



Nepal's investment climate improving

The investment climate in Nepal has been improving 'technically', according to the British ambassador to Nepal.

"Now, Nepal has to think about how to attract investments as the investment climate is technically improving," said British ambassador to Nepal John Tucknott, while addressing a team of British and American investors on 19th April.

The 10-year insurgency has deeply affected the economy and the country could not see any large scale investment during the period, he said, adding that with the change in the political environment in recent months, a lot of foreign investors have shown an interest in investing in the country.

As we finally see the end of the road, it's time to grow together into a new Nepal that provides opportunities to all, said the ambassador. "Nepal can create lots of jobs and young people do not have to go overseas to send money back."

Apart from foreign investors, new investments

from the current investors are also key, said the envoy hailing the establishment of the Investment Board. He said "The conditions and regulations should be eased to encourage them."

A team of five investors from Britain and the US visited Nepal to take stock of the investment climate here. The visitors also hailed the recent change in the political climate and said there is a lot of potential in Nepal.

Briefing the visitors on the current moves of the Investment Board aimed at attracting investment, chief executive of the board Radhesh Pant said that the board will provide a one-window solution to investors. "It is streamlining the Acts to produce an investment friendly environment," Pant said, adding that the Investment Board is also working on the framework for incentives, and doing a comparative analysis of neighbouring countries to offer investors a competitive package.

The Investment Board has prioritised seven sectors and is packaging 50 projects to offer to foreign investors.

Rs 429 B budget likely for next year

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The government has been preparing for unveiling Rs. 429 billion budget for the next fiscal year 2012/13. According to sources, the Ministry of Finance and the National Planning Commission (NPC) have fixed the upper ceiling of the next budget to Rs. 429 billion.

State Minister for Finance Hari Raj Khewa Limbu said "Building a self-reliant, progressive, just and peaceful new Nepal through elimination of feudalism, and exploitation by adopting socialism-oriented, people-centered and public welfare-inclined economy will be the main focus of the next budget," he said. For

this, three-pronged economic policy as embraced by the Interim Constitution with the participation of public, private and cooperative sectors will materialise, he added.

He, however, said that they have yet to finalise the exact model of the next budget. "We have begun deliberations on the model of the next budget. However, we have not reached any concrete shape of the budget," he said. He informed that the next budget would focus on national pride projects, agriculture hydropower, and infrastructure development, among others.

Krishna Hari Baskota, Secretary at the Ministry of Finance, said that preparations for the next budget have started after setting ceiling for the different ministries with the NPC. The budget will be allocated as per the priorities of the projects, he said.

The government had presented the budget of Rs. 384.90 billion for the current fiscal year 2011/12. Of the total appropriations, Rs. 266.61 billion has been allocated for the recurrent expenditures, Rs. 72.61 billion for the capital expenditure. The share of the recurrent expenditures and capital expenditures was 69.27 per cent and 18.86 per cent, respectively.

Impetus to the establishment of Biotechnology Centre in Nepal

Embassy of India, Kathmandu and in association with Center for Molecular Dynamics Nepal (CMDN) and B. P. Koirala Nepal-India Foundation and Ministry of Science and Technology (MoST)/GoN, organized a high level conference in Natural Products in Kathmandu 18-20 April, 2012 at Hotel Yak and Yeti, Durbar Marg.

Scientists, academicians, industrialists and government representatives of Nepal and India took part in this conference. The theme of the conference was **commercialization of natural products** of Nepal with the aid of biotechnology using resources and expertise present in both the countries.

The conference was inaugurated by Honorable Minister for Science and Technology, Kalpana Dhama and chaired by secretary for Ministry of Forests and Soil Conservation, Nabin Kumar Ghimire. Guest of Honour was H.E. Jayant Prasad, Indian ambassador to Nepal. Speakers were Dr. Sameer M Dixit, coordinator of the organizing committee of the conference, Dibesh Karmacharya, International Director CMDN, Vice Chancellor of NAST Dr. Surendra Kafle, Vice Chancellor of KU Dr. Suresh Raj Sharma, President of FNCCI Mr Suraj Vaidya and CEO of Investment Board Radhesh Pant.

The Minister in her speech highlighted the urgency to improve her ministry by ensuring increased activities in the field of science and technology. She emphasized the need for collaboration with Indian Scientists and industrialists for promoting natural product R&D in the country. The Ambassador highlighted the role of Department of Biotechnology in India in an ambitious development plan for biotechnology in India, and shared the interest of his government in finding ways of including biotechnology in the bilateral development partnership between India and Nepal.

Speakers from India and Nepal discussed various advances in the sector of Natural products in respective countries. Nepali academia and industrialists stressed

on the need to streamline mechanisms to promote commercialization of the vast natural products resource and potential that Nepal currently has. Dr. Mohammad Aslam, Director, Department of Biotechnology discussed the possibility of working together with the proposed National Biotechnology Center to be established by Nepal. Similarly, Dr. D. Salunke, Director- Regional Center for Biotechnology shared the working modality of his organization and explained how it can network with regional biotechnology hubs including that in Nepal to promote natural products and other research in Nepal. Dr. Katiyar, Vice President Dabur India emphasized on possibilities of increased investments in Nepal and collaborations with academic and research institutions in Nepal.



The conference ended with the following strategic plan declaration:

1. Identification of suitable mechanism of collaboration between India and Nepal for mutually beneficial projects.
2. Development of robust and modern screening platform for medicinal plants and their products in identified therapeutic areas.
3. Implementation of joint R&D projects in Natural Products in mutually prioritized areas.
4. Initiate further steps towards establishment of National Biotechnology (incubation) Center in Nepal in collaboration with Department of Biotechnology, Govt of India, by forming joint scientific advisory committee between the two institutions.
5. Initiate capacity building and training in Natural Products research between the two countries.

Gujarat Solar Park: Asia's largest solar power park opens

A 600 MW solar power park, touted as Asia's first and largest, was dedicated on 19th April to the nation by Gujarat Chief Minister Narendra Modi in Charanka village in Patan district of the state, in a boost to India's efforts towards low carbon growth. The Gujarat Solar Park, spread across a desolate swath of desert, accounts for 214 MW of photovoltaic solar capacity, making it larger than China's 200 MW Golmud Solar Park, is now the largest single location park in the world



of India's total 900 MW of solar power production, and leads to a reduction in carbon dioxide emissions to the tune of eight million tonnes and save 900,000 tonnes of natural gas annually and targeted to generate 968.5 MW of solar power by the end of this year. Other projects will be developed at Anand, Banaskantha, Jamnagar, Junagadh, Kutch, Porbandar, Rajkot, Surat and Surendranagar.

The existing total solar power generation in entire India is only 120 MW, while Gujarat will be generating 600 MW solar power. According to the Gujarat government, the solar power park covers approximately 3,000 acres of wasteland bordering the Rann of Kutch, will generate two-thirds

For this innovative concept, the state government allocated and developed land with the entire infrastructure, including power evacuation, roads and water for commissioning of the power project put on fast track.

Daimler opens new plant in Chennai for BharatBenz trucks

Germany's Daimler AG opened its first truck manufacturing plant in India on 18th April to grab a share of the fast-growing market. With this plant, the German company, one of the world's largest manufacturers of medium- and heavy-duty trucks, will be going head-to-head against Indian companies Tata Motors and Ashok Leyland.



Daimler has inaugurated a new state-of-the-art facility at Oragadam near Chennai for the production of BharatBenz heavy-duty trucks, which begins in the third quarter of 2012. The facility is one of the only three Daimler truck plants worldwide that combine truck assembly, integrated research and development centre, and test track at one location. Built at an investment of Rs 4,400 crore, (more than \$900 million) including the manufacturing facility for BharatBenz brand trucks as well as research and development. The 400-acre facility will have an initial production capacity of 36,000 units per year.

"Our new Oragadam-Chennai plant shares Daimler's stringent quality standards with its sister plants around the world and is unique at the same time, which combine Indian engineering

with German and Japanese DNA under a single roof. This way, we are optimally positioning ourselves for one of world's strongest and fastest growing truck markets," said, Dr. Dieter Zetche, Chairman of Board of Management at Daimler AG.

"India is already the third-largest market for trucks in the world and will become number two by the end of the decade," Dieter Zetsche, chairman of Daimler's board of management, said at an inauguration ceremony. "A strong presence in the world implies a strong presence in India," he added.

"Tata Motors and Ashok Leyland control more than 80 percent of the market," noted analyst Deepesh Rathore at IHS Automotive in India.

The plant, at Oragadam near the southern port city of Chennai, will have an initial capacity to manufacture 36,000 vehicles but will eventually nearly double capacity to 70,000. Daimler plans to start manufacturing trucks at the \$915 million (700-million euro) plant later this year and introduce 17 truck models by 2014. In cooperation with local car and commercial vehicle dealers, DICV has built a nationwide retail network that will be expanded to more than 70 dealerships by 2012 end and 100 dealerships by 2014 in India.

The plant is one of only three Daimler truck plants worldwide to combine truck assembly and components production at one location.



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Established in 1997 with a single 18-seater Beech 1900D aircraft, Buddha Air currently operates a fleet of three ATR 72-500s three ATR 42s and four Raytheon Beech 1900Ds. The airline also operates international flights to Lucknow and Banaras in India, as well as charter flights to Paro in Bhutan. "The hangar augments our fleet expansion plans, and provides the necessary maintenance and training backup," Birendra Basnet explained. It has a 43.63 percent share of the domestic aviation market.

The facility has been certified as

Buddha Air opens new hangar, largest one in Nepal

Buddha Air, by opening its state-of-the-art closed-door hangar at the Tribhuvan International Airport (TIA), marked a milestone on 18th April. Besides Nepal Airlines, Buddha Air is the second private company to own a hangar at Tribhuvan International Airport. The almost 37,000 square feet hangar, which was set up at a cost of \$ 2.5 million, is the largest in the country.



The closed door hangar has a capacity to accommodate an Airbus 320 or a Boeing 737 on its 15,500 square feet ground floor, featuring workshop facilities for a range of services like nozzle cleaning lab and wheel/brake workshop with adequate special tools and equipment, also provide commercial maintenance services to other airlines. The company has built the hangar on leased land in TIA from Civil Aviation Authority of Nepal (CAAN) at annual Rs 6.5 million. Its ground handling division, security division, human resource division and general service division are located in the hangar. The company claims the newly opened hangar as the only facility of its kind today in Nepal and amongst a very few in South Asia.

Organization by CAAN. Buddha Air said it was preparing for the International Air Transport Association (IATA) Operation Safety Audit (IOSA) and has started ISO 9001 audit.

Inaugurating the ceremony, Minister for Tourism and Civil Aviation Lokendra Bista Magar congratulated Buddha and said "I would like to assure you that the government is always ready to support initiatives which ensure a safer sky. The government's aviation policy is in favour of facilitating aviation services for the growth of the private sector," he said.

Buddha Air also signed an agreement with the Franco-Italian company ATR, for the purchase of another \$7.9 million ATR 72-500 to its fleet. Loans for the hangar and aircraft are being provided by the International Finance Corporation (IFC). Buddha Air plans to bring the aircraft by mid-September. The ATR 72-500 is the latest development of the ATR 72 series.

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