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THE €CONOMIC $YSTEM

A NAME OF PRECISION JOURNALISM
अर्थव्यवस्था
MONTHLY PUBLICATION HYDRO EDITION PRICE-NRS 50/- INTL-USD 1/-

- Untapped Hydropower Potential in Nepal
- Gravitational Vortex Power : A Solution to Light Nepal

Puzzling Power Politics

TOYOTA

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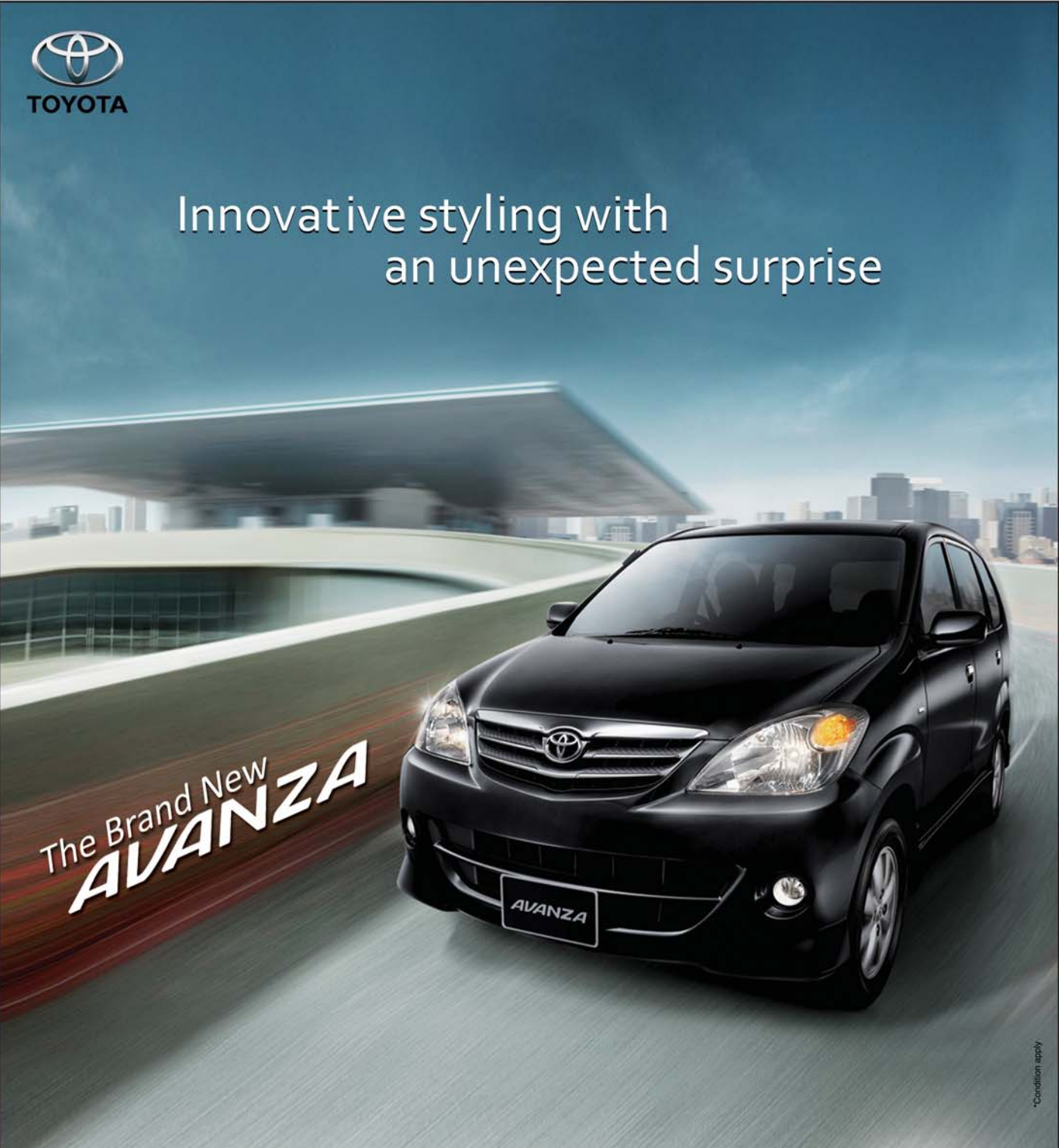

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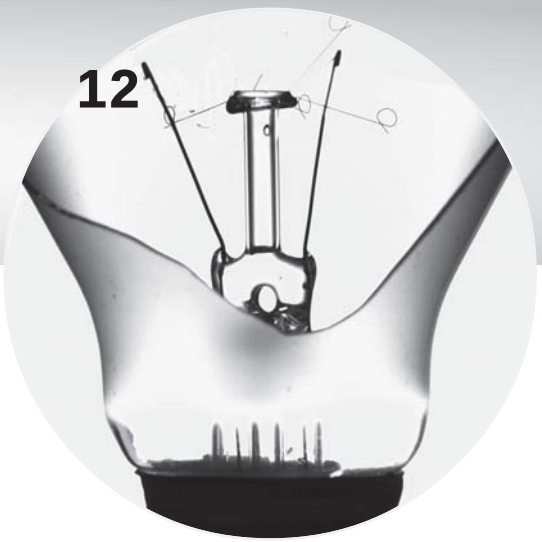

Why Nepal is cursed with **Load Shedding?**

'Nabil will shortly ally with Nepal Investment and Himalayan Bank'

40

FEEL THE FIAT

The views expressed in the articles are of the authors' and do not necessarily reflect on the publisher. If you are interested in writing for **'The Economic System'** please send in your articles, reports in approximately one thousand words on economy, finance, management or any financial issue that you feel strongly about. Write to: editorial@corporatenepal.com.np

...towards

Control Cost-Push Inflation

Nepal Rastra Bank (NRB) finally turned its back on to keep inflation rate on the same as it was projected in its monetary policy 2010/11. As inflation measured by the consumer price index increased to 11.3 percent in mid-January 2011 from 10.7 percent in the corresponding period of the previous year, NRB seems a bit hesitant and is compelled to revise its projection in the mid-term review of the monetary policy. Governor Dr. Yubaraj Khatiwada insisted the points like weaker internal supply system, price hikes in petroleum products, global inflations and price status in India, responsible for higher inflation. Hence NRB uninterestingly revised its projection on inflation with a hope it will not cross 9 percent (2 percent more than earlier projection) in average this year.

Roaring inflation, hiking price and liquidity crunch are suffering consumers and it may be calling 'Hitler' as in 1930s Germany. At this, what we should remain cautious on is the tendency and nature of the present inflation trend because Inflation here doesn't seem natural one as it is cost-push rather than demand-pull. If the price of commodities and services hike due to the demand pressure it is demand-pull inflation whereas cost-push is a kind of profit-push increase where organized effort to raise price margin is the cause for price hiking. Cost-push inflation is rigorously affecting production and distribution system in Nepal where those having adequate cash in their hands are exploiting short term benefits. Saving culture is discouraged which is affecting capital formation and ultimately it hampers production, employment generation and economic growth. Investment is oriented towards consumable items and service sectors rather than the production in pursuit of fast cash. Black marketing, hoarding, speculation and less confidence upon national currency are the critical challenges brought up by profit-push inflation.

Inflation invites frustrations, tensions and arrogances among people which ultimately lead to the depression. Since U.S. was the major creditor of postwar Europe, U.S. financial breakdown precipitated economic failures around the world, especially in Germany and Britain. The Depression also advanced Adolf Hitler's rise to power through election in Germany dated 1933 and fomented political extremism in other countries. Thus casualness over the cost-push inflation may perhaps not be easy for the coming days and urgent consensus and commitments in between the major political parties is obligatory today. Basic consent on the economic issues will ease the investment friendly environment, helps in confiscating the contractions on liquidity and capital flow. Consequently, get spotlight on the efficient disbursement of capital expenditure to run the economic cycle on track.

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Financing Hydropower

(NRs'000)

BANKS	LENDING
Bank of Kathmandu	2,884,615
Nabil Bank Ltd.	2,650,700
Everest Bank Ltd.	1,876,700
Laxmi Bank Ltd.	1,655,288
Nepal SBI Bank Ltd.	1,124,666
Prime Com. Bank Ltd.	1,057,200
Siddhartha Bank Ltd.	721,000
Bank of Asia Ltd.	648,000
Citizens bank Ltd.	580,000
Kumari Bank Ltd.	508,121
Nepal Investment Bank Ltd.	434,920
Himalayan Bank Ltd.	383,590
NCC Bank Ltd.	320,277
Machhapuchhre Bank Ltd.	285,620
KIST Bank Ltd.	252,390
Global Bank Ltd.	250,000
Ace Dev. Bank Ltd.	210,000
NMB Bank Ltd.	194,840
Janata Bank Ltd.	178,000
Sunrise Bank Ltd.	67,375
Lumbini Bank Ltd.	52,067
TOTAL	16,335,369

16.34 billion rupees is an approximate amount financed by Nepalese banks in the hydropower projects.The data presented here is updated totaling the latest commitment of consortium investment of 11 different banks in Sanimai Hydropower, promoted by Non-residential Nepalese. Data is retrieved as reported to Nepal Bankers Association by the individual banks.

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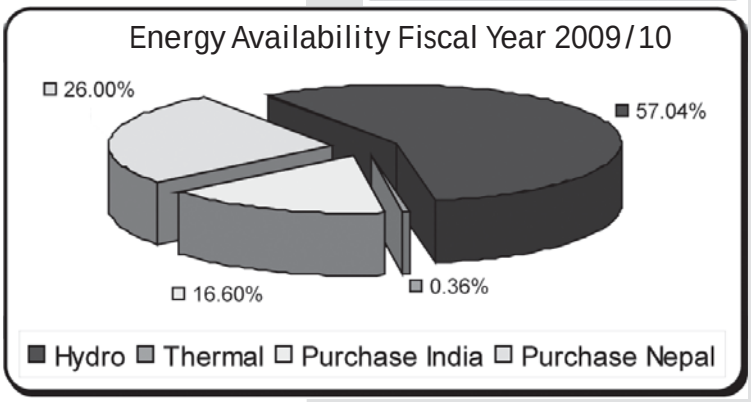
Precision

Existing NEA Power Projects

Major Hydropower Stations			
1	Middle Marsyangdi	70,000	kW
2	KaliGandaki "A"	144,000	kW
3	Marsyangdi	69,000	kW
4	Kulekhani No. 1	60,000	kW
5	Kulekhani No. 2	32,000	kW
6	Trisuli	24,000	kW
7	Gandak	15,000	kW
8	Modi Khola	14,800	kW
9	Devighat	14,100	kW
10	Sunkosi	10,050	kW
11	Puwakhola	6,200	kW
TOTAL		459,150	kW
Small Hydropower Stations			
TOTAL		13,844	kW
GRAND TOTAL		**472,994**	**kW**
Small Hydropower Stations Existing (Isolated)			
TOTAL		**4,536**	**kW**
Diesel Power Stations			
1	Duhabi Multifuel	39,000	kW
2	Hetauda	14,410	kW
TOTAL		53,410	kW
Solar Power Stations Existing			
1	Simikot	50	kW
2	Gamgadhi	50	kW
TOTAL		**100**	**kW**
Total Hydro (NEA)		477,530	kW
Total Hydro (IPP)		166,806	kW
Total Hydro (Nepal)		644,336	kW
Total Thermal (NEA)		53,410	kW
Total Solar (NEA)		100	kW
Total Installed Capacity		697,846	kW
Under Construction			
1	Upper Tamakoshi	456,000	kW
2	Chamelia	30,000	kW
3	Kulekhani III	14,000	kW
4	Gamgad	400	kW
TOTAL		**500,400**	**kW**
Planned & Proposed			
1	Upper Trishuli-3'A'	60,000	kW
2	Upper Trishuli-3'B'	37,000	kW
3	Budhi Gandaki	600,000	kW
4	Rahughat	27,000	kW
5	Upper Seti (Storage)	128,000	kW
6	Seti Trishuli (Storage)	128,000	kW
7	Upper Modi 'A'	42,000	kW
8	Nalsyagu Gad (storage)	400,000	kW
TOTAL		1,422,000	kW



'The Economic System' has analysed herewith what is likely if a fresh merger will set off between all four BFIs primarily or partly owned by the State

● By Ramesh Ghimire

Why not the 'MERGER' amongst State-run banks !

Two plus two is expected to be five but this is possible only if the mathematics of merger go well. Banks and financial institutions (BFIs) considerably should consolidate as much as reasonable in the most rapid way possible to collect good eggs further in their baskets. With a hope to strengthen overall capacity of Nepalese financial market, while Nepal Rastra Bank (NRB) and Ministry of Finance (MoF) are emphasizing on merger in between BFIs, why not the government should begin this at its own? The question is quite unsettled and seeks the immediate arrangement to drive the vehicle of merger smoothly.

'The Economic System' has analysed herewith what is likely if a fresh merger will set off between all of BFIs primarily or partly owned by the State that is to say Nepal Bank Ltd. (NBL), Rastriya Banijya Bank Ltd. (RBB), Agricultural Development Bank Ltd. (ADBL) and Nepal Industrial Development Corporation (NIDC). Despite some issues of merger between RBB and NIDC is reportedly lobbied on by the high level authorities in MoF, sources claim it as an attempt of dealing over NIDC's pricey lands and other properties located in the prime locations all over the nation. NIDC has its ample properties to revive the negative net worth of RBB and NBL as well if those capitalised.

Central Bank has postponed all kind of licensing for new financial institutions up to the 'C' class through its monetary policy following its prior decision to halt licensing the 'A' class commercial banks. The move is interpreted somehow as a pressure push from the central bank to inspire the existing finance companies and development banks to form stronger commercial banks through merger and acquisition process. 'Please come at a point to consolidate your business and you will make rewarding profits', said Dr. Yubaraj Khatiwada, and he further suggested the BFIs to discuss on the issue. He informed NRB is mulling on the recapitalisation of NBL and RBB. 'We too are considering the merger process to upward from the state-owned BFIs as merger will reduce the supervisory cost of central bank as well' he opined. NRB is ready to provide facilitation to the companies' board of directors if those are willing to go through merger. But as by-products of our culture, Nepalese executives do not seemingly agreed to lose their existing post which is compulsory to limit the board and management size following the merger. Three companies have been merged thus far in Nepal as they were promoted by the same business groups.

Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidise it. - Ronald Regan

Government is holding full ownership in RBB and NIDC whereas it has its major share portion of share in ADBL and NBL. Among the four, RBB and NBL are currently running under the financial reform programme. 'Financial reform programme is somehow successful to reform these two banks to some extent' insists Governor Dr. Khatiwada while some other banking professionals do not have the same opinion. Shovan Dev Pant, CEO, Lumbini Bank Ltd sums up the reform programme as an unsuccessful attempt, sensitised and presented with glamour of hired experts.

RBB and NBL still count the negative net worth while NRB has directed all commercial banks to fulfil the minimum capital of Rs. 2 billion capital by 2013 June. NBL has hardly Rs. 380 million paid up capital and though RBB has fulfilled the requirement of paid capital is still far behind the requirement of capital adequacy because of its enormous sized cumulative loss. Thus these two banks need an urgent recapitalisation plan and one of the best probable way to make this possible will be lump-sum merger between the four institutions.

Calculating separately, Rs. 14 billion additional capital is required to positive the net worth of RBB and NBL. However the requirement for the additional capital will be downsized if the four institutions go into the merger. There will be a requirement for Rs. 8.3 billion additional amounts only due to the capital support from ADBL and its irredeemable preference share with value of 6.4 billion. Government will have option to sell few portions of the properties belonging to Nepal Bank as it has so many land pieces and buildings in the major cities all over the country. Government can revaluate and count for the capitalisation, the properties that belong with NIDC too. Despite the high figures in NPA, there is nothing to worry about NIDC as it has just sanctioned Rs. 143 million as loan. Selling few pieces of land or some other properties may perhaps be the suitable option because only the revaluation and recapitalisation will increase the liabilities too and the staff will claim for the bonus while the merged institution will have net profit of huge amount in its account.

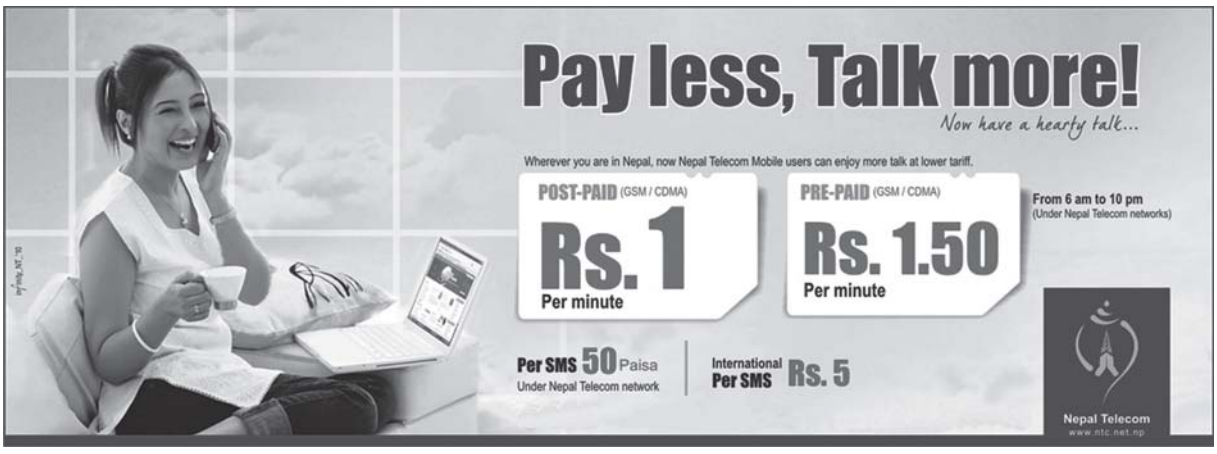
Compromise is the key for any kind of merger and it is applied in this case as well. The State-owned four institutions should look forward for the opportunities waiting and the staffs in these organisations should facilitate for a better and healthier institution like some other State-owned banks in the neighboring countries. ●

(Figure in NRs'000)

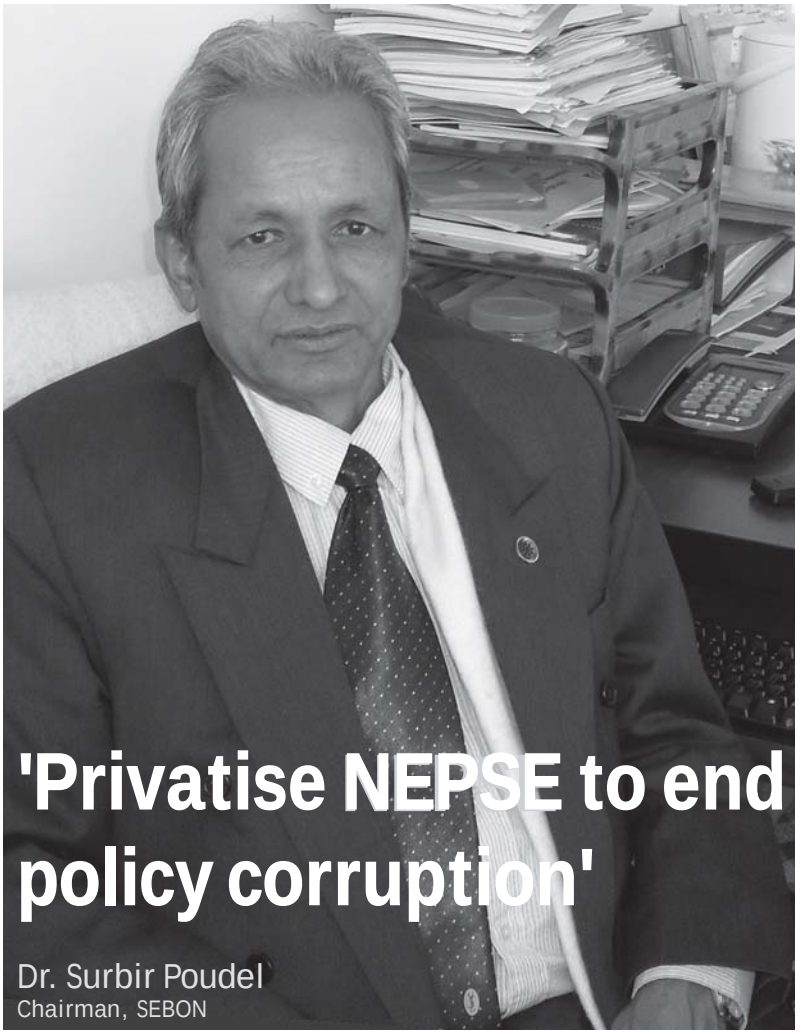
Bank	Paid-up	Reserve Capital	Local Fund	Net Deposit	NPA % Profit
NBL	380383	(4877597)	40601067	357098	4.99
RBB	1172300	(11126990)	68545121	2010687	9.81
ADBL	3037500	988791	32462960	1450055	8.22
NIDC	415823	286801	90995	357353	87.55
Total	**5006006**	**(14728995)**	**141700143**	**4175193**	**-**

Financial status of government-owned BFIs as of fiscal year 2009/10

Nepal Industrial Development Corporation Ltd.
नेपाल औद्योगिक विकास निगम लिमिटेड



Inflation is when you pay fifteen dollars for the ten-dollar haircut you used to get for five dollars when you had hair. - Sam Ewing quotes



'Privatise NEPSE to end policy corruption'

Dr. Surbir Poudel
Chairman, SEBON

Securities Exchange Board of Nepal (SEBON) is formulating its capital market plan with the aim to refurbish the market, strengthening internal mechanism of the regulation. While the general share investors are nauseating by the unremitting bearish trend, there are on the other hands plenty of analysis arousing the market is still in a process of correction. Investment trend is somehow diverted to the commodities and future markets however proper planning is yet far from the scene to embark upon it. Dr. Surbir Poudel, Chairman, SEBON talks to the team of 'The Economic System'. Here are the excerpts:

Would you please let us know the progress in formulation of capital market master plan expected to advance the whole market ?

Formulation of master plan is underway and the action working committee in SEBON is working incessantly on it. Master plan will most likely comprise all facets of capital market explicitly the issues of stock exchange and securities board such as capacity building, human resources, plan and policy, professionalism and ultimately the modernisation of these institutions. It seems rather necessary to amend few laws and regulations to make overall capital market friendly to the stakeholders and even not unlike the international standards.

What sort of clauses do you think should necessarily be altered in the existing rules ?

Securities act 2007, securities regulation, securities businessmen regulation are some of those prevailing statutes where few loopholes do exist and so far institute a modus operandi as if it is set to high neatness, the role of Nepal Stock Exchange (NEPSE), reducing what SEBON does have as a regulatory body. There are some needless processes defined in the regulations, should be completed within and under supervisory of NEPSE to apply for the broker license. I think laws and bylaws should not get on nerves to provide licenses if fit and proper documents are submitted along with. Similarly amendments are essential to ensure the autonomy of SEBON in the real sense.

What do you suppose the true autonomy in SEBON should be like ?

SEBON should be autonomous to fulfil its available jobs and attain the necessary regulations. Power is hitherto centralised within the chairman and it should be distributed to the personnel with accountability henceforth. No one should believe in absolute autonomy and being a chief executive plus chairman of the regulatory board, SEBON, I think this institution must be given with power to declare annual targets and we the responsible office bearers should be stood before the parliament to face the public hearing once a year. However in the existing structure, it is not easy enough to make decisions where we have several directors representing other public and private institutions like Ministry of Finance (MoF), Nepal Rastra Bank (NRB), Ministry of Law and Constituent Assembly (MoLCAH, Federation of Nepalese Chambers of Commerce (FNCCI) etc. Hence here what I mean to say is we

The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics. - Thomas Sowell

should create provisions to appoint at least two of the directors along with the chairman as full time executives in SEBON through free competition. This will consolidate professionalism with autonomy in an actual sense.

How do you evaluate the performance of your institution to ensure corporate governance in public companies ?

SEBON is working within limited human resources for a long and thus it is the matter of pity we still has some spaces left to make our monitoring and supervisory role more efficient to maintain discipline in the market. We are not being able to locate all sorts of over speculations and insider trading. We can enhance our role of watchdog considerably being vigilant upon the functioning of managements and boards of public listed companies if enough human resources is made available.

What do you like to say the public investors in the hardly breathing present market trend ?

What it is going on today is the result of spiral effect and both the psychological and political factor are the inputs for it. Though it seems some correction in the puffed index, the instability factor is hampering it, off-putting conducive environment for investment. On the other hand, there are few numbers of public companies from real sector, listed in stock exchange. Similarly, due to the limited financial literary within general investors, it is now proper time to welcome institutional investors in the market. Employees Provident Fund (EPF), Citizens Investment Trust (CIT), Rastriya Beema Sansthan (RBS) etc should take part in the market as the rational investor and the market maker.

> Public are often dispersed whereas promoters are united. Thus there must be the comprehensible proviso to allocate 49 percent of share to the public shareholders in each public company.

How do you consider the idea to induce large tax payer companies to shift as the public ones which might result a notable growth of real sector in the stock exchange ?

We can encourage the voluntary conversion with some incentives but the mandatory policy will not function well. Private enterprises will seek for the cost benefits for such a conversion and listing in the stock market. Handful of private investors will likely obtain the chance to cheat the general investors if they are encouraged forcefully where the regulatory mechanism is not well-built yet. Rather it seems necessary to privatise NEPSE to some extent, offering its certain portion of share to the public which will be an attempt to end all form of policy corruption in existence. NEPSE will then function well and every process of stock market will run fine.

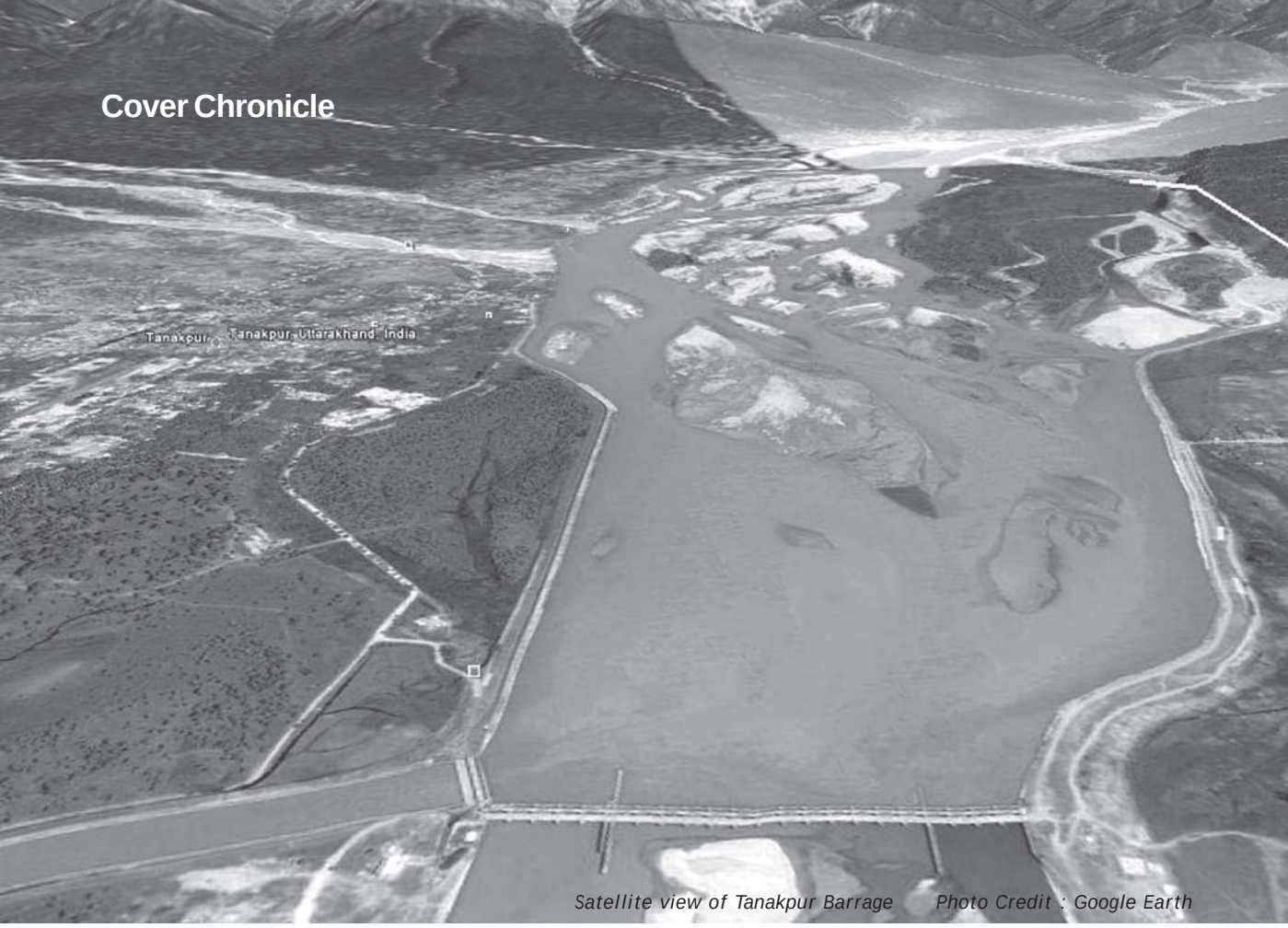
Why do you think mostly the public companies are not running with the basic theme of public participation especially in decision making ?

I consider this is an issue of power holding and public participation is only functional while public investors will have control over majority share. At least they should have 49 percent of share in a company to influence collectively in decisions. Public are often dispersed whereas promoters are united. Thus there must be the comprehensible proviso to allocate 49 percent of share to the public shareholders in each public company.

Last but not least, how do you deem ahead the transactions of billions in commodities and future market exclusive of any regulation ?

I believe there is a vast potentiality of enhancement in production if the commodities market is linked with grass root local productions. We should have large chain of production cooperatives and those cooperatives will be facilitated by the future market to sell the food products. Investors will be able to hedge and make contract for the crop products in the commodities market and it will support the economic cycle. However these all are only the propositions and we even do not know what exactly is going on within commodities and future market. I would like to request the government to manage proper resources and guidelines to scrutinise and regulate it.●

People who are hungry and out of a job are the stuff of which dictatorships are made. - Franklin D. Roosevelt



Satellite view of Tanakpur Barrage *Photo Credit : Google Earth*

Untapped Hydropower Potential in Nepal

● By Gajendra Bista

US developed 36 MW Bhotekoshi which is generating NRs. 1 billion annual income while investment cost was almost 5 billion. Realizing the fact, several Indian companies are trying to get hydropower licenses as much as possible.

Nepal is blessed with abundant water resources combined with a wide geographical variation from highest Himalayan peak to the lowest land of Terai. About 6000 rivers and rivulets in Nepal possess about 225 billion cubic meters of water every year. Several studies have been carried out and so far stated that Nepal can generate more than 2 hundred thousand Megawatt of hydro electricity utilizing available rivers and rivulets. Besides consumption of electricity at home, there is tremendous potential of exporting power to India as the country is striving ahead to register double digit growth. What is irony further is the people living in the lap of snowy mountains have hardly access to 5 litres of water every day despite Nepal is the second largest

Economists are pessimists: they've predicted 8 of the last 3 depressions - Barry Asmus

country in the world to be rich in water next to Brazil. While in United States of America (USA) 700 litres of water per person is available every day.

While talking about the exploitation of natural resources especially water, we are possibly the unluckiest one in the world. So far, we have been able to generate 600 Megawatt (MW) of hydropower during more than five decades of our endeavour and supplying the generated power for less than one third of our population for less than one third of a day. Bitter reality is that we are importing power from India to lessen 16 hours or more load shedding a day. Nepal imported Rs. 2.5 billion worth power from India last year in 2009.

Hydropower Potential in Nepal

The gross hydro potential of Nepal's rivers based on average flow has been estimated at 200 thousand MW. Potential sites are expected to be economically feasible for generating about 51 percent of this potentiality. It means more than 100 thousand MW is considered as economically viable. Though the study is not updated enough regarding economically viable projects, Water and Energy Commission Secretariat (WECS) under the Government of Nepal (GoN), has estimated 157 projects which can generate 6,200 MW power in category of 10 MW to 100 MW. In the category of 100 to 300 MW, the commission has identified 47 projects which can generate 7,815 MW power and 300 to 1000 MW category 20 projects have been identified with the capacity of 9,437 MW. Five projects with the capacity of 19,463 MW are identified under the category of more than 1000 MW projects.

Power Generation and Demand

Despite Nepal is rich in hydropower potential, the country has been able to generate only 400 MW power presently. But installed capacity is about 700 MW. Nepal needs more than 1300 MW to meet the present increasing demand of power. In 2015, Nepal's demand for electricity is estimated to be more than 2200 MW and installed capacity will probably be 1653 MW even if everything goes well for the completion of Chamelia 30 MW, Kulekhani-III 14 MW, Upper Tamakoshi 456 MW, Upper Trishuli-IIIA 60 MW, Upper Trishuli III-B 40 MW, Rahughat 30 MW and Upper Modi A 42 MW. Despite that, there will be a deficit of at least 1000 MW energy in 2015. It still shows there will be 8 hours per day, deficit of power. On the other hand merely less than 20 percent population are getting electricity from national grid and less than 1 percent of the hydropower potential is being utilized.

The power demand is increasing at the rate of 11 percent annually. Government has the policy to promote the private sector both domestic and foreign for the construction of hydropower projects. There are many small projects run by the private sector. Joint venture companies have been attracted to invest in hydro sector as demand is increasing day by day. Recently, 4.5 MW power has been connected in National Grid from Mai Khola hydro project in Ilam constructed by the Nepalese entrepreneurs. This is the indication the Nepalese entrepreneurs are also capable of producing small scale hydro power projects. There are hundreds of Nepalese entrepreneurs, they can run such micro or small hydro plants which will definitely turn out to be instrumental to reduce present power crisis in Nepal. Numbers of commercial banks established in the country can invest more than Rs. 40 billion if provided sound guidelines on time by Nepal Rastra Bank. In Nepal, per MW project cost is about Rs.100 million and the above mentioned capital from commercial banks will be capable of building more than 160 MW of power projects. Some of the projects namely 1.4 MW Thoppal Khola, 4.5 MW Lower Nyadi, 30 MW Chamelia, 14 MW Kulekhani III are under construction taking such loan from various commercial banks.

From the public sector, 70 MW Middle Marsyangdi hydropower

Potential Hydropower Projects

Projects	Capacity (MW)
Karnali Chisapani	10800
Pancheswar	6480
West Seti	750
Kali Gandaki II	660
Burhi Gandaki	600
Upper Tama Koshi	456
Arun III	402
Upper Arun	335
Lower Arun	308
Dudh Koshi Storage	300
Upper karnali	300
Langtang Khola Storage	218
Andhi Khola Storage	180
Upper Seti Storage	122
Upper Marsyangdi A	121
Tamar Mewa	101
Madi Ishaneswar	86
Kankai Storage	60
Likhu IV	51
Kulekhani III	45
Kabeli 'A'	30
Chamelia	30

Economy is the method by which we prepare today to afford the improvements of tomorrow. - Calvin Coolidge

project is almost completed. Recently, an agreement signed between Nepal Electricity Authority (NEA), Nepal Telecom (NTC), Employees' Provident Fund (EPF), Citizen Investment Trust (CIT) and some other commercial banks to operate 456 MW Upper Tamakoshi hydro power project is a positive indication to employ Nepalese resource for hydropower.

Main Targets of the Government

WECS has formulated Nepal Water Plan 2002 which was approved by GoN in 2005. The commission has set a target to generate up to 4000 MW hydropower electricity to meet the domestic demand by 2017. This projection is like a day dream in present context of Nepal wherein there is a significant existence of political instability, weaker and corrupted bureaucracy, low scale investment, unfavourable business environment, corrupted and lackadaisical attitudes of the political actors. It is logical to state here that if then Communist Party of Nepal Unified Marxist Leninist (CPN-UML) had not opposed against Arun-III project (335 MW) about one and half decades ago, Nepalese consumers would not have to suffer under the terrible load shedding.

Project Identification

Several licenses have been issued for less than 10 MW projects for Nepalese investors with a belief that we can develop such types of projects. In terms of less than 1 MW project, no such a license is required, no income tax is levied and no royalty fee shall be imposed. NEA had fixed the rate of bulk purchase of electricity NRs. 4.25 per KWH for dry season and NRs. 3 for wet season. In case of small projects, investors have to identify either themselves or can invest in a project which is at the stage of completed power purchase agreement (PPA) with NEA. Similarly, in the case of big projects, NEA has already identified some of the projects for short, medium and long term. Major studies have already been conducted and therefore will not require much time to initiate them.

GoN had invited proposals from the private sector for three projects that is Budhi Gandaki, Arun III, and Upper Karnali where Indian companies have submitted the proposals and thus carried on further.

Short Term Projects

The short term projects are defined as projects which can be implemented immediately and completed within five years. Government has already reached an agreement with some of the projects. The identified projects categorized as short term are:

- Budhi Gandaki 600 MW PRoR
- Arun III 402 MW RoR
- Upper Marshyagdi 121 MW PRoR
- Upper Karnali 300 MW PRoR (now 480 MW)
- West Seti 750 MW Storage

But these projects are already in the process of final decision of bidding. Government of Nepal(GoN) had invited proposals from the private sector for three projects that is Budhi Gandaki, Arun III, and Upper Karnali where Indian companies have submitted the proposals and thus carried on further. Upper Marshyangdi is going to be financed by Chinese and Nepalese investors and West Seti has also been booked.

Medium Term Projects

Medium term projects take a longer time for the accomplishment due to the duration required for study and time needed for its development after identification because of its geographical location. Some of the projects categorized under the medium term projects are:

- Upper Arun 335 MW
- Langtang Khola 212 MW
- Upper Karnali 4180 MW Storage
- Sapta Gandaki 225 MW

Long Term Projects

Long Term Projects are such projects which require long implementation duration due to several factors like huge investment, large scale construction, geographical locations and so on. Some of the projects identified for long term category are:

- Sapta Kosi 4700MW
- Karnali Chisapani 10,800 MW
- Pancheswar 6,580 MW

Attraction in Hydropower

In recent days, private investors are notably being attracted in hydropower sector as privately run hydropower projects are yielding handsome returns. In the earlier days while Nepalese projects were constructed on grant, it was impossible for the private sector to think about it. Gradually when the government and government-run NEA jointly constructed some few projects, private sector investors, both domestic as well as foreigners have been attracted in this sector. US developed 36 MW Bhotekoshi which is generating NRs. 1 billion annual income while investment cost was almost NRs. 5 billion. Likewise, some other investors are making alluring profit from hydropower projects that can be seen in the chart mentioned above. Realizing the fact, several Indian companies are trying to get hydropower licenses as much as possible. Government of Nepal

The financial markets play an active role in determining what's going to happen, how the economy is going to function. - George Soros

Some Successful Projects with Cost, Capacity and Annual Income

(Rs. in million)

Projects	Country	Capacity (MW)	Investment	Construction Period (Yr.)	Annual Income
Bhotekoshi	USA	36	5000	4	1000
Chilime	Nepal	20	2450	4	810
Indrawati	Nepal+Norway	7.5	1500	4	240
Sanimai	NRN	2.5	34	2	80
Sisne	Nepal (IPP)	<1	110	2	25

had already proceeded agreement with some of the Indian companies for construction of potential three projects-600MW Budhi Gandaki, 402MW Arun III, and 300 MW Upper Karnali.

Challenges and Opportunities

Though many of the projects are attractive and rate of return is very high and there exists minimum risk for already identified small types of hydropower projects, mega projects are accompanied with high risks in terms of investment. Sufficient study is found lacking on the part of both government and private sectors regarding big projects. There are very limited study conducted and it may take longer duration to complete the study over any mega project. Environmental issues are more associated with big projects as such projects seek for huge construction work. However some opportunities are adjoined together with big projects because major studies have already been done in less than 600 MW projects and there are no major cases relating to water rights associated with these projects. It is not very difficult to make PPA with the NEA as government has already set standard rate for less than 5 MW projects and more than this can be fixed through negotiation. After completing the PPA, construction of the project should set off.

Issues on Tariff Rate

Every consumer gets frustrated with load-shedding and one can be ready to pay higher price if consistent supply of power is guaranteed. NEA has not been able to increase power tariff for many years as it has to get approval from tariff commission to fix it. According to the investors, as the price of input materials has gone up during this period, electricity purchase price should be increased to attract investment in hydro power for the coming days. Increasing price is however a very unpopular decision the question of good management in NEA is connected within it. Tariff Commission has demanded the commitment from NEA for its transparent and proactive, non-corrupted management. There is no such a ground with NEA to have public faith due to its defunct and opaque character without governance. With one third of its leakage electricity, NEA largely standing with the cumulative loss of NRs. 22 billion and the investors do not seem interested to support this loss making government enterprise on PPA issue. Besides, NEA now has monopoly authority of generation, transmission and distribution of electricity in the country and the stakeholders are demanding to split it into the three functioning bodies to promote competition that will ultimately help in generating and distributing electricity to the larger number of populace. ●

(Author is a senior financial journalist conversant on hydropower affairs.)

The gap in our economy is between what we have and what we think we ought to have - and that is a moral problem, not an economic one. - Paul Heyne

By Bikas Thapa

Why Nepal is cursed with Load Shedding?

Nepalese consumers are likely to bear some sixteen hours of every day power-cut in this March. Meanwhile there won't be further any option than merely one or two hours of power supply if either of the powerhouses or transmission lines catch up with technical disparity. Load shedding is though an infinite dilemma rather than a short term crisis which means it is quite imperative to remain under gloom till the date we will have either a storage or run of river hydro project with capacity to generate 1 thousand megawatt (MW) electricity. Nepalese electricity system demands at least 1 hundred MW of additional energy per annum. We however do not have any steps forward to fulfil the additional demand of energy. Neither we can produce energy to such extent nor are we being able to import so. While the highest demand (Peak Load) of energy is 9 hundred MW this year, supplied do not holds even one third of it comprising total imported electricity from India. Hydropower Stations owned by Nepal Electricity Authority (NEA)

Khimti and Bhotekoshi projects appeared in the scene as per the hydropower development policy designed and implemented in 1993 somehow in pressure from the donors' side.

Five years ago, we thought of the Web as a new medium, not a new economy. - Clement Mok

and Independent Power Producers (IPP) do not so far produce one third of installed capacity in every dry season. (See box)

Wet season comes across with excess amount of water in Nepal having ample hydro potential to generate millions of MW electricity. Thus Nepal is regarded as prosperous nation in water resources. But most of the rivers in the dry season go down subsequently with more than two third of their water-level. This affects the overall production in run of river type hydropower projects. Despite the installed capacity of 6 hundred and 60 MW, overall hydropower projects in Nepal are yielding no more than relatively half of what is instated. It is due to the reduction in water surface level of the rivers and it somewhat poised the statement- 'Nepal is not affluent in water resources where there is a lot enough basically in the floods. Nonetheless we possess undoubtedly the appropriate heads (height necessary to produce electricity) and geographical structure suitably located to construct dams. Nepal, eminent as a potential terrain to produce more or less 83 thousand MW power claimed by the studies so far is however well-to-do no more than in the principles and beliefs where the 40 percent of allegedly 'benefited' segment of population mix supplied with energy are rewarded abutting dense load shedding. We suppose to be rich enough in water resources due to the availability of raw materials i.e. water, naturally and at free of cost. In each case of energy generation through other alternative means such as coal, atomic process and so on, cost on raw materials is amounted ultimately in the generated power. India is producing more than 70 percent of total overall energy based on coal where buying the raw materials is must before the generation. Hydroelectric projects in Nepal are supposed as feasible due to the free availability of water to rotate the turbine since one time investment for dam, turbine, penstock (canal to flow running water) etc. But hydroelectric project is not an easily made physical structure which may commence generating power right away. Obviously there are certain elements, needful to be arranged and managed in the proper technical form to operate a hydro project. Here are some of the major reasons behinds the ongoing power crisis and exasperating load shedding.

1. Political Instability

Politics, the major succession for national development is significantly the backbone for economic boom of the country. We are yet underway to fix our political system since 1950 and instability is ruling to date. 'Panchayat' system with its three decades of history brought altogether 250 MW of hydropower. Hydropower caught its verve in the earlier days of multiparty democracy after 1990 though foreign investors and donors' lobbies and their influences in combine were successful to hand over the overall responsibility of hydropower development and construction to the private sector. Policy camouflaged as per

Electricity Demand Projection

Year	Energy (GWh)	Growth (%)	Peak (MW)	Growth (%)
2006	2777.40		603.28	
2007	2897.10	4.3	642.20	6.5
2008	3136.60	8.3	695.30	8.3
2009	3428.10	9.3	759.90	9.3
2010	3698.40	7.9	819.80	7.9
2011	4057.10	9.7	890.60	8.6
2012	4423.30	9.0	971.00	9.0
2013	4815.00	8.9	1057.00	8.9
2014	5231.20	8.6	1148.00	8.6
2015	5373.80	8.5	1245.00	8.5
2016	6144.70	8.3	1336.10	7.3
2017	6645.90	8.2	1445.10	8.2
2018	7179.60	8.0	1561.10	8.0
2019	7719.40	7.5	1678.50	7.5
2020	8296.70	7.5	1804.00	7.5
Average Growth (%)		**8.14**		**8.14**

Source : NEA Annual Report 2006/07

When a management team with a reputation for brilliance tackles a business with a reputation for bad economics, it is the reputation of the business that remains intact. - Warren Buffett

those advocacies. Khimti and Bhotekoshi projects appeared in the scene as per the hydropower development policy designed and implemented in 1993 somehow in pressure from the donors' side. With the Power Purchase Agreement (PPA) signed binding the clause to pay these two companies for supplied energy in the rate of US dollar, NEA is now buried under the turf of almost Rs. 4 billion loss per annum. Government increasingly depended upon the private sector for power production then where 214 MW among overall 314 MW proposed target of tenth plan was scheduled for the private sector. However, 37 MW is the figure that represents the generated power in the whole five years period of tenth plan contributed from the private sector. One thing that must be remembered is this 37 MW includes 20 MW of Chilime Hydroelctric Project too as a private one. In the tenth plan period, private sectors did not get the advantages like PPA in dollar rate as in the Khimti and Bhotekoshi project. There was none of the IPP operating larger size projects than 10 MW. Investment was a real challenge in the conflicting political situation. Maoist led people's war commenced in 1996 which influenced different aspects of the economy. There was no proper guarantee of investment capital, security of the project; fear and terror created by the war etc were the factors to distract and discourage the national and foreign investors at a time. Large scale investment was impossible then.

Political hurdles continued and the April movement in 2005 brought a new scenario establishing democracy once again. Although republic system is introduced and put into practise, stability remains yet to be established in Nepalese political system. People's desire for economic revival and double digits growth are still unfulfilled and ongoing stalemates, deadlocks, and lack of governance, push and pulls- back and forth or to and fro to create government, uncertainty vis-a-vis building new constitutions are among such agendas nurturing the instability incessantly.

Investors are reacting bitterly due to the instability and they have lost their confidence due to the attitudes of major politicos. Such as for example no one is here to assess the ineffectiveness of the proposed programme of '10 thousand MW production in 10 years' announced by the Maoist previous government where the major reason is alteration in the attitude of the same party. The taskforce headed by former secretary Somnath Poudel to study the feasibility of the proposed programme of '10 thousand MW production in 10 years' had prepared a report in which Unified Communist Party of Nepal (UCPN) Maoist's Chairman, Pushpakamal Dahal, Prachanda has committed to implement the recommendation of the taskforce and not to disturb the investment in hydro. The latter announcement from UCPN Maoist in last October-November to halt 14 hydroelectric projects with Indian investment is the example that is annoying the hydropower sector which seeks for huge scale investment especially the joint ventures.

Policy variation according to the alteration in government is the latest one among the hurdles. UCPN Maoist announced 10 thousand MW target in 10 years while it was leading its government. Earlier Nepalese Congress (NC) said 5 thousand MW in 5 years but latter while handling the ministry of energy in the government led by Communist Party of Nepal, Unified Marxist Leninist (CPN-UML), NC announced 25 thousand MW target of power production in 20 years. It was just a populist slogan but nothing progress is counted in tangible form. There is neither a common opinion among the leading

Load Shedding

Year	Wet Season	Dry Season
2007/08	2 hours	11 hours
2008/09 (Mid-Marshyangdi)	2 hours	10 hours
2009/10	3 hours	13 hours
20010/11	4 hours	14 hours
2011/12	5 hours	18 hours

Available Energy Source

NEA (RoR)	274	112
IPP (RoR)	148	63
India (Purchase) along with Tanakpur	76	80
Thermal	25	30
Kulekhani I	60	60
Kulekhani II	15	15
Total (MW)	**598**	**360**

Source : NEA

Men do not realize how great a revenue economy is. - Marcus Tullius Cicero

political parties regarding hydropower production nor they have prioritised it as the national objective.

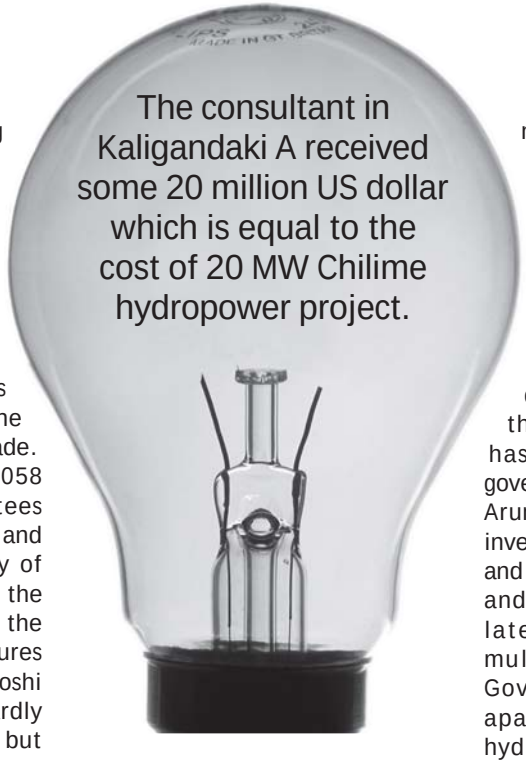
2. Ambiguous Policies

As hydropower development policy 2001 had waived all sorts of corporate income tax for fifteen years period, this sector seemed the tempting one for almost a decade. However, Income Tax Act 2058 revoked all of those guarantees and incentives in hydropower and brought it inside the periphery of value added tax (VAT). Some of the projects registered and signed the agreement as exportable ventures along with Khimti and Bhotekoshi Hydroelectric project were hardly any to get the tax incentives but other national projects were curtailed to get so. Financial bill and budget speech per year afterwards cut off the incentivised policies in hydropower. This sort of unsteadiness in policy indeed disappointed the investors however instability and alteration is continuing as far as this. Department of Electricity Development was once terminated and later revived again but ascertained in such a way as if it is only to issue the licenses on hydropower. Department of Electricity has issued license for some 13 thousand MW projects hitherto where one percent of it is enough to wipe out the whole phenomenon of load shedding. Regulation of licensed projects is always lacking along with the capable human resources.

3. Insufficient Investment

Study has shown the estimated cost of 25 billion US dollar to generate 10 thousand MW in 10 years period in Nepal. At this, 1 MW demands Rs. 150 million investments which is definitely a large sum of amount for Nepalese economy. A general notion of 30 percent equity share and 70 percent of loan is the basis of private sector investment in

The consultant in Kaligandaki A received some 20 million US dollar which is equal to the cost of 20 MW Chilime hydropower project.



hydropower even if it is not guided by any certain policy or act. According to Nepal Bankers' Association, national level banks and financial institutions (BFIs) are able to invest in there or thereabouts 50 MW capacity projects which is an indication the financial sector in Nepal is quite small to invest in hydropower. Risk and portfolio management is the theme of healthy banking and this sector does not and should not invest in only hydropower projects. Besides investment in hydropower is more risky one due to its long term nature and lengthy process of generation cum supply. Risk factor is high and on the other hand, benefiting rate is debasing day by day. Some years back while the internal returns rate used to be at 16 percent, those hydropower projects were unable to carry on in the lack of PPA. National investors are simply engaged in the micro hydropower projects up till then and rapid shortage of investment is entangling them despite the policy has defined private sector roles. In some cases there are up to 40 shareholders in the equity necessary to build a hydro project with 1 MW license. Large corporate houses seem reluctant to invest in hydropower projects due to their heavy earning from short term trade and so on. Whereas public investment is almost at zero level these days and dependency towards the foreign direct investment has been lobbied by the government itself. After the fall of Arun III, donors seem sceptic to invest in the hydropower projects and projects like Mid Marshyangdi and Kaligandaki A remained as latest ones to have bilateral, multilateral loans and grants. Government seems quite apathetic to invest itself in hydropower which reveals none priority to this sector. Investment craze in the initial public offerings (IPO) of share by any financial institution is an evidence to prove we can collect huge equity from the public to invest in any feasible mega hydro project. Likewise a Rs. 3 billion remittance inflow per annum is waiting any reliable productive sector and mega hydropower can possibly be one. Government is ought to guarantee its people in harnessing the abundant fund to invest collectively in Mega power projects.

4. Lack of infrastructural development

Infrastructure is the precondition for hydropower development because road access and transmission line to the entry point of power station is must to supply the generation. It is pity to say no other projects are facilitated with these accesses beyond some of the identified projects. Private parties solely are unable to fund for road access and transmission lines and thus demand for the presence of State as a patron. Only an entry road and transmission line can change the potentiality level of the whole basin and other several projects in

To think that the new economy is over is like somebody in London in 1830 saying the entire industrial revolution is over because some textile manufacturers in Manchester went broke. - Alvin Toffler

Headworks of Kaligandaki 'A' Photo Credit : NEA

the area are possibly benefited if the State is eager to invest in the infrastructure in sequential form targeting the identified hydropower projects. Department of Road is enjoying to perform it its own orthodox style and do not ever coordinate with ministry of energy to provide access to the projects sites while expanding roads and highways. A cabinet decision prior to two years to invest Rs 50 billion in transmission lines has gone in vain following the defiance of finance ministry to allocate the budget to it. This tendency has sidetracked some of the imminent projects and creates difficulties in transmitting the generated power from loan based projects like Kaligandaki A and Mid-Marshyangdi. NEA whimpers that adequate transmission lines are severely missing in 25 corridors altogether in the country which is the basic reason to hinder the PPA with several projects. Unavailability of entry road access is also delaying the projects. For an instance, Upper Tamakoshi project in Dolakha is still without entry road. Construction of it is going on for last six years. Likewise provisions for acquiring land, cutting trees in the jungle areas, financial services, insurance etc are even not sufficient to gear up the hydropower.

5. Gaps in Technical Know-how

Hydropower requires high level technical expertise and knowledge where we have limited human resources to tackle with it. The consultant in Kaligandaki A received some 20 million US dollar which is equal to the cost of 20 MW Chilime hydropower project. Similarly, numerous medium size projects such as Mid-Marshyangdi, Lower Marshyangdi were to hired experts and technicians from the overseas and later met many discrepancies and some of the projects were delayed. Kulekhani III and Chamelia hydro are now facing many technical drawbacks where Nepalese technicians are providing the consultancy service. Those projects are seeking for the expert services now. In the same way, Employee's Provident Fund (EPF), the major institutional investor in the Upper Tamakoshi Project has put forward the pre-condition in the project to appoint a foreign chief executive officer. This incident is a question over the ability of the Nepalese technical resources. Thus it is not easy enough to move forward the hydropower sector without crafting such an environment in which the Nepalese specialist will handle the hydro projects up to the 100 MW. Furthermore hydropower projects seek out every large and medium tools, equipments, devices and technologies to import within. A project often imports the necessary devices from the same company until the project finalise and it is supposed the commission part is involved together that ascends the price factor.

6. Corruption

Despite the allegation on some few other factors - technical fallacies, closures, strikes, pre conditions of donors and contractors, believed to be the major causes of project cost variation, there is always corruption which remains at the top among the others. Cost variation is all the time backed by the corruption regarding hydropower projects in Nepal. Policy corruption and corruption in the site are pre-designed and maintained at each level in the system. Either in nominating the contractor or purchasing any equipment, commission is exactly necessary. The decision maker in the project is often encouraged to enjoy the commission to delay the process because the contractor and consultants are proportionally benefited as much as the project lingers. Thus corruption is adjoined from the beginning steps of licensing to the power generation.

7. Political Invasion in NEA

Neither the government is able to form a parallel institution as an option nor the private sector can handle it- it is NEA where more than 50 percent of problems are created due to the political interference. Holding about 500 MW of installed capacity, NEA is serving as an amusing park for the corrupted energy ministers. Energy minister is directly chairperson in the NEA board and there is an established notion to

interfere even in the routine jobs like dealing the contracts, appointing project manager etc. Each time the newly appointed energy minister calls for the tender to appoint executive director in the NEA and it is hard to believe the very director appointed after due effort of give and take can strengthen the institution. The then minster had made the deals on Khimti and Bhotekoshi finally dismissing the executive director of NEA, quite unfavourable to him.

8. Tariffs Rate Politics

Political leaders and the ministers constantly hesitate in adjusting price on petroleum products and electricity tariffs to avoid unpopularity among people. The same concept is working for last 10 years and because of the lack of tariff rate adjustment, private sector is uninterested to invest more in hydropower. Adjustment is justifiable as NEA has its cumulative loss of 19 billion rupees on one side and on the other, inflation and price hike in the construction materials, wages etc should not be ignored. Tariff commission is provisioned to review and provide approval for price adjustment proposal of NEA. Tariff Commission has recently demanded few commitments and clarifications from NEA to reform the system and minimise the operation cost. Controlling leakages, cut in superfluous expenses, transparency are some of the genuine issues raised by the commission. In the lack of proper adjustment in tariffs rate, PPA rate even does not get a chance to have present-day tuning.

9. Indo Water Politics

We have straightforward policy to export electricity in India and standing on the same foundation our policymakers have handed over dozens of license to the Indian company in last 20 years. But India had remained indifferent towards power generation. Moreover issues concerning nationality and patriotism hovers in the market while discussing about power export. In the exemplar of West Seti, India was reportedly presented as if it was in an endeavour to acquire water for irrigation using SMEC Company. These kinds of rumours are responsible to spoil investment friendly environment. If there was India behind West Seti, they would have certainly finalise the project because we should not forget the dark history where two third portions of the parliamentarians were influenced by the south bloc to sign the Mahakali Treaty.

let us honestly implement the report of taskforce, formed to execute the governmental proclamation of producing 10 thousand MW of energy in 10 years.

Way-out measures

Nepal used to be free from blackouts following the completion of Kaligandaki A project. There used to be excess energy produced from the project for three year. It is technically sound state to have some portion of generated power as reserve in the hydropower system. But the power generated from those projects built within loan facility in US dollar should be made the most of it. Mid-Marshyangdi, completed in almost a decade is the project which followed Kaligandaki A but there are no more any middle size projects built after it. Upper Tamakohi, however if will be finalised in next five years, it won't be able to mitigate the load shedding. It will only generate 80 MW of energy in the dry winter season though the installed capacity will be 456 MW. It means run-of-the-river projects alone are not easily able to end the state of load shedding in Nepal. We need 3000 MW run-of-the-river projects to tackle with ongoing load shedding. Thus it is now the right moment seeking prompt action to build storage type of hydropower projects.

It is quite necessary to have national consensus on political level to halt all sorts of interferences in operating the mega hydro projects. Government is ought to incentivise the hydropower sector through myriads of discounts on income tax, VAT, custom duty and the tariffs. It will be justifiable to collect income tax and VAT from the projects after they will repay their loans and interests. Proper coordination in between different units and stakeholders of governmental bodies is necessary to limit the time and effort along with the cost factor.

We have to be ready to do whatsoever necessary in our part to end all of the below listed trends and tendencies to end load shedding- All of the sudden alteration in policy by ministry of industry and ministry of finance, hesitation for PPA by NEA, indifference to invest in transmission lines, delay in approving the Environmental Impact Assessment (EIA) by Ministry of Environment, Prohibition in cutting some trees in the site by Ministry of Forest, demanding donations from local political cadres, loading unlimited burden of education, health etc over a hydropower project are few among the tendencies waiting the rapid end. To do so, let us honestly implement the report of taskforce, formed to execute the governmental proclamation of producing 10 thousand MW of energy in 10 years. Planning is plenty enough, real challenge lies amid implementation. ●

(Author is a leading journalist specialised in water resources affairs.)

Classic economic theory, based as it is on an inadequate theory of human motivation, could be revolutionized by accepting the reality of higher human needs, including the impulse to self actualization

Hydropower to Reduce Poverty

● By Dilli Ghimire

While receiving hydropower returns, a gap has increased between capable, rich people and poor, general public and minor communities.

Electricity is considered as the indispensable factor for all kind of development activities and has direct effects in several dimensions of economy, society, education, health, agriculture, information technology and the like. Nepal saw its first hydroelectric power plant in 1911, suitably a century ago, that started generating electricity. Despite of it the ensuing pace of hydropower development is not praise worthy. Almost 60 percent of Nepalese do not have access to electricity. In rural areas, the figure could be in the order of a staggering 90 percent. Those who have electricity access also are facing up to 18 hours of load shedding a day. Thus they do not have quality and reliable supply of electricity.

Community participation has been identified as a vital tool in natural resources development, optimisation, management and service delivery. Economic benefits from such community managed natural resources may perhaps reach towards the community and thus can help for poverty reduction as well. Community participation has been remarkably acknowledged in micro hydropower projects, electricity distribution management activities, forestry, and irrigation. Ultimately these projects have been playing the effective role in promoting livelihood of the communities. Similarly, hydropower is a sector which when developed and managed in an effective manner would certainly bring the huge economic returns. There is no arguing that hydropower's return can be one of the major economic resources or the base for poverty reduction and prosperity of Nepalese people. For the upbringing of Nepalese society and for the promotion of livelihood, hydropower sector has to grow with effective mechanism and sustainability is foreseen if public participation is ensured.

The government of Nepal has recognized the private sector's role in harnessing water resources. From the 1990's subsequent to the adoption of the policy of economic liberalization, hydropower development took another new

In economics it is a far, far wiser thing to be right than to be consistent. - John Kenneth Galbraith

turn. The private sector directly and indirectly is being involved in generating hydroelectricity. The immediate reaction to the policy has shown positive results in installing new hydropower projects in the country. The government has brought a hydropower policy in order to attract private investment. Again the government promulgated new Hydropower Development Policy (HDP)-2001 with necessary amendments with the view to attract private sector investors in the development of hydropower. In response to the hydropower development strategy followed by the promulgation of favourable HDP to attract private producers, at the beginning, Nepal experiences a successful and encouraging story after 1990. There was an encouraging trend of development of hydropower through private producers although the speed of installing was very slow due to various reasons.

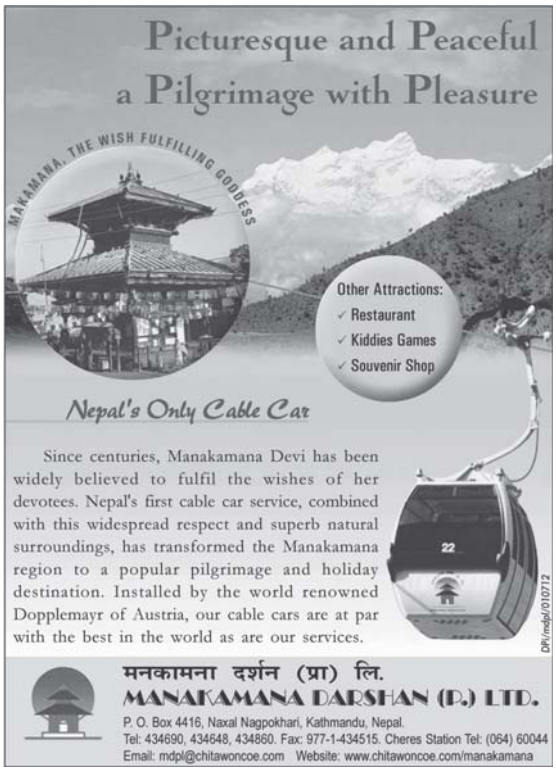
But this opportunity is quite limited to some business family only. Only limited people are able to enter into the sector. Legal provision of entering into the sector on the basis of defined institutional, financial and technical capability of investors has prohibited many and provided opportunities to the limited and competent people only. Like other sectors, there is lack of public access in hydropower development. Hydropower development could not be progressively achieved through State's present mechanism. State has acknowledged providing license to big projects in the name of liberal policy. While promoting private investment, State has not however encouraged and facilitated for the community empowerment and enhancement for people's participation in the sector.

Very limited smart and resourceful people have registered for the hydropower projects. Other minors are even unaware of hydropower policy, law and mechanism. Hence, they do not have access to hydropower development. While receiving hydropower returns, a gap has increased between capable, rich people and poor, general public and minor communities. The gap has been increasingly widened and the disadvantaged groups are finding difficulties in getting those opportunities. This has also raised a fear of lessening the feeling of belongingness in hydropower projects by Nepalese people. The state has defined certain capacities, experiences, financial resources and procedures to develop and enter into the hydropower sector which is really difficult for unorganized Nepalese public. This has finally limited the opportunities within the limited business class.Those clever ones who have registered for hydropower development have been benefited through the sales of registration certificate. This is another frustrating trend.

Environmental measures for mitigation and compensation for people and communities affected by hydropower projects are well understood today but policies are not yet favourable allowing the full participation of community and sharing the benefits. Finally, the state of dispute has been raised among the community people and possibly the same will increase in the coming days.

In this regard, hydropower development has to be linked up with public participation process. This is not only the project affected communities to get some minor benefits but the door should be opened for all public to participate in the process. Hydropower development strategy should be such that public participation should be drawn in decision making level. Public participation in strategic design and project planning is not only desirable from the point of view of fostering the rights of the individual, it can also deliver better results in terms of the realization of economic and social development goals within the context of sustainable development.

To speed up the process of hydropower development and for its sustainability, general people of the country should be benefited for objectives of the programme. For those difficulties with regards to the policy, legal and institutional issues should have been addressed evenly. ●



Economic wounds must be healed by the action of the cells of the economic body - the producers and consumers themselves. - Herbert Hoover

Power Crisis
An Undue Dilemma

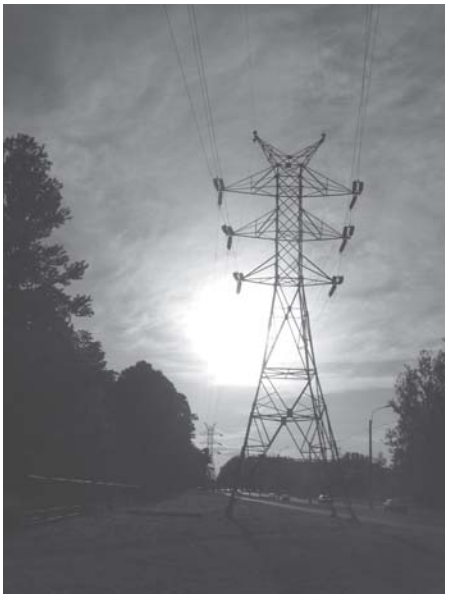
• By Bhanendra Kumar Limbu

It is an inherent right of a citizen to have proper access to energy source especially to move him/her en route of globalisation and e-commerce.

Nepal- unlike any other crisis-stricken nation, with its own politicos to whom citizens supposed for writing new constitution, is obviously suffering due to the awful sketches they drew persistently in the part of civilian's fate. Nepal is neither a desert land, irrigation less nor influenced by any regional conflict however has been caught in the midst of poverty, unemployment, scarcity and ultimately the most torturous penalty-like 'Load Shedding'.

Leaders and the scholars are paradoxically repeating their double standard quotes, 'Nepal is second richest country in water resources having potential to generate 83 thousand MW of energy' and on the other hand, ' Load Shedding is our ultimate compulsion'. Undoubtedly Nepal possesses more or less 6 thousands steep rivers with higher velocity because of the naturally gifted territorial existence- grand Himalayas on the north, the source of every bit of verve i.e. the water and respectively the Hilly and Terai belt downwards to the south. Despite these all we are ironically in the grip of all-season blackouts lasting for almost 21 hours a day in last summer.

It is an inherent right of a citizen to have proper access to energy source especially to move him/her en route of globalisation and e-commerce. Cyber revolution, if they, the 60 percent of our population remain under the dim light of oil lantern, will be no more than a myth in coming decades. Load shedding has its wide range of depressing aftermaths on overall development and uplifting the life standards of the citizens. On the other hand for the haves' class, no matter how much load shedding holds total hours a day while living convenient life under uninterrupted power system equipped with invertors. Government, the executive body which is given authority of collecting lawful taxes in the assumption that it will facilitate its taxpayers to exercise their fundamental rights and live safely under maintained order, has certain duties to fulfil constantly to ease the people. While energy is essential to run the daily activities and most of the basic needs, several governments and States in the world have prioritised electricity to provide for their citizens and thus subsidised. In Nepal, regardless of quite insufficient hydropower projects for internal consumption, despite the lack of genuine completion of feasible projects in time, the government is still alienated in between one and half decade or so previous dreaming of power export to other countries. Here are some of the key reasons and measures to tackle on power crisis.



Reasons

1. Absence of will power among the policy dealers is the encompassing factor guiding each of the government to limit its priority to hydropower production. Thousands of MW energy is produced each year simply inside the pages of drafts and policies.

2. NEA is hunted by ad-hoc-ism for last 25 years or more and still holding the nubs to identify the projects, surveys, constructions

People want economy and they will pay any price to get it. - Lee Iacocca

and development unremittingly. Today NEA, with its over 10 thousands staffs with 'big pocket', is preferred most as a favourable platform by the corrupted leaders and private sector 'Big-wigs' to make their dealings.

3. In fact, State does not possess the exact data of potential hydropower generation thus far by which meant the necessity of proper research and scientific analysis is still lacking. 83 thousand is the figure what we are repeatedly ... till the date but its humorous to some extent where we are facing up to 21 hours of load shedding in the lack of 1000 MW energy, less than 2 percent of the above mentioned aphorise figure.

4. Policy makers and the bureaucratic masters do ever seriously workout to prevent imminent power crisis in the whole wet season. It is the boon of load shedding where the dry season is full of luscious cock-tail parties wondering and pondering over the energy shortage debacles.

5. 'Projects inside the wallets' is another sever problem anguishing the entire hydro power sector. License traders always thank to the feeble regulators and miserable situation of zero discipline where 'Kingpins' are holding several licenses of thousands of MW hydropower projects. Genuine power producers are distracted due to the phenomenon.

6. Distribution system is another area that is waiting for a long what the power producers had been demanding the alteration. Clear cut and functional policy is even so behind the scene to develop infrastructures like roads, basic structures and transmission lines. Dozens of projects are still on the queue following PPA with NEA. Investment in infrastructures is obligated to the State rather than the private parties and this is one of the reason affecting hydropower projects.

7. Leakage is the most alive crisis in the electricity system, which, as NEA admits, covers approximately 25 percentage of overall generated power. NEA has repeatedly mentioned in its reports the channel of leakages in its power grids but the government had ever taken any prompt action against these sorts of thefts.

These are few of the common drawbacks behind the nightmarish of blackouts and there may be some more technical causes hanging behind the consumers' eyes, seeking for quick measures from the concerned stakeholders.

Recommendations

With the viewpoint of some windfall traders, thanks to the load shedding- ruining citizens' daily life, hampering students' learning hours, closing hands in the office hours and finally opening an enormous market of inverters, UPS and candle sticks. Load shedding is merely a crisis for the haves not these days because none of the governmental offices, large corporate houses and those haves does ever suffer with this dilemma. However it is quite imperative to the government to tackle with the power crisis, if it, as it claims itself as the chief executive representative of the citizens, is so in the real sense.

1. Government is ought to identify and take into action, swift measures to end load shedding completely in 3 to 5 years.

2. Monopoly in electricity transmission and distribution system should be ended promptly which will certainly welcome private sector companies to work alongside NEA. Authority of NEA should be decentralised and such a mechanism should be built accordingly in which regulatory body will regulate NEA and private sector companies conversely in close surveillance.

3. Government should conduct proper research and survey upon the potential micro hydro projects all over the country.

4. It is quite proper time to shift the priority towards small and micro hydro projects rather than the mega one as a short term measure to resolve energy crisis. As a run-of-river project yields roughly 50 percent of electricity among its installed capacity, it is necessary to identify the micro projects with installed capacity of 1300 or more MW energy. Planned effort to develop some 40 to 50 small and micro hydro projects with 1 to 25 MW per project capacity will be the key to unlock power dilemma in next 3 years.

5. Despite the fact that NEA is obliged to purchase power from small projects up to 25 MW developed by the private companies, those projects are still secluded from the distribution pattern and national transmission grids. Thus investment in the transmission line targeting micro hydro projects is essential now that will make the PPA significant.

6. Developing a hydro power project is never possible without proper financing from the banks and financial institutions (BFIs). As it is the venture that seeks huge investment of capital, long term financing is must to accomplish any mega project. Nonetheless our banking system is modelled as so, if it is designed for easy money matters. Nepalese BFIs seem neither able nor eager to lend long term loans in hydro power projects. Government has to facilitate loan in the incentivised interest rate targeting the power producers those who will invest in micro hydro projects. By this means, they will be able to complete their project in time as per their projection which will finally corner the most hatred impasses, 'load shedding'. ●

Globalization presumes sustained economic growth. Otherwise, the process loses its economic benefits and political support. - Paul Samuelson

Do not hang up 600 MW Budhi Gandaki

● By Ramesh Lamsal

If the whole lot goes well as mentioned in latest budget speech presented by former finance minister Surendra Pandey to initiate large and medium sized reservoirs projects, Budhi Gandaki (600 MW) undoubtedly will fulfil the urgent demand of electricity load. Nepalese consumers though deadly suffering in the absence of light, still hope for the full fledged implementation of paragraph 79 of public statement on income and expenditure of fiscal year 2010/11 whatsoever the rest of other will be. In an approach to initiate construction for large and medium sized reservoirs projects at least one in every development region, government has targeted Budhi Gandaki (600 MW) together with Naushyalgad (400 MW), 300 Tamor (300 MW) and Aandhikhola (175 MW) projects to bring into operation under the appropriate partnership.

Budhi Gandaki is one among the most tempting projects due to its proposed reservoir which is reportedly high potential to produce electricity in the stable form. With its proposed territorial location amidst the mid ranged districts like Chitwan, Gorkha and Dhading, the project will probably be the largest project in the central development region. Nevertheless all it, whether the project will count success relies on how these shall be mitigated with possible best alternatives, the effects of dam on surrounding residents, localities and the bio-diversities. The issues of large numbers of local villagers likely to face displacement, wide range of natural resources likely to run into hazards and the myriads of bio diversity probably meeting an end point due to Budhi Gankaki's reservoir are the most vibrant ones seeking an immediate solution. Thus the project should be carried out following a long term plan and in-depth study based on ground reality.

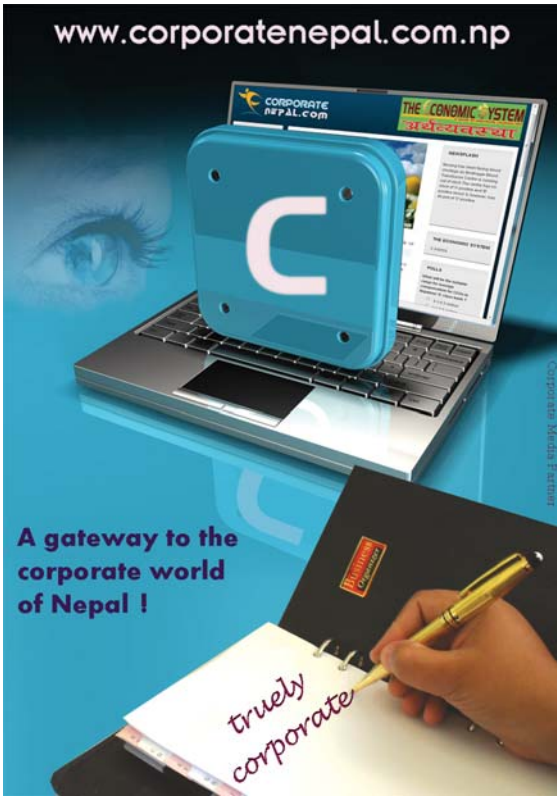
> French Energy Producer Company, 'Electricity de France (EDF) has shown its interest to invest in Budhi Gandaki Hydropower Project.

Once again some public outrages have begun just after the field visit of high level governmental committee intended to commence Budhi Gandaki hydro power project. The committee that comprised Surendra Pandey, former finance minister, Dinesh Chandra Devkota, member of National Planning Commission, Sitalbabu Regmi, Secretary for Ministry of Energy, Krishna Hari Baskota, Secretary for Revenue etc visited the site on 2nd Feb. Proposed Budhi Gandaki Project shall have an approximately 225 metre high dam for the reservoir at some 2 kilometre north from Benighat Point of Budhi Gandaki River which flows in the border between Dhading and Gorkha district. 'Storage with 225 metre high dam will occupy nearly ten times area than Fewa Lake in Pokhara' insists a hydrologist, 'This project will have maximum potentiality to generate up to 800 MW energy'. Australian Company, Snowy Mountain Engineering Corporation had studied the Gandaki Basin and thus identified the project with 600 MW possible capacity. A track road is built so far to the entry point of project area, 2 kilometres north from Dhading Benighat, Prithvi Highway. The project will directly affect two dozens of village development committees (VDCs) in Dhading and Gorkha district which should be in the concern of major stakeholders including government to assure the urgent success of the project. Salang, Maidi, Khari, Chainpur, Jyamrung, Salyantar, Salyankot are some of the VDCs in Dhading likely to be affected due to the project. Similarly, Durbung, Fujel, Namjung, Borlang, Ghyalchowk, Bungkot, Dhawa, Aaruchanaute, Aarupokhari are some other VDCs in Gorkha to share the same fate. Those VDCs are populated with 15 thousand more local villagers and they will have to leave their homes and settlements to ensure the success of Budhi Gandaki hydro power. Fertile local **terrains** of levelled ground like Durbungtar, Bhasbhasetar, Dhabetar, Harisinetar, Majhigaon, Kyamuntar, Ghatbesitar, Mahadevtar, Baluwatar, Aarutar, Shera, Jogitar, Pippaltar etc will be submerged beneath the storage dam where 55 thouand hectre jungle area will be affected due to the project.

French Energy Producer Company, 'Electricity de France (EDF) has shown its interest to

invest in Budhi Gandaki Hydropower Project. It has proposed for contract with Nepal Electricity Authority (NEA) through a letter sent on ...Feb. According to the source, EDF has proposed to accomplish the project in next 12 years whereas some of the senior authorities in NEA claim the project can be completed in half of the term.

Earlier some Indian companies had shown their interest to invest in this project while NEA called for the global tender in 2008. Tata Power, AES, Continental Construction, JSW Energy, KSK Energy Venture etc were those of 21 Indian origins companies along with Pandechari Power, Sun Group, Nagarjun Construction and so on. This is an evidence that supports for what some fundamental critiques say about 'Interest of South Bloc' concerning Nepal's hydropower where approximately 774 million US dollar is supposed as the project cost. Despite the fact the amount is indisputably very high for any Nepalese investor to invest, It will be more feasible to have a national strategy to invest in this project in a partnership model. Government, institutional investors, local corporate houses, public investors and affected local people should given the participatory role in the project along with the foreign investor. Government should make some effort to get soft loan from global financial institutions like Asian Development Bank (ADB) or World Bank. ●



Every time in this century we've lowered the tax rates across the board, on employment, on saving, investment and risk-taking in this economy, revenues went up, not down - Jack Kemp

The Audi Al

Stakeholders in the

Sheer Himalayan waterfalls r debates on hydropower. A power producers and ma perceptions and reasons be developments of hydropower sector. the series of opinions in bullets and yo the logics are better to-do. Stakehol those valued personalities who contr for many many thanks and we hope t way outs. Panels are formed on th presented and the presentation does in the two different panels are the o

Ratnasansar Shrestha
FCA, Water Resources Analyst

PANEL A

Ratna Sansar Shrestha
Janardan Dev Pant
Jyoti Baniya
Ananda Raj Batas

♦ Nepal is a wealthier nation simply in term of water resources where per person can attain 9122 m^3 water according to the data prepared by Food and Agricultural Organisation (FAO), United Nations in 2002.

♦ It is depressing Nepal is somewhat affluent in flood for the eight months, earn drought for the rest of the year, however potential as well to produce ample hydropower in very low cost.

♦ Geography has gifted us with countless waterfalls at the steep altitude, favourable to generate energy at low budget. Similarly, numbers of natural storage dams with a minimum cost of man-made wall at just one side are feasible which will benefit us at the same time, flood control in the wet season, full-fledged generation of hydro power and irrigation management for the dry season.

♦ We have a large section of market within our border where some more than 28 thousand MW is necessary to substitute the conventional energy source, namely the firewood that occupies 78 percent of entire energy source.

♦ Energy intensity of steel production is 6.3 KWh/kg but tea processing requires 4.5-12 KWh/kg. This data implies the dense industrialisation, electrifying transportation and agriculture system will furnish wide segment of power consumption market here.

♦ Nepal is getting only 2.5 percent royalty while exporting power thus it is not feasible as Norway exports its mineral energy. Norway has provisioned for 50 percent special income tax, 28 percent regular income tax plus 0.80 Kroner tax per litre carbon dioxide produced. Carrying out Norway's modality to bind the capital within the country is beyond the imagination in our context.

teram Partem

Public Witness-box

never end falling down and so do the analysts, policymakers, independent ny stakeholders follow myriads of hind their logics while foreseeing the Here 'The Economic Sytem' presents ou all are the jury to prefer whatsoever ders are listed in the two panels and ributed their opinions to us are awful the expressed views will assist to seek he basis of similarities in the logics sn't necessarily mean the stakeholders pponents. - Editor

Er. Gyanendra Lal Pradhan
Executive Member, FNCCI

PANEL B

Gyanendra Lal Pradhan
Surya Nath Upadhyaya
Dr. Swarna Das Shrestha
Dr. Jiwendra Jha

Read more on Page 34

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olitics

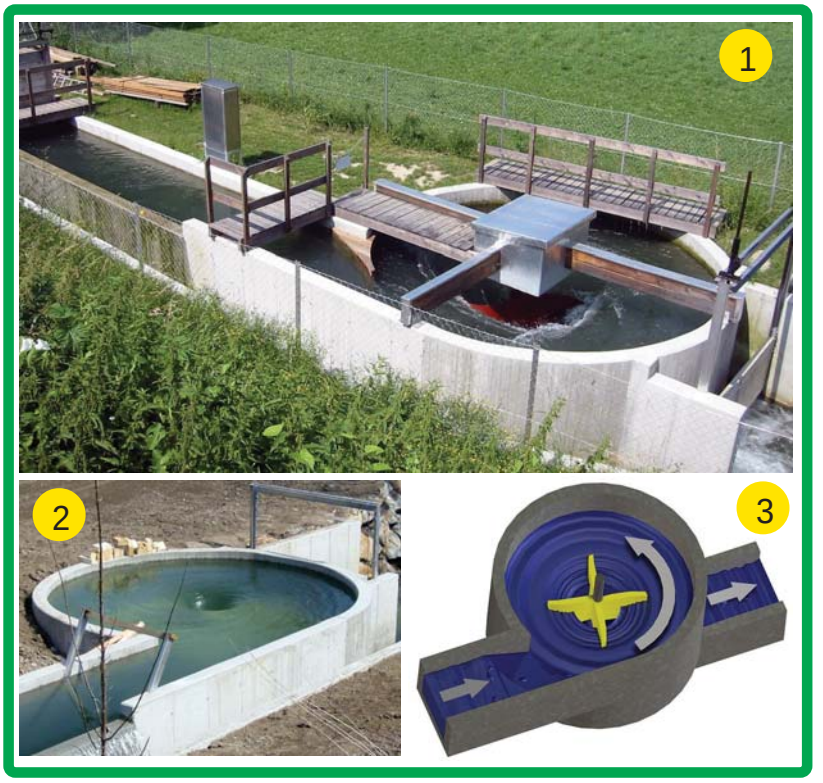
♦ None of the governments till then have ever allocated proper amount in the annual budget for hydropower development despite we were first in South Asia to bring open policy in 1990 in this sector. 2 percent of incentives in exporting hydropower is relatively inadequate to promote the production while the cost is inflated closely by 5 percent or more.

♦ Power crisis has added the import of about 20 billion rupees from India. 5 billion for batteries, UPS and inverters, 10 billion for petroleum products and 5 billion for the electricity.

♦ State should handle the issue of power generation and justifiable distribution of it as private entrepreneurs finally include up to 15 percent profit margin in their production. But how can we believe the State mechanism where most of the dealings are made under table in the case of projects over 25 MW. Nepalese private entrepreneurs can build up to 2000 MW project if power purchase agreement (PPA) rate is justified.

♦ We have no other way to enhance the export oriented policy regarding hydropower because Nepal do not and even may not possess a market enough to consume something like 20 thousand MW energy till next 20 years.

♦ One cement industry consumes 20 MW of electricity in a year whereas a rope way only consumes 0.5 MW. According to the Indo-Nepal joint study team, proposed East-West railway can be operated for next 1 hundred years if a 127 MW project is managed for it. Thus our market may get through hardly 10 thousand or some more MW electricity even if we will have lots of rail ways, plenty of industries and hundreds of ropeways. Mega projects should be built accordingly targeting the neighbouring and international market.



1. Vortex Power Plant, 2. Vortex without turbine 3, Vortex model

Gravitational Vortex Power :

A Solution to Light Nepal

● By David DuByne

If we use the same figure of $500 million for one large project that provides diminishing electrical output as rains decrease from October to May each year, you could build 50,000 GVP plants.

By far the most all encompassing article that I have ever read about Nepal's load shedding crisis was written by Ratna Sansar Shrestha and published in Hydro Nepal, January 2010 issue. What I gained was an understanding that large scale hydro projects will never keep up with increasing demand running at 10.7% yearly. The reasons being Nepal Electricity Authority's (NEA) delayed completion of projects, system mismatches in the seasonal variation of water, infrastructure inadequacies and that far into 2017 there will be severe load shedding during the dry season. The article goes on to detail economic losses from "planned interruptions" and knock on effects in liquid fuel shortages as now households and businesses burn fuel in generators that was destined for the transportation sector. These are the problems, where are the solutions?

My own solution to the shortages would be 'if large scale doesn't work what about small scale?' Working with renewable energy concepts over the last several years I instantly thought of Gravitational Vortex Power (GVP) as a solution that could work in this case. Let me explain how it works. If you have ever taken a bath you will notice that where you pulled the plug from, when the water gets low it starts to spin at the drain hole. It actually makes a mini whirlpool as the last of the water drains out of the tub. Scale that round basin up from something 12 cm in diameter to something with a 5 meter diameter and you create a larger amount of spinning water with a larger amount of kinetic energy. Gravity does all of the work as water flows, now add curved blades to dig into the spinning water, attach an electrical power generator and you have GVP. The rotational movement of water in the shallow circular basin creates

In economics, the majority is always wrong. - John Kenneth Galbraith

a stable continuous gravitational vortex, 24 hours per day, 7 days a week. Viktor Schauberger from Austria was one of the first to make use of vortex dynamics from 1929-1936 and his work influenced several inventors in Germany in our modern era. Zotloterer's current design needs a 0.8 meter water drop and a water flow requirement of 2 cubic meters per second. That doesn't sound like a lot of water to produce power, but these GVP plants are producing 57,000kWh per year or 57 MWh. For comparison per capita usage of electricity in Nepal was 78.5 kWh per year in 2010 (Photius.com).

Kathmandu faces its own set of challenges while in the countryside there another sets of variables are at work to limit the availability and supply of power. So how do using small hydro projects effect change in the national grid? It boils down to economics and scale of raw material input for targeted output. Let us look a single large scale project first, the 'Upper Tamakoshi Hydroelectric Project'. The project cost is estimated at NRs.35.29 billion equivalent to US $441 million-excluding interest for five years on the project (with exchange rate of 1US$= NRs. 80) and will have a Maximum Output of 456 MW per day during the monsoon. Cut that number by 60% or more during the dry season. Don't forget to add in 132 kV High Voltage Transmission Lines for future grid extension between $8000–10,000 per km and rising to around $22,000 in difficult terrain. Sub-station construction and additional road building at $20,000 per km. This depends if it is on budget, which by previous construction record performance, it won't be. Let's round off to $500 million and remember these lines will by-pass most rural communities on its way to India in Power Purchase Agreements (PPAs).

Viktor Schauberger from Austria was one of the first to make use of vortex dynamics from 1929-1936 and his work influenced several inventors in Germany in our modern era.

Comparing smaller GVP plants using local materials, the cost of each plant can comes in around $10,000 and does not dam the water in order to operate. The GVP plant merely uses the water for a few seconds as it flows out the bottom on its way down stream. Just the environmental advantages to its usage warrant further investigation as a solution. GVP is designed to be installed in remote areas that would never see grid expansion into local villages and is designed to electrify a small community of up to 200 homes per plant under Nepalese consumption patterns.

If we use the same figure of $500 million for one large project that provides diminishing electrical output as rains decrease from October to May each year, you could build 50,000 GVP plants. These plants generating 57 MWh per year would equal 2,850,000MWh or 2,850 GWh annually fed directly to the local communities in remote locations that need it most. Here is where the shocking part comes; the forecast annual energy output from the 'Upper Tamakoshi Hydroelectric Project' is 2,281 GWh. You generate more power from GVP, save on the amount of construction materials and do not need to dam an entire river!

With Nepal's special set of circumstances we must think in inverse terms. The usual train of thought is electrify from the major population centres out to the countryside, but in Nepal's case it needs to be the opposite to reduce load shedding. This country needs to electrify from the countryside back into the cities as most cottage industries are located outside large urban areas. The economy is stagnating from lack of power in these exact areas, so if they can generate their own power locally off the main grid then excess power not consumed in smaller outlying districts can be diverted into Kathmandu or other cities languishing in the dark.

Another benefit beyond revitalization of the rural economy will be materials used for local construction will be bought locally and those living close to the GVP plants will be able to upkeep and repair themselves not relying on German engineers being flown in to Nepal to work on a damaged large scale generator. Electrical lines are minimal cost and will be bought from local vendors and be strung up on already existing electrical poles. This means revenue circulates through a local area and most people see direct benefit.

These ideas sprang to mind while I was walking home the other night and saw a sign that proudly stated "Load Shedding Solutions" batteries, inverters etc.., I thought to myself, no way, GVP that's a solution to load shedding !●

(Author is Advisor and Director of Foreign Co-operation with Energy Research Nepal and can be contacted at david.dubyne@ern.org.np)

Henry Ford was right. A prosperous economy requires that workers be able to buy the products that they produce. This is as true in a global economy as a national one. - John J. Sweeney

● By Rudra Sharma

Hydropower in Constitution

vis-à-vis politics of Nepal

Hydropower project has always been the 'hot cake' in Nepal whether it is hydro-electricity, irrigation or drinking water.

Hydropower and its utility are seen as one of the most controversial issues to be addressed by the forthcoming constitution. It is not only 16 to 18 hours load shedding but skyrocketing investment as well in the hydropower sector over the years prove the importance of this matter in Nepal's general lifestyle, constitution and socio-political arenas. Nepal Electricity Authority (NEA) started issuing commercial license to private power producers since 1992. NEA has signed Power Purchase Agreement (PPA) with several projects in the last 18 years. However, NEA has signed the very same amount of PPAs in the last seven months which it had marked in prior to date. In these PPAs, investors are set to pour billions of dollars in Nepal's virgin water resources. When all these projects and other projects waiting PPA in the pipeline will produce power, we obviously need an adequate market to sell the generated power. International market will be necessary since domestic market will not be enough for the same. Putting this sweet dream beneath our pillow, we, the people of Himalayan soil, are compelled to sustain with up to 18 hours load shedding per day. This being the case, Nepal's hydro-power is not merely a matter of concern for Nepalese but now it is a burning issue for those investors from next hemisphere, pouring millions of dollar in Nepalese rivers. Moreover here is India in the south, adjoining neighbour supposed to buy Nepal's surplus hydro-electric power and China, the rising Asian Dragon, cautiously watching all the phenomena. Hopefully, the forthcoming constitution is believed to address these all dotted issues providing the avenue to settle these once and for all.

Hydropower project has always been the 'hot cake' in Nepal whether it is hydro-electricity, irrigation or drinking water. Controversies surmounted almost all big projects that were envisaged and contradictions as well subsist yet in most of the projects. Thus, controversies have well secured their space in Nepal's constitutions and politics too. Besides, there are a lot of conspiracy theories, built-in and around these controversies plus contradictions. Former prime minister and founder leader of Nepali Congress Matrika Prasad Koirala managed to sign Koshi Treaty with India and the same treaty gave birth to a perennial controversies. The controversy went deep down to Nepali politics for several decades. It was also picked by the framers of

The dramatic modernization of the Asian economies ranks alongside the Renaissance and the Industrial Revolution as one of the most important developments in economic history. - Larry Summers

the 1990 constitution and it appeared in Article 126 of it. This article ensured the requirement of two-third majority of the parliament to dispose of anything about natural resources if a national treaty is signed with any other country.

Former Prime Minister Girija Prasad Koirala made a deal with India with respect to Tanakpur which is popularly known as Tanakpur Treaty. Question was raised over the treaty as the matter of disposing natural resource of Nepal and the deal was demanded to pass by two-third majority of then parliament. However, Koirala asserted that it was merely an agreement between two countries and was not a treaty, and therefore, was not required to pass it by two-third majority. But, the Supreme Court declared that it was a treaty and was to be passed by two-third majority of the parliament. As the erstwhile main opposition party Communist Party of Nepal United Marxist and Leninist ruled the government later, it reinstated the Sharada Treaty and Tanakpur Treaty in the joint form named as 'Unified Mahakali Development Project' and divided over the issue of voting in favour or against the 'Mahakali Treaty' while the row entered into the parliament.

Arun III hydro-electricity project made hue and cry all over the nation. Madhav Kumar Nepal, erstwhile leader of the main opposition party in the parliament wrote to the World Bank requesting not to invest in Arun III project as they would subsequently be holding the government and they would make it otherwise, if they invest without hearing to them. Similarly, Communist Party of Nepal (Maoist) told some Indian investors in connection to Upper Karnali and other projects that they should hear to them too, besides the government, if they are willing to invest in Nepal's hydropower. As a result some of the Indian companies which were in the course to invest in hydropower got into problems. It shows the major political parties could never come into a consensus in terms of utilizing and commercializing the immense natural resource of Nepal – Hydropower.

Amidst such scenario, some argue on several conspiracy theories in addition with respect to investment in Nepal's hydropower projects. Some say that the closest neighbour India wants to ensure that any big investment here will not hamper its interest over here. However it is not only India but many other countries like China, United States of America (USA), Norway and other countries have their own interest to invest here. These all interest groups need to cope up with the constitutional arrangement in the new federal structure of Nepal.

Investors are mulling over the possible federal structure that will be endorsed in the new constitution while the banking sector and the central bank themselves are in confusion how they may run in the federal structure. How the central bank does survive in federalism? As the nation is under constitutional liability to be transformed into a federal state, the central bank vis-à-vis the whole banking sector finds a huge challenge how to survive and adjust itself in the new structure. Supervision of all banking and financial institutions of the nation ultimately vests upon the central bank (Nepal Rastra Bank 'NRB' if we name it exactly in our context). It may be well argued that it is same or similar to the responsibility of other regulatory institutions that the NRB has to do with. But additionally NRB will have responsibility of risk assessment in federal structure for the projects where banks will make investment.

A bank invests into a project that goes 35 years down the line. If a bank starts today thinking about investing into a project, the assessment of project proposal and finalization of finance document may take couple of years. Therefore, the bank needs to think of at least 37 years down the line from the commenced date in order to accomplish a successful project. But there comes a big question how a bank at this point of time can think of 37 years down the line and make assessment. If a bank invests in a hydropower project these days, it will be quite unpredictable after the division of State, which State government will own the water and stream on which the bank will be investing into. The interim constitution followed by the Constituent Assembly (CA) State Restructuring Committee envisage four layers of governments - central government, provincial government, local government and special structure. The bank investing today into the hydropower need to analyse the policies of these governments which themselves do not yet exist. What would be the policies of those respective governments to govern the water and natural resources under their jurisdictions?

The CA committee reports mention overtly overlapping scope of jurisdiction of the four layers of governments. According to the reports the central government will have jurisdiction over central bank, financial policies, monetary policies, foreign grants, assistance, debts , customs, excise duties, value added tax, institutional income tax, charges for passport, visa fees, post office service charges, royalties received from natural resources, central level large projects on electricity, irrigation and other projects. Similarly the provincial government will have jurisdiction over bank and financial institutions, cooperative institutions, foreign grant and

It's called political economy because it is has nothing to do with either politics or economy. - Stephen Leacock

assistance under consent of central government, Personal income tax, property tax, professional tax, land tax, tax on remuneration, house, land registration fee, vehicle tax, entertainment tax, advertisement tax, taxes on tourism and agricultural income, service charge, royalty received from natural resources, electricity, irrigation projects of provincial level and other projects, electricity projects and irrigation projects. Besides, the local governments will have jurisdiction over cooperative institutions, local taxes (Property, house rent, tax on vehicle etc.), service charges, tourism fees, advertisements tax, charges on land , royalties received from natural resources, distribution of land, house ownership certificate. Further, the special structures will have jurisdiction over property tax, professional tax, land, house registration tax, vehicle tax, and entertainment tax, service charges on tourism, land revenue, agriculture income tax, royalties received from natural resources, electricity project, irrigation project and other projects and income received from management of citizenship and passports.

The above account demonstrate that the CA Committee reports have made arrangements for lesser power at the centre of the fiscal federalism and more power to the provincial government, local government and special structures. However, it is not so easy to transfer the power presently being exercised by the centre to the provincial and local governments. Experiences in other countries have it the central government exercises more powers than it is stated. Because, the centre needs to handle the controlling mechanism and any jurisdiction which happens to be concurrent between two states or in a gray area, goes to the centre. But, the provincial and local governments are always assertive to exercise their powers. Thus, it sometimes ends up in a mess and becomes a home for disputes.

India was not feeling comfortable with the article 126 of 1990 constitution. This might probably be one of the several reasons that the 1990 constitution met with untimely death without any amendments on it.

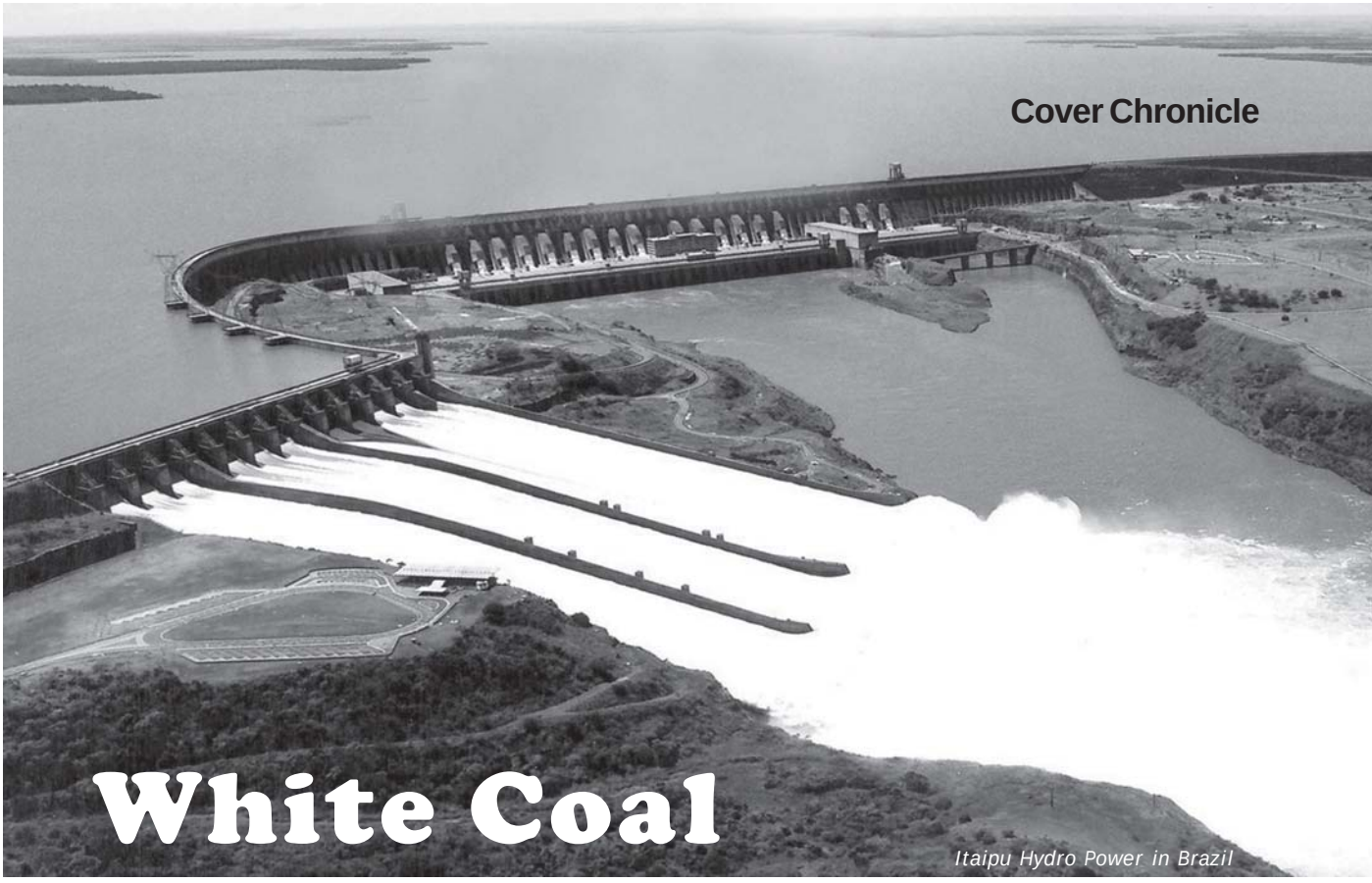
Financial sector which calculate every inch of risks with respect to project finance and rate of return of a project, need to carry out extensive research on these areas so that they can carry on their investment on project finance. But it would be almost impossible if the present arrangement of distribution of power as mentioned here above is not further explained and clarified eradicating overlapping jurisdictions and contradictions. There are many concurrent lists on which all or more than one governments can exercise power. According to the present list mentioned above, income received from natural resources fall under the jurisdiction of all four governments. Financial policies and monitory policies fall under the jurisdiction of central government whereas banking and financial institutions fall under the jurisdiction of provincial governments and cooperatives fall under the jurisdiction of local government. Property tax falls under the jurisdiction of both provincial and local government whereas it seems that all four governments can claim royalty from mega projects. It may be difficult to put a demarcation which project is big project and which project is small one. It will be more difficult to figure out which project is of local level, provincial level or central level.

Central bank is well known as the financial advisor of the government and it functions as the State coffer. However, there have been some notices of difficulties in terms of coordination between the central bank and the government. If this difficulty exists furthermore and is not resolved before the country moves to federal march, hindrances may be further exasperated in federalism. Whether a federal Nepal should have an independent entity of NRB or it will be limited to function under a certain ministry? This query should be well settled as soon as possible. These issues deserve serious research in order to ascertain modalities about the existence and function of the central bank in federal structure.

The crux of this whole article is this – how we can overcome the aforementioned issues in federal structure of the forthcoming constitution since article 126 of the 1990 constitution itself was taking a heavy toll in constitutional and political history of Nepal. If we talk about conspiracy theory on this, it can be told in this way. India was not feeling comfortable with the article 126 of 1990 constitution. This might probably be one of the several reasons that the 1990 constitution met with untimely death without any amendments on it. If such is a truth, how India or anyone else with interest in Nepal's hydropower can manage with the chaotic structure? Therefore, there must be better work out in detail before the forthcoming constitution will endorse a new ambience for investment and utilization of natural resources in Nepal. We have a lot of lessons to gain knowledge of what is taught by the legal and constitutional practices of article 126 of the 1990 constitution. ●

(Author is Attorney- at-law LL.M USA /Nepal and undergoing PhD on Federal Dispute Settlement Mechanisms)

If commerce is the engine of our economy, then advertising is the spark. Responsible advertisers are the drivers who keep us on the right track, leading to a richer, more benevolent society. - Brian Philcox



White Coal

Itaipu Hydro Power in Brazil

is yet to be made the most of it

Learn From the Outer World

● By Khagendra Prasain

Geographically and economically similar some Asian countries are trying to build up their nation through the development of hydroelectricity even their production capacity is lesser than Nepal. Countries like Laos, Bhutan etc are shaping their economy through the water resources. But in case of Nepal, water resources believed as a prone factor has not been commercially exploited yet. In hydroelectricity production, Nepal is potential enough to quench the power thirst of giant economy of India along with the own. Laos with the capacity of 26000 MW is dreaming to become a regional energy superpower. It has the market around Thailand, Vietnam and China. Laos is also scarred by war and plagued by poverty. But hydroelectricity with long term plan and vision is nowadays its strategy to cope with different economic problems. Similarly Bhutan has capacity of 30000 MW and it is the best example to show the smartness of hydro production in South Asia. The very white coal is abandoned with several reservations over it in Nepal.

More than one third of population is under the poverty line; more than two third is engaged in agriculture and it is Nepal. But agricultural product enhances the economy only at around 36 percent whereas hydropower no-doubts attempt to be a milestone for prosperity of the Himalayan people. Although different attempts are made up for the development of this sector, no any handsome achievement is received so far.

Policies Adopted by Laos and Bhutan

Government of Laos has classified hydropower project into two distinct categories. First is Domestic Generation Projects (DGP) which is operated by financing in concession by Electricite Du Laos (EDL). In this category projects having capacity up to 100 MW are developed. Similarly, another category is Export Generation Projects (EGP) and implemented by Independent Power Producers (IPP). The projects are large, generally in excess of 100 MW. Due to its energy surplus and geographical location at the hub of Greater Mekong Sub-region (GMS) region, Laos is strategically positioned to play a significant role in promoting power trade. The GMS comprises Laos, Thailand,

I have faith in the market when we get the rules right. - Kenneth Lay

Vietnam, Cambodia, Myanmar and Yunnan energy reserves.

Similarly, Bhutanese government, according to the 2020 vision document is carrying on the production process of 1000 MW project by 2012 and another 2000 MW by 2017. It has formulated Power System Master Plan (PSMP) for sustainable hydropower development as 20 years plan. United Nations Development Programme (UNDP) and Norwegian donor agency, 'NORAD' had provided technical assistance for the preparation of PSMP. The sustained techno-economic cooperation with India where Bhutan's export market lies is the key success factor for development of hydropower. Preparation of rural electrification master plan for achieving 100 percent electricity access by 2020 is another attempt of Bhutan.

Europe: On a Clean Energy Mission

Early in 2010, a new European body called 'Friends of the Super-grid' was launched in London. Its mission is to promote a renewable friendly transmission system that efficiently interconnects the continent and makes best use of new resources such as offshore wind. Since it was first mooted, the Super-grid's supporters have highlighted the role of one particular source of backup power to balance the grid and help compensate for wind's natural variability.

Asia and Oceania: Golden Opportunities

When the 1,070-MW Nam Theun-2 hydropower facility in Laos began supplying electricity to neighbouring Thailand, it became the latest symbol of the massive potential of hydropower in Asia. Hydro is booming across the Asia and Oceanic region, providing the primary source of growth in renewable energy and creating exciting new opportunities for equipment suppliers and providers of technology and services.

Latin America: Investment Magnet in Tough Times

Despite tough economic times, Latin America continues to attract major investments for new hydroelectric projects. The investments come in all shapes and sizes. Brazil's 11,200-MW Belo Monte project on the Xingu River to the 8.5-MW El Encanto project on the Veracruz River in Costa Rica are the examplars. Latin America has about 140,000 MW of potential hydropower capacity but experts say the potential for new hydropower capacity in the region is more than four times greater than its existing capacity.

Africa: Hydro, a route for transformation

A new study from World Bank shows that almost half of the US$ 93 billion is needed to improve Africa's infrastructures. The study assessed the infrastructures in 24 countries across the continent and found that Africa's greatest needs are in the power sector and that the development of new hydropower projects may be the best way to increase the continent's total capacity. The study found 'mobilizing the benefits of regional trade depends on developing major untapped hydropower projects in the Democratic Republic of Congo, Ethiopia, and Guinea.'

North America: A long Way from 'Tapped Out'

In North America, many of the larger sites for hydropower production have been developed. As a result developers are looking at non-powered dams to add

Everything is speeding up: politically, economically and technologically. - Javier Solana


Three Gorges Dam in China

Some world's largest Hydropower plants

Name	Country	Year of completion	Capacity (MW)
Three Gorges Dam	China	2011	22500
Itaipu	Brazil/ Paraguay	2003	14000
Guri (simon bolivar)	Venezuela	1986	10200
Tucurui	Brazil	1984	8370
Grand Coulee	USA	1980	6809

Largest hydropower producers (at 2009)

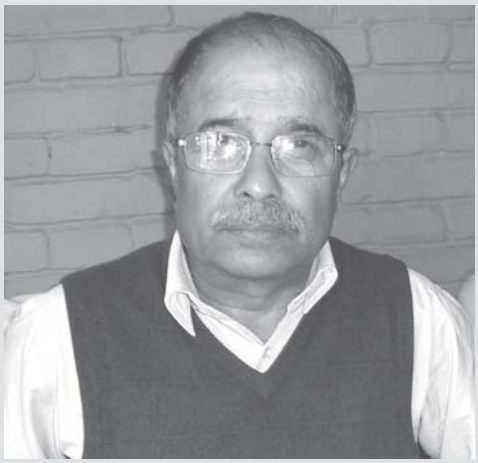
Sn.	Country	Production (GW)
1	China	196.79
2	Canada	88.97
3	U.S.A.	79.51
4	Brazil	69.08
5	Russia	45.00
6	India	33.60
7	Norway	27.53
8	Japan	27.22
9	Sweden	16.20
10	Venezuela	14.62

generation. Also, companies are considering increase in the generating capacity of existing hydro plants, while others are pursuing new hydrokinetic projects. Meanwhile, thanks to new tax credits, grants, and initiatives to reduce greenhouse gas emissions, that pushes scores of companies to submit plans for building small hydropower projects across United States of America (USA) and Canada.All these experiences on hydropower production worldwide edify Nepal to adopt empirical evidences and policies for smooth and sustainable growth. ●

The industrialized countries need the economic recovery of the Third World, need these billions of human beings, potential buyers of our products. - Francois Mitterrand

...Continue from Page 25

The Audi Alt



Surya Nath Upadhyaya
Former Secretary, Water Resources

♦ The existing hydropower policy is fairly successful enough and what it pleases me is it has been encouraging the private sector to invest in the hydropower, the sector which seems somehow complicated for private investment in other countries too.

♦ Licensing issue is a bit sensitised since the government has provided licenses without any kind of survey and access to the transmission lines. Government should endow for the initial study of the potential projects and then must bid the licenses for the optimum utilization of water resources.

♦ Stop all kind of farces as rights on resources, provincial rights, autonomous rights and the like to canter the investment.

♦ Hydropower is one of the prone sectors, possibly capable to boost the per capita income of Nepalese people to US $ 50 thousand in 2040 if the correct measures are employed.

♦ Let us issue PRIDES (Preferred redeemable increased dividend equity share) to assemble a national fund for investment in the infrastructures. The interest return on PRIDES should be mandatorily converted into the ordinary shares and the fund can be named as Nepal Development Company Ltd (NDCL).

♦ Proposed NDCL should apply the modality of tripartite partnership in between government, strategic partner and public where 51 percent of share should be owned by the government, 25 percent for a strategic partner and 24 percent for public.

♦ If we imagine 1.5 million people are ready to invest 2 hundred thousand rupees each, the sum will be 300 billion that is 24 percent share. NDCL will have the total equity of around 1.25 trillion.

♦ You can invest 450 billion rupees for 4500 MW hydropower and the rest of the capital for infrastructures in a model like Rs. 200 billion for east-west mountain cable car, Rs. 50 billion for transmission lines and east-west electric train at Rs. 500 billion. Every Nepalese investor will be millionaire by 2040 in the present value term selling the energy generated through this model plan.

Janardan Dev Pant
Economist

The problem of Italy is not really a question of age. Japan has an older population, and it is now in full economic recovery. The problem is that Italy is old in the structure of the society. - Romano Prodi

eram Partem

Dr. Suwarna Das Shrestha
President,
Independent Power Producers
Association of Nepal (IPPAN)

♦ Electricity act and electricity regulatory act are yet not endorsed in last decade though pledged in the hydropower development policy to bring them within 5 years. Besides, proposed electricity act seems irrelevant enough due to the lack of new phenomenon such as the concept of federalism or else.

♦ While NEA is importing electricity at Rs. 10.72 per unit (KWH) from India, PPA rate provided to the local projects (1-25 MW) is Rs. 4 per unit in the wet season interpreted as 8 months and hardly Rs. 7 per unit for the 4 months that seeks an immediate scientific adjustment.

♦ We the independent power producers would like to propose Rs. 5.99 per unit PPA rate with the base year 2010/11 defining dry season as 6 months and 5 percent price increment up to 9 years next to the 1 year after the base year.

♦ NEA has its annual loss of Rs. 5 billion and cumulative loss of more than Rs. 19 billion nevertheless it is yet not ready to implement the 15-points suggestions from the commission.

♦ Government is itself dealing as an interest-keeper earning huge sum of interests from NEA providing it loans at 8 to 10 percent for the same amount which is acquired as soft loan from World Bank at 1 to 2 percent.

♦ The revenue return rate for the supplied energy remains at 45-60 percent in NEA whereas this is over 80 percent in the corresponding institutions in South Asia.

♦ Accounting and Auditing are not trustworthy in NEA where all of the non performing revenue are catagorised under the title of street lamps.

♦ NEA is still in the ad hoc status for last 26 years under the chairmanship of minister for energy and the moment is yet far to knock its door calling for the first AGM.

♦ Tariff Commission does not see any reason to let NEA to increase tarriff rate for what it is providing the consumers- uninterrupted blackouts for more than 16 hours. Thus NEA should follow the guidelines and correct itself before any increment in tariff.

Jyoti Baniya
Member,
Electricity Tariff Determination
Commission

The exchangeable value of all commodities, rises as the difficulties of their production increase. - David Ricardo

♦ U-turn is necessary within NEA management where professionalism should guide the streamlining. Bold decisions are more likely only if the political interferences stop annoying the institution.

♦ NEA should provide its 20 percent share to its staffs to increase overall efficiency ending the corruption.

♦ Since the international financial institutions have listed Nepal in the risk zone, foreign investors look like as if they are in the mood to hold licenses for next few years. On the other hand, the unstable political tugs and tows, uncertain frameworks of federalism, these all are repelling the investment in hydropower.

Ananda Raj Batas
Board Member, NEA

♦ The proportion of purchased energy in the total served volume is about to exceed half for which average purchase price at generation point is more than revenue return rate.

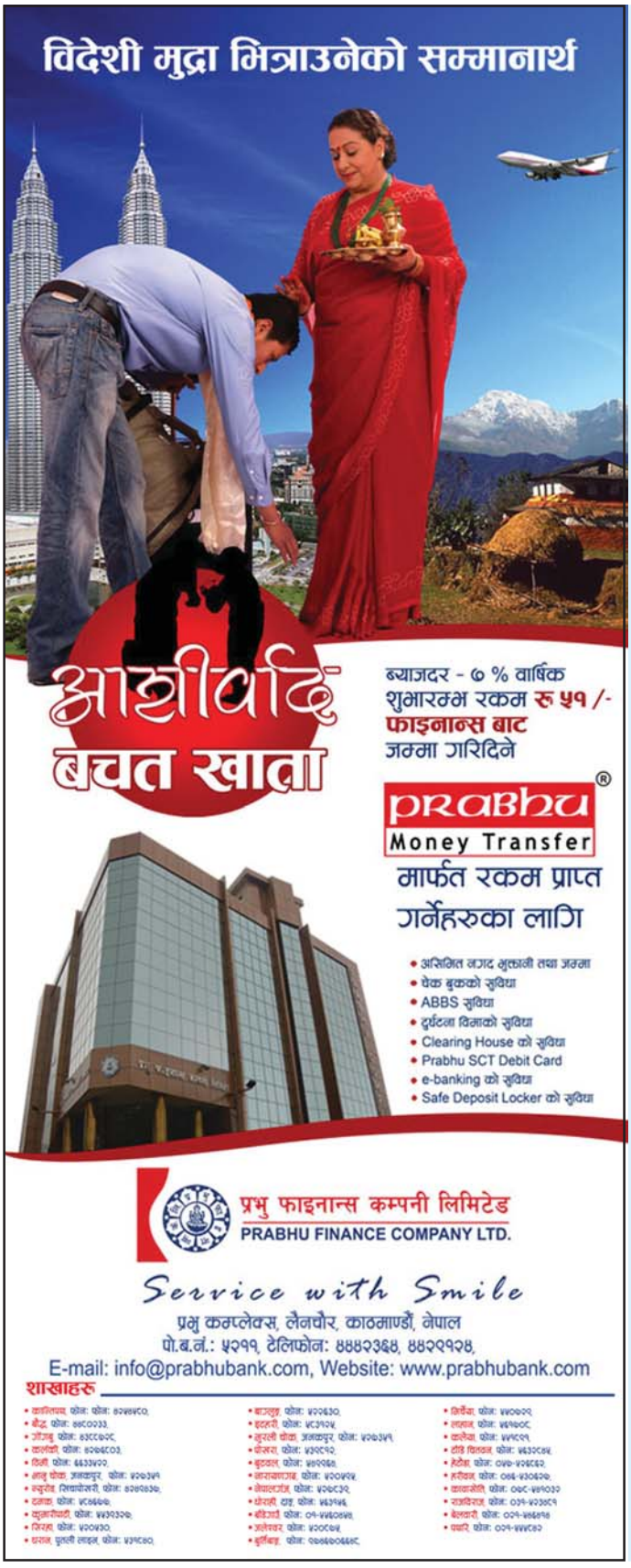
♦ Purchase energy price escalates every year but NEA is bounded by the Electricity Tariff Determination Commission to adjust the retail tariff rates. Thus it is widening the gap in between the cost of service and revenue return rate.

♦ Present power crisis can be resolved no more without development of storage projects; Budhi Gankaki (600 MW), Upper Seti (127 MW) and Nalsyaugad (400 MW).

♦ We should be clear enough that load shedding in the valley won't be wiped out even after the completion of Budhi Gandaki. It is caused by the bitterly hard situation to stand new high tension lines or towers inside the valley.

Dr. Jiwendra Jha
Managing Director, NEA

Wall Street indices predicted nine out of the last five recessions ! - Paul Samuelson



TOYOTA

Inspiring Women and Children


UTS's E. Director Mrs. Ritu S. Vaidya

Just because your company is earning well, does not mean you are the business leader. Yes, business should be honoured in between the society and various stakeholders of community along with your customers. Hence, corporate social responsibility is the barometer to gauge your tallness among the others. This is what United Traders Syndicate (UTS), the sole distributer of global automobile brand, TOYOTA has assimilated in its business and continuously sharing its moments with pedestrians, children, women and some others.

Giving due respect to recognise women, their ability and to encourage them to drive in every aspects of challenges, UTS organised 'Toyota Women's Motor Rally' dated 5th March with the August theme- 'Women in the driving seat'. Executive women from diverse social sector took part in the rally that was commenced from VOITH complex Tinkune and end at the Gokarna Forest Resort giving the passer by to see various models of vehicles giving a colourful effect every minute with Nepalese women with full of confidence.

Likewise, 15 child prodigies from various schools were rewarded as the top 5 artists in three different age groups to send their artworks in the 'Toyota Dream a Car' contest to be held in Japan. Shristi Khadka bagged the 'first' title among the 13-15 age group while Bibisa Malla was first among the 10-12 age group. Samriddhi Karmacharya got first position among the children below 10 years. 'All total 18 hundred 77 students send their artworks in the theme of your car: the car of the future', said Sahara KC, marketing manager, UTS. The company collected the artworks from Nov 1st 2010 to January 31st 2010. Toyota Motors has been organising this programme in 64 different countries. UTS awarded WII, I-POD, Play Station, Laptop and Japanese Lunch and Dinner to the winners from Nepal. ●

Computers in the future may weigh no more than 1.5 tons. - Popular Mechanics, 1949

Management Meditation
with Kamal Gynwali

Managing Institutional Crisis

Just, a venture is running all right, does not necessarily mean it is managed well. Management deals with several conundrums in planning goals, doing business and finally reaping the fruits to distribute it well. Good managers today perform for the better tomorrow. Accordingly, here 'The Economic System' has embarked on a new and a dynamic column to provide noteworthy managerial tips from distinguished Nepalese manager cum banking professional Mr. Kamal Gynwali, Managing Director, KIST Bank Ltd. In this column, he will provide his valuable advices on multiple managerial facets. – Editor

Do's

1. Realise the problem as institutional rather than an individual and share it within your institution.

2. Pay attention to the views expressed by your subordinates regarding the emergency.

3. Find out where the crunch exists and why because crisis may possibly be avoided in the eleventh hour if the effective measures are deployed.

4. Discuss on wide range of solutions within the managerial level and ultimately, select the best option.

5. Review the entire crisis in a comprehensive approach so as to avoid similar nature of problems henceforth.

Do not's

1. Do not get nervous and even do not hurry as the crisis appears because it may enter unexpectedly in the institution.

2. Since you are a chief, please do not express your views immediately upon the agendas in dilemma.

3. Do not attempt to tackle with the causes earlier than differentiating it - whether internal or external ones.

4. Do not let any information leaking outside the institution concerning the recent crisis, till you decide to let it know the public, officially.

5. Do not react shortly over situation and keep on the normal operations.

I think there is a world market for maybe five computers. - Thomas Watson, chairman of IBM, 1943

BUILDING A STRATEGY-SUPPORTIVE CORPORATE CULTURE

Every company has a unique organizational culture. Each has its own business philosophy and principles, its own ways of approaching problems and making decisions, its own work climate, its own embedded patterns of "how we do things around here," *its* own lore (stories told over and over to illustrate company values and what they mean to stakeholder), its own taboos and political don'ts-in other words, its own ingrained beliefs, behaviour and thought patterns, business practices, and personality that define its **corporate culture.** Corporate culture refers to a company's values, beliefs, business principles, traditions, ways of operating, and internal work environment. The bedrock of Wal-Mart's culture is dedication to customer satisfaction, zealous pursuit of low costs, a strong work ethic. At Microsoft, there are stories of the long hours programmers put in, the emotional peaks and valleys in encountering and overcoming coding problems, the exhilaration of completing a complex program on schedule, the satisfaction of working on cutting-edge projects, the rewards of being part of a team responsible for a popular new software program, and the tradition of competing aggressively. These are reflections of Bill Gates marvellous leadership.

Where Does Corporate Culture Come From?

An organization's culture is bred from a complex combination of socio-logical forces operating within its boundaries. A company's culture is manifested in the values and business principles that management preaches and practices, in its ethical standards and official policies, in its stakeholder relationships (especially its dealings with employees, unions, stockholders, vendors, and the communities in which it operates), in the traditions the organization maintains, in its supervisory practices, in employees' attitudes and behaviour, in the legends people repeat about happenings in the organization, in the peer pressures that exist, in the organization's politics, and in the "chemistry" and the "vibrations" that permeate the work environment. All these sociological forces, some of which operate quite subtly, combine to define an organization's culture, beliefs and practices that become embedded in a company's culture can originate anywhere: from one influential individual, work group, department, or division, from the bottom of the organizational hierarchy or the top. Frequently, a significant part of a company's culture emerges from the stories that get told over and over again to illustrate to newcomers the importance of certain values and beliefs and ways of operating. ●

(This text is thankfully extracted from 'Strategic Management ' published by The Institute of Chartered Accountants of India)

Everything of value was once a dream.- Carl Sandburg

FEEL THE FIAT

Linea sedan and Grande Punto for you with your family and friends

Italian sedans and hatchbacks finally get here in Nepal with the due effort of Batas Brothers Motors Limited (BBML), authorised distributor of Fiat Automobiles in Nepal. The Fiat Grande Punto and the Fiat Linea are here now for this summer to share your moments with.

The Linea Sedan is a tribute for the car lovers, jewelled with quality, safety and engineering that represents a marvel due to the unique design, comfort, performance and features. Linea is produced in India, Brazil and Turkey and widely popular in more than 50 countries across Europe, Asia, Central and South America and Africa.

Likewise, Fiat Grande Punto Hatchback arouses strong emotions with its sleek, aggressive lines and conveys an impression of elegance and compactness, the company said. The car is agile and probably delivers the most enjoyable drive with its Fully Integrated Robotised Engine (FIRE) and MULTIJET engines. It is certified with EURO NCAP 5 star ratings in Europe.

The Grande Punto's sporty and muscular styling can be attributed to the 'Car Designer of the Century' Giorgetto Giugiaro. The strong character of the Grande Punto is defined by a sleek and aggressive nose, which conveys an incredibly real dynamism. Internationally, Grande Punto has an excellent track record and has produced and already sold One Million units across markets. ●

Aviation products: you can get better, but you can't pay more for it. - Steve Ericson

Global Recognitions

Linea sedan

- Autobest Award 2008, Istanbul Turkey
- The Most Interesting Car Award 2008, Katowice Poland
- NDTV Profit Car & Bike Awards – Midsize Car of The Year Award, 2010
- Bloomberg UTV Autocar Awards 2010 Car Advertisement of the Year
- The Golden Steering Wheel (Auto Bild) – Readers' Choice Car of the Year Award, 2010
- CNBC TV18 Overdrive awards 2010 – Storyboard Auto Commercial of the year
- Autocar – Car of the Year & Best Midsize Car of the Year, 2009
- Overdrive – Best Midsize Car of The Year, 2009

Grande Punto

- Carro Do Anno 2008 in Brazil
- Auto Interamericana 2008 - FIPA LatinAmerica
- Melhor Compacto - Rivista "Carro" Brazil
- Powercar 2008 a Grande Punto Abarth - Auto Zeitung -Germany
- Abarth- Production Car Hot Hatch
- Most Popular Car - Best Private Car - Salone Barcellona
- Catalonian Car of the Year Award - Maggio 07
- Best Cars 2007- Auto Motor und Sport - Repubblica Ceca

Introductory Price

Linea 1.4 Active (Petrol)	NRS 3205999
Linea 1.3 Active (Diesel)	NRS 3614999
Linea 1.4 Dynamic (Petrol)	NRS 3220999
Linea 1.3 Dy namic (Diesel)	NRS 3665999
Linea 1.4 Emotion(Petrol)	NRS 3519999
Linea 1.3 Emotion (Diesel)	NRS 3871999
Linea 1.4 Emotion Pack (Petrol)	NRS 3661999
Linea 1.3 Emotion pack (Diesel)	NRS 4123999

Punto 1.2 Active (Petrol)	NRS 2371999
Punto 1.3 Active (Petrol)	NRS 2791999
Punto 1.2 Dynamic (Petrol)	NRS 2569999
Punto 1.3 Dynamic (Petrol)	NRS 2968999
Punto 1.2 Emotion (Petrol)	NRS 2732999
Punto 1,3 Emotion (Diesel)	NRS 3180999
Punto 1.3 Emotion Pack (Diesel)	NRS 3462999

The will to win is important, the will to prepare is vital. - Tee Shirt

Nabil will shortly ally with Nepal Investment and Himalayan Bank

What are the reasons you suppose, those stirring challenges like abating net profit and tight liquidity in our banking sector most recently ?

The most severe issue I feel is the deficiency in spending the capital expenditure that causes surplus of 28 billion or more in government's treasury. It is the primary cause for the tightened liquidity and banking sector is running so far within limited transactions due to the delayed projects. On the other hand, public deposits are diverted from the banking channel because of the incorrect interpretation of 'Know Your Customer (KYC)' and 'Anti Money Laundering (AML)' which strikes upon the entire sector.

Would you please tell us what sort of effects does your bank experience due to the latest move of central bank limiting the gap at 2 percent within various deposit schemes ?

We had brought wide range of deposit schemes in our successful running of 26 years but there was no any privilege given to manage our schemes as Nepal Rastra Bank (NRB) recently guided to do so. This move has totally wiped out the competition in between the new banks and the older ones. Usually newly established banks offer for the higher interest rate to attract depositors and they do not have problems. However the established grown-up banks with huge deposits mobilisation are now compelled to yield low interests to their depositors.

How do you describe the position of your bank especially concerning on credit flow and investment in productive sector ?

We have always an endeavour to invest in the productive sector to substitute import in long term. Thus among the 36 billion rupees credit flow, we have committed up to 2 billion to invest in hydropower projects. Similarly some 1.75 billion is committed to invest in cement industries. These loans will be surged up to the next year.

What is your plan on expansion of branches to spread out your banking services ?

We have 49 branches now in operation all over Nepal and we

Among the 36 billion rupees credit flow, we have committed up to 2 billion to invest in hydropower projects. Similarly some 1.75 billion is committed to invest in cement industries.

You can never be too rich, too thin, or do too much research. - Anonymous

Amrit Charan Shrestha
Chief Executive Officer,
Nabil Bank Ltd.

NRB's move has totally wiped out the competition in between the new banks and the older ones.

are planning to operate some more in the feasible areas among the 22 districts registered as remote ones by NRB. Earlier, branches used to catch break-even position within 9 to 10 months of operation but these days it takes minimum 14 months to reach at break-even due to the inflated cost and logistic expenditures. Thus we are very cautious for branch expansion as well.

And what do you think about branchless banking ?

I think a nearby branch is reasonably necessary to operate the branchless banking service in the remote areas. We are on the phase of feasibility study to start this service at some 3 or 4 places. Moreover we are mulling over the concept of creating a business alliance between various commercial banks to provide banking services collectively within mutual sharing of infrastructures and costs. Primarily Nabil is to take part in an alliance with Nepal Investment Bank and Himalayan Bank to provide our customers, mutual services on cards, cheques and branches.

Do you intend to imply the 'business alliance' needs to be an alternative to those banks unwilling in what the central bank is encouraging as 'merger' ?

Merger is yet an immature matter in Nepal and I think it is quite difficult to weigh the value of different institution at a time. Equivalent banks do not seem likely be able to handle merger properly due to various conflicting issues like hierarchy in between the board members, managements and staffs. Rather acquisition may succeed in between the stronger and other feeble banking institution if the weaker one feels prestigious enough to dissolve with the larger one. In the present context business alliance is quite necessary to lower the operating cost and increase the efficiency of commercial banks. Alliance can have sharing in different services through a subsidiary company that will reduce the administrative hassles. ●

New series arrive on
Samsung Galaxy

Good news for touch screen lovers ! Samsung has made available new series of capacitive touch screen Galaxy mobile phones in Nepalese market. International Marketing Services Pvt. Ltd. an authorized distributor for Samsung Mobile in Nepal has announced the launch of the two new models called "Galaxy S" & "Galaxy Pop" powered by the Android v2.2 (Froyo) operating system.

New Samsung Galaxy Pop is a 3G enabled phone features with 3.14 inches TFT touch screen display, powered by the Android v2.2 (Froyo) operating system along with 600 MHz processor. It has customized user interface called Touch Wiz and Swype text input method which enhances mobile communication on a whole new level.

The Samsung Galaxy Pop comes with internal memory of 160MB and has micro SD card slot which supports up to 32GB memory.3.5 mm audio jack, DNSe sound enhancement, Accelerometer, 3.15 MP, camera with Geo-tagging, Wi-Fi, Bluetooth with A2DP, FM radio, Digital compass and social networking support are some features of Samsung Galaxy Pop mobile phone. You can get this at Rs 16250.

Similarly Samsung Galaxy S comes with 1GHz processor and 16GB internal memory only without the 8GB version. The Samsung Galaxy S has micro SD card slot which supports up to 32GB memory. Accelerometer sensor,3.5mm audio jack, 5 MP camera with Geo-tagging, touch focus, face and smile detection, Wi-Fi, Bluetooth, FM radio, Digital compass and social networking support are some features of Samsung Galaxy SL with the operating system of Froyo.

It has a Standard battery, Li-Ion 1650 mAh which enables to 15 hours talk time on 2G connections (7.5 hours in 3G mode) and standby time to 610 hours (2G) and 550 hours (3G). You can have one or gifted it to your beloved at Rs 39000/- ●

Canon to develop super telephoto zoom lens

Canon, the leader in imaging technology is currently developing a new super telephoto zoom lens targeting the professional shooters around the globe. The new super telephoto lens EF 200-400mm F4L IS USM EXTENDER 1.4x is scheduled to be launched before the end of 2011. Meanwhile, Canon has launched its four new EF lenses and one super telephoto zoom lens in the making, with improved features to complement the next generation of DSLR cameras.

The EF-S18-55mm f/3.5-5.6 IS II and EF-S18-55mm f/3.5-5.6 III are compact and lightweight lenses designed for users in need of an affordable "go-to" lens that can be used in almost all scenarios. Designed as the successors to the EF-S18-55mm f/3.5-5.6 IS and EF-S18-55mm f/3.5-5.6 II lenses, these new versions come with newly redesigned exteriors that look more luxurious and allow for simpler operation.

One dramatic improvement that users can feel upon picking up one of these lenses is the reduced weight of the lenses. Through a combination of adopting new materials like fluorite lens elements and magnesium alloy body, and the streamlining of parts, Canon was able to reduce the weight of the EF500mm by 680g and the EF600mm by an impressive 1.44kg without any compromise to image quality and durability of the lens. ●

It is a vulgar mistake to think that most people in Eastern Europe are miserable. - Paul Samuelson

Lalit Mandap's FAM Tour in Buddha's Birthplace

Photo : Lalit Mandap Travels and Tours

Coinciding with 'Nepal Tourism Year 2011', Lalit Mandap Travels and Tours (P.) Ltd has successfully organised a Familiarisation (FAM) tour to the executive board members and regional heads of World Fellowship of Buddhist Youths (WFBY) at Lumbini. 'FAM tour is arranged to introduce Nepal as a chief destination for the Buddhist pilgrimage tours' said Suraj Shakya, executive chairman of Lalitmandap with the press, ' We provide the visitors with the exposure of many unexplored and hidden secrets of significant Buddhist sites in Kathmandu, Lumbini, Taulihawa, Niglihawa etc.'

The tour is conducted from 23rd to 28th Feb in the leadership of Min Bahadur Shakya, well known Buddhist scholar expert. WFBY is an organisation having its headquarter in Bangkok, Thailand and regional centers in 18 different countries. ●

DFID will spend £331 million in Nepal

The UK Minister of State for International Development Alan Duncan launched DFID's new operational plan in Kathmandu amid his most recent visit. This plan commits the UK government to working in Nepal over the next four years (2011-2015), with an allocation of £331 million, to support the peace process, help strengthen governance and improve security, help excluded people benefit from economic growth and so on. The plan will be focused to deliver better health and education services, help Nepal adapt to climate change, reduce risk from disasters, including earthquake and improve the lives of women and girls.

The plan will create 230,000 jobs; reduce climate vulnerability of 3 million poor people; lift 570,000 people out of poverty through the forestry programme alone; avert 108,200 unintended pregnancies; and provide safe latrines for 110,000 people. ●

Drill for oil? You mean drill into the ground to try and find oil? You're crazy. - Edwin L. Drake

के तपाई धितोपत्र (शेयर, डिवेञ्चर आदि) खरीद विक्री गर्दै हुनुहुन्छ ?

यदि गर्दै हुनुहुन्छ भने निम्न कुराहरुमा ध्यान दिनुहोस् ।

१. सार्वजनिकरुपमा निष्काशन (Public issue) **भएको धितोपत्र खरीद गर्दा:**

- निष्काशनकर्ता कम्पनीको विवरणपत्र अध्ययन गरी कम्पनीको कार्य सम्पादन स्थिति, वित्तिय स्थिति (नेट वर्थ, नाफा नोक्सान स्थिति आदि), व्यवस्थापन पक्ष, जोखिम पक्ष जस्ता महत्वपूर्ण कुराहरुको विश्लेषण गरेर मात्र लगानी सम्बन्धी निर्णय गर्नुहोस् ।
- विवरणपत्र लगायत निष्काशनकर्ता कम्पनीसँग सम्बन्धीत अन्य अद्यावधिक विवरणहरुका लागि निष्काशनकर्ता कम्पनी, निष्काशन तथा विक्री प्रवन्धक र तोकिएका दरखास्त संकलन केन्द्रहरुमा सम्पर्क राख्नुहोस् ।
- धितोपत्र खरीदका लागि दरखास्त दिएपछि धितोपत्रको बाँडफाँड, फिर्ता भुक्तानी, प्रमाण-पत्र प्राप्ति तथा सूचीकरण सम्बन्धमा सजग रहनुहोस् ।
- धितोपत्रको निष्काशन मूल्यले सूचीकरण पश्चात धितोपत्र विनिमय बजार (Stock Exchange) मा कायम हुन जाने मूल्यलाई नजनाउने हुँदा धितोपत्रको बजार मूल्य परिवर्तनबाट हुने जोखिम प्रति सजग रहनुहोस् ।

२. धितोपत्र विनिमय बजारमा सूचीकरण भएका धितोपत्रहरु खरीद/बिक्री गर्दा:

- नेपाल धितोपत्र बोर्डबाट प्रमाणपत्र प्राप्त गरेको र धितोपत्र बिनीमय बजारको सदस्यता लिएको धितोपत्र दलाल (Stock Broker) मार्फतमात्र धितोपत्र खरीद विक्री गर्नुहोस् ।
- कम्पनीको आवधिक तथा वार्षिक प्रतिवेदनको अध्ययन गरी कम्पनीको कार्य सम्पादन स्थिति, आर्थिक स्थिति, व्यवस्थापन पक्ष तथा लगानीकर्तालाई प्रदान गरिएको प्रतिफल जस्ता महत्वपूर्ण कुराहरु हेरेर मात्र लगानी सम्बन्धी निर्णय गर्नुहोस् ।
- पत्र पत्रिका तथा अन्य सञ्चार माध्यमबाट प्रवाहित गरिने धितोपत्रको दैनिक बजार मूल्य तथा कारोवारका सम्बन्धमा समेत जानकारी राख्ने गर्नुहोस् ।
- कम्पनीसँग सम्बन्धीत धितोपत्रको मूल्यमा प्रभाव पार्न सक्ने संवेदनशिल सूचनाहरु धितोपत्र विनिमय बजारको सूचना पाटीमा तत्कालै राखिने व्यवस्था भएको हुँदा त्यस्ता सूचनासम्बन्धी जानकारीका लागि ईजाजत प्राप्त धितोपत्र दलालसँग समेत सम्पर्क राख्नुहोस् ।
- धितोपत्र खरीद विक्री गर्नुअघि ग्राहक खाता राख्नका लागि दलाललाई आवश्यक विवरण उपलब्ध गराउने, आफूले दिएको खरीद विक्री आदेशको प्रमाण लिने तथा आदेश अनुरुप कारोवार भए नभएको जानकारी लिने गर्नुहोस् ।
- धितोपत्र खरीद विक्री गरेपछि समयमै रकम/प्रमाणपत्र बुझ्ने/बुझाउने कार्य गर्नुहोस् र रकमको लेनदेन गर्दा एकाउन्ट पेयी वा क्रस चेक मार्फत गर्नुहोस् ।
- खरीद गरिएको धितोपत्र आफ्नो नाममा नामसारी नगरी तुरुन्त विक्री गर्नका लागि धितोपत्र विनिमय बजारमा अभिलेख गराई खाली हस्तान्तरण (Blank Transfer) मा राख्नु भएको छ भने त्यस्तो धितोपत्र कम्पनीको दर्ता किताव बन्द हुनु अघि वा आर्थिक वर्ष समाप्त हुनु अघि आफ्नो नाममा नामसारी गरी प्रमाणपत्र लिएर कम्पनीले घोषणा गर्न सक्ने लाभ प्राप्त गर्ने अवसर नगुमाउनुहोस् ।

३. ध्यान दिनुपर्ने अन्य कुराहरु:

- धितोपत्रमा गरिने लगानीको जोखिम तपाई स्वयंले व्यहोर्नुपर्ने हुँदा हल्ला, अनावश्यक प्रचार प्रसार वा कसैको बहकाउबाट प्रेरित नभई आफ्नो स्वविवेकमा नै लगानीसम्बन्धी निर्णय गर्नुहोस् ।
- आफूले शेयर खरीद गरेको कम्पनीको गतिविधिहरु बारे निरन्तर जानकारी राख्न र कम्पनीको साधारण सभामा सहभागी हुन नविर्सनुहोस् ।
- बैंक वित्तिय संस्थासँग सम्झौता गरी धितोपत्रको सुरक्षण (Collateral) मा ऋण लिई लगानी गर्दा ऋण सम्झौताका शर्त तथा धितोपत्रको मूल्यमा आउनसक्ने गिरावटबाट हुने जोखिम प्रति सजग रहनुहोस् ।
- धितोपत्रमा लगानी गर्दा आफ्नो नागरिकता प्रमाणपत्रको प्रतिलिपी आफैले प्रमाणीत गरी प्रस्तुत गर्नुहोस र भविष्यमा परिचय सम्बन्धी विवाद आउन नदिन सजग रहनुहोस् ।
- धितोपत्रमा लगानी सम्बन्धी तपाईंका जिज्ञासा, शंका वा गुनासाहरु भए धितोपत्र व्यवसायी, धितोपत्र विनिमय बजार तथा नेपाल धितोपत्र बोर्डमा सम्पर्क राख्नुहोस् ।

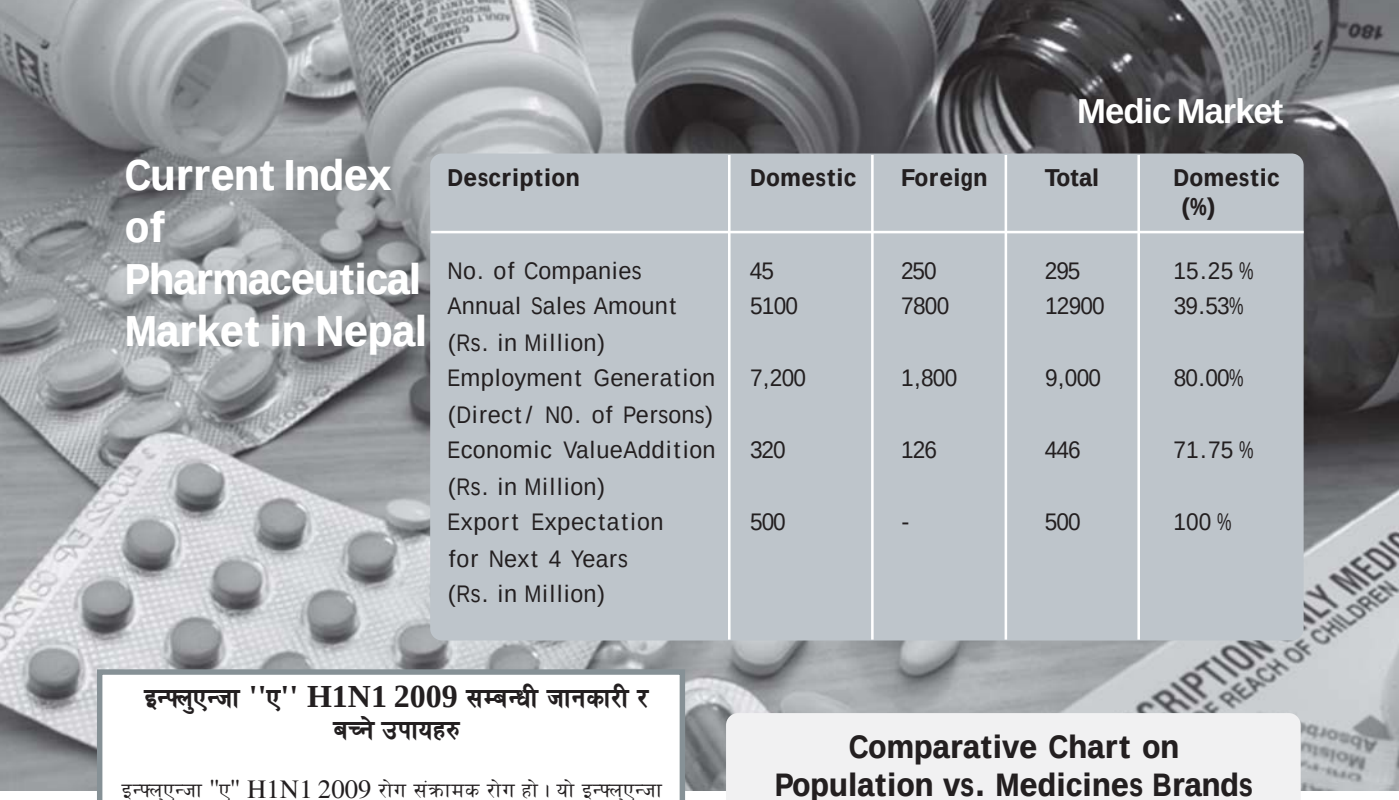
धितोपत्रमा लगानी गर्दा ध्यान दिनुपर्ने कुराहरु, नेपाल धितोपत्र बोर्डमा गुनासा राख्ने ढाँचा, धितोपत्र बजारको त्रैमासिक समीक्षा, नेपाल धितोपत्र बोर्डको वार्षिक प्रतिवेदन, धितोपत्रसम्बन्धी ऐन नियम तथा धितोपत्र बजारसम्बन्धी सूचना र जानकारीहरुका लागि नेपाल धितोपत्र बोर्डको वेव साईट हेर्नुहोस् ।

लगानीकर्ताको हितका लागि

नेपाल धितोपत्र बोर्ड

पो.व. नं. ९०३१, बिजय चोक, काठमाण्डौं
फोन नं. ४११०३२१, ४११०३२५
ईमेलः sebo@ntc.net.np
वेव साईटः www.sebonp.com

Airplanes are interesting toys but of no military value. - Marechal Ferdinand Foch



Current Index of Pharmaceutical Market in Nepal

Description	Domestic	Foreign	Total	Domestic (%)
No. of Companies	45	250	295	15.25 %
Annual Sales Amount (Rs. in Million)	5100	7800	12900	39.53%
Employment Generation (Direct/ N0. of Persons)	7,200	1,800	9,000	80.00%
Economic ValueAddition (Rs. in Million)	320	126	446	71.75 %
Export Expectation for Next 4 Years (Rs. in Million)	500	-	500	100 %

इन्फ्लुएन्जा ''ए'' H1N1 2009 सम्बन्धी जानकारी र बच्ने उपायहरु

इन्फ्लुएन्जा "ए" H1N1 2009 रोग संक्रामक रोग हो। यो इन्फ्लुएन्जा "ए" H1N1 2009 रोग फैलिन नदिन ती रोगको बिरामी वा सो रोगको शंकास्पद रोगीसँग सम्पर्कमा रहेका व्यक्तिहरुले रोगबाट बच्ने सुरक्षित उपायहरु अपनाउनु पर्छ। यो रोगको बिरामी वा सो रोगको सम्पर्कमा रहेका व्यक्तिहरुमा निम्न मुख्य तीन लक्षणहरु देखिएमा इन्फ्लुएन्जा "ए" H1N1 2009 रोग लागेको शंका गर्न सकिन्छ :

- 100.4° F भन्दा बढी ज्वरो आएमा
- घाँटी दुखेमा
- रुघा खोकी लागेमा

उक्त लक्षणहरु देखिएमा नजिकको स्वास्थ्य संस्थामा सम्पर्क गरी स्वास्थ्य जाँच र सल्लाह लिनुपर्छ।

इन्फ्लुएन्जा ''ए'' H1N1 2009 रोगबाट बच्न अपनाउनुपर्ने सुरक्षित प्रमुख ४ उपायहरु

- खोक्दा र हाच्छ्युँ गर्दा नाक मुख रुमाल वा पाखुराले छोप्नुपर्छ।
- साबुन पानीले हात धुनुपर्छ।
- रुघा खोकी लागेको बिरामीले नाक मुख छोप्न रुमाल वा मास्क प्रयोग गर्नुपर्छ।
- अनावश्यक रुपमा मानिसहरुको भीडभाड हुने ठाउँमा जानुहुँदैन।

यसका साथै निम्न बमोजिम अन्य सुरक्षित उपायहरु पनि अपनाउनुपर्छ :

- नाक मुख छोप्दा प्रयोग भएका रुमाल राम्रो धोएर वा सफा गरेर मात्र पुनः प्रयोग गर्नुपर्छ।
- आँखा, नाक र मुखमा अनावश्यक रुपमा आफ्नो हात लैजानु हुँदैन।
- अरुले प्रयोग गरेको रुमाल प्रयोग गर्नुहुँदैन।
- अरु व्यक्तिहरुसँग सकेसम्म हात मिलाउनु हुँदैन।
- शंकास्पद रोगी व्यक्तिबाट सकभर टाढै बस्नुपर्छ।

यस सम्बन्धी थप जानकारी चाहिएमा
इपिडिमियोलोजी तथा रोग नियन्त्रण महाशाखा,
टेलिफोन नं ४२५५७९६ मा सम्पर्क गर्नुहुन अनुरोध गरिन्छ।

नेपाल सरकार
स्वास्थ्य तथा जनसंख्या मन्त्रालय
राष्ट्रिय स्वास्थ्य शिक्षा सूचना तथा सञ्चार केन्द्र
टेकु, काठमाडौं।

Comparative Chart on Population vs. Medicines Brands

Country	Population (In million)	No. of Companies	Brands
India	1,180	12,500	252,000
Bangladesh	155	275	11,800
Japan	135	360	11,400
Pakistan	170	316	12,200
Nepal	**28**	**295**	**9,700**

Source : ITC Publication 2009
on Pharmaceutical Markets

वैदेशिक रोजगारमा जानु पूर्व वैदेशिक रोजगार विभागबाट अनिवार्य रूपमा श्रम स्वीकृति लिनु पर्दछ र वैदेशिक रोजगारको क्रममा ठगीमा परे सोही विभागमा उजुरी दिनुपर्दछ।

नेपाल सरकार
श्रम तथा यातायात व्यवस्था मन्त्रालय
वैदेशिक रोजगार प्रवर्द्धन बोर्ड
अनामनगर काठमाडौं।

Kumari and Oxfam tied for credit financing

Kumari Bank Ltd. and Oxfam in Nepal has signed a partnership agreement for credit financing under Oxfam in Nepal's Enterprise Development Programme (EDP). This partnership will be yet another step of Kumari Bank towards providing access to finance to the deprived sector. As per the agreement, the bank will provide revolving credit facility, up to defined limits, to the Agricultural Co-operatives identified by Oxfam. To start with, the bank has financed Pabitra Janakalyan Agricultural Co-operative from Surkhet District.

CIT invests around Rs.22 billion

The Citizen Investment Trust has invested Rs. 22.35 billion in various sectors. Executive Director of the Trust Rishi Ram Gautam informed that an agreement was made with Upper Tamakoshi Hydropower Project to buy 20 per cent of its share at a time when the accumulated savings of the Fund till the fiscal year of 2065/66 has reached Rs. 175.5 million. Trust is working to provide the services of retirement schemes, unit trust schemes and the capital market service too.Citizen Investment Trust was established in 1990 under the special act "Citizen Investment Trust Act 1990".

NIBL in 'Silver Jubilee' celebration

नेपाल इन्भेष्टमेण्ट बैंक लि.
NEPAL INVESTMENT BANK LTD.
Truly a Nepali Bank

Nepal Investment Bank Ltd. (NIBL), one of the leading commercial bank, recently marked its silver jubilee while the management is under deliberately considering on strengthening the bank through merger process.

According to the Chairman and CEO, NIBL, the shareholders fund has increased from Rs 500 million to Rs 4.9 billion. The operating profit of the bank has inclined from Rs 150 million in 2002 to Rs 2.2 billion at present. The bank have been managed by the Nepalese professionals since 2002 after the departure of French joint venture. The bank was established in 1986 as a joint venture between Indosuez Bank, Rastriya Banijya Bank, Rastriya Beema Sansthan and public stakeholders and was named Nepal Indosuez Bank Ltd. Later the name was changed as 'Nepal Investment Bank Ltd.' The bank has also joined in an alliance with China Development Bank (CDB) which in his words is 'quite fruitful in long-term funds to finance sizeable projects in the future', stated Pandey.

With the credit rating of 'A' from Indian Credit Rating Agency (ICRA) for last two consecutive years, NIBL stands in first position in term of deposit base and numbers of depositors. The banks' deposit base has grown from Rs 4 billion in 2002 to Rs 50 billion at present, along with an increase in customer base from 25,000 to 400,000, making the bank the largest private bank in Nepal in terms of customer base and deposit base.

After French banking group Credit Agricole took over Indosuez Bank Group in 2002, the French company sold its stake in the bank to a Nepali group led by Pandey, who is heading the bank towards remarkable growth after 2002. The bank's loan portfolio now remains at Rs 40.95 billion. The bank has expanded its network to 41 branches. Also, the number of its ATMs have grown from two to 71.

The traveler, however virginal and enthusiastic, does not enjoy an unbroken ecstasy. - Bennett, Arnold

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तुरुन्त पाईन्छ

मलेसिया तथा अन्य देशबाट आफन्तले पठाएको रुपैयाँ तुरुन्त पाईन्छ ।

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मोबाइल प्रयोगकर्ताहरूलाई नेपाल दूरसञ्चार प्राधिकरणको अनुरोध !

मोवाइल र ब्याट्रिको आयु बढाउन निम्न कुरामा ध्यान दिऔं

मोवाइलबाट अनावश्यक लामो कुरा नगरौं !
मोवाइललाई ओसिलो र घाम लाग्ने ठाऊँमा नराखौं !
चार्ज गरिसकिएपछि चार्जरलाई विद्युत सप्लाइबाट "अफ" गरौं !
मोवाइलको घण्टी र आवाज सकेसम्म मधुरो राखौं !
संगीत वा एफ. एम. सुन्दा आवाज सानो गरौं !
मोवाइल स्क्रीन धेरै चहकिलो नबनाऔं !
मोवाइलमा गेम सकेसम्म कम खेलौं !
जहां मोवाइलले सिग्नल (टावर) टिप्दैन त्यहां मोवाइलको स्वीच "अफ" गरौं !
मोवाइलसेटमा वायरलेस वा ब्लुटुथ छ भने उपयोग नगर्दा "अफ" गरिराखौं !

नेपाल दूरसंचार प्राधिकरण

ब्लु स्टार अफिस कम्प्लेक्स, त्रिपुरेश्वर, काठमाडौं, नेपाल

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