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Inside this issue:

Govt plans only one trade union in industries

There will be only one trade union in industries in the future. The government has decided to hold elections among existing trade unions to build ground for only one trade union in industries in the near future.

The second meeting of Nepal Business Forum (NBF) held today under the chairmanship of prime minister Dr Baburam Bhattarai has taken the move for allowing only one authorised trade union with a view to give momentum to industrial growth in the country. Currently, there are up to five trade unions in industries.

The private sector has been demanding representation of only one trade union in an industry. According to them, labour disputes exist in all industries including multinationals due to different trade unions with differing political ideologies within one organisation. "Having only one trade union will help solve most of the industrial disputes," said chief secretary Leela Mani Paudyal.

Trade Union Act and Labour Act have a provision of only one trade union in an industry or business enterprise. NBF meeting has proposed to hold elections within July 2013, according to the existing laws. The meeting also decided to build a legal framework to open the capital market for foreign investors.

There is a legal provision for Non-Resident Nepalis to invest in the domestic capital market but its progress has been too slow. The legal provision will be developed in coordination with Nepal Rastra Bank and Securities Board of Nepal.

NBF has decided to include garments in the export potential list. Nepal Trade Integration Strategy has included 19 items in the list. Garment will be included in the list that will allow it to get trade facilitation support according to World Trade Organisation policy.

The meeting has decided to draft a directive of Technology Development Fund, that will be operated under private public partnership. Similarly, NBF meeting also decided to form a separate mechanism to monitor cooperatives. Currently, Department of Cooperatives and its offices have been doing the job.

In the meeting, PM Bhattarai said that the country will be guided by economic agenda hereafter. "The government will promote economic nationalism to build a prosperous Nepal," he said. He also informed that the government will bring the regular budget shortly. Homework for a regular budget is going on, he added.

Newly launched e-portal at PMO to help investors

Caretaker minister for Environment, Science and Technology Keshav Man Shakya Wednesday inaugurated an e-portal at Prime Minister's Office. The portal — a one-stop solution for investors who want to invest in Nepal — will help ease doing business here by creating a conducive investment environment.

Government will provide updated information on the requirements to get a licence for operating a business through it. "All information for operation of a business including licensing, recommendation, certification and registration will be available on the portal," said Prime Minister's Office (PMO).

The portal — that will be in Nepali and English to help both domestic and foreign investors — can be used to download business licence form, check the site maps of government agencies that issue licence and monitor the business, it said. It has been developed in coordination with Nepal Business Forum.

PM concerns over ballooning trade deficit

The Prime Minister Baburam Bhattarai has expressed concern over the ballooning trade deficit and instructed concerned officials to come up with plans to increase the export volume. Bhattarai, who is also looking after the portfolio of the Ministry of Commerce and Supplies (MoCS), stressed on controlling imports of goods which have significantly contributed to country´s trade deficit.

"It is a huge challenge before us to rein in growing trade deficit. Hence, we must increase supplies capacity by boosting our domestic production. I urge you all concerned officials to devise plans and programs that would be catalyst for bringing down the ballooning trade deficit," said Bhattarai,while chairing a meeting on Sunday to review programs implemented under the MoCS during the fiscal year 2011/12.

Bhattarai also underlined the need to run the Public Enterprises (PEs) by introducing effective management system that would increase their business performance and lessen financial burden on the government.

"While reviewing performance of the PEs, we have no reason to either become hopeless or over optimistic, we have sufficient room to improve their business in those state-run enterprises. The government´s fresh report shows that out of the 37 PEs operating so far, 21 have registered profit and 14 suffered loss during the fiscal year 2010/11. However, one PE has not yet submitted its audited financial statement to the government.

National Planning Commission Vice Chairman Deependra Bahadur Kshetry also said the country had no alternative but to increasing domestic production to bring down the soaring trade deficit on the back of country´s weak supply capacity due to persisting industrial slowdown.

Govt plans to honour large taxpayers

The government is planning to introduce a provision to provide special treatment to large taxpayers, according to the Finance Ministry.

"The government is planning to provide extra facilities to large taxpayers to encourage the trend of self compliance," said joint secretary at the ministry Shanta Raj Subedi in a programme organised by Inland Revenue Department (IRD), adding that the government will establish a separate arrival and departure lounge for the top 10 large taxpayers.

The government is committed to providing respect and honour to taxpayers, he said. "But, taxpayers should cooperate with the government to mobilise revenue effectively."

There are several malpractices in the tax regime, he claimed. "Some firms and business houses which were registered under Value Added Tax (VAT) net about 10 to 12 years back have yet to clear their VAT credit," he said.

A total of 813,710 taxpayers are registered at tax administration, said deputy director general at IRD Madhu Marasini. Of the total, 113,622 taxpayers are under VAT net, 274,696 under Permanent Account Number net, and 539,014 taxpayers under income tax net, according to IRD.

IRD's annual business plan soon

Meanwhile, Inland Revenue Department (IRD) will soon bring its annual operational business plan that aims at reforming the tax regime, according to it. The annual business plan will try to address various issues in the five-year strategic plan and three-year reform plan being prepared by the department, said deputy director general of the department Madhu Marasini.

FDI pledges down 30pc

Government efforts to attract foreign direct investment (FDI) do not seem to have worked very well, with FDI commitments coming down by 30 percent to Rs 7.14 billion in 2011-12 compared to previous year's Rs 10.05 billion.

A severe decline in commitments from India and China, which had pledged the biggest investment in the previous year, dragged down the overall FDI commitment figure in 2011-12. Investment assurances from India and China fell by 67 percent and 20 percent, respectively, according to the Department of Industries.

India has historically been the biggest FDI contributor to Nepal. But, last year, Indian investors pledged investment worth Rs 2.29 billion—a decline by Rs 4.70 billion compared to the amount committed in 2010-11. And, Chinese investment commitments over the period dropped by Rs 200 million to Rs 985.4 million.

Such a decline in investment assurances from the two biggest contributors amid preparations for the Nepal Investment Year 2012-13 is an alarming issue. "The downfall in investment commitments from India and China is a serious matter as these countries have been the first- and second-largest FDI contributors," said Dhruba Raj Rajbanshi, director general at the industry department. The business community blamed the government's failure to ensure better investment climate for the decreased pledges.

Meanwhile, investment pledges from the US and South Korea grew last year. American investors committed Rs 182.1 million (up 100 percent), while Koreans assured Rs 101.1 million (up Rs 30 million). FNCCI officials said promotion campaigns conducted abroad by FNCCI and the government played helped increase FDI commitments from developed countries.

Exporters avail refinance facility

Nepali exporters have finally been able to get refinancing facility from commercial banks. Among various handicraft products, Nepali handmade paper has become successful in receiving the refinancing facility provided by Nepal Rastra Bank (NRB).

"Nepali Paper Product Company has successfully received the refinance facility," said vice president of Federation of Handicraft Associations of Nepal Kiran Dangol. "We are happy with the revision of the refinance facility," said president of Nepal Pashmina Industries Association Pushpa Man Shrestha.

However, Shrestha stressed on the need to revise the payback time and allow multiple refinance facilities for different contracts made by exporters. "The payback period of the loan under refinance facility is short, and at the same time there is no facility to allow loans for multiple contracts simultaneously," said Shrestha.

According to NRB, one exporter cannot receive another refinance facility until it clears its previous loan.

The loan payback period for an individual exporter and export-oriented industries will be different. Refinance loan for an individual exporter will be available with a payback period of six months, whereas an export-based industry will get the facility with a payback period of six months with an added adjustment of a few more months, if required, which depends on the previous loan settlement, states NRB.

NRB has simplified most of the refinance procedures and is still working to develop a new working procedure. It will also organise a meeting with representatives from Nepal Bankers' Association, Ministry of Commerce and Supplies, and various exporter associations to interact about refinance facility.

According to the central bank, exporters can easily receive the facility as soon as the commercial bank forwards the request to NRB. The monetary policy has simplified the refinance facility and has taken care of most of the issues. It has allowed exporters to receive refinancing facility based on contract paper and working capital.

"We are now able to receive loans on pre-shipment and post shipment of the order," said Shrestha. Though the central bank brought the refinancing facility about four years back, the facility remained unutilised due to ineffective policy and lack of enthusiasm among the commercial banks to allow the facility at the interest rate fixed by the central bank.

NRB brings in IT Guidelines for banks

Nepal Rastra Bank, the central bank, has come up with Information Technology (IT) Guidelines, which among others, make it mandatory for all commercial banks operating in the country to formulate IT security policy, legalize parking of data in foreign land by resorting to cloud computing and compel banks to have disaster recovery plan in place so that customers do not have to suffer in case of unforeseen events like earthquake.

"The banks should compulsorily comply with the guidelines within two years from the date of issue," say the guidelines made public on Thursday. "But an action plan for the implementation of the guidelines should be developed and provided to the Bank Supervision Department of Nepal Rastra Bank within six months of issuance."

The guidelines come at a time when banks´ growing dependence on technology has, on the one hand, opened new avenues to cut costs and made services customer-friendly, while on the other, raised incidents of cyber crime, raising concerns for users of e-banking services and plastic money.

The guidelines call on all category ´A´ financial institutions to formulate IT-related strategy and policy containing detailed operational procedure and to manage all IT operations. Banks should also formulate information security policy to address threats likely to hit electronic delivery channels and payment system, and ensure security of data stored or transmitted electronically.

"These policies should be approved by the board of directors and reviewed periodically," the guidelines say. "To enforce these policies, banks should also designate an information security officer."

The guidelines acknowledge that emerging technologies like virtualization, data center hosting, disaster recovery site hosting, and applications as a service and cloud computing have no clear legal jurisdiction for data and cross border regulations. "Banks, therefore, should clarify the jurisdiction of their data and applicable regulations at the beginning of an outsourcing or offshoring arrangement," say the guidelines. And banks that are storing or processing data abroad should have suitable controls, like data segregation, in place.

The guidelines also say banks should have business continuity plan in place to minimize financial, operational, legal, reputational and other risks in case of disasters like earthquake.

Contd on page 4

NRB brings in IT Guidelines…………

Such plan should also include policies, standards and procedures to ensure continuity, resumption and recovery of business processes and minimize the impact of disasters on financial institutions.

"Besides, business continuity plan should specify amount of data, measured in time, that can be lost from disaster and amount of time it takes to recover from a disaster event," say the guidelines.

Among other things, the guidelines also call on banks to replace current magnetic stripe cards with chip-based cards, instantly alert clients about online payment and use more than one factor for authenticating critical activities like fund transfers through internet banking service.

The guidelines also call on banks to replace existing signature-based system in card-based transactions with PIN based authorization system. "Non-PIN based swipe machines should be withdrawn within certain period," the guidelines says.

Besides, CCTV at each ATM location should be installed with adequate lighting inside ATM kiosks so as to capture clear picture of the person conducting transaction. However, the CCTV should not capture PIN being entered by the customer, say the guidelines.

Drug Act being amended to control anomalies

The Department of Drug Administration (DDA) plans to amend the Drug Act 1978 to make it capable of addressing emerging challenges in the medicine market. DDA officials said the proposed act would include provisions related to medicines used in radiography and effective monitoring of medicine businesses to ensure quality and control improper use of cosmetics as medicines.

"The act will also take appropriate action against pharmaceutical companies that fail to adopt the standard of the World Health Organisation-General Manufacturing Practice (WHO/GMP)," said Radha Raman Prasad, chief drug administrator of the DDA.

Among the 45 pharmaceutical companies operating in the country, 16 have not obtained WHO/GMP certification. The DDA has given them until mid-April to do so. Prasad said that the proposed act would also include a provision to regulate medicines used for nutrition purposes. "The current act is silent on these issues particularly medicines used for nutrition, cosmetic purposes and radiography," said Prasad.

Among the 45 pharmaceutical companies operating in the country, 16 have not obtained WHO/GMP certification. The DDA has given them until mid-April to do so.

According to the DDA, it is preparing a draft of the act with technical support from GIZ, the German Agency for International Cooperation, which is at the final stage of completion. "After the draft is ready, we will submit it to the Ministry of Health," said Prasad.

The current act mainly deals with manufacturing, distribution, storage and sale of allopathic drugs and prohibits their misuse. The DDA said it decided to update the act due to growing anomalies in the medicine market which could not be controlled by the existing laws. "With a strong provision of monitoring and regulation, we can control malpractices in the medicine market," said Prasad.

Young entrepreneurs summit concluded

A two-day summit of Nepali young entrepreneurs aimed at creating a platform for aspiring young entrepreneurs to explore business opportunities within the country, in different sessions to enhance skills and give inspirational inputs to the young participants, organized with the theme, ´Entrepreneurship: Engine of the Nation?" concluded on Friday in the capital with a bid to explore new business opportunities amid adverse business climate in the country.

Around 350 promising entrepreneurs across the country gathered to share their ideas, knowledge and experiences to exploit the untapped business potential. Nepalese Young Entrepreneurs´ Forum (NYEF) - a forum for young entrepreneurs under the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) - organized the Young Entrepreneurs Summit (YES) 2012 in coordination with Entrepreneurs for Nepal (E4N), Samriddhi-The Prosperity Foundation, Association of Youth Organization Nepal (AYON) and Young Entrepreneur Forum of Confederation of Nepali Industries (CNI).

Speaking on the occasion, Suraj Vaidhya, president of FNCCI, highlighted the importance of young entrepreneurs in leading the country to economic prosperity. Entrepreneurs such as Pradeep Kumar Shrestha, Bijay Rajbhandari, Ananda Bagaria and Bhawani Rana also shared their experiences among young entrepreneurs.

Young entrepreneurs extensively discussed opportunities for investment in different sectors such as agriculture, tourism and information & technology in which Nepal enjoys a competitive edge.

Land transactions 'growing' across country

The realty sector is bouncing back slowly, with the collection of revenue from land and house registration across the country registering a growth in the fiscal year 2011-12. Although revenue collection from land and house registration across the country fell short of the target, the collection increased by 19.43 percent in the fiscal year 2011-12 compared to the previous fiscal year 2010-11.

According to the Department of Land Reforms and Management (DoLRM), the revenue collection from registration stood at Rs 4.14 billion, up from previous year's Rs 3.47 billion. Last fiscal year's revenue collection stands at 91.97 percent of the target. The government had targeted to collect Rs 4.5 billion from land and house registration. Given precarious state of the realty sector, the government had scaled down its revenue collection target for the fiscal year 2011-12. The collection had almost halved in FY 2010-11 when targeted revenue amount was Rs 6.36.3 billion.

	2010-11 (Rs in Bil)	2011-12 (Rs in Bil)
Govt Target	6.3	4.5
Realisation	3.47	4.14

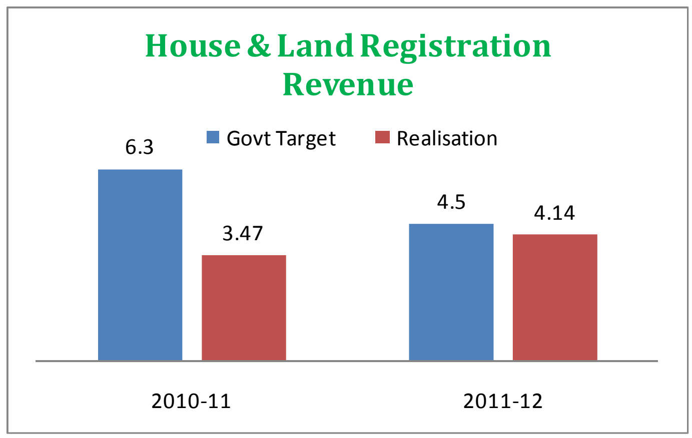
"The real estate sector has remained in slump since the past three years. But it is rebounding slowly now," said Ichchha Bahadur Wagle, vice-president of the Nepal Land and Housing Dealers Association.

According to Wagle, various factors, including sharp decline in price, have played a crucial role in increasing the land transaction. "Prices of land across the country have gone down by around 25 - 30 percent," said Wagle. "It means downfall of price by 50-60 percent for developers as they have to serve interest of bank loans."

Realty traders say that a sharp rise in remittance, fuelled by strengthening of dollar against Nepali rupee, too contributed to increase land and house transactions last fiscal year. They say that people engaged in foreign employment have started purchasing land after holding their plans for a long time.

People, traders claims, are now willing to buy land worth Rs 500,000-Rs 700,000 per aana in places close to the Ring Road in the Valley. Likewise, land prices inside the Ring Road, which had escalated up to Rs 2.5 million per aana once, have considerably eased down to Rs 1.5-Rs 1.8 million. According to realty traders, land transactions in places like Chitwan, Hetauda, Bharatpur, Butwal and Bhairawa among others are on the rise. "The land transaction is slowly picking up even in Kathmandu and Pokhara nowadays," said Wagle.

Bhesh Raj Lohani, secretary of NLHDA, has also observed the similar market trend. "Land transaction is slowly reviving but transactions of apartments and housings are still low," he said. "We are hopeful that the market will rebound after Dashain and Tihar."



Lohani said that increase in deposits in banks and financial institutions encouraged them to cut down the interest rate helping land transactions. He said that people with deposits in banks and financial institutions have started spending their money to purchase land. Those, who were in wait and watch mode, too are buying properties now.

Udhyami Seed Fund plans to help young entrepreneurs

Biruwa Ventures, *Saadhya* and *Samriddhi* Foundation are jointly launching *Udhyami* Seed Fund to encourage youth generation to involve them in enterprenuership.

The fund is aimed at enhancing entrepreneurship, claimed founding partner of the *Biruwa* Ventures Vidhan Rana. "It will help individuals to initiate innovative business," he said, adding that the overall objective is to provide an entrepreneurial atmosphere for the young generation.

"*Biruwa* connects entrepreneurs with avenues for funding and provides other essential services to help their business prosper and grow," said another funding partner of *Biruwa* Abhinab Basnyat. "Biruwa will provide up to Rs 500,000 each to three young entrepreneurs."

The fund will be generated from businessmen and from Non Resident Nepalis (NRNs) around the globe, they said.

Organisations working to create *Udhyami* Seed Fund believe on crowd-funding, a collective effort of individuals who network and pool their resources for a cause, Rana added. "The aspirants will get loan without collateral to start innovative entrepreneurship."

Nepal-S Korea to sign pact on infrastructure development

Nepal and South Korea have principally agreed to sign a pact on mutual cooperation for infrastructure development, specifically the development of railway in the country.

Six-member Nepali delegation led by the Minister for Physical Planning, Works and Transport Management (MoPPTM) Hridayesh Tripathi had held discussion with Kwon Do-Youp , Korean Minister for Land, Transport and Marine Affairs on enhancing mutual cooperation in the field of infrastructure development in Nepal, says a press statement issued by Nepali Embassy in Seoul on Tuesday.

During the meeting Nepali delegation sought Korean support for the development of transport infrastructure and sharing of technology in railway, metro and tunnel construction. The main objective of the four-day visit is to attract Korean aid and investment for the railway network and metro network in the Kathmandu valley, according to the ministry. The team includes Secretary Tulasi Prasad Situala, Joint Secretary Hari Om Srivastav and Railway Department Director General Ram Kumar Lamsal.

"The visit is focused on exploring opportunities for the metro and railway development with South Korean support," said Minister Tripathi, adding that they would also hold discussions on other infrastructure development and bilateral issues.

Minister Tripathi is visiting Korea at the invitation of Korean Minister for Land, Transport and Maritime Affairs Kwon Do-youp.

With the Nepal government prioritising railway, Korean firms have been expressing interest in investing in the development of railway infrastructure, besides conducting studies here.

The Itinerary of the delegation also include visit at the Korea Rail Network Authority's headquarters and meet its chairman. It will also meet officials of the Exim Bank of Korea to discuss the possibility of getting soft loans for the construction of the 136-km Bardibas-Simara-Birgunj section of the proposed Mechi-Mahakali Electric Railway or East West Railway. The railway network construction is estimated to cost Rs 200-400 million per km, depending on geography, according to Lamsal.

Korean firm Chungsuk Engineering is preparing the detailed project report (DPR) of the Bardibas-Simara-Birgunj section which is expected to be ready by the next two months.

If the Korean government shows interest, the government can award the contract of building railway sections to Korean firms, ministry officials said. "The whole thing depends on how the Korean government helps Nepal in railway affairs, and on the conditions of the soft loan agreement, if signed," said a ministry official. A feasibility study carried out by RITES India two years ago had estimated the entire project cost at Rs 800 billion.

Meanwhile, the ministry on Friday formally requested the Asian Development Bank (ADB) to carry out the DPR of the proposed metro railway network in the valley and an in-depth feasibility study of the North-South railway link.

Local Stakeholders Solidarity for Pokhara Regional Int'l Airport

Private sector has reiterated its demand on the government to finalize a deal with EXIM Bank of China by August 20 for the construction of regional international airport in Pokhara.

The call came just days after people, organizations and groups in favour of the project handed over a memmorandum to the prime minister and unveiled series of protests to press the government to start the construction as soon as possible.

"We appeal the government to speed up the process to make a final decision within the due time," said Ananda Raj Mulmi, former president of FNCCI and member of the pressure group. He claimed the EXIM Bank of China had given an ultimatum to come up with a decision by Augist 20 if it wants soft loan.

CAMC, a Chinese company was the lowest bidder among the applicants, and pledged to build the airport at the cost of US $305 million. The government has finalized the bidding process for the construction of the airport. "The EXIM Bank has agreed to provide soft loan for construction of the airport," Mulmi said at an interaction organized by FNCCI on Friday.

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Local Stakeholders Solidarity for Pokhara ……….

Different umbrella organizations of the private sector including Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Nepal Association of Tour and Travels Agents (NATTA), Restaurant and Bar Association Nepal (REBAN), Trekking Agencies Association of Nepal (TAAN) and Hotel Association Nepal (HAN) have jointly urged the government to make a decision about the airport.

"We request the government to finalize everything and make a decision as soon as possible so that the project won´t go in vain," Bhaskar Raj Rajkarnikar, senior vice-president of FNCCI, said.

Private sector representatives have said the development of international airport is not only for Pokhara but it would make a larger impact in the national economy.

"The government should give attention to the project as soon as possible since it will have great impact on the national economy," Bindu Thapa, first vice-president of Pokhara Chamber of Commerce and Industry said.

Upper Trishuli Hydrproject-1: Govt restores licence of NWEDC

The government has restored the survey licence of Nepal Water and Energy Development Company (NWEDC) for the 216MW Upper Trishuli Hydrproject-1. The government had scrapped its licence a month ago for not completing the assigned tasks on time, particularly for its failure to sign connection and Power Purchase Agreements (PPA) with the Nepal Electricity Authority and conclude the Environmental Impact Assessment (EIA).

maximum validity period of five years. During the period, the licence holder should complete PPA, connection agreement and EIA. And if it fails to do so, the licence is automatically scrapped. The issue turned complicated after IDS Energy and China Hydro submitted applications at the Department of Electricity Development, seeking licences for the same project two days after NWEDC's license was scrapped on June 29.

A meeting of the Cabinet's Economic Infrastructure Committee (CEIC) on Sunday decided to restore the license for the next two years. The committee concluded that it was not fair to scrap the license as the company completed most of the assigned tasks, according to Finance Minister Barsha Man Pun and the committee's coordinator. "Considering the negative message the scrapping of the license could give to international investors, we decided to let the same company to continue the project development," said Pun.

The survey license is given for a

The company had acquired the survey license on January 8, 2007. The cost of the project scheduled to complete by 2018 is estimated at Rs 45.50 billion.

The company said the Korea South East Electric Company will have 50 percent stake, Daelim Industrial Company 15 percent and Kyeryong Construction 10 percent in the project. Similarly, Nepali Investors will have 10 percent and IFC 15 percent stake in the project. It will be constructed under the Build-Own-Operate-Transfer model.

Project will have no negative impact on environment: EIA

The Environment Impact Assessment (EIA) of the 102-MW Middle Bhotekoshi Hydropower Project has concluded that the project would make no negative impact on the environment and local people. The report has recommended that the Middle Bhotekoshi Company Limited (MBCL) provide cash compensation to locals for acquiring their land, property and crops.

MBCL plans simultaneous development of the project and local tourism — for the first time in the country. The company has already announced developing a modern rafting along with a recreation site aiming foreign tourists. During a public hearing on Wednesday, local residents and rafting entrepreneurs, however, urged that the company focus on hydropower development, but tourism.

Representatives from Bhotekoshi Preservation Struggle Committee (BPSC) stressed that the project should be developed without harming the Bhotekoshi River. "Bhotekoshi is one of the world's attractive rivers for rafting," said a representative of the committee. "We rather request to develop the project with some 80MW capacity, and preserve this river."

The project is based in Sindupalchowk district and is projected to complete in 2016. The project's feasibility study estimates the construction cost at Rs 14.5 billion. Chilime Hydropower Company will hold 35 percent stake in the project, while the Nepal Electricity Authority (NEA) will have 10 percent.

Continued on page 8

Project will have no negative impact …………

Sindhupalchowk DDC will hold 3 percent share and Nepal Araniko Hydropower Company, Sindhu Investment Pvt Ltd and Sindhupalchowk Hydropower Company will have 1 percent each. Depositors of the Employees Provident Fund (EPF) will have 19.5 percent, locals 10 percent and the general public will have 15 percent share in the project.

On the occasion, keeping in view the economic condition of the local people, rather than floating 10% shares to local people, they suggested the project to concentrate on investing in education and health sectors at the local level

Hydro-training from Nov 5 at Pokhara

With the view to providing hydropower entrepreneurs with insight into the complete process of concession agreement for hydropower projects looking at both private and public requirements and solutions, an international-level hydropower training, "Concession Agreements: From Bidding through Negotiations to Conclusion" is going to be organized form November 5-9 in Pokhara.

The training will focus on the strategies and processes involved in making concession agreements, and highlight the necessary interconnections between the various factors that need to be considered.
International Center for Hydropower (ICH), Norway, and Independent Power Producers' Association, Nepal (IPPAN) are jointly organizing the training programme.

An international-level hydropower training, "Concession Agreements: From Bidding through Negotiations to Conclusion" is going to be organized form November 5-9 in Pokhara.

According to the IPPAN officials, the planning process of a project, with emphasis on the economic and financial consideration and assessments, will also be elaborated. Pradeep Gangol, Executive Director of IPPAN, said that the training would include topics such as relevant agreements for project-financed hydropower projects, timelines for hydropower projects, examples of challenges experienced in projects in Nepal and concession agreements-legal and practical challenges.

Similarly, the training will share information assessments, investment decision, negotiation strategy, export challenges, survey licenses and feasibility studies, challenges from the investors' point of view, experiences from Laos regarding foreign investments and export to Thailand.

The topics such as investors challenges, international finance institutions, negotiating concession agreements, strategy and potential risks, experiences from performance of negotiations related to investments in the electricity supply industry – in particular with reference to negotiation of concession agreements among other with be discussed during the training.

The course is aimed at personnel and executives with responsibilities in the planning and decision-making processes of hydropower projects. Personnel from IPPAN member companies, including those from the Asian region will attend the training.

Now Buddha Air offers aircraft maintenance facility

Buddha Air - the largest domestic airlines in the country - is marketing its aircraft maintenance facility, targeting South Asia and South East Asia region. The airline boasts of an international standard hangar in the premises of Tribhuvan International Airport (TIA) built at the cost of $2.5 million.

The airline decided to market its maintenance facility among airlines in the region after its hangar received Nepal Civil Airworthiness Requirement (NCAR-145) from Civil Aviation Authority of Nepal (CAAN) which gives it the recognition for aircraft maintenance as per international standard.

Rajendra Chhetri, quality assurance manager of Buddha Air, said the CAAN certification means Buddha now has international standard aircraft maintenance facility. "Druk Air of Bhutan has already taken our service. We are in negotiation with some Indian airlines," he said. Chhetri said Buddha Air was getting enquiries from international airlines even before it received CAAN certification.

"The hangar has saved our millions of rupees that would otherwise have gone out of the country. Now, we are hopeful of earning foreign currency by providing maintenance facility to other airlines," added Chhetri.

Buddha Air has trained hands and equipment for complete maintenance of Beechcraft and ATR aircraft. "We are coming up with attractive package. Our low cost and high efficiency will definitely help us attract many airlines," he said.

Contd on page 9

Now Buddha Air offers ……………

Issuing a press statement on Tuesday, Buddha Air has also announced that it is applying for EASA 145 (European Aviation Safety Agency) approval for its hangar. “The EASA 145 certification will help us face growing competition in international aviation market,” the statement said.

The hangar which was inaugurated in mid-April has the capacity to accommodate up to an Airbus 320 or a Boeing 737. It is spread over 37,000 square feet and has aircraft spares inventory worth $9.3 million, according to the airline. The hangar is built on leased land for which Buddha Air is paying Rs 6.5 million to CAAN every year.

The airline has already shifted offices of ground handling division, security division, human resource division and general service division on the first and second floor of the hangar.

Nepal to sign BIPPA with China

Prime Minister Babu Ram Bhattarai on Friday said his government will soon sign Bilateral Investment Promotion and Protection Agreement (BIPPA) with China.

BIPPA is a legal tool that ensures protection of foreign investments against discriminatory measures like policy inconsistencies by the host state. This tool also gives foreign investors legal teeth to demand fair and equitable treatment, and security.

Currently, Nepal has signed BIPPA with India, Mauritius, Finland, France, Germany and the United Kingdom.

Currently, Nepal has signed BIPPA with India, Mauritius, Finland, France, Germany and the United Kingdom.

He said: “Today´s nationalism is not about protecting the territory, it´s about giving a lift to the economy. If the country is not developed we cannot protect our sovereignty as well.”

Making an emotional speech in front of few ministers and top bureacrats, he also said the society and conservative mentality of the Nepalis were the biggest hurdles in the way of promoting entrepreneurship in the country.

Germany largest buyer of Nepali pashmina

Germany is the largest importer of Nepali pashmina, according to official figures. Germany imported pashmina products worth Rs 324.73 million in the first 10 months of fiscal 2011-12, Trade and Export Promotion Centre statistics revealed. “Germany has emerged as the ‘destination next’ for Nepali pashmina products,” said president of Nepal Pashmina Industries Association Pushpa Man Shrestha.

Top Importers	
Germany	Rs 324.73 million
US	Rs 224.91 million
UK	Rs 201.28 million
France	Rs 168.82 million

“The demand for pashmina knitwear and traditional pashmina shawls from Germany has been growing,” said Shrestha. Previously, US used to be the top buyer of Nepali pashmina products. However, this time Germany has topped the list. Along with Germany, other large importer of Nepali pashmina products during the 10 months were the US, UK and France that imported pashmina worth Rs 224.91 million, Rs 201.28 million and Rs 168.82 million respectively.

“Though Germany has become our largest buyer, the US, UK and France also have a large market for Nepali pashmina products,” said Shrestha, adding that the pashmina industry is being more competent and its market is growing steadily. The Nepali pashmina industry expects an increment of 30 per cent in overall exports of Nepali pashmina by 2014.

“With the registration of the ‘Chyangra Pashmina’ brand, we are receiving good international response to our products,” he said, adding that with the support of International Trade Center (ITC), they will surely increase the export of pashmina products by around 30 per cent by 2014.

ITC has agreed to provide a fund of Rs 1.2 million for product development, trademark registration, to participate in business-to-business meetings, and for training from international designers. “Along with the support from ITC, now the central bank has also allowed refinance facility, which will be quite beneficial for the development of export based industries,” he said.

Nepal coffee being popular in Japan

Businessmen and people of Japan have proposed for import of coffee produced in Nepal. Nepali Embassy based in Tokyo has started necessary initiatives through Ministry of Foreign Affairs with the increasing demand of Nepali coffee by Japanese.

The Ministry has started necessary preliminary works keep in touch with the Ministries of Agriculture, Commerce and Supplies and National Tea and Coffee Development Board.

Joint-Secretary at the Ministry of Commerce and Supplies, Nindra Prasad Upadhyay said that one-phase of discussion was held with coffee industrialists and entrepreneurs on exporting coffee in Japan and they have given positive response.

He said that decisions have not been made on different issues including quality of coffee, quantity, description of coffee exporting companies, among others, and mentioned that it will take few days to send Nepali coffee to Japan.

Technical Officer at the Board, Binod Aryal, said that a total of 26,500 families have been involved in coffee cultivation in the country and a total of 502 tonnes of coffee is produced annually.

According to the Export Promotion Center, coffee worth around Rs. 42.39 million was exported in the fiscal year 2068/69 BS. Coffee produced in Nepal is being exported to America, Australia, Austria, Canada, China, Korea, Ukraine, among other countries. Coffee worth around Rs. 15.42 million was exported in the previous fiscal year.

Measures recommended to systematize jobs in Malaysia

A high level Nepali delegation that returned after a week-long recent visit to Malaysia has recommended a several measures to systematize employment in Malaysia, including measures to bring down the soaring cost for job seekers to get employment in that country.

The team comprising Binod KC, joint secretary at the Ministry of Labor and Employment (MoLE), Purna Chandra Bhattarai, Director General of Department of Foreign Employment (DoFE) and representative from recruiting agencies, among others had visited different places in Malaysia between July 19-25 to observe of the condition of Nepali migrant workers.

During the visit the delegation had consultations with officials of Malaysia´s Human Resource Department, Nepali embassy and local Nepalis. A 24-page report which the team submitted to MoLE on Tuesday, states that a number of workers were facing lack of uniformity in remuneration and working hours even for the same job. “We found many cases in which remuneration being offered by employers was highly unequal and not compatible with the salary fixed by our government,” said one of the members of the delegation.

Nepal government has made it mandatory for recruiting agencies to ensure minimum salary of 540 Ringgit per month for unskilled workers. However, Malaysian government has not fixed the minimum salary for foreign workers. The report has also raised concern over the rising cost to get Malaysian jobs due to exorbitant commission levied by manpower agencies and suggested the government take measures to reduce the cost by eliminating different layers of brokers between employers and jobseekers.

Though the government has fixed a maximum of Rs 80,000 to be levied from a worker for Malaysian job, recruiting agencies are collecting up to Rs 300,000 due to excessive commission by Nepali manpower agencies to the Malaysian agencies and their brokers.The delegation has also recommended that the government fix the commission amount to be collected by Nepali and from job aspirants so as to bring down the cost.

“Malaysia-based Nepali embassy should also swiftly act on the complaints received from afflicted workers who are forced to pay exorbitant fee to get Malaysian job,” read the report.

The team has also suggested the government immediately speed up the process to sign labor pact with Malaysia, which is home to more than 673,000 Nepali migrants. Given the high dominance of unskilled workers, the report also stressed on the need to explore employment opportunities for skilled or semi-skilled workers, especially in service sectors such as hospitality management.

The report also suggested that Malaysian agency directly contract with Nepali agencies so that chances of cheating Nepali job seekers and recruitment commission would be minimized with the elimination of unnecessary middlemen during recruitment process.

The delegation has also recommended that government formalize the recruitment of Nepali workers as domestic helps in Malaysia by formulating guidelines that specifies minimum salary, work standard and safety measures in workplaces. Nepal has already formulated guidelines for the recruitment of domestic helps in Saudi Arabia, Qatar, Kuwait and the UAE.

“We have suggested a provision in upcoming labor pact to introduce recruitment of Nepali domestic helps in Malaysia ensuring their rights,” said the report.

EPS starts to register reentering workers

Employment Permit System (EPS) — under Department of Foreign Employment— has started registration of returnee EPS workers, who wish to join the job again. The EPS workers, who completed their three-year job term in South Korea and returned with the employment permit from job centre of Human Resource Department can apply for reentry, the department said.

According to the rule, EPS returnees should have to register themselves in EPS Nepal office within seven days of return from South Korea. “They have to apply with copies of citizenship, job contract, medical report and passport,” said director at the EPS Nepal office Mahesh Acharya. “They have to wait for a job call from South Korean employer.”

South Korea — the most lucrative destination of Nepali workers — has introduced reentry system in July along with other changes in the EPS process. The destination has increased job tenure from three years to four year and 10 months and mandatory submission of police report. “The provisions were applied to all EPS workers from the 15 source countries,” he said.

About 13,000 Nepalis have been working in South Korea and nearly 10,000 of them have been recruited through EPS process. EPS workers have been earning around $1,000 (Rs 88,000) in a month. Low cost of job process has attracted thousands of youths to join the South Korean job.

Last year, about 51,000 youths, aged between 18 and 39 years, had applied for the job but only 15,298 passed the language test — Test of Proficiency in Korean — that is Iron Gate to join lucrative job that pays around Rs 5 million rupees in four years and 10 months job tenure.

Next batch to leave on Monday

Next batch of 88 EPS job aspirants will leave for South Korea on August 27. According to EPS Nepal office, the job aspirants will join around 38 medium scale manufacturing industries. Companies that employ between 50 to 200 employees are identified as medium scale industries in South Korea that has been hiring Nepalis in manufacturing, agriculture and fisheries since 2008.

Govt to harmonize internal trade with supply system

The government is preparing final draft of Internal Trade Policy (ITP) that envisages boosting local trade activities by harmonizing with the existing Supply Policy. The proposed policy is largely aimed at better serving the interests of consumers through development of well-managed local markets along with unhindered supply system.

Narayan Prasad Bidari, director general of the Department of Commerce and Supplies Management, said the department has prepared the draft in line with the Supply Policy 2012. “We have incorporated the norms of supply policy in the draft. We will forward it to the Ministry of Law and Justice through the Ministry of Commerce and Supplies within a couple of weeks,” said Bidari on Sunday.

The draft was worked out by South Asia Watch on Trade, Economics and Environment (SAWTEE) - a Kathmandu-based research organization - on behalf of the department.

The draft envisages improving supplies and facilitating development of wholesale and retail markets of essential goods by strengthening transport connectivity among others. “We have prepared the draft in such a way that it helps effective implementation of existing supply policy,” said Bidari.

The government has already formulated Trade Policy 2009 that aims at boosting the country´s international trade. Officials said Internal Trade Policy is crucial at a time when the international markets are becoming increasingly volatile hurting the prospects of Nepal´s foreign trade. “It is high time we strengthened and managed our internal trade system so as to minimize the impact of changing international market phenomenon,” he added. Trade experts involved in the preparation of the draft opined that internal trade policy was necessary to boost domestic trading activities as the country´s trade deficit is mounting due to slowing exports.

Lifestyle expo in October

Three event management companies are jointly organizing Lifestyle Expo 2012 from October 12 to 16 at Bhrikutimandap Exhibition Hall, Kathmandu to showcase wide variety of consumer goods during the upcoming festivals.

House of Rajkarnikar, Direction Nepal and Global Expositions and Management Services are coordinating the five-day event. Trilokeshwore Malla, managing director of Direction Nepal, said the event could be a versatile platform for both consumers and entrepreneurs. “We have targeted the big festivals, Dashain and Tihar, to lure more customers at the event,” said Mall at a press conference on Thursday.

Goods under three different categories, Festival Shopping, Luxury Living and Youth Power, will be demonstrated targeting different types of visitors. Festival Shopping will cover fashion and accessories including apparels, footwear, handbags, cosmetics, jewelry; food and beverage.

Similarly, Luxury Living will showcase household goods such as furniture, furnishing and lightings, paints, sanitary fittings, kitchen fittings, gardening artifacts and equipment, home entertainment systems, security systems and home appliances, among others. Similarly, vehicles, gadgets, fitness and sports materials will be exhibited in the Youth Power segments of the expo.

India's economy expected to with grow 6.7 percent

India's economy will grow 6.7 percent in the current fiscal year, an advisory panel to the prime minister forecast on Friday, saying that an ongoing slowdown was of "great concern". India's gross domestic product expanded at near double-digit rate for much of the past decade but fell to 6.5 percent in the year to March, triggering fears that the country's rapid development was under threat.

"The growth rate in 2011-12 was low, it came down to 6.5 percent," C. Rangarajan, chairman of the economic advisory council to Manmohan Singh, told reporters in New Delhi. "The decline in the growth rate is a matter of great concern to us," he said. "We expect the growth rate to be a shade better in the current fiscal (year)."

The council also forecast that inflation in the year to March 2013 would be between 6.5 and 7.0 percent, above the central bank target of around five percent, because of food price rises after a poor monsoon. The growth forecast was in line with the prime minister's own predictions that the rate would narrowly exceed last year's 6.5 percent. Opposition leaders and many independent economists have dismissed such figures as overly optimistic.

Ratings agency Moody's last week scaled down its growth outlook for Asia's third-largest economy to 5.5 percent for the year to March 2013.

Indian FM asks govt banks to cut EMIs for consumer durable loans

Monthly instalments or EMIs on new auto loans and consumer durables finance are set to come down with finance minister Palaniappan Chidambaram asked public sector bank chiefs to lower the burden on consumers with reduced equated monthly instalments (EMIs) on loans for consumer durables in order to kickstart investment cycle and bolster the sagging economic growth.

He also asked public sector banks on Saturday to banks to ensure the cash lying with the public — about Rs 11 lakh crore —was channelised into the banking system. For this, he wanted banks to upgrade their ATMs to function as cash -accepting machines too, from only cash disbursal tools at present.

He was speaking at a press conference after reviewing the functioning of public sector banks at a four-hour meeting with their chairmen.

Interest rates have gone up sharply since mid-2010 as RBI has raised policy rates 13 times to tame inflation. With prices, especially food prices, remaining high, the central bank has been reluctant to sharply reduce rates, although it has made more cash available with banks, prompting some of them to lower the cost of loans.

Consumer durables have been one of the silver linings in otherwise dismal industrial output. While the entire industrial production contracted 1.8 per cent in June and 0.1 per cent in the first quarter of the current financial year, consumer durable goods posted a growth of 9.1 per cent and 8 per cent in these periods, respectively.

Chidambaram said a factor inhibiting the growth of consumer durables was EMI. "The middle class is complaining about EMIs, either these have been increased or payments have been stretched," he said.

As such, the middle class postpones these purchases. "That is not good for the industry and for the economy. Just as the investment plans must be brought forward, people must be encouraged to buy consumer durables that will keep the investment engine going." TNN |

India reduces negative list

India has reduced the number of items in the sensitive list for South Asian non-least developed countries (LDCs) to further expand trade in goods in the region that is the least integrated region in terms of trade and transportation. It has approved reduction of 30 per cent or 264 such items for non-LDCs that are contained under the South Asia Free Trade Agreement (SAFTA). "It shall reduce India's sensitive list for Pakistan from 878 to 614 tariff lines," according to Indian government.

"With the reduction, India has effectively performed its lead role in harmonising the SAFTA framework and ensuring move towards a vibrant economic community and move towards normalisation of trade relations with Pakistan," it said.

The peak tariff rates for non-LDCs would now be reduced to five per cent within three years as per agreed SAFTA process of tariff liberalisation that has been a big hurdle in promoting the intra-regional trade. Shifting of items from sensitive list to general category will lead to reduction in duties and boost trade as the tariff and non-tariff barriers coupled with low connectivity has made the region more outward looking for its trade.

Under the SAFTA that came into force in July 2006 to promote intra-regional trade and economic activities, India's imports are classified under two lists; the Most Favoured Nation (MFN) list and sensitive list.

India's sensitive list for least developed countries (LDCs) like Nepal has just 25 items but the same for non-LDC like Pakistan contains 878 commodities. India has, in the last one year, steered the trade liberalisation process under the agreement so as to accelerate the pace of the process for SAFTA Economic Integration.

A major step in the direction was taken in November 2011 when India unilaterally reduced its sensitive list for the LDCs to 25 items while allowing all other imports at zero basic customs duty. Afghanistan, Bangladesh, Bhutan, Maldives and Nepal can benefit from the reduction of sensitive list for LDCs with more liberalised trade," it said.

The South Asian Association for Regional Cooperation (SAARC) that has Nepal, Bhutan, Bangladesh, Pakistan, Sri Lanka, Maldives, Afghanistan and India as members has always been blamed for low regional integration compared to other regional blocks.

Coal imports seen rising as global prices fall

Indian coal imports are expected to rise in the financial year through March 2013 as more end-users turn overseas, prompted by a narrowing gap between the domestic and international prices of thermal coal. Excess supply has hammered international thermal coal prices in recent months, with top exporter Indonesia cutting its output forecast to around 360 million tonnes from 390 million to 400 million for 2012. Based on the current global supply and demand picture, end-users expect thermal coal prices to remain well below $100 a tonne for the next 10 to 12 months.

"International thermal coal prices have almost hit the bottom," said Vinod K. Singh, adviser to global chemical and textile company GHCL , which is also a leading producer of soda ash.

Coal of the grade 6,000 kcal/kg on a Net As Received basis now costs $88 to $89 a tonne free-on-board (FOB), for example, Singh said. "We do not expect it to go down any further." India's coal supply is expected to fall short of demand by 192 million tonnes in the fiscal year to March 2013, a coal ministry official said.

Coal demand in India, which has the world's fifth-largest coal reserves and produces the most after China and the United States, is seen at around 772 million tonnes against an expected supply of about 580 million in the financial year to March 2013.

"More and more consumers are looking at imports from mainly Indonesia and Mozambique to fulfil at least 50 to 60 percent of their thermal coal demand," said V.R. Sharma, chief executive and deputy managing director of the steel business at Jindal Steel and Power Limited (JSPL). "The balance 40 to 50 percent they source from India. Then they blend these and use. We are one of them," Sharma said.

The cheapest domestic coal price or the notified price available from Coal India Ltd is around Rs 1,600 per tonne for E-grade coal or grade 9 and 10 (more than 4,300 kcal/kg but not exceeding 4,900 kcal/kg) coal. But to secure this, buyers with captive power plants, or independent power producers, must sign fuel supply agreement (FSA) with state-run Coal India Ltd, the world's largest coal miner, which is often time-consuming. The same grade coal of 3,800 GCV on e-auction by Coal India costs more than double at $71.85 per tonne, said Kamal Pokhariyal, deputy general manager of coal at GHCL.

In contrast, imported coal from Indonesia, with a comparable heat value but low ash content and high moisture, costs in the range of $30-$32 a tonne FOB, plus $15 per tonne for freight to the Indian coast for a 50,000 MT vessel, Pokhariyal said. GHCL consumes about 400,000 tonnes of lignite from their captive mines and imports 250,000 tonnes of high gross calorific value (GCV) coal.

Jindal, on the other hand, imports through large traders. It meets almost all its coking coal needs with imports from the United States, Venezuela, Columbia, Russia, Australia and Mozambique. Jindal imports more than 1.5 million tonnes of mainly coking coal, which includes hard, semi-hard, semi-soft and coke breeze varieties, and some thermal coal.

India is seen importing 96 million to 100 million tonnes of coal, including coking coal and thermal coal, in the fiscal year to March 2013, a coal market participant had said earlier. "Until now, we thought e-auctions to be a better route (for buying coal). But now with international coal prices bottoming out, this is changing," JSPL's Sharma said.

China expects $100 bn trade volume with India by 2015

Despite a fall in the volume of India-China bilateral trade for the first half of the current year, China remained upbeat over trade prospects with India with a Chinese diplomat confident of volume expected to clock USD 100 billion by 2015.

"Our trade with India should become worth USD 100 billon by 2015, with growing investment opportunities in both the countries," Consul General in Kolkata Zhang Lizhong said at an interactive session, organised by MCC Chamber of Commerce and Industry here Friday.

The volume of trade between the two countries was USD 73.9 billion in 2011.

India-China trade volume, however, witnessed a four percent slide for the first half of the current year compared with last year, on the back of overall economic slowdown.

"As on June 30, the bilateral trade with India stood at USD 34 billion, which is 4 percent down," said Zhang.

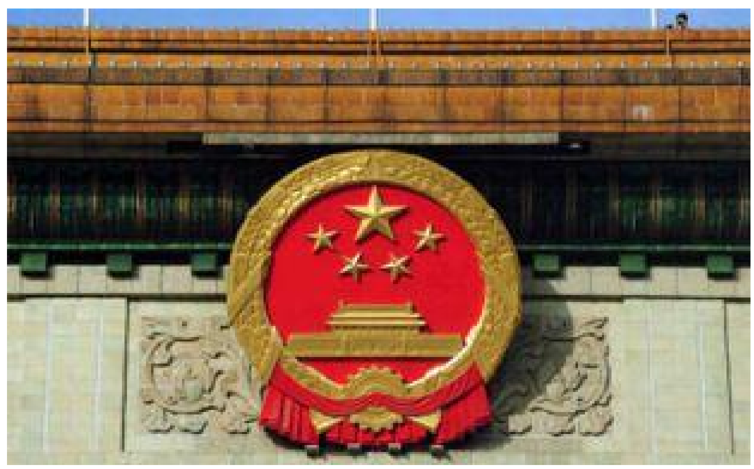
China plans to boost its air, rail services

Local governments across China are throttling forward with airport construction projects as part of a nationwide push to expand regional air service as directed by a state council order last month to "appropriately advance" civil aviation through airport construction projects.

The directive added fuel to the government's latest five-year plan for the transportation industry , which calls for adding 70 airports mainly in central and western China by 2015, compared to 33 built nationwide between 2006 and 2010. In addition, 101 existing airports are to be renovated or expanded.

This rising wave of infrastructure activity is focusing on regional airports that would handle fewer than 500,000 passengers a year and serve small communities including tourist destinations and mining areas, said Huang Min, basic industries director at the National Development and Reform Commission (NDRC).

Mean while China has set its eyes on private enterprises to pump in $31 billion for railways by 2015. Accordingly, NDRC is encouraging enterprises , including private capitals, to take positions in funding transportation rail routes and inter-city railways, with a total investment of $31 billion in railway infrastructure projects in the 12th Five-Year Plan ending 2015.



Local governments across China are throttling forward with airport construction projects as part of a nationwide push to expand regional air service as directed by a state council.

China cut red tape to quicken investment

China has cleaned up red tape to quicken investment in the real economy by small firms and the private sector, and allowed the southern province of Guangdong to go ahead with a pilot scheme to further reduce government interference in the economy, the State Council said on Wednesday.

The move came after China's powerful economic planner fast-tracked state investment and some cities announced new spending packages in the next few years to bolster growth.

Beijing is also trying to channel private funds to invest in sectors previously dominated by state enterprises and spur the development of small firms which provide the majority of jobs, after the world's No. 2 economy slowed in the past six quarters.

A meeting of the State Council, or China's cabinet, chaired by Premier Wen Jiabao, decided to either scrap government approvals or make it easier to get the greenlight to spur investment and social activities, according to a statement on the government's website, www.gov.cn.

"The key items reduced this time involve investment, social undertakings and non-administrative approvals. Particularly, we cleaned up approvals governing the real economy, the development of small firms and private investment," the cabinet said.

Contd on page 15

China cut red tape to quicken ………..

Since 2001 China has sought to cut red tape and let the market play a bigger role in the economy. In the past decade, the country has cut the number of business activities that need government approvals down by almost 70 percent.

The cabinet also decided to let Guangdong go ahead of other regions to stop or adjust unnecessary approvals in business activities, it said.

"Guangdong is in the forefront of China's reform and opening-up, market development is at a high level, and social economic development is entering a transitional period," the meeting concluded. "It must deepen reforms of the approval system and urgently change the function of government."

China is undergoing a once-in-decade top leadership transition this year, which coincides with a sharper-than-expected slowdown in the economy dragged by external headwinds as well as weakening domestic demand

Asian economies 'to top richest list by 2050'

Singapore, Hong Kong, Taiwan and South Korea are projected to be the world's richest economies on a per capita basis by 2050 as the region's rapid growth boosts wealth creation, a study showed.

The survey by property giant Knight Frank and Citi Private Bank, reported in Singapore media Wednesday, also showed multi-millionaires in Asia will continue to outnumber those in North America and Western Europe by 2050.

Singapore topped list in 2010 and is expected to keep top spot in 2050, when the city-state's gross domestic product (GDP) per capita would reach $137,710.It will be trailed by Hong Kong ($116,639), Taiwan ($114,093) and South Korea ($107,752) with the United States coming in fifth place, falling from third place in 2010.Singapore's 2010 GDP per capita stood at $56,532, while Hong Kong ($45,301) — the only other Asian economy in the top 10 that year — was in fourth place.

Taiwan and South Korea were not even in top 10 in 2010."While rapid GDP growth does not in itself guarantee a sharp rise in high networth individuals, rapidly growing economies do provide key opportunities for large-scale wealth creation," head of UK Residential Research at Knight Frank Grainne Gilmore said.

Gilmore said there are now around 18,000 "centa-millionaires" — those with $100 million or more in assets — in the region covering Southeast Asia, China and Japan, more than the 17,000 in North America and 14,000 in Western Europe.By 2016, Southeast Asia, China and Japan are expected to have 26,000 centa-millionaires, compared with 21,000 in North America and 15,000 in Western Europe, she wrote, citing data from Ledbury Research.

On a country basis, the United States will lead in 2016 with 17,100 centa millionaires but China is expected to double its numbers to 14,000."Southeast Asian deca-millionaires — those with $10 million or more in assets — already outnumber those in Europe and are expected to overtake those in the US in the coming decade," she said.

IITF 2012 Catalysing Business Across Boundaries

India Trade Promotion Organization is organizing the 32nd edition of its popular annual event, the India International Trade Fair, in Pragati Maidan, New Delhi from November 14 to 27, 2012.

IITF Offers to participants from different segments of industry adequate visibility for their products and services among fair visitors with demarcated halls representing different sectors. Through its Special Display sections of techmart, representing products and technologies of small and medium enterprises, Saras, Highlighting tribal and rural handicrafts, and Good Living, with focus on products and goods relevant to daily living, the fair ensures a distinct visibility for generic product categories. These represent engineering, software and hardware, automobiles, electronics, telecom, leather, textiles, handicrafts, jewelry, furniture and furnishings besides a wide range of consumer goods.

Heightlights of IITF

- Environment Friendly Fair
- No Plastic Bags
- Duniya Ka Khana
- Seminars & Conferences
- Bharat Ka Khana
- Cultural Programme
- No-Smoking Zone
- Skilling India

World's best economies

By at least one measure, these economies rank best in the world, according to the International Monetary Fund's estimates.

Luxembourg: Best per capita income

***Measure**: GDP per capita*

***2012 reading**: $106,958*

The tiny European nation of Luxembourg is mighty in at least one respect: It has the highest gross domestic product per capita in the world.

At $55.9 billion, Luxembourg's economy is actually rather small -- but it also has a very small population, resulting in a GDP of $106,958 per person - a figure rivaled only by that of Qatar.

Luxembourg enjoys a gold-plated AAA credit rating, historically low unemployment and low inflation. The financial and industrial sectors make up much of the country's economy, and its citizens have one of the highest standards of living in the world.

Yet the country does have a few quirks. Nearly 60% of its workforce is made up of foreigners, and its permissive tax laws have drawn scrutiny from the international community.

Madagascar: Lowest government debt

***Measure:** Government debt**

***2012 reading:** 5%*

The island nation of Madagascar, situated off the east coast of Africa, has the lowest government debt as a percentage of GDP on the planet.

The country's debt is projected to be 5% of the size of its entire economy by the end of this year, according to the IMF. Compare that figure to the United States at 107%, India at 68%, or even Japan at 236%.

Yet other economic measurements indicate the economy at large is struggling. GDP per capita is only $470 and the economy is only projected to grow 3% in 2012.

United States: Largest economy

***Measure:** Gross domestic product*

***2012 reading:** $15.6 trillion*

Gross domestic product in the United States is projected to hit $15.6 trillion in 2012, making its economy the largest on earth.

World's best economies ....

The quickly expanding Chinese economy is the world's second largest, having recently surpassed Japan. China has a projected GDP of $7.9 trillion in 2012 - just more than half that of the United States. But even with annual growth rates of 7% to 10%, it will be decades before China's production approaches that of the United States.

Related: World's largest economies
Of course, the U.S. economy faces notable challenges. The country has been slow to recover from the 2008 global financial crisis, the labor market remains weak and the U.S. housing sector will take years to recover from its recent bubble.

Libya: Fastest economic growth

Measure: *Gross domestic product growth*

2012 reading: *76%*

Libya's sky-high economic growth rate cannot be attributed to smart planning, a resource boom or effective governance. Rather, the North African country's 76.3% projected gross domestic product growth is only possible because of war.
Indeed, most of the top-ranked countries on the IMF's list of fastest growing economies were recently conflict zones. Sierra Leone, the site of a brutal civil war, has a 35.8% projected growth rate in 2012. Iraq (11.1%) and Afghanistan (7.2%) are not far behind.

Libya's elevated rate is possibly due to the restoration of crude oil production, which collapsed in 2011 as rebels waged a bitter, and eventually successful, insurgent campaign against ex-ruler Moammar Gadhafi.

Prior to 2011, **hydrocarbon production** accounted for more than 70% of GDP. But as rebels advanced on Tripoli, production fell from 1.77 million barrels of crude per day to 22,000 barrels per day. With much of that production capacity now coming back online - and faster than expected - a sharp acceleration in growth is possible, even if full economic recovery is still years away.

Mongolia: Best investment

Measure: *Total investment as % of GDP*

2012 reading: *64%*

Sandwiched between China and Russia, **Mongolia** is in the midst of a bona fide economic boom. Fueled by a **surge in mining activity**, the country's gross domestic product grew by 17.3% in 2011 and is on track for another big gain in 2012.

Mongolia also leads the world in investment, which registers at 63.6% of its GDP - by far the highest in the world. Elevated investment does appear to be something of a neighborhood trend however, as China ranks second with 48.4% and Bhutan is fourth at 46.6%.

But Mongolia's economy is still heavily dependent on its neighbors. China receives 90% of the smaller country's exports and Russia provides 95% of its petroleum.

Nepal-India Chamber of Commerce & Industry

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Bill Gates To Reinvent The Toilet

The man who revolutionized the personal computer is putting his efforts — and foundation — to revolutionizing toilets. Microsoft founder Bill Gates said he will dedicate $42 million towards reinventing the toilet.

Water hygiene and safe waste disposal are two of the biggest causes of infant mortality in the developing countries. Gates and his foundation hope to create inexpensive toilets to vastly improve the living conditions of millions of people. It may seem like a silly subject but it's one that could save lives around the world.

Today, 40% of the world's population does not have access to flush toilets. One billion people defecate in the open. Each year, 1.5 million children die each year from diarrhea, many of which are preventable with improved sanitation.

Part of the foundation's plan is the Reinventing the Toilet Challenge, which funds research at eight universities around the world to develop a toilet that will turn waste into energy, clean water or nutrients. The solution must be a stand-alone unit without piped-in water, a sewer connection or outside electricity. The foundation partnered with USAID to fix water sanitation as part of the UN's 2015 Millennium Development Goals. The foundation is prioritizing convenience and affordability in the solutions it considers. The toilets must be easy to install and cost no more than $0.05 a day to maintain.

The initiative was launched by Sylvia Mathews Burwell, the president of the Global Development Program at the Bill and Melinda Gates Foundation on Tuesday in Kigali, Rwanda.

Microsoft begins taking orders for new OS Windows 8

The window to upgrade to the next version of Microsoft's computer operating system - Windows 8 - is now open. The company began accepting orders for Windows 8 this week. The new operating system, however, won't be delivered until October 26.

Microsoft designed Windows 8 so it can power both traditional PCs and tablet computers in response to the iPad's popularity.

People who own a personal computer running earlier versions of Windows can buy the revamped system for $14.99 to $39.99.

The lower price is being offered to PC owners who have bought a machine powered by Windows 7 since June 2. Everyone else with a Windows-based computer will have to pay the higher price if they want to upgrade. The chance to upgrade at these prices expires January 31, 2013.

We solicit suggestions/feedback from all members and readers for NICCI e -Newsflash at
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