

NICCI E-NEWSFLASH

Lumbini Visit Year 2012



Season's Greetings on the occasion of Happy New Year 2069

CII CEOs mission : Indian investors keen to invest but emphasise on stability

The members of a CEOs mission from the Confederation of Indian Industry (CII) have expressed their willingness to invest in Nepal provided that investment-friendly climate is created. They have also expressed the hope that peace and stability would be established in Nepal in the near future.

Speaking at a news conference on Saturday at the end of the mission's three-day visit, mission leader and CII President, Mr. B Muthuraman said the Indian investors are interested in investing in the hydropower sector if there is political stability and industrial peace in Nepal. "We are optimistic about the Nepali market. It has a huge potential to attract foreign direct investment," said Mr. Mathuraman. "But, the country needs to wait for better times."

He further said, "I am happy with what I saw and heard. I will encourage Indian investors to visit Nepal and look for avenues of investment. There exists some problems in the industrial sector, but overall situation is improving. Nepal has definitely created opportunities to attract investments,"

Mr. Mathuraman further said, "The transition has created a lot of problems in the industrial sector. Once the country gets a new constitution, it will lead towards economic development by attracting millions of dollars of foreign investment."

Leader of the mission Mr. B Muthuraman further said they were confident that Nepal would draw foreign investments from countries like India and China. "The biggest potential of this country is hydro, and it would attract investors from across the globe," he said.

Pointing out the areas in which Indian business-

men would like to invest, Mr. Mathuraman said, "Hydroelectricity, agro-processing, infrastructure development, tourism, health, mining are the areas that can lure Indian investment." He added

He added that he was encouraged after holding talks with the President, the Prime Minister and the Industry Minister. The CII president also said that he would take the message of the government here declaring the Nepal Investment Year and constituting the Investment Board following the creation of investment climate in the country to the Indian business fraternity. He added that he would also call upon them to mobilize their capital in Nepal.

"Political situation seems a bit tough now, but this will pass away once the constitution is written," Mr. Rajive Kaul, former president of CII, Co-Chairperson of the CII-FNCCI JEC and chairman of Nicco Corporation Ltd said.

In the program, ITC Limited, the parent company of Surya Nepal Pvt Ltd, has said it will keep exploring investment opportunities in Nepal, despite its Nepali venture facing several hurdles.

Mr. Sanjiv Puri, who heads the tobacco division of ITC, and also one of the CII's CEOs mission and former MD of Surya Nepal said his company was interested in investing in the tourism sector once industrial peace is established. ITC is considering setting up a business in Biratnagar, apart from establishing Surya Nepal's cigarette manufacturing plant in Tanahun, according to Puri.

Inside this issue:

CII CEO Mission, Indian Investors keen.....	2
India's largest solar power plant starts production	2
Nepal agrees to provide transit facility to India	3
Will support BRICS bank: World Bank President	3
New York Auto Show 2012 Debuts with Flying Car	4

CII CEOs mission :

"As Nepal has just gone through a massive political change, such hiccups are normal," said Puri at a press meet organised by CII here on Saturday. "But we aren't discouraged with the situation here and hope it will change for better soon."

At the press meet, investors defined 'stability' as promulgation of the new constitution, stable policy and reduced labour dispute. "The current labour disputes are also a product of transition, so it will decrease in the coming years," they said, adding that a stable government can offer attractive benefits to foreign investors.

Nepali entrepreneur and Co-Chairperson of the FNCCI-CII JEC Mr. Padma Jyoti said, "The next step for the country after the promulgation of the new constitution will be economic revolution. CII chief executive officer's mission to Nepal is a big stepping stone for the future of foreign investment in the country"

India's largest solar power plant starts production

India's largest solar power plant with an installed capacity of 40 MW commissioned by Reliance Power, started power generation from March 31, in Western Rajasthan.

Minister for New and Renewable Energy Mr. Farooq Abdullah, Chief Minister Mr. Ashok Gehlot and Energy Minister Mr. Jitendra Singh inaugurated the 40 MW photovoltaic solar plant installed by Reliance Power at Pokhran in Jaisalmer district.

On the occasion Mr. Abdullah said a lot of work is going on in the country in the power generation sector especially in taking up multi-faceted efforts to provide solar energy which in turn would strengthen the Indian economy. "Rajasthan is ideal in regard to the solar energy and this state would provide electricity to the entire country by setting up a large number of solar plants," Mr. Abdullah said.

He further said the target is to produce 20,000 MW of solar power in the country by 2022. He appreciated the state government for its solar energy policy and expressed hope that Rajasthan will exceed the national projection.

Rajasthan Energy Minister Mr. Jitendra Singh said a similar leap has been taken by the state in wind power generation. "State has started producing 1,900 MW wind

Co-Chairperson of the Council and CA member Mr. Jyoti expressed the confidence that the transition would come to an end soon and Nepal would move forward on the road to economic prosperity.

According to him, regular interactions with investors from India and abroad are helping create a background for investment. "At present, we are planting a sapling which will definitely bear fruits in the next couple of years," he said, "The country will attract investments worth billions of dollars once there is stability in the country."

CII team met with President Dr. Ram Baran Yadav, Prime Minister Dr. Baburam Bhattarai, Industry Minister Mr. Anil Kumar Jha and senior government officials.

A high-level CII CEOs delegation was led by Mr B Muthuraman, President, CII, and also includes Mr Rajive Kaul, Past President, CII & Co Chairman, CII – FNCCI JEC, and Chairman, NICCO Corporation; Mr K Ramchand Chief Executive Officer (Infrastructure), Infrastructure Leasing & Financial Services Ltd.; Mr Sanjiv Puri, Chief Executive (ITD), ITC Limited; Mr S Sen, Principal Advisor, CII and Mr. G. D. Sharma, Director, CII.

energy," he said, adding that the state is set for a major national energy revolution through generation of power from alternative sources, which fortunately, are abundant here.

The plant owned by Reliance Energy was built at an estimated cost of Rs 400 crore on 140 hectares of land. The plant will generate 720 lakh units of power. The Dhursar project is the first of several that Reliance plans to build with First Solar modules as part of a 100MW module order placed last year.

While expressing his gratitude to Mr. Ambani for setting up the plant, Chief Minister Mr. Gehlot said the state government is committed to achieve its 300 MW target of installed power generation capacity in two years. He said, "I am happy that Rajasthan is pioneering this phenomenon with a total investment of Rs 160 billion."

Reliance Chairman and Managing Director Mr. Anil Ambani and public representatives were also present at the event. The plant comprises of 500,000 First Solar thin-film modules. The power plant near the village of Dhursar in Jaisalmer district is expected to generate more than 60 million kilowatt hours (kwh). It covers 350 acres, and is expected to satisfy the annual electricity needs of more than 70,000 average Indian households.

Nepal agrees to provide transit facility to India

The government of Nepal has agreed in principle to provide transit facility to India for transporting goods via Nepal. India had been seeking such a facility on reciprocal basis given it has been providing transit facility to Nepal. Indian trucks will be able to transport goods from one part of India to another part via Nepal's 27 border points after the countries sign a letter of exchange.

India now has asked Nepal to expedite the agreement signing process. According to officials at the Ministry of Commerce and Supplies (MoCS), this is the first time that Nepal is formally providing such a facility to India. Nepal agreed in principle to this effect during the recent bilateral Inter-Governmental Committee (IGC) meeting in New Delhi, India. As per Ministry sources, signing of letter of exchange is expected to take place within few weeks and the agreement will be implemented after that.

Earlier, Nepal had been providing such a facility to India on a temporary basis through a government decision whenever floods caused transport disruption in bordering Indian states.

The commerce secretary level meeting held last December had agreed to sign an agreement to this effect along with other agreements such as India allowing Nepal to use the Visakhapatnam Port, providing transit facility through India's Rohanpur to Sinhabad of Bangladesh and minimizing hassles on Phulbari-Banglaband transit route.

As far as Rohanpur-Singhabad railway route is concerned, Nepal and Bangladesh and India and Bangladesh have signed agreements for using the route as transit for trade among the countries. Nepal can use the route as per the Transit Treaty and Railways Service Agreement it has signed with India. Under the Transit Treaty, India has pledged Rohanpur-Singhabad railways route (connecting Bangladesh with India) as a transit corridor for Nepal for trade with Bangladesh.

Will support BRICS bank: World Bank President

Sir, Robert Zoellick, President of the World Bank has welcomed the proposal in the Delhi Declaration for "a new development bank mobilising resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries"



World Bank President Mr. Robert Zoellick last week said he would back the proposed BRICS bank desired by the five member grouping for various reasons including large infrastructure demand by India.

The bank chief said he favoured his organisation working with such a lending agency as with any other development bank.

Answering questions at the Boao Forum for Asia in China's

Hainan province on the plans of BRICS countries - Brazil, Russia, India, China and South Africa - to have a bank of their own, Mr. Zoellick said it is still to be finalised by the Finance Ministers of the five nation bloc.

It's still at the stage where the Finance Ministers are analysing it to go forward. As a general principle, my view would be, if the countries want to develop it, then we should work with it," he said, according to the transcript circulated to the media by the World Bank.

He said it is important to understand what was driving countries like, Brazil, Russia, India, China and South Africa, (BRICS) to for a Bank of their own. "People often jump to an issue and they don't step back and think about what's driving it. In India it's very much a concern that they want more multilateral financing. Their needs for infrastructure financing are very great," he said.

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New York Auto Show 2012 Debuts with Flying Car

The 2012 New York International Auto Show started from 6th April (till 15th Apr) at the Javits Convention Center in Manhattan, New York showcasing more than 1,000 car varieties, including the world's first flying car.



The Transition® Street-Legal Airplane is now a significant step closer to being a commercial reality. The production prototype of the Transition® Street-Legal Airplane completed its successful first flight at Plattsburgh International Airport in NY in the last week of March, 2012. The same vehicle has also successfully conducted initial drive and conversion testing, demonstrating the Transition's capability to provide unmatched freedom, flexibility and fun in personal aviation. Developed by Terrafugia, Inc., the Transition® is a two seat personal aircraft capable of driving on roads and highways, parking in a single car garage, and flying with unleaded automotive fuel. It has two fold-up wings and gets 35 miles per gallon on the road and can reach 65 miles per hour in the air. It can reach a 490-mile flying range.



"Transition" is regarded as a transformative vehicle for sports pilots who can get

certified with 20 hours of flight training. "Transition" pilots could land at one of the 5,200 public airports in the U.S. and continue their journey on the roads.

According to Chief Test Pilot Phil Meterer in an interview with Xinhua, about 100 customers have each paid 10,000 U.S. dollars in deposits for ordering the car, which will cost about 279,000 U.S. dollars each. Terrafugia will continue its testing program in preparation for first delivery, which is expected to occur within the next year.

Regarding this first flight, Terrafugia CEO/CTO and co-founder Carl Dietrich said: "The first flight, the team demonstrated an ability to accomplish what had been called an impossible dream."

The Transition's first flight reached an altitude of 1400' above the ground and lasted eight minutes while staying in the vicinity of Plattsburgh International Airport. It demonstrated the controllability and safe operational characteristics of the aircraft. Six phases of flight testing are planned to continue development and demonstrate compliance to the Light Sport Aircraft standards.

Speaking about the first flight, Terrafugia Chief Test Pilot Phil Meterer said: "It's a remarkable vehicle both on the road and, now, in the air. The Transition® is classified as a Light Sport Aircraft (LSA). However, so far the car-cum-aircraft cannot help the users in traffic jams as it needs runway to fly.

The Transition® Production Prototype is on display at the New York International Auto Show April 6-15th at the Jacob Javits Convention Center in New York City.

Other new cars include the open-top, two-seat Porsche Boxster with an entirely new longer and wider lightweight body, Mercedes-Benz SL produced for the first time almost entirely from aluminum that provides the basis for even more agile and sporty handling, as well as the all-new, sixth-generation

BMW 3 Series.