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Committee set for remuneration talks

The government has a formed a committee comprising representatives from the government, trade unions and employers to fix minimum wage for workers employed in industrial enterprises paving the way for tripartite meeting. Purushottam Poudel, joint secretary at the Ministry of Labor and Employment (MoLE), said the notice regarding formation of the committee will be published in the Gazette soon.

The Minimum Wage Fixation Committee (MWFC) comprises three representatives each from trade unions and representative organizations of employers, and the officials of MoLE.

“We have received names of representatives of employers and trade unions. We will initiate the tripartite dialogue once the notice is published in the Gazette,” said Poudel on Tuesday. The committee has been given tenure of three months.

MoLE has nominated Poudel as the coordinator of the government team that also comprises under secretary of MoLE and director general of Department of Labor. According to Poudel, the committee has been mandated to fix remuneration of all industrial workers except those working in tea estates.

Pashupati Murarka, vice president of FNCCI, said Manish Agrawal, Ashok Todi and Uday Raj Pandey have been nominated to the committee from employers´ side. Agrawal is the vice-chairman of FNCCI´s Employer Council, while Todi and Uday Raj Pandey are executive members of FNCCI. “We have already sent names of our representatives in the committee,” Murarka said.

Similarly, Joint Trade Union Coordination Center (JTUCC) - a common platform of country´s seven major trade unions - has nominated Hari Datta Joshi, Dhirendra Singh and Ganesh Regmi to the committee. Joshi is the vice president of General Federation of Nepalese Trade Unions (GFONT), while Dhirendra Singh is the president of Factory Labor Union of Nepal Trade Union Congress (Independent). Regmi is the general secretary of All Nepal Trade Union Federation (ANTUF).

Bishnu Rimal, president of GFONT, said JTUCC meeting held last week decided to push the government to fix wage through collective bargaining if the minimum wage fixation process lingered on. “We are for holding election of official trade unions at industrial enterprises at the earliest. If the election is delayed, we will have to make alternative arrangement for collective bargaining by designating trade unions having larger workers base for the bargaining,” Rimal added.

As per the existing provision, minimum wage of workers has to be increased every two years keeping in view inflation and other factors. Three major trade unions -- ANTUF, NTUC (Independent) and GFONT - had signed an agreement with employers to increase minimum salary by Rs 1,500 to Rs 6,200 per month daily wage by Rs 31 to Rs 226 on March 24, 2011. The government, however, raised minimum daily wage to Rs 231 later on following pressure from a faction of ANTUF and other trade union affiliated to fringe political parties.

No commission, SWIFT charges on trade payments

Nepal Rastra Bank (NRB) will not slap commission and SWIFT charges on trade-related payments made by banks and financial institutions here to parties in member countries of the Asian Clearing Union (ACU).

The ACU, the umbrella body of central banks of Bangladesh, Bhutan, India, Iran, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka, was established in December 1974 to facilitate payment among member countries and offset debit and credit accumulated by each member against the other in the process of trade and other transactions.

NRB will not slap charges like commission and SWIFT only if trade-related payments are settled via the central banks located in the ACU member countries, an NRB statement says.

"However, charges will be slapped on other forms of transactions like remittances," a high-ranking NRB official said.

RBI to make available IRs 1b more for 2013

At a time when the country is facing acute crunch of Indian currency (IC) notes, the Reserve Bank of India (RBI) has agreed to provide additional IRs 1billion to Nepal for 2013. Until now, the Indian central bank had been making available IRs 4 billion per year. For this fiscal year, the RBI has already made available IRs 3 billion. The Nepal Rastra Bank (NRB) has been demanding that the RBI make available IRs 6 billion per year, a senior NRB official said.

Besides RBI, other major sources of IC notes for Nepal are Nepali migrant workers and Indian tourists, among others. Of late, the domestic market is facing an acute shortage IC notes due to factors such as rising trade deficit with India and informal cross-border trade.

Increased cross-border smuggling, capital flight under various modes, under-invoicing and shortfall payment in cash through hundi, including payment for insurance schemes, and increased demand for IC for travel, medical treatment and pilgrimage, have resulted in IC crunch in the domestic market.

Over half dozen firms interested in oil business

More than half dozen private firms, including a few big business houses, have shown their interest for investment in the petroleum sector after the government issued the Petroleum and Gas Transaction (Regulatory) Orders. Ending the state-owned Nepal Oil Corporation (NOC)'s 40-year monopoly, the new petroleum regulatory orders opened the door for the private sector in the petroleum business.

According to approached the Department of Commerce and Supply Management (DoCSM), eight private companies have enquiring about the licence for importing petroleum products and setting up petroleum refinery. "Although the companies have not formally applied for the license, they have requested to fast-track the license issuance process," DoCSM Director General Narayan Prasad Bidari said.

The government had opened import, storage and distribution of petroleum products to the private sector in May 2008. But the private sector was not assured to invest in the sector due to the lack of proper legal and policy frameworks.

"Although private investment was allowed earlier, the government had not determined the standard, working areas and among other procedures," Bidari said, adding now the orders have determined all legal and policy frameworks to run petroleum business.

The new regulation has determined all criteria for the private sector to be eligible for oil trading and processing. "We will ask private firms' business plans for necessary observation after they drop their formal application at the department," added Bidari.

The department will issue a preliminary permission within 90 days, according to Bidari. Firms getting the preliminary permission should assure adequate physical infrastructure and safety measures to the department within the next two years. An additional one year will be given, if they still do not meet the requirement. "A company will lose the permission and all the fees it has paid, if it fails to meet the requirement until the given deadline," he said.

Private players said they need more clarity from the government. With the government providing subsidy to NOC, they said there has to be a level playing field.

Currently, Nepal imports petroleum products worth Rs 97 billion and fuel demand is growing at the rate of 20 percent annually, especially due increased load-shedding hours and development activities. Officials said the bright prospect of oil business is likely to attract a number of multinational companies as well.

Indian PM Manmohan Singh hints at more liberalisation of FDI regime in coming

Expressing commitment to continue with reforms, Prime Minister of India Manmohan Singh Wednesday indicated government will further liberalise FDI regime in the coming months and push the land reforms measures.

"The liberalisation of FDI in multi-brand retail, civil aviation and other areas, are important signals. We are reviewing the FDI policy comprehensively to see what more can be done in the coming months," he said at the CII annual meet.

The private sector, the Prime Minister said, needs an environment in which enterprise can flourish and create both jobs and stimulate growth to ensure that it remains inclusive.

"The environment today is not what it should be, and that is what the Government must correct," Singh said adding that more reforms are being considered by the government.

Meanwhile, talking to reporters, Commerce and Industry Minister Anand Sharma said that further liberalisation of foreign investment norms could include raising FDI cap in sectors like insurance, banking and defence in a "calibrated and incremental" manner. PTI - NEW DELHI

Indian FM Chidambaram rules out further hike in gold import duty

Ruling out any further increase in import duty on gold, Finance Minister of India P Chidambaram on Tuesday said any further hike in duty would encourage smuggling of the precious metal. "We have raised the tariff in January but if you raise the tariff to a prohibited level it will increase smuggling. We are along coast line," he told a news channel in Tokyo.

In January, the government of India raised import duty on gold from 4 per cent to 6 per cent to curb import of the metal in a bid to contain Current Account Deficit (CAD).

"I have tried and I am still trying (to check demand for gold). I appeal to the people to give up this craving for gold. But you know gold is also a safe investment for poor. It is a hedge against inflation," he said.

Meanwhile, the government of India on Tuesday hiked the tariff value, the base price on which the customs duty is determined, to USD 521 per ten gms from USD 516 per ten gms of gold. At present gold prices are ruling at USD 1,597.90 per ounce in Singapore. Gold was quoted at Rs 30,100 per ten gms in Delhi.

CAD at the end of December quarter of 2012-13 touch a record high of 6.7 per cent on account of high oil and gold import and slowdown in exports.

Depreciating the currency is not the first option, he said when asked whether the country is contemplating depreciating the rupee. Chidambaram said some people have suggested that if you depreciate the Rupee, imports will slow down. This may not work in a country that is dependent on oil imports, he said.

"We import some coal, we import capital goods, we import edible oil, pulses. These are very essential imports and I think that the fact that the rupee depreciates may not slow down imports," he said.

"Infact, it may lead to exact opposite result. Our import bill will go up in rupee terms. So, I am not sure whether depreciating the currency is the answer to the current account deficit," he said. PTI - TOKYO

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RBI revises capital norms for bank guarantees

The Reserve Bank has revised capital norms for financial and performance guarantees offered by banks. The applicable credit conversion factor or CCFfor determining the credit equivalent amount with regard to financial guarantees are revised to 100% of the value of the guarantee. While the CCF applicable to performance guarantee is fixed at 50% of the value of the guarantee.

In a notification issued to banks, the RBI has indicated that financial guarantees will include guarantees for credit facilities; guarantees in lieu of repayment of financial securities; guarantees in lieu of margin requirements of exchanges, credit enhancements.

This norm will also be applicable to guarantees towards revenue dues, taxes, duties, levies etc. in favour of tax/ customs / port / excise authorities and for disputed liabilities for litigation pending at courts and for securitisation transactions, among others.

Performance guarantees include transaction-related contingencies that involve an irrevocable undertaking to pay a third party in the event the counterparty fails to fulfil a contractual non-financial obligation. ET BUREAU– MUMBAI

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Punjab invites bids for 300 MW solar power projects

The Punjab government on Tuesday invited bids for setting up 300 MW solar power projects at various locations in the state.

A pre-bid conference in this regard will held tomorrow, a spokesperson of the Punjab Energy Development Agency (PEDA) said, adding the projects for 300 MW photovoltaic (MWp) power would be set up under build-own-operate (BOO) basis.

The state has a major potential in generating power from solar energy as 330 days of clear sunshine with solar insolation between 4-7 kwh/ sq meter is available, the spokesperson said. PTI - CHANDIGARH

Expiry of warranty no defence if product has inherent defect

Expiry of the warranty period of a product will not absolve its manufacturer or seller from their liability if it has a inherent manufacturing defect, a consumer forum here has said.

"Merely because warranty period has expired, would not absolve the opposite parties, manufacturer or seller of the goods, from the liability if it (product) suffered from an inherent manufacturing defect..," the North District Consumer Disputes Redressal Forum said.

The observation was made by the forum while directing an electronic company to pay Rs 56,000 to a customer who was sold a defective LCD TV which started switching off on its own within a few days of purchase and despite being repaired several times the problem kept recurring.

"In the present case, after a short duration of purchase of the LCD the switching off problem occurred in it. Though it was rectified yet again the same problem crept up. When the same problem crept up again and again, we are of the view that LCD had some manufacturing defect not capable of being removed and the same was not in a marketable condition," the bench said.

The bench also said that in such a situation, the company was duty bound to either replace the product or refund its cost and directed the company to return the LCD TV's cost, Rs 54,000, to Delhi resident Ashima Markandeya and to pay her Rs 2,000 as cost of litigation.

Ashima in her complaint had alleged that the LCD TV she had bought from a authorised dealer of the company started switching off on its own a few days after its purchase and despite being taken to the service centre several times, the problem kept recurring.

Despite the switching off problem persisting in the LCD TV even after several repair attempts, the company did not replace it nor refund its cost, she had said. PTI - NEW DELHI

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