

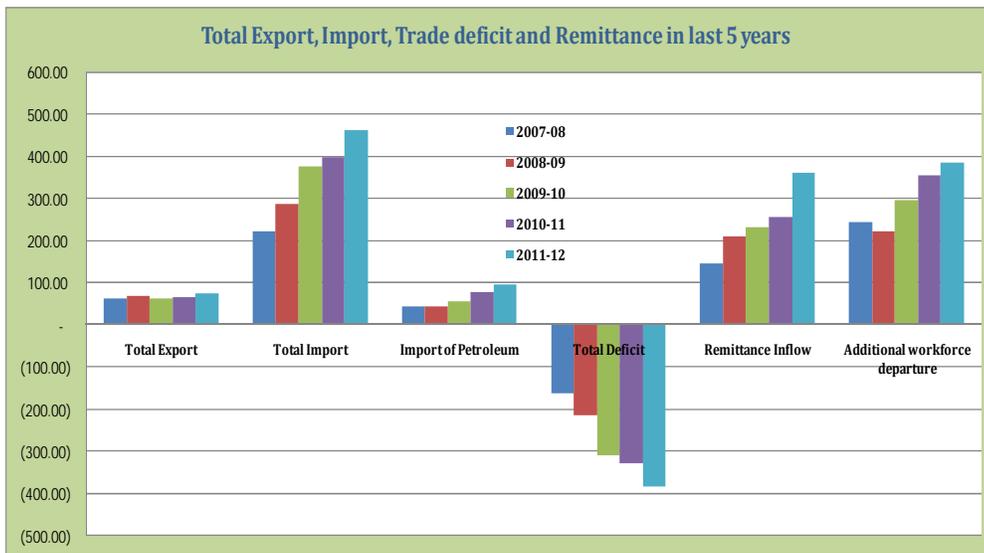


NICCI e-Newsflash

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Figures Speak - News in Figure and Chart
A picture of ballooning trade deficit, increasing dependence of Nepalese economy on imports and remittance
What are plans and provisions with government to combat with this vicious reality ?



Fiscal Year (AD)	Total Export in bln NRs	Total Import in bln NRs	Import of Petroleum Products in bln NRs	Total Deficit in bln NRs	Remittance Inflow in bln NRs	Additional workforce departure (in '000)
2007-08	59.27	221.94	41.34	(162.67)	142.68	241.10
2008-09	67.70	284.47	42.36	(216.77)	209.70	219.97
2009-10	60.82	374.34	53.30	(313.51)	231.73	294.09
2010-11	64.34	396.18	76.74	(331.84)	253.55	354.72
2011-12	74.26	461.67	94.06	(387.41)	359.55	384.67
Totals of 5 years	326.39	1,738.59	307.81	(1,412.20)	1,197.21	1,494.54

Source: NRB & DoFE

Our need is reservoir based hydro-power projects. Keeping in view the point, recently, a team of Nepali and Japanese experts, after a long study, have selected 10 main hydro-power projects with reservoir as most suitable projects for Nepal from economic, social, geographical, geological, techno-economical and ecological points of view. Total capacity of these ten hydropower projects is estimated at 2643.8 MW. These 10 were selected from a total of presently available 67 reservoir based hydropower projects in Nepal listed by NEA. Takasi Mimura, Japanese expert says these ten are the most

suitable from climatic and natural calamities point of view as well. For sustainable development of Nepal, there is no alternate except to construct these reservoir based hydro-projects.

Demand for electricity is increasing at the rate of 46% annually where as incremental supply is 16%. Right now, the only reservoir based hydropower project is Kulekhani I with 60 MW constructed in 1982 and subsequent construction of Kulekhani II with 32 MW, which has been saving the electric system from collapse in dry season.

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10 most suitable reservoir based hydropower projects selected from 67 listed by NEA

Hydro Power Project	Capacity (MW)	Project Cost (in Mln S\$)	Per MW (in Mln US\$)	Project Cost (in Bln NRs)	Per MW (in Mln NRs)	District	Zone
Doodhkoshi	300.0	830.80	2.77	70.62	235.39	Okhaldhunga & Khotang	Sagarmatha
Kokhajor-1	111.5	324.00	2.91	27.54	247.00	Sindhuli	Janakpur
Sunkoshi-3	536.0	1,147.00	2.14	97.50	181.89	Ramechhap	Janakpur
Lower Badhigarh	380.3	672.80	1.77	57.19	150.38	Gulmi	Lumbini
Aandhikhola	180.0	450.30	2.50	38.28	212.64	Syangja	Gandaki
Chera-1	148.7	332.20	2.23	28.24	189.89	Jajarkot	Bheri
Lower Jhimruk	142.5	312.40	2.19	26.55	186.34	Arghakhanchi & Pyuthan	Lumbini & Rapti
Madi	199.8	394.50	1.97	33.53	167.83	Rolpa	Rapti
Natsyugarh	400.0	741.30	1.85	63.01	157.53	Jajarkot	Bheri
Numure	245.0	594.50	2.43	50.53	206.26	Arghakhanchi & Pyuthan	Lumbini & Rapti
Tentative Totals	2643.8	5799.80		492.98			

In the last 5 Years' statistics.

- Our exports stood at Rs 3.2639 Trillion, Imports Rs 17.3859 Trillion, leading to trade deficit worth Rs 14.1220 Trillion
- Partially corrected our deficit economy by remittance inflow worth NRs 11.9721 Trillion
- Additional 1.494 million of our workforce departed for employment in foreign land during the period.
- Imported Rs 3.04 Trillion worth of petroleum products. This is the cost of 2000 MW RoR hydropower project. How much investment we have made in this sector in the same period ?
- Out of aprox NRs 12 Trillion remittance in the last 5 years, if we could mobilize 25% of remittance through a fund, we could invest for 2000 MW RoR hydropower projects.
- In the last more than one century of hydropower history in Nepal, we have constructed projects to generate a maximum of 718 MW electricity, 659.59 MW hydropower and 53.41 MW thermal connected to national grid, 5 MW not connected to grid, leading to 20 hrs load shedding in a day in dry season.
- How our exports, imports, trade balance, FDI, remittance, tourism, high value agriculture with commercial cultivation, investment in hydro power are going on ? How and when to mobilize and utilize Trillions remittance and possible investment from NRNs to productive sector ?
- When the political, administrative and economic system will be defined with consensus in the country ?
- When dedicated EPZs/SEZs will come to operation ?
- When the industrial units will have investment friendly workforce with only one authorized trade union ?
- When east-west and north-south electric railway and metro railway in capital run ? It would save 75% of our imported fuel !
- **When all these economic agenda going to be addressed for "New Nepal" ?**
- **How long we will be wrangling and lingering for never reaching "Political Consensus" with north pole and south pole philosophies?**

NBSM to provide ISO 50001, 14001

The government has allowed the Nepal Bureau of Standards and Meteorology (NBSM) to provide ISO 50001 and ISO 14001 certification in Nepal. A meeting of the Nepal Standard Council (NSC) on Thursday endorsed the plan. ISO 14001 is an environmental management system which aims to reduce a company's damaging impact on the environment. The ISO

50001 is an energy management system that aims to help organisations continually reduce their energy uses and improve energy management system. Currently, NBSM provides ISO 9001 that aims to provide better quality management system for organizations.

Larcha dry port Construction to begin next week

Construction of the much talked about Inland Container Depot (ICD) or dry port at Larcha, near Tatopani on the northern border, is scheduled to begin next week. Lack of infrastructure has been identified as one of the bottlenecks to increasing trade with China through Tatopani, and construction of the dry port at Larcha is expected to ease the massive congestion at the customs point.

The ICD is being built with Chinese assistance. According to the Commerce Ministry, Commerce Secretary Lalmani Joshi and Chinese Ambassador to Nepal Yang Houlan will jointly lay the foundation stone of the ICD on Dec 20. All the necessary groundwork like land acquisition, technical and feasibility study, design and infrastructure setting have been completed. The planned ICD is located some 6 km south from the customs office at Tatopani. The ICD will be spread over 34 hectares and have a capacity to accommodate 200 containers and vehicles. The ICD will also have a border inspection building, cargo warehouse, litigation warehouse and other customs clearance facilities. Beijing Real Estate Group Company will build the depot as agreed between the two countries last May. "Construction of the ICD will definitely help doing business with China," said

Commerce Secretary Lalmani Joshi.

Meanwhile, China has agreed to upgrade the 6.5-km stretch of the highway from the border to Larcha. It will also build a 112-m bridge over the Bhote Koshi River where the dry port is located. After the new ICD becomes operational, the current customs office at Tatopani will be transferred to Larcha, and Chinese trucks bringing goods will come directly to the dry port.

Joshi said he expected freight charges from Tatopani to the rest of Nepal to decrease after the ICD is built.

According to the Commerce Ministry, China has also expressed interest to build another ICD in Rasuwa to the northwest of Kathmandu. However, the Nepal government has not decided anything due to lack of adequate land to build the dry port. "The cost of the land on which we originally planned to build the ICD has turned out to be very high. We will have to pay more than Rs 600,000 per anna (342.25 sq. ft). So we are thinking of building the ICD at some other place," said Joshi. Even in Larcha, the government had to pay a higher rate of compensation to the landowners than previously thought.

Nimbus launches new CSR programme



In a bid to give a boost to its ongoing CSR (Corporate Social Responsibility) initiative and make it more effective, the Nimbus Group on Sunday launched 'Nimbus Sahayogi Haat'.

According to Nimbus Chairman Jagadish Prashad Agrawal, 'Nimbus Sahayogi Haat' has been formed with seed money of Rs 7.5 million. "This money will be mobilised in various CSR initiatives carried out by the group and to extend its focus on programmes that can be initiated in future," Agrawal said.

The group has also initiated 'Bird Flu Relief Fund' which will be used for encouraging farmers to report the disease by offering them good compensation. "Many farmers prefer not to report the disease fearing a huge loss. We are hopeful this initiative will give confidence to farmers to report on time which can help prevent the disease from affecting humans," Agrawal said. This initiative of the company will be applicable to commercial boilers and layers farming. The group has also said it will work in collaboration with the Department of Livestock Services and Nepal Veterinary Association to make the programme a success.

Walmart spent over Rs 125 crores for lobbying

The number one retail chain market in the world, Walmart, had to go through a lot of lobbying spending millions of dollars on the US lawmakers since four years to enter India, an attractive market for the giant.



Wal-Mart which submitted the lobbying reports to the US senate have revealed that the total income spent over the past four years was almost \$25 million dollars, Rs 125 Cr in Indian currency. This money also includes a good proportion that was spent on the issues that were related to the "enhanced market



access for investment in India". After September 30th, 2012 there was an expenditure of over \$1.65 million which primarily discussed the advent of FDI in India.

Lobbying is allowed in the US in various departments if they file a lobbying disclosure report every quarter with the US senate. Over \$3M has already spent this year alone. Barring a few quarters in 2009, Walmart has been lobbying continuously to enter the Indian market since 2008.



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RBI asks banks to consider issuing debit cards with photograph

To prevent the use of stolen cards, the Reserve Bank of India on Wednesday asked banks to consider issuing debit cards with photographs of the cardholders on them.

"With a view to reducing the instances of misuse of lost/stolen cards, banks may consider issuing cards with photographs of the cardholder or any other advanced methods that may evolve from time to time," the RBI said while issuing guidelines for issuance of debit cards.

The guidelines were issued after a comprehensive review of existing instructions on issue of debit cards. There are over 31 crore debit cards in India.

The RBI said the bank would be responsible for direct losses incurred by a cardholder due to a system malfunctions directly within the bank's control. However, the bank shall not be held liable for any loss caused by a technical breakdown of the payment system if the breakdown of the system was recognisable, the guidelines said.

The responsibility of the bank for the non-execution or defective execution of the transaction is limited to the principal sum and the loss of interest, but after receiving complaint of loss, theft or copying of the card, the bank should take all action to stop any further use of the card, it added.

The RBI further said that "each bank shall provide means whereby his customers may at any time of the day or night notify the loss, theft or copying of their payment devices". PTI - MUMBAI

Kingfisher Airlines to sell 48% stake sale to Etihad Airways for over Rs 3,000 crore

The king of good times, who has had a miserable 2012, is all set to give himself a big birthday gift before the year ends. Vijay Mallya's Kingfisher Airlines, grounded for over a month and a half now for want of cash, has finally found a saviour in United Arab Emirates national carrier Etihad Airways. Etihad, which was also in talks with Jet, has agreed to pick up a 48 per cent stake in Kingfisher for a little over Rs 3,000 crore.

The deal's official announcement is likely to come around December 18, Mallya's 57th birthday, when he has organised a big bash at his sea-side Kingfisher Villa in Goa. The deal, sources in the two airlines say, will be closed in two installments. Etihad will buy a 30 per cent stake this month and another 18 per cent by August next year. Both Etihad and Kingfisher late Monday evening refused to confirm or deny the stake sale.

"I have no comments to offer on any speculation," Ravi Nedunjadi, CFO, UB Group, said. In an e-mail response to a specific

question on whether the deal had been closed, Etihad wrote, "Etihad Airways has identified equity investments in other airlines as an important evolution of its successful partnership strategy.

Such investments will be made where Etihad Airways believes the commercial prospects are strong, where there are like-minded business philosophies, and where such commitment will be welcomed."

Etihad this year has already bought into three international airlines - Virgin Australia, Germany's Air Berlin and a 40 per cent stake in Air Seychelles.

"The airline had been saying for a very long time that they will have a revival plan in place soon, but we have not received any such plan yet. It is the Director General of Civil Aviation which will decide Kingfisher's future if a satisfactory plan is received." Union Civil Aviation Minister Ajit Singh said, and added, "If they have got an investor, it is good news."

MIRROR - MUMBAI

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