



# MONITOR

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Newsletter

## National Workshop on “Internationalization of Nepalese Products”



(From Left) JVP, Mr. Hari Bhakta Sharma, Secretary Madhav Prasad Regmi, President, Mr. Narendra Kumar Basnyat and Delegation of EU to Nepal, Ms. Maria Castaldi at the seminar

A workshop under the project “Go International Project” was organized by Confederation of Nepalese Industries (CNI) in support of European Union (EU) on 18th December at Trade Tower, Thapathali. The program was inaugurated by Chief Guest, Secretary Mr. Madhav Prasad Regmi, Ministry of Commerce and Supplies (MoCS). During the speech, Chief Guest, Mr. Regmi appreciated the efforts of CNI in implementation of “Go International Project” which would

certainly support and strengthen Nepalese export. Further more, he expressed his sincere appreciation on behalf of Government of Nepal to European Union for their support in the trade sector development in Nepal. Secretary Regmi informed all the participants regarding the allocation of budget by GON for corporate budget under Nepal Trade Integration Strategy (NTIS) and also concentrated on the fact that current effort of CNI is remarkable and is complementing the efforts of Ministry. *Continue Page 2* ▶

### Message

The successful completion of the Second Constituent Assembly (CA) election in Nepal has led to a message of end of political instability and raised hopes among the Nepalese private sector for opening doors of economic development by creating industrial friendly environment.

The economic agendas presented in the manifestos by the main political parties show promises to ensure business-friendly environment. The economic agendas presented by the political parties have a common goal i.e. to achieve economic stability. So, at this point, CNI feels that those agendas should not be overshadowed by the parties’ interests of gaining power. Rather they should focus in moving the national politics forward in the spirit of national consensus. They should join and work together with the new government for implementing the common economic agendas to create an investment friendly environment and a better future for Nepal. Investors (domestic and foreign) will be attracted only when there is stability. If the political parties do not work towards accomplishing their commitments then the country might not see further developments in the economic and investment sector.

CNI has always been emphasizing on four main aspects for industrial promotion and job creation. They are (a) political stability (b) Constitution writing (c) Economic Development with common economic agenda and (d) Industrial peace for investment friendly environment. People’s mandate in the second Constitution Assembly election is on the above areas. CNI is hopeful that the new government will be formed within couple of weeks and the new government as well as the political parties will not overlook mandate of the people that both the government and political parties should play positive role by taking confidence to each other. Nepal initiated reform programs in different phases but they remained stranded as the ever-changing governments could not take ownership because of different situations. Now, in the change context, it is necessary to move the stalled reform programs forward to attain steady and high economic growth rate in Nepal. All the political parties that have promised economic prosperity in their respective election manifesto should seriously take up common strategies in implementing them. CNI hopes to see a stable government generating investment friendly environment and a great future for Nepal.

## Interaction with the British Ambassador

Confederation of Nepalese Industries (CNI) organized an interaction program with the British Ambassador to Nepal, Mr. Andrew James Spark on October 2, 2013. The meeting held at CNI secretariat Thapathali, Kathmandu was deliberated in further strengthening the economic and business relationship and cooperation between Nepal and Britain.

In the interaction, CNI President Narendra Kumar Basnyat, Vice Presidents Hari Bhakta Sharma, Satish More and Basnata Rai Mishra and members from National



British Ambassador, H.E. Mr. Andrew James Spark at CNI Secretariat

In the interaction, CNI President Basnyat

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## Talk Program on “Need for a strong Liberal State”

India’s renowned scholar Dr. Gurucharan Das said that there is a very good prospect for a country like Nepal to prosper. During a talk program at Hotel Annapurna titled “The Need for a strong Liberal State” organized by Confederation of Nepalese Industries (CNI) and Federation of Indian Chambers of Commerce and Industry (FICCI) in association with Embassy of India on October 7, Dr. Das emphasized Nepal has many advantages in trade and business sectors since it is in between world’s two growing economy. Dr. Das, a renowned author, commentator, intellectual and former CEO of Procter and Gamble India, said that both the society and the government of a country should be equally strong to achieve economic growth. In India, the society is strong but the government is weak whereas in China the government is strong but the society is weak. Nepal has similar problems like that of India but if the government and the society become strong, it can progress rapidly.

Addressing the program, Indian Ambassador to Nepal Ranjit Ray expressed that this kind of program will help to increase understanding



From Left : CNI President Emeritus, Mr. Binod Chaudhary, Indian Ambassador to Nepal, Mr. Ranjit Ray, Mr. Gurucharan Das, CNI President, Mr. Narendra Kumar Basnyat

between India and Nepal. CNI President Emeritus and renowned industrialist, Binod Kumar Chaudhary, highlighted the importance of bilateral trade between Nepal and India. He suggested the need to implement SAFTA for the benefit of billion plus population of South Asian region. Chaudhary reminded Nepal’s highest economic growth during the period

of 1996 to 2001 due to preferential treatment given by India to Nepal.

Welcoming the speaker, CNI President Narendra Kumar Basnyat, focused on the modern state has many responsibilities and there are many things for which individuals or private sectors are responsible rather than the state itself. One of the most difficult political questions in a society like ours, center on determining an appropriate extent and limits of the state’s role in contrast to the role of individuals and private sectors. “As J. S. Mill, one of the classical economists, put it over one hundred-fifty years ago, ‘the practical question where to limit the state in order to make a fair adjustment between individual (private sector) independence and social control—is a subject’ on which we are going to hold a discussion today. We may have made some progress since Mill’s time both in economic and political fronts, but we will forever be confronted by the issues in which the trade off between liberty and authority must be determined,” said Basnyat.

## Interaction With the New Team of Society of Economic Journalist-Nepal (SEJON)

Confederation of Nepalese Industries (CNI) organized an interaction program with the Society of Economic Journalist-Nepal (SEJON) on 27th September at CNI Secretariat, Thapathali. The program was organized with an objective to congratulate the newly elected leader as well as the working committee of SEJON and to discuss about the contemporary economic and industrial development. The program was attended by the office bearers and members of both CNI and SEJON.

During the meet, the President of CNI, Mr. Narendra Kumar Basnyat, said that emphasized that CNI and SEJON should work together for the economic liberalization and investment promotion in the nation. “CNI and SEJON have similar thoughts in most of the economic issues. So, it



CNI officials with the officials of SEJON at CNI Secretariat

sector development is economic journalism’s interest. Economic journalism grows only when there is development in the private sector. So, economic journalists mostly give high priority to the development of the private sector. But the irregularity and the carelessness prevalent in the private sector

motivate the wrong doers. They said that CNI is always ready to help in the development of the economic journalists’ potential so they should come up with various programs that could develop their ability.

In this meeting, the ex president of SEJON, Mr. Gajendra Bista, Vice President, Mr. Lok Bahadur

### National Workshop on.....

CNI President Narendra Kumar Basnyat initiated the program with the welcome speech. In his speech, he emphasized the current scenario of Nepalese economy and trade. Mr. Basnyat also expressed his hope and confidence on behalf of CNI that the newly formed government would show it’s positive commitment towards economic liberalization, export promotion issues and creating favorable investment atmosphere in the country. He also expressed his sincere gratitude to the government, especially Ministry of Commerce and Supplies for providing an opportunity to work together in the areas of Export Promotion through NTIS-Programme and also assured the continuous support in coming days. CNI President also enlightened on the relations between Nepal and European Union and also highlighted on the cooperation and contribution of EU in terms of development aid to Nepal. He also urged EU to explore the possibility of large scale investment in Nepal to encourage export to Europe market. During the program, the President

would be best if both the organizations worked together", said the President, Mr. Basnyat. He also said that in the coming days he would wish SEJON and CNI to organize various seminars related to contemporary subjects jointly. The SEJON President, Mr. Bigyan Bibhu Adhikari, highlighted that the economic liberalization and private

prevailing in the private sector cannot be avoided by the economic journalists either. The Vice Presidents of CNI, Mr. Anuj Agrawal, Mr. Manoj Kedia and Mr. Basanta Mishra concentrated that the current journalism is also an integral part of the economy so it should favor each other and national interest. But it doesn't mean that the economic journalists should

vice President, Mr. Lok Bahadur Chapagain, General Secretary, Mr. Pushparaj Acharya, Treasurer, Mr. Diwakar Panta emphasized that private sector and economic journalism plays a vital part for an overall economic development and discussed about various steps that both the organizations should take to build a strong economy.

During the program, the Presidents of FWEAN, FHAN and NPJA raised issues faced by the Nepalese market in their related sector. At the end, CNI VP Mr. Hari Bhakta addressed the various issues and queries raised in the workshop regarding the GO International Project and also activities being carried out by Confederation of Nepalese Industries.

## Discussion on Dedicated Feeder with NEA

The discussion program on "Dedicated Feeder" with Nepal Electricity Authority (NEA) was organized on October 29, 2013 by Confederation of Nepalese Industries (CNI). The program was held at CNI secretariat Thapathali, Kathmandu in the presence of VP Hari Bhakta Sharma, CNI Office bearers, National Council members and Deputy Director of Economic Planning and Development Division, Sher Singh Bhat and Director of Economic Analysis Division, Jayendra Shrestha and Jayraj Bhandari from NEA. In the interaction, VP Sharma highlighted that the effort from NEA to supply 24 hours electricity to Industry sector through Dedicated Feeder program in the current scenario where pace of industrialization in country is weak because of lack of energy supply is appreciable. He also emphasized and urged NEA on systematic management of Dedicated Feeder so that it won't have any impact on investment and competitive position of industrial sector in



CNI in discussion with NEA officials on Dedicated Feeder at CNI Secretariat

country. VP Sharma also cleared that CNI is always ready to work together with NEA for mutual benefit and bring positive changes in the nation. In the meet, CNI office bearers concentrated on the fact that NEA should make supporting plans and policies considering the current industrial

environment of the nation, investment atmosphere and opportunities lying in the market. They also urged NEA for effective management of the proposed plan of Dedicated Feeder so that NEA could make easy availability of electricity to industry sector in a systematic manner through the program.

In the discussion, Deputy Director, Bhat informed that the Authority has proposed a different program aiming to reduce the problems caused by lack of electricity supply in industrialization and exploring the alternatives of electricity. Similarly, Director, Shrestha also informed that NEA could manage 60 MW for Dedicated Feeder through which NEA could supply 24 hours power supply to industry sector and the rate will be decided on the basis

of market demand and supply. However, the rate of such supply won't cross as twice of current market rate and the rate offered by industry sector will also be considered.

## CNI ; Three Days Seminar on Intellectual Property Rights

Government of Nepal Ministry of Industry, Department of Industry, Confederation of Nepalese Industries (CNI) in cooperation with World Intellectual Property Organization (WIPO) organized a three day seminar on 'General Awareness Building on Intellectual Property Rights (IPRS) and its role in Economic Development' from December 10-12, 2013 at Trade Tower, Thapathali. Speaking at the program, Finance Minister Mr. Shankar Prasad Koirala said the government is establishing an integrated office to oversee the issues related to IPR keeping in view its growing significance. He also said the government was formulating National IPR Policy in an attempt to address most of the problems related to IPR. "The country can take benefit from IPR for development of innovative technology and investment in research," he added. He said that Nepal's weak legal and administrative arrangement for protection of Intellectual Property



Participants at the seminar with the resource persons

Right (IPR) is creating hindrances for the Nepalese Industries. He also underlined the need to safeguard intellectual property right to achieve better economic development by attracting more investment for knowledge-based industries in the country. "Each country has to strengthen its ability to create, protect and exploit Intellectual Property (IP) to create an environment for higher investment which can generate more income and employment opportunity for people," Mohammad Hossein Moayedoddin, deputy director, World Intellectual Property Organization (WIPO) Regional Bureau

for Asia and the Pacific of World Intellectual Property Organization (WIPO), said.

Industry Secretary Krishna Gyawali said existing laws dealing with IPR needed to be amended as per the changed context to ensure protection of property rights of knowledge-based industries. He also said the government has prepared a

guideline to effectively spend Rs 20 million allocated by the government to deal with issues related to IPR. Dhruva Lal Rajbanshi, director general of DoI, echoed Shrestha and said the nearly five decades old Patent Right Laws should be amended to safeguard IPR.

The seminar was continued for 3 days with presentations coming from various international and domestic consultants. The seminar was attended by people from various backgrounds including private sector, government sector and advocates.



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## “Nepal Not Investment Friendly Even Today”-Danish Ambassador

Confederation of Nepalese Industries (CNI) conducted a meeting with Denmark's Ambassador to Nepal, Kristen Geelan, on, September 28, 2013 at CNI Secretariat, Thapathali. The agenda of the meeting was to strengthen the economic and business relationship between Nepal and Denmark.

During the meet, President Narendra Kumar Basnyat highlighted about improving the political condition of Nepal creating a favorable investment climate in the nation. He also pointed the activities that are carried out by CNI and also cleared about the objectives of CNI. He emphasized about the contribution and substantial support of Danish Government to Nepal in terms of education, rural renewable energy, human rights, peace process and social sectors through its aid agency DANIDA. He also concentrated that Danish direct investment in Nepal is nominal but it is supporting the tourism sector of Nepal as it has become a popular travel destination for Danish people and appealed the Ambassador for supporting economic development of nation and increasing direct investment to Nepal.

However, concerns over corruption, governance and business climate were the impeding factors. The Danish Ambassador also informed that a Danish business delegation will be visiting Nepal to assess the perspective investment opportunities, in March, 2014 under Business Partnership program.



Denmark Ambassador, H.E. MS Kristen Geelan (left) with CNI President, Narendra Kumar Basnyat (right)

Ambassador Kristen Geelan also stressed that Danish investors were interested in investing in Nepal. She also informed that under Business Partnership, the Danish Government is looking forward to developing and investing in various sectors of Nepal including agriculture, handicrafts, tourism and waste management.

He also added that UK investors in their visit have shown keen interest in joint ventures in development, manufacturing and processing in Nepal. President Basnyat also opined that Nepal offers a favorable opportunity in hydroelectricity and touring for foreign investors. Similarly, Hari Bhakta Sharma-VP CNI and Satish More-VP CNI requested the British Ambassador to initiate a constructive dialogue between government of both

## Private Sector Enthusiastic after CA Election in Nepal

The private sector has hoped for an investment friendly atmosphere after the preliminary results of the Constituent Assembly (CA) election has come in

constitution drafting, economic prosperity and development

**CNI commented that the agenda**

stability is the main basis for the country's development, CNI said that the dream of stability and the country's development can only be possible through economic prosperity and

### Interaction with the .....

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favor of the liberal parties. Confederation of Nepalese Industries (CNI) has expressed hope that the country will finally head towards stability following the success of polling process of CA election held on November 19, 2013. CNI commented that the agenda of economic liberalization has been approved by Nepalese citizens along with the election results. "The election was held peacefully as per the wishes of the Nepalese in spite of different suspicions and fear and the big turnout in the second CA election shows that the people are enthusiastic about lasting peace,

## of economic liberalization has been approved by Nepalese citizens along with the election results.

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of strong democracy and this enthusiastic mandate is an important achievement.", CNI stated Stating that economic

industrial development. Stating that prompt constitution drafting, political stability, and stable government are the only pre-conditions for the new CA, CNI affirmed that the politics is back on track again. "The agenda of constitution drafting and economic development should only be moved forward along with the formation of new government," CNI Vice President Hari Bhakta Sharma says. "We have reached a situation wherein we cannot tolerate any unproductive activity like strikes merely to exact political revenge as the industrial economy of the country is teetering."

countries to promote bilateral trade and investment through the instruments such as Double Taxation Avoidance Agreement (DTAA) and effective implementation of Bilateral Investment Promotion and Protection Agreement (BIPPA). During the interaction, Ambassador Spark highlighted that the Britain Government prioritized the economic development and improvement of business environment in Nepal. He also informed that Britain Embassy in cooperation with International Finance Corporation (IFC) have been working for the development of energy sector, technology transfer, intellectual property protection, development of private sector in Nepal. It is also exerting efforts to make effective dialogue between Public and Private sector.