charge uniform.

"Shipping companies are levying detention charge in a range of US$ 5 to $25 a day. This disparity is not reasonable. Hence, we have asked the companies to set a pragmatic and uniform detention charge," Ghimire said over phone from Kolkata.

The Nepali mission has also asked the Indian government´s undertaking Container Corporation of India (Concor) -- the authorized rail cargo operator on Kolkata-Nepal route -- to reduce the duration of shipment to 10 days. It has also requested the Indian government to build inland container depot (ICD) in Panitanki -- the Indian side of the eastern border.

The Nepali mission made the request mainly as Nepali traders cite the lack of such infrastructure as one of the major problems in exports via Kakarvitta customs. Nepal has ICD in Kakarvitta.

Ghimire also stressed the need to encourage rail cargo shipments, gradually replacing truck containers as they are costlier compared to rail. Presently, around 60 percent of total consignments to and from Nepal are handled by trucks. Only abut 40 percent of the consignments are handled by trains.

New trade Act to address non-tariff measures

In an effort to address problems emerging in imports and exports trade, including unrestricted flow of foreign goods in the domestic market, the government is finalizing the draft of Export-Import Act that envisages safeguarding local industries, minimizing health hazards and promoting exports.

The Ministry of Commerce and Supplies (MoCS) prepared the draft after series of discussions with major stakeholders on the back of growing challenges in foreign trade such as uncontrolled flow and growing health hazard from imported goods and other challenges in the aftermath of Nepal´s accession to the World Trade Organization (WTO).

“The proposed act is aimed at addressing non-tariff measures in export and import of goods so as to boost export and regulate the imports of goods to safeguard domestic industries,” said a high level source at MoCS. “Procedural simplification in exports, addressing health hazards from imported goods and maintaining transparency in implementing trade related provisions have also been envisaged in the draft.”

In the absence of clear provisions on adopting non-tariff measures in the existing Export-import Control Act 1956, the government had issued a notice in the gazette on Nov 2, 2009 to address emerging problems in country´s import and export trade.

“The proposed Act has also attempted to make our legal provision more compatible with the WTO arrangements that Nepal must follow as a member of the global trade body,” the source added.

Though Trade Policy 2010 envisages measures to promote export and substitute import, the Existing Export-Import Control Act is silent on the ways to increase trade volume.

“The new Act is necessary as the existing Act lacks clear provisions on import-export procedures such as licensing, quantitative restrictions on imports and controlling health hazard for human, animal and environment from imported goods,” the source added.

The act has also envisaged inter-ministry coordination in facilitating trade by reducing documentation and procedural formalities and minimizing charges being levied on traders while importing or exporting goods.

Made in Nepal expo kicks off Thursday

3rd
"Made in Nepal"
Product & Service
Expo 2012
Sept 6-9
Bhrikuti Mandap
Kathmandu, Nepal.

Nepalese Young Entrepreneurs' Forum (NYEF)

The third edition of the 'Made in Nepal Products and Service Expo-2012' is scheduled to kick off from September 6 at Exhibition Hall in Bhrikuti Mandap, Kathmandu. Organised by the Nepali Young Entrepreneurs Forum (NYEF) in association with Direction Nepal and the Federation of Nepalese Chamber of Commerce and Industry, the fair is expected to give a boost to locally manufactured products and promote the service industry.

Themed 'Our Own', the fair targets to promote local products under a single roof and 'reduce people's attraction towards imported goods', according to the organiser. "The exhibition is expected to divert people's attraction towards local products," said NYEF President Ajay Pradhananga, adding the exhibition would also promote entrepreneurship at a time when many are being attracted towards foreign employment.

The fair, which is being supported by Kantipur Publications, Mega Bank, Nimbus, Nepatop and Nepal Tourism Board, among others, will have 140 stalls showcasing products from 90 producers. The products include readymade garments, home appliances, electronic goods, cosmetics, handicrafts items, footwear, carpet, pashmina products and food items, the organiser said.

Also, local educational institutes' information desks will be among the other attractions. The fair also targets to promote the quality of local products along with enhancing producers' competitiveness. "Unlike the previous exhibitions, which used to focus mainly on branding of Nepali goods, we have also focused on enhancing the trading of products and services this time," said Pradhananga.

The organisers have expected the event to be helpful in boosting domestic products' reputation among youngsters and play a crucial role in the export of some potential items. Anuj Kumar Shrestha, coordinator of the fair, said the display would help increase competitiveness of made-in-Nepal products. "The exhibition has also targeted to promote exports, besides boosting the reputation of locally manufactured goods," said Shrestha.

Different social activities, including free health camp, dental camp and entertainment events like Nepali cultural shows, Teej special programme, horse riding, food festival and musical shows, will also be incorporated in the event. Moreover, a drama from Mandala Theatre will also be showcased during the expo. Shrestha said they were also planning to hold a similar fair outside the Capital from this year.

"We have already completed the homework. If everything goes as planned, a similar fair will also be conducted in SAARC states as well," said Shrestha. The four-day show, which will run through September 9, is expected to attract more than 100,000 visitors. Entrance is free and the opening hours are 10:00 am to 6:00 pm.

Happy Deals Trade Fair from Oct 4

Happy Deals Trade Fair 2012 is scheduled to be held from Oct 4-8 at Exhibition Hall, Bhrikuti Mandap. Presented by The Kathmandu Post, the event is being hosted by Happy Deals in coordination with Expo and Event Management Services.

Khagendra Kadel, managing director of Happy Deals, said that the event was being organised with the motive of assisting manufacturers and suppliers to exhibit their products and services to their prospective consumers.

"The fair will enable manufacturers to deal directly with the end consumers. Hence, people will be able to buy the products and services at nominal prices," said Kadel. He added that both buyers and sellers would benefit from this event.

The five-day fair will feature 20 branded stalls and 100 stalls of individual exhibitors. Highlighting issues related with quality, Kadel said that the organising committee would keep a close watch on the products and services featured at the event.

Happy Deals has stated that the fair will feature products ranging from ICT to automobiles, home appliances, garments, handicrafts, cosmetics, herbal items and travel and tour packages, among others.

Fifth South Asian Economic Summit next week

Will be held in Pakistan with the slogan 'Making Growth Inclusive and Sustainable in S Asia'.

South Asian economists, senior government officials, policy makers, academicians, business people, and civil society representatives will brainstorm in the South Asian Economic Summit — also termed as the South Asian Davos — next week and frame observations and recommendations for the 18th SAARC Summit to be held in Nepal next year.

The regional economic summit to be held on September 11-13 in Pakistan with a slogan 'Making Growth Inclusive and Sustainable in South Asia', will discuss about the chronic economic challenges faced by South Asian countries and find regional solutions to meet sustainable development goals in the region.

South Asia is the least economically integrated region in the world, which necessitates greater regional economic cooperation for pro-poor growth and sustainable development in the region. The South Asian region, which has the largest market in the world, is the least integrated in terms of trade as intra-regional trade has been recorded under five per cent.

Central bank governor Dr Yubaraj Khatiwada, Indian minister for Rural Development Jairam Ramesh, Sri Lankan senior minister for International Monetary Cooperation Sarath Amunugama, minister and senior adviser for Economic Affairs to President of Afghanistan Sham L Bathija, adviser International Affairs to Prime Minister of Bangladesh Gowher Rizvi, former Indian foreign secretary and SACEPS co-chairman Muchkund Dubey, SAARC Chamber of Commerce and Industry, India president Vikramjit Singh Sahney, Sri Lankan Institute of Policy Studies executive director Saman Kelegama, Bangladeshi former finance minister Syeduzzaman, International Food Policy Research Institute senior research fellow Shahidur Rashid, Afghanistan Civil Society's Coordination Centre Mirwais Rahimzai and World Bank South Asia chief economist Kalpana Kochhar will be some of the key participants among the 200 delegates from South Asia.

Pakistani President Asif Ali Zardari is scheduled to inaugurate the event, whereas the Pakistani foreign minister Hina Rabbani Khar will address the closing ceremony as chief guest.

In the backdrop of negative effects of global and the eurozone financial crisis, non-traditional security threats, lack of basic infrastructure and social services in the region, lack of communication connectivity and engaging youth and diaspora have also become barriers to larger regional integration.

Started in 2008, the South Asia Economic Summit engages leading policymakers from the South Asian region to discuss a regional approach to issues of mutual concern, and also to learn from home grown solutions to common predicaments that can be replicated elsewhere in South Asia.

Earlier, Sri Lanka, India, Nepal and Bangladesh have hosted the summit over the past four years, respectively.

International meet in February

Nepal is planning to hold an international economic summit on February 15, 2013, according to the chair of International Economic Summit directorate and finance minister Barshaman Pun. It is expected to be participated by many global renowned economists and will send a positive message to international investors, said Pun, adding the directorate will soon nominate five economists from various political parties besides three independent economists.

Entrepreneurs mull for Monorail in Sindhuli to promote Pesticide free Junar farming

Two years earlier, Junar Developoment Association, Sindhuli, publicized 32-point Junar farming development project with a view to producing pesticide less Junar in the district. The 32-point plan of the project included extension of pesticide free Junar farming, construction of modern processing center, distribution of the 200,000 saplings in different VDCs of and others. Junar farming has been producing at around 505 hectares of land in 40 VDCs in Sindhuli.

For the promotion of Junar farming and its marketing, the monorail will be brought into operation in Sindhuli. It is said that first time in Nepal, Central Junar Cooperative Association initiated in the aid cooperation of Japan Govt. a project with approximately 1 billion cost of investment is likely to be brought into operation. According to Central Junar Cooperative Association, required initiation has been started to operate the monorail to connect the 6 adjacent VDCs which are known as the pocket area for the Junar farming and production.

Being easy to operate in steep and slope, necessary preparation for the operation of Majhuwa-Bitijor Monorail targeting to provide service to Majhuwa, Jalkanya, Ratanchura, Bageshwor, Tinkanya and Bitjor of Sindhuli District, said Deepak Koirala, President of Central Junar Cooperative Association. It is a the most appropriate technology having dual engine which can be run by electricity and diesel. Such monorails are being used to carry goods in the rural area of Japan, he added. As shown by the study that it will make easy to access main road and promote the marketing of produced Junar. "It has been proposed to the government of Japan", informed Mr. Koirala. "Japan Govt. is positive to assist in this regards", he said.

Mr. Goto Sann, a Senior Volunteer of JICA Nepal said the possibility for the operation of monorail was seen as per the study conducted in the area of Junar production. The Area can be developed as an "Agro Tourism Village" operating monorail to the Junar farm. It is mentioned in the study report presented by Goto Sann.

"On the proposal sent with the request, being positive, the government of Japan is ready to provide railway-track for the operation of monorail in a first phase and requested to start surveying at the area of the monorail operation", said Koirala.

"To start operation of 100 KM monorail from Majuwa to Bitijor, the letter with approximate investment, technical assistance was sent to government of Japan" said Mr. Krishna Prasad Gautam, Officiating President of Junar Development Association of Sindhuli. Gautam said that the work of survey and design of railway-track will be started very soon. "It takes 4 years to complete the work if necessary cooperation is provided. We have requested the Govt. of Nepal also for the cooperation and expected that the One Village One Product (OVOP) program will also help developing Junar production area" said Mr. Gautam.

In Sindhuli 13,000 MT to 16,000 MT of Junar is being produced. Except the Pocket area of Junar, it is being produced in other 36 VDCs. Said that after operation of monorail 1900 Farmers involved in Junar farming from the announced 6 VDCs as pocket area will be benefited.

NRB relaxes money exchange rule

The central bank has continued to give further relaxation on foreign exchange management in line with this year's monetary policy.

The Foreign Exchange Management Department of the Nepal Rastra Bank (NRB) on Friday issued a circular, allowing money exchangers (licensed by the NRB) to provide exchange facility worth US $500 to Nepali citizens even if they do not have the source of the dollar (or other convertible currency).

"Money changers licensed by the NRB can provide domestic currency in exchange for US Dollar or other convertible currency if demanded by Nepali citizens," the circular says. "The maximum limit for such an exchange is $500 per transaction and money exchangers should collect the record of the beneficiaries."

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NRB relaxes money exchange...

"Even ordinary Nepali citizens like those who work in the hospitality and tourism industry as well as friends and relatives of migrant workers possess foreign currency in the form of tips or gift," said Lila Prakash Sitaula, the executive director of the NRB. "We have to bring such currencies into the formal financial sector."

NRB awarded this facility to banks and financial institutions (BFIs) last year with a maximum limit of $1,000, but was reluctant to give the facility to money exchangers although they were pressing for it. "We did not allow money changers then because we wanted to test its effect first through formal financial channels," said Sitaula. "Finally we have allowed them the facility. But we will be vigilant to check possible misappropriation." He added that if the money exchangers comply with the documentation properly "we will increase their exchange limit to $1,000 like in the case of other BFIs."

The NRB directive comes at a time when there is a shortage of dollar in the market. Bankers said the move will further fuel the shortage. "There is no guarantee that money collected by the money exchanger will get back into the formal channel," said a banker. "Since there is an acute shortage of US Dollar in the market, money exchangers will sell it in the informal market which offers a higher rate."

Some other bankers said there is a high chance that collection will be used to finance illegal import from China. "NRB should rethink this decision," said a banker. "This is not the right time to relax the foreign exchange facility."

Survey for Industrial Security Force nears end

The Home Ministry has said that an organisational and management survey it is conducting to set up an Industrial Security Force is at the final stages.

A draft of the proposal regarding the Industrial Security Force has recommended that the Finance Ministry supervise the personnel for industrial security. "This will be a separate industrial security force," said Home Ministry sources. As per the proposal, personnel from the Armed Police Force have been recommended for the force. "A total of 2,500 Armed Police Force personnel will be deployed for this force."

According to Home Secretary Navin Ghimire, the survey report will be sent to the Finance Ministry soon. The ministry had formed a committee comprising representatives from the Finance, Industry and Law ministries and other agencies to conduct the study.

The security force, which was originally envisaged to be used at industrial zones, will now be deployed at customs offices too. "Due to weak security and inspection provision, there has been a huge loss in revenue collection," said Lok Darshan Regmi, joint secretary at the Finance Ministry.

In March 2010, the Cabinet decided to form an industrial security force to protect industrial units from local vandals and violent activities of trade unions and workers during strikes. The government moved to form the force after entrepreneurs asked for a separate security force for the industrial sector.

Following the Cabinet's decision, the budget announcement for the fiscal year 2010-11 mentioned that a security force would be set up for big factories. It had asked the Industry Ministry to establish police posts with five police personnel each at factories employing more than 500 workers.

Prime Minister Baburam Bhattarai had also asked the concerned authorities to provide a security force in his Immediate Relief Measure Package last year.

Subsequently, many factories have asked the Industry Ministry to provide them the promised force. Kiran Shoe Manufacturers, Triveni Spinning Mills, Reliance Spinning Mills and Jagdamba Steels are among the factories that have asked the government for a security force. The Patan, Balaju and Bhaktapur industrial estates have also made similar requests.

Industrialist Manish Agrawal said that the government should form the force as soon as possible as the country's industrial sector is suffering from a number of threats.

"Even if it takes time, the government should plan the programme in a more organised way," he said, adding that industrialists were ready to cooperate with the government.

Malaysia Airlines launches direct flights between Kathmandu and Kuala Lumpur

Malaysia Airlines has commenced direct flights to Kathmandu from Kuala Lumpur on Saturday. The national flag carrier of Malaysia will operate three times a week on Kuala Lumpur-Kathmandu-Kuala Lumpur route.

The airlines is using a two-class configured Boeing 737-800 aircraft with 144 economy class seats and 16 business seats for this route.

Malaysia Airlines flight MH171 landed in Tribhuvan International Airport (TIA) at 11:30 in the morning. The flight departed to Kula Lumpur at 12.20 in the afternoon. The airlines is operating flights on Tuesdays, Thursdays and Saturday offering 960 seats in both directions each week. The airlines is offering all-in return economy class promotional fare starting from Rs 45,619.

Addressing a press briefing at TIA, deputy minister of Transport of Malaysia Dato Abdul Rahim Barki, who arrived in the inaugural flight, said air connectivity was going to provide tremendous scope for trade and tourism for both the countries.

Speaking on the occasion, commercial director of the airlines, Dr Hugh Noel Dunleavy said, "Kathmandu is a hub for independent travelers as well as a growing vacation spot." He said the airlines is also targeting the labor market from Nepal with direct connection. "Given the flights timing, this flight will also act as an excellent connecting flight between Malaysia and various main cities of the world," he added.

Although the airlines has the permit to operate up to seven flights a week, it has announced to operate only three flights a week at present.

Secretary at Ministry of Culture, Tourism and Civil Aviation Yagya Prasad Gautam expressed hope that the direct flights from Malayasia will boost the tourism of the country. "Large number of migrant workers travelling to Nepal and this direct connection will definitely make the journey hassle free," said he.

Air Service Agreement (ASA) between Malaysia and Nepal allows Malaysian carriers to operate up to 21 flights a week on the route. Although two other operators are operating direct flight on this route, the route is considered lucrative because of the increasing number of migrant workers and outbound tourist from Nepal.

Marcopolo Travels is the General Sales Agent (GSA) for the Malaysia Airlines in Nepal. More than 500,000 Nepalis are currently working in Malaysia.

MRP for essential goods soon

The government has decided to fix the maximum retail price (MRP) of essential commodities in a bid to prevent artificial price hikes and to use it as a baseline for market monitoring. The Department of Commerce and Supply Management is coordinating with government entities and traders to set the prices.

MRP is the retail price of a commodity including all taxes. The government's move follows demands by consumer rights activists to fix the MRP of essentials as prices of sugar, rice, pulses and edible oil have soared unnaturally ahead of the festive season.

This is the first time the government is working to fix the MRP. Generally, it is the market in a free market economy that determines the prices. The government's move follows demands by consumer rights activists to fix the MRP of essentials as prices of sugar, rice, pulses and edible oil have soared 'unnaturally' ahead of the festive season.

"We have asked business organisations to suggest the minimum and maximum price of essential daily goods within a week to fix the MRP," said Narayan Prasad Bidari, the director general of the department.

"We have asked business organisations to suggest the minimum and maximum price of essential daily goods within a week to fix the MRP," said Narayan Prasad Bidari, the director general of the department. He said businessmen have to recommend prices that should include the transportation cost, overhead charges, production costs and their mark-up.

According to Bidari, the government has homework on the MRP after the consent of business organisations. The government has listed over two dozen food items, including rice, pulses, edible oil, sugar, salt, beaten rice, and select vegetables, as essential daily commodities.

FOREIGN EMPLOYMENT
Govt plans high-level talks with recruiters

The Nepal government is planning to hold high-level talks with the governments of major labour destinations in order to systematise the foreign employment sector.

The government has expected that the meeting would help reform the sector, which is regarded as one of the most indecent, unmanaged, and insecure areas.

Deputy Prime Minister Narayan Kaji Shrestha said the reform of this sector would not be possible without the commitment of destination countries. "This sector cannot be reformed unless the sending and receiving countries commit at some point to resolve the problem," said Shrestha. "We are now planning high-level meetings with the governments of destination countries, giving a big priority to this sector."

According to Shrestha, a high-level committee has been formed under his leadership to enhance coordination among stakeholders. "The committee will do its bit to systematise the foreign employment sector," said Shrestha. The government is preparing to hold meetings with the governments of Qatar, Saudi Arabia, Kuwait, Oman, Bahrain, Malaysia and South Korea. Shrestha said he would lead the talk team.

These countries are the major recipients of Nepali migrant workers, with Qatar, Malaysia, Saudi Arabia and Kuwait being the top five absorbers. Qatar displaced Malaysia as the top recruiter of Nepali migrant workers last fiscal year. A total of 103,371 Nepali individuals went to Qatar in 2011-12, whereas Malaysia hired 98,339 Nepalis.

However, the government has signed labour agreements with Qatar, Bahrain and South Korea only. On top of that, the agreement with Qatar has not been implemented yet.

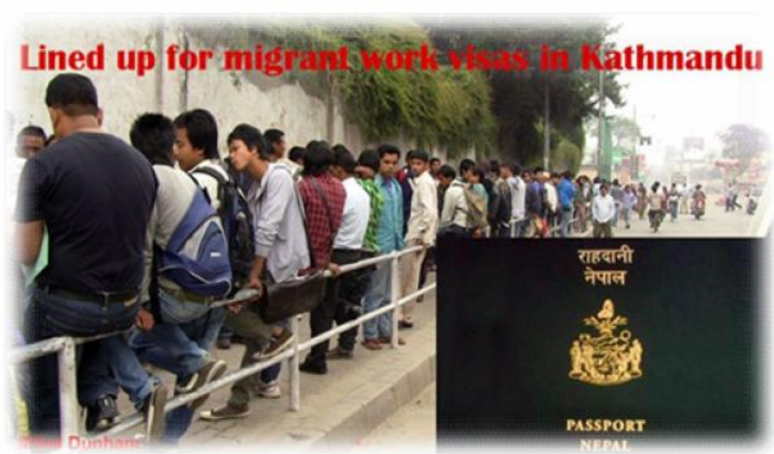
As per the Foreign Employment Act, the government is required to sign labour pacts with all major labour destinations to ensure the safety and rights of Nepali workers as per the International Labour Organisation (ILO).

Despite the unprecedented increase in the number of Nepali workers in the Gulf countries, there has not been a single foreign minister-level meeting between Nepal and these countries. "There are many problems in recipient countries. Without finding out and resolving these problems, our one-sided efforts will be meaningless," Shrestha said.

Nepali ambassador to Qatar Maya Kumari Sharma said a high-level meeting is very essential to resolve the core problems.

Nepali copy of contract papers for outbound workers a must

The government has made it mandatory for foreign employment agencies to provide employment contract in Nepali (translated job agreement) to workers being sent by them to international labour destinations. It said job aspirants who fail to furnish their job contracts in Nepali will not be allowed to leave the country now onwards.



In a public notice on Wednesday, the Department of Foreign Employment and the Foreign Employment Promotion Board urged all local recruiting agencies to provide job contracts in Nepali to workers before they leave the country. The notice said workers who do not carry the contract in Nepali language will not be given entry at the Labour Desk at the Tribhuwan International Airport. Around eight months ago, the department had asked all the agencies to provide the job agreement in Nepali. As per the Foreign Employment Act 2007, it is a must for local recruiting agencies to translate the employment contract sent by overseas employers into Nepali and provide a copy each to the department and the outbound individual.

However, despite the law and request from the department, many agencies have not followed the rules. There are 766 registered agencies that send workers for overseas jobs institutionally.

"Contract in the Nepali language helps prevent workers from being cheated and they know of the realities and the nature of their jobs, salary and other conditions," said Kashi Raj Dahal, the director at the department. He added that even though some agencies had started to provide such translated contracts, it is necessary that all of them follow the rule to ensure safety of workers, especially those who do not know English.

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Nepali copy of contract papers...

As a majority of the Nepali workers leave for un-skilled and semi-skilled jobs, they have problems in knowing the English language, according to the department. Some agencies do submit the contract in Nepali to the department, but they do not seem serious about providing a copy to the workers.

Foreign employers wanting to hire Nepalis send employment contracts in English to local recruiting agencies, mentioning the worker's name, visa, passport number, company information, profession, work hours, salary and facilities of overtime, among other things. Recruiting agencies said some companies, despite having the original agreements in Arabic (Gulf countries) and Malay, also send the contract papers in English.

NEA signed PPA for 444MW electricity last fiscal

The Nepal Electricity Authority (NEA) signed power purchase agreement (PPA) with 23 projects for 444MW electricity in the last fiscal year. As per the initial commitment of developers, these projects will come into operation by 2017. Among the projects signing the PPA are Rasuwagadhi (111 MW), Middle Bhotekoshi (102 MW), Lower Sanjen (42.5 MW), Upper Sanjen (14.8 MW) and Lower Modi (20 MW). However, these projects are not going to make a big difference, especially during winters, as all of them are run-of-the-river type projects.

Nepal's electricity demand has been rising at a rate of 100MW a year and the demand for this year has been forecast to exceed 1,100MW. As most of the hydropower projects are run-of-the-river type, the country will have surplus electricity during the rainy season and face shortage during winters.

NEA Power Trade Division Director Sher Singh Bhat said Nepal would not face load-shedding during the rainy season after these projects come into operation in the next five years. "However, winters will continue see power shortage," said Bhat.

NEA officials say the country will have a total installed capacity of 2,960MW in the next five years, against the projected demand of 1,640 MW.

According to Bhat, there will be a loss of 4 billion units of energy during the rainy season. And, NEA has to pay the developers even for the leakage as per the PPA conditions. "Based on the current PPA rate of Rs 5 per unit, NEA will lose Rs 20 billion a year," Bhat said.

Energy Ministry officials underscored the need for a detailed energy plan to utilise the power generated by these projects. "Leakages will lead NEA to bankruptcy," said Moti Bahadur Kunwar, joint secretary at the energy ministry. "A proper planning on the energy sector is very important. We also need more reservoir projects."

Nepal to sign int'l dry port agreement

Nepal Freight Forwarders Association (NEFFA) has welcomed the initiative taken by the government to become a signatory to the Inter-governmental Dry Port Agreement.

According to the association, once Nepal signs the Inter-governmental Dry Port Agreement it will receive international recognition with its registration in the United Nations Economic and Social Commission for Asia and Pacific (UNESCAP).

"Along with the registration, Nepal will also be recognised in the Global Shipping Map," said president of NEFFA Rajan Sharma. "As soon as Nepal gets the membership of the Inter-governmental Dry Port, it can directly receive its cargo through its inland container depot," he said.

On average, there is movement of around 15,000 containers in a month, but the number could vary, he said. "Once the cabinet approves the agreement, it will go for a ministerial level meeting with UNESCAP in February 2013," he said.

The Transshipment Agreement with India through this agreement will also help in direct export and import of goods through Nepali dry ports. "We are in the initial stages, but receiving such trade facilitation is a great achievement for our country," said Sharma, adding that the association is looking forward to the government's signature and discussion on the issue in October, which will finally forward it for the cabinet's approval. According to the association, the Transshipment Agreement will also minimise transport and logistic costs.

Countries registering trademark of Nepali *Pashmina* reached 41

In a latest bid to promote Nepali hand-knitted "*Chyangra*" Pashmina in the overseas market, Nepali Pashmina producers and exporters have registered its trademark recently in Taiwan.

"We have registered *Chyangra* Pashmina trademark in Taiwan last week paving the way for its promotion there. We have yet to receive a formal certificate from the Taiwan government," Mandu Babu Adhikari, chief program officer of Nepal Pashmina Industries Association (NPIA), said.

With the latest registration, the number of countries registering the Nepali Pashmina trademark has reached 41. Most of those countries registering the trademark are North American and European. Adhikari informed that they are working to register the trademark in Brazil, Russia, the UAE and China also. "We have reapplied for registration in China," said Adhikari. He also said Nepali *Chayangra Pashmina* is not identical to the said Chinese Pashmina trade mark.

NPIA, the umbrella organization of Pashmina producers and exporters in Nepal, has been issuing trademark tags to those exporters whose products meet the quality requirements. According to Adhikari, around 8,000 tags have been distributed to exporters so far.

After a few years of slowdown, export of Nepali Chyangra Pashmina has bounced back. According to Trade and Exports Promotion Center (TEPC), export of Chyangra Pashmina reached Rs 1.86 billion during the fiscal year 2011/12, which is an increase by 14 percent compared to the figure of the previous year.

India's Economic growth 5.5 pc in April-June

Showing persistent sluggishness, India's economy grew by 5.5 per cent in the April-June quarter this fiscal due to poor performance of manufacturing, mining and farm sectors.

The gross domestic product (GDP) had expanded by 8 per cent in the April-June quarter of 2011-12. During the quarter ended June 30, the manufacturing sector grew marginally by 0.2 per cent, against 7.3 per cent growth in the same period of 2011-12, according to the official data released last week.

Mining and quarrying sector recorded a growth of 0.1 per cent during the quarter under review, as against a contraction of 0.2 per cent in Q1 of 2011-12.

Farm production expanded by 2.9 per cent in the first quarter against 3.7 per cent in the same period last year.

The trade, hotels, transport and communications segment also witnessed lower pace of growth at 4 per cent compared to 13.8 per cent expansion in the same quarter year-ago period.

The growth rate of electricity, gas and water supply also dipped to 6.3 per cent in Q1, from 8 per cent in the corresponding period last fiscal. However, the growth in the construction sector was robust at 10.9 per cent during Q1 of 2012-13, as against 3.5 per cent in the year-ago period.

Growth rate of services sector, including insurance and real estate, also improved to 10.8 per cent in the first quarter, from 9.4 per cent recorded in April-June quarter last fiscal. Economic growth in the January-March quarter was at nine-year low of 5.3 per cent, as the provisional estimate released earlier. PTI-New Delhi

Coal ministry steps up exercises to ensure production in 17 mines

With 58 blocks facing the threat of cancellation of licenses because of non-production, the coal ministry of India has swung into action to ensure mining from at least 17 blocks including eight in this financial year.

These blocks are in addition to the 58 was scheduled to be reviewed on 3rd September by an Inter-Ministerial Group (IMG) in the wake of the Prime Minister's Office (PMO) expressing displeasure over inaction in cancelling blocks which failed production.

"Coal Ministry has stepped up monitoring the progress of blocks allocated to public and private companies for captive use and is hopeful that at least eight blocks will begin production this fiscal," a top coal ministry official said. Apart from the eight mines, there are nine more, which the Ministry after reviewing their progress feels would begin production by the next fiscal, the official said. These blocks are in addition to the 58 to be reviewed by the IMG, headed by Additional Secretary, Coal, Zohra Chatterji, he added.

The government has already issued de-allocation notices to 33 government firms and 25 private companies which failed to develop the same as per the given time-frame. The government in April had begun the process of slapping notices on companies that failed to develop the blocks within the stipulated time. The notices were issued to firms like Reliance Power's Sasan, Tata Power, Hindalco and Grasim Industries, ArcelorMittal, GVK Power, MMTC and others.

The government auditor CAG in its recent report tabled in Parliament has stated that undue benefits to the tune of Rs 1.86 lakh crore were extended to private firms on account of allocation of 57 mines to them. Of the total 195 coal blocks allocated to both public and private firms in over a decade, only 30 mines have begun production as per the government data. The government, last year had cancelled the allocation of 14 coal mines and one lignite to companies including NTPC and DVC for failure to develop the blocks.

Meanwhile, separately, the CBI is investigating criminality in 12 firms which were given licences under the 'fast track' category but had not yet commenced mining of the allocated coal blocks. PTI-New Delhi

Country can't wait forever for Air India revival: Ajit Singh

Civil aviation minister of India Ajit Singh on Saturday said the country cannot "wait forever'' for Air India's revival and that the government does not wish to spend anymore public money to revive it.

"It is difficult to spend anymore public money on Air India in the current economic scenario. There are other carriers waiting in the wings," Singh said. He said, with no money coming, the airlines must become competitive with the rest of the world at the earliest.

The national carrier had suffered a loss of around Rs 600 crore due to the recent 58-day-long pilots' strike in May. The strike was called to protest the management's decision to train pilots of the former Indian Airlines to fly Boeing 787 Dreamliner aircraft.

The government had recently announced a Rs 30,000 crore package for reviving airlines over a period of eight years. This is subject to the airlines meeting set performance indicators. "If they don't meet these standards, the government will not provide the money. This is precious public money," Singh said.

The minister lamenting the financial and other crisis facing the Indian aviation industry. He said the government is also carefully examining issue of the Kingfisher Airlines (KFA), which has been facing pressure to shut down its operations temporarily. "Until we address the safety issues concerning the airlines, we will not initiate any move," he said on the sidelines of a conference of tour operators here. TNN -Mumbai

Ozone Pharma introduces uniform pricing

New Delhi-based Ozone Pharmaceuticals on Thursday announced a uniform pricing level for its blood pressure, cardio and diabetes medicine portfolio. The medicines will now be made available by the company for IRs 2 per day, across the dosage strengths. This 'uniform pricing' strategy ensures affordable cost of therapy to withstand a lifelong compliance to medicines. Today average household expenditure on drugs constitutes more than 50% of all out-of-pocket spending on health in India. TNN – Chennai

Birla expects Aditya Birla Group to be the 'First man forward'

Kumar Mangalam Birla, chairman of the Aditya Birla Group while referring to performance of his various businesses amidst economic slowdown said I am sure, be the 'last man standing' has the best chance at being the 'first man forward' once the dust settles down.

"Over the years, we have, through determined and deliberate effort, come to be in this position of being the 'last man standing', almost across each of our businesses. Today, we stand at an inflection point. Our balance sheet is strong with robust financial indicators. So from this position of strength, we as the last man standing have the best chance of being the first man forward - to consolidate market positions, to show superior performance and get an edge over competition," said Birla while addressing shareholders at the 12th Annual General Meeting (AGM) of UltraTech Cement.

Talking about the Indian economy, Birla said, "Even as from mid-2011 the fissures in the economic edifice of the world started becoming evident for India, the economic prospects are affected more by domestic than foreign factors. India's domestic consumption still accounts for almost 70% of its GDP, which had been growing at around 8% for most of this past decade. Hence this 1.8 trillion dollar economy depends more on domestic levers. To keep consumer spending growing at around 7 to 8% annually, without causing inflation, we need to focus on capacity creation. The policy challenge is to create conditions that are conducive."

Birla attributed the slowdown in private investment spending to global slowdown, demand sluggishness, high interest rates, slow government approvals and clearances, and the gloomy sentiment. "But we must not forget that during 2011-12 India recorded its highest ever exports, highest inbound FDI ($ 48 billion) and highest agricultural production. This should give pause to all those who are negative on the economy. The rating agencies' warning was much more about fiscal balance than about growth prospects," said optimistic Birla.

Seeking to maintain the reform momentum, Birla said, "India's current challenge is high food inflation, made worse by the current drought. But I believe that high food-grain stocks, combined with softening global oil and commodity prices, can stem the inflation to an extent, and create conditions for lower interest rates. With the re-orientation of fiscal spending from subsidies to more productive infrastructure spending, we can realistically get back to 7.5% growth next year.".

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Birla expects Aditya Birla Group to be the...

UltraTech's capacity of 52 million tons will be scaled to 62 million tons by the next fiscal and its current power capacity from 529 MW to 659 MW by the next fiscal to ensure that the company's integrated units are self-sufficient in their power requirements, said Birla adding that Rs 12,000 crore of capex plan is under way and most of the projects will go stream by early FY14.

For the April June quarter, UltraTech's net sales stood at Rs 5,075 crores as compared to Rs 4,352 crores in the corresponding period of the previous year. Ultra Tech net profit during the quarter went up by 14% to Rs 778 crores as compared to Rs 683 crores in the corresponding quarter of the earlier year.

Indian Banks have Rs 2,481 crore of unclaimed deposits

Indian Banks have about Rs 2,481 crore as unclaimed deposits and the government has proposed to credit unclaimed funds of more than 10 years to a new fund.

"Reserve Bank of India (RBI) has informed that as of December 31, 2011, total amount of around Rs 2,481.40 crore in 1,12,49,844 accounts is lying as unclaimed deposits with the commercial banks," Minister of state for finance Namo Narain Meena informed the Rajya Sabhain a written reply.

The minister said total amount of unclaimed deposits remains with respective banks, which deploy the same for their general business, like any other deposits.

The Banking Laws (Amendment) Bill, 2011, has been introduced in the Lok Sabha, wherein a new section relating to formation of a 'Depositor Education and Awareness Fund' has been inserted.

"It is proposed that the deposit accounts with banks, which have not been operated upon for a period of more than 10 years, will be credited to this Fund within three months from the expiry of the said period of ten years," Meena said.

The fund is proposed to be utilised for promotion of depositors' interest and for such other purposes, as may be specified by the RBI from time to time.

"However, a depositor or any other claimant could claim his deposit or unclaimed amount or operate his deposit account from or with the bank after the expiry of said period of ten years." He further said such banks shall be liable to repay such deposit or amount at such rate of interest as may be specified by RBI in this behalf.

The bank would claim refund of such amount from the authority or the committee constituted by RBI to administer the Fund. PTI-New Delhi

India-China agree to have 5-year economic cooperation plan

India and China have agreed to a five-year plan on economic cooperation as well as setting up a joint working group (JWG) to go into all trade related issues, Indian Commerce Minister Anand Sharma said in New Delhi on Monday, 27th August.

The JWG, comprising senior officials from both sides, would be set up soon and will submit its recommendations within three months. It would continue to work on investment and trade-related matters thereafter.

Sharma said that on the proposal of his Chinese counterpart Chen Deming, the two sides have agreed to install a five-year plan for economic cooperation, for which nodal authorities had been identified to develop the plan.

Speaking to media persons after the ninth session of the India-China Joint Economic Group with the Chinese delegation led by his counterpart Chen, Sharma said China has assured India of support on the issues of trade deficit between the two countries and greater access to the Chinese market for the Indian IT, IT-enabled services (ITES) and the pharmaceuticals sectors.

The balance of trade is in favour of China. In 2011-12, it provisionally stood at $39,651.46 million. Bilateral trade between India and China in 2011-12 stood at $75,457.42 million as compared to $59,000.36 million during 2010-11.

Sharma said the Chinese have been invited into the national manufacturing and investment zones (NMIZs), to which the response has been encouraging.

Underlining the importance of the India-China economic relationship particularly in the global context of economic downturn, Chen spoke of on-going initiatives to intensify investments so that "Chinese companies can set up SEZs and manufacturing zones in India".

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India-China agree to have 5-year economic...

"China is also looking for stronger protection for its investments. The Chinese (business) delegation has expressed concern for easier visa procedure and protection for Chinese investments and project property," Chen said. The Chinese minister said that as current Chinese investments in India are to the tune of around $580 million, there was potential for increasing investments.

Chen said the business delegation included major Chinese players in the power, petrochemicals and machinery sectors. Chinese power equipment manufacturers have substantial production and investment interests in India. "Chinese producers are determined to continue with production and investment in India," said the Chinese minister.

Sharma informed media persons that out of recent orders for generation of 167,900 MW power, Chinese companies have been contracted to supply 42,500 MW.

The Joint Group on Economic Relations, Trade, Science & Technology was formed in 1988 when then Prime Minister Rajiv Gandhi visited Beijing.

Sri Lankan Airlines introduces ipads in cockpits, to go paperless

Sri Lankan Airlines today introduced ipads in cockpits to replace bulky paper manuals on its Airbus A340, A330 and A320 aircraft. The airline has become the first in Asia to get regulatory authorisation to use ipads in cockpit after Civil Aviation Authority of Sri Lanka (CAASL) permitted the airline to switch to electronic flight bag (EFB).

Ipad based EFB is an information management device that displays data intended primarily for flight-deck or cabin use.

Though pilots across different airlines have started to use ipads in an informal manner to refer to charts and manuals, many countries in the region including India have not given permission to their airlines to make cockpits fully paperless.

The 'green' benefits of using iPad EFBs are also immense as there will be a drastic reduction in the use of thousands of sheets of paper and printing. iPad EFB usage will save approximately 264,000 gallons of jet fuel and in turn reduce tons of emissions.
Sri Lankan airlines has selected the electronic flight bag solution available for iPad from Fokker Services in the Airbus A320's, A330's and A340's and will progressively introduce Airbus FlySmart Software to calculate aircraft performance and to refer all manuals. SriLankan will also use the Jeppeson FliteDeck Pro to refer charts.

Pilots no longer need to lug 84 kilograms of paper manuals from aircraft to aircraft and from airport to airport and flip through pages, when the data is now streamlined for easy electronic searching. Sri Lankan flights UL 205 bound for Muscat today became the first flight to be operated utilising iPad Class 1 electronic flight bag.

"SriLankan has taken the lead in Asia to revolutionise the flight deck, realising the vision of paperless flying and becoming Asia's first airline to fly with iPad EFBs" said SriLankan's chairman, Nishantha Wickremasinghe. "The process will make flying much easier, more efficient, accurate and greatly help the airline's bottom line, as millions of rupees will be saved" said SriLankan's Chief Executive Officer, Kapila Chandrasena.

iPad EFB usage will also reduce weight and paper clutter in the cockpit, reduce fuel usage due to more accurate takeoff and landing, weight and balance calculations, improved safety with on-board performance calculations, ability to increase payload with real time performance calculations, improved route decisions, and in the whole process, save aircraft engine lifetime.

By end October 2012, the entire technical flight crew of approximately 300 pilots will be using the iPad EFBs in the all Airbus fleet of A340s, A330s and A320 aircraft. **TNN** -Chennai

Record high continues for Eurozone unemployment

The unemployment rate across the 17 countries that use the euro remained at a record high of 11.3 percent in July, official figures showed Friday, underscoring the huge task leaders face to restore confidence in the continent's economy.

The European Union's statistical agency, Eurostat, said 88,000 more people were without a job in July — for a total of 18 million — as governments and companies continued to trim payrolls to deal with problems of high debt and weak consumer spending.

The 11.3 percent unemployment rate, which is up 1.2 points from a year earlier, is the highest level since the euro was formed in 1999.

Joblessness increased in Spain and bailed-out Greece, both countries at the center of the European sovereign debt crisis which has thrown a cloud of doubt over the future of the single euro currency.

In Spain, the jobless figure rose by another 0.2 points to reach 25.1 percent, the highest in the eurozone. For Greece, the latest data available was for May, which saw a 0.5-point increase to 23.1 percent. A year earlier, it was 16.8 percent.

Youth unemployment was even worse. In Spain it stood at 52.9 percent for people under 25 and at 53.8 percent in Greece.

Europe's economy has been hit by the combination of government savings measures — cuts to public sector payrolls and benefits and tax hikes — and the uncertainty that has caused huge volatility in financial markets. That uncertainty is keeping companies from hiring and investing and scaring households away from big purchases.

European leaders are preparing measures to boost confidence in government finances, hoping that greater stability will allow the economy to recover. But that task is proving long and arduous.

"We must not get used to these excruciatingly high levels of unemployment," said Hannes Swoboda, the president of the Socialist group at the European Parliament. "We have been witnessing constant, creeping increases in unemployment - and especially youth unemployment - for years now. Enough is enough."

In comparison with Europe's figures, Eurostat said unemployment in the corresponding month stood at 8.3 percent in the United States and 4.3 percent in Japan.

At the other end of the scale in the eurozone, Germany, the continent's biggest economy, had a rate of 5.5 percent. Its neighbor Austria had the lowest of all with 4.5 percent.

ASSOCIATED PRESS- Brussels

China To Buy 50 Airbus A320 Planes Costing $3.5 Bln.

China on Thursday signed a deal with Airbus to buy 50 A320 aircraft worth $3.5 billion from the European manufacturer. The agreement, signed by China's ICBC Leasing and Airbus, is part of a slew of trade deals inked in the presence of German Chancellor Angela Merkel who was on a two-day visit to the Communist nation.

An agreement on the setting up of an Airbus assembly unit in China was also signed, state-run Xinhua news agency reported.

Chinese Prime Minister Wen Jiabao, who had talks with Merkel in Beijing, said his country would continue to invest in the European Union. Merkel was visiting China for the second time this year, as she tries to improve relations and canvas business for European companies. She is being accompanied by several Ministers and top German executives.

Bilateral trade between Germany and China totaled about $180 billion last year, nearly double what it was five years ago.

The two countries signed more than ten agreements on Thursday in the sectors of communication, energy, health and maritime co-operation, among others, the report said.

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Forget 3D. Now, your dream TV should be 4K

The 3D-TV fad seems to be fading - and giant, cinema-style 4K sets are the newest cutting-edge tech marvels destined for your living room.

A truckload of new TVs, with screen resolutions four times greater than so-called full HD screens, are being unveiled at this week's IFA technology show in Berlin. The screens - referred to as 4K or ultra definition - were among dozens of new gadgets on display for the 250,000 people who descended on Berlin's conference halls.

The show features gear ranging from big-screen smartphones to self-stirring cookware, but the big buzz this year is about 4K. The first sets should be available for preorder this fall. There were still plenty of 3D screens, including a 103-inch Panasonic set that doesn't require viewers to wear 3D glasses. The excitement over them, however, seems to be dying down.

The new 4K sets from LG, Panasonic, Sony, Samsung, and Toshiba show a level of detail you'd expect on a movie screen; their resolution equals that of professional cinema cameras, like the Red One. The detail is stunning, and viewers can comfortably sit close to the screen. Even from only a few inches away, it's impossible to discern a single pixel.

Sony claims that chips in its flagship set can scour normal Blu-ray films and display extra details, producing pictures far sharper than what normal sets can offer. In demonstrations, films looked stunning on the new screens.

Not to be outdone, Panasonic teamed up with Japanese broadcaster NHK to create an 8K set - with resolution four times greater than its rivals' and 16 times greater than Full HD.

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