

FNCCI signs MoU with Micro, Cottage and Small Industry Promotion Centre



The Federation of Nepalese Chambers of Commerce and Industry signed a memorandum of understanding with the Micro, Cottage and Small Industry Promotion Centre of the Government of Nepal to forge a partnership and cooperate to promote micro, cottage and small industries.

The MoU was signed by Gokarna Raj Awasthi, Director General of FNCCI and Deepak Ghimire, Executive Director of the Centre.

According to the agreement, both the organisations will jointly host programmes to promote micro, cottage and small industries in the country. Similarly, both the organisations will collaborate for the successful implementation of the programmes that have been identified in the annual programme of the government. As per the MoU, FNCCI will facilitate the implementation of workplace-based

employment training programmes, and both the organisations will cooperate in the areas of transfer of skills and technology necessary to promote domestic and small industries.

During the MoU signing ceremony, Sur Krishna Vaidya, Vice President of the federation, said that FNCCI has been collaborating with the government to promote small and cottage industries in the country in the past. He informed that FNCCI has jointly held important programmes in the past with the government for the aforementioned purpose and made a commitment to move forward together for the development and promotion of this sector in the future.

Similarly, while speaking in the programme, Ghimire expressed his belief that with the cooperation of FNCCI, which is like the backbone of the country's

economy, the centre will be successful in implementing programmes to promote small and cottage industries. He stated that the centre will work according to the spirit of the agreement.

While delivering the vote of thanks, Narendra Kumar Khadka, Chairperson of FNCCI's Cottage and Small Industry Committee, shared that the federation will provide unconditional support to the

Micro, Cottage and Small Industry Promotion Centre to implement programmes that it introduces for the promotion of small industries. He also wished the centre success for its programmes.

Members of the executive committee and FNCCI's Cottage and Small Industry Committee were present in the programme.

FNCCI participates in South Asia's Biggest Food Event Indus Food Tech in Greater Noida, India



The Indus Food Tech (INDUSFOOD TECH-2024), an international exhibition related to food and beverages, started from Monday in the Indian city of Greater Noida. This food and beverages exhibition is the largest event of its kind in South Asia.

Hem Raj Dhakal, Vice President (Commodity) of the Federation of Nepalese Chambers of Commerce and Industry, led a delegation of 45 business people including Jyotsna Shrestha Vice President (Associate) of FNCCI and Nirak KC, Treasurer of FNCCI, to Indus Food Tech, which was organised with an aim to connect South Asian countries including India in the international food chain.

A total of seven stalls were set up by Nepali companies which are affiliated to FNCCI's commodities committee including Nepal Cardamom Business Association, Nepal Dairy Association, Nepal Coffee Business Federation, Nepal Herbs and Herbal Producers Association. Other Nepali companies also participated in the exhibition. The stalls showcased Nepali coffee, tea, herbs, food

processing, food grain production, etc.

The exhibition is seen as an opportunity to learn about the latest technology in the global food industry. It is also considered a platform for international cooperation and for looking into ways to make the food and beverage industry more dynamic in the future.

The exhibition was inaugurated by Sunil Barthwal, Commerce Secretary of the Government of India on Monday morning, while Piyush Goyal, Minister of Commerce and Industry addressed the exhibition virtually. Goyal stated that the exhibition will play a big role in connecting the entire South Asian region including India with the global food chain. He also claimed that the exhibition will go a long way in bringing about radical changes in the food sector of South Asia.

The latest machines and food products manufactured by using the latest technology were demonstrated during the exhibition. Modern means of food manufacturing processes were also showcased at the event. Over 2,500 companies

from 100 countries including India participated in the Indus Food Tech.



On behalf of the Trade Promotion Council of India, the organiser of the exhibition, Barthwal, the Commerce Secretary of India, held meetings with various delegations present in the exhibition. During the meeting, FNCCI Vice President Dhakal apprised Barthwal of the long-standing economic ties between Nepal and India. He also informed the secretary of the difficulties being faced by Nepali agricultural producers in exporting their produce to the southern neighbor due to the quarantine and lab test measures imposed by India. Dhakal requested Barthwal to resolve the issues being faced by Nepali business people.

Similarly, FNCCI Vice President Shrestha, requested Commerce Secretary Barthwal to identify the difficulties in exports and imports and address them.

FNCCI welcomes formation of committee to probe dispute over dedicated, trunk line tariff

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) welcomed the formation of a committee by the government to investigate disputes regarding the dedicated and trunk line of electricity that has become a major issue in recent days.

In a press statement issued by FNCCI, it expressed hope that the committee will be able to find a lasting solution to the issue. The federation has also called upon relevant authorities and the government to reinstate dedicated power supply to industries, emphasising the industry's 'right' to uninterrupted access to power to run their businesses and industries.

Meanwhile, members of the FNCCI delegation also participated in a business-to-business meeting (B2B meeting) related to food safety and packaging, and emerging technologies.

The Indus Food Tech organised by the Trade Promotion Council of India with support of the Department of Commerce under the Ministry of Commerce and Industry, and the Ministry of Micro, Small, and Medium Enterprises, was held till Wednesday.

FNCCI believes that participating in exhibitions like the Indus Food Tech will help countries like Nepal to learn about and introduce the latest technologies being developed in the global food industry. It also believes that such exhibitions will help in market promotion of Nepali goods and help expand international relations and introduce new ideas to Nepal. FNCCI has been regularly participating in the exhibition since it began in 2018.

Other members of the FNCCI who participated in the exhibition were Chairperson of Trade Fair Committee Umesh Dalmia; Chairperson of Cottage and Small Industry Committee Narendra Kumar Khadka; Chairperson of Health and Disaster Management Committee Bhakta Bahadur Hamal; Vice Chairperson of Trade Fair Committee Sabin Lal Shrestha; and Executive Committee Member Keshav Prasad Bhandari.



In a meeting with the private sector on September 11, Prime Minister Pushpa Kamal Dahal had instructed the concerned authorities not to cut power supply of industries. However, against the directive of the prime minister Nepal Electricity Authority has been cutting the power supply of industries.

This issue has dragged on for a considerable period

of time as there is a difference of opinion between industrialists and Nepal Electricity Authority regarding the electricity that is being provided through different processes at different times and whether the supplied power was consumed or not.

Industrialists have been saying they are ready to pay the due amount for the electricity consumed that was provided through dedicated and trunk lines on the basis of the TOD meter. Meanwhile, FNCCI has stated that based on the prevalent regulations, if any industry has to pay the tariff then it must do but if any industry does not have to make any payment then it must not be compelled to do so.

FNCCI also mentioned that as both the government and private sector were fully aware of the issue and

since the private sector was ready to resolve it, the federation had been seeking the establishment of a high-level judicial commission to look into the matter. Now that a commission has been formed the FNCCI has stated that it hopes there will be a long-term solution to the issue. The federation has also said it is confident that the newly-formed commission will look into previous studies, the current situation, evidence of electricity consumption, among other aspects and provide a just solution.

FNCCI also expressed its gratitude to the government for taking the issues raised by the private sector seriously during the current economic recession. It also said the private sector is hopeful that the activities of the private sector will not be affected in the coming days.

'Dailekh Festival 2080' organised in Karnali from February 9 to 18



The Dailekh Chamber of Commerce and Industry organised the 'Dailekh Festival 2080' in Karnali Province from February 9 to 18. The festival was held at the district headquarters of Dailekh, in coordination with the Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

Dailekh, a district known for its stunning natural scenery, is bordered by Jajarkot to the east, Achham to the west, Kalikot to the north, and Surkhet to the south. The district spans from Tallo Dhungeshwar at an altitude of 544m to Mahabulek

at 4,168m, showcasing a rich diversity of both biological and cultural aspects.

Situated between Bheri and Karnali rivers, within the Mahabharat range, Dailekh has an abundance of natural resources and holds significant religious and historical importance. Dailekh, which also serves as the district headquarters, is situated 68km from Birendranagar (Surkhet), the capital of Karnali Province, and approximately 650km from the federal capital, Kathmandu.

Dailekh boasts numerous tourist attractions of archaeological, aquatic, forest, land, religious, cultural, and historical significance. Major religious sites in Dailekh include Shiristhan, Nabhisthan, Padukasthan, Kotila, and Dhuleshwar under Panchakoshi. Some major temples include the Swami Kartik temple, Ganesh temple at Dailekh Bazaar, and Narayan temple, Chamunda Devi temple, Bilaspur Bhairava temple, Malika Devi temple, Buki Mai temple among others. Likewise, tourist destinations include Guranse Lek, Rakam Karnali, Dhaurvani Gufa, Dwariko Jharana, Ghoda Tal, Bhairavakunda, Tolijaisiko Thulo Chhahari, and Lalikandako Gufa. With its diverse castes,

monasteries, temples, archaeological sites and geological attractions, there are opportunities to develop religious and tourist areas.

The district has the potential for the development of religious and historical tourism and trekking routes as roads to Jumla, Humla, and Mansarovar go through Dailekh. The 'Dailekh Festival 2080' (Karnali Province industrial, tourism, agriculture, and trade fair) was organised considering these opportunities.

The festival aimed to promote various sectors such as industry, business, tourism, agriculture, education, health, and culture for the overall economic and social development of Dailekh. It showcased various agricultural

products, seeds, fertilisers, agricultural tools, technology and equipment, herbs and medicines, and exhibitions related to tourism and education.

The organisers stated that the festival created investment opportunities by promoting handicraft business, the market for agricultural products, garments, and leather shoes. The 10-day festival included free sightseeing tours of important religious and tourist places while the fun fair featured various folk dances including Raute, Hudke, Dholaki, Mayur, Maruni, Sorathi, Khyali, Paisari, Taktuke.

The FNCCI served as the patron for the 10-day festival, while the Nepal Tourism Board was the promoter.

FNCCI raises concerns over recurring arrests of businesspersons

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) has voiced its concerns over the recurring arrests of entrepreneurs amid the country's economic challenges. Arun Kumar Chaudhary, Managing Director and Chairman of CG Holdings, and Ajit Narayan Singh Thapa, Former Chairman of Bansbari Leather Shoes Factory, were detained by a team of the Central Investigation Bureau (CIB) of

Nepal Police.

The federation said it has been time and again requesting the government not to arrest any business person until a thorough investigation has been carried out into the issue that the respective business person has been arrested for. It stated that the trend of arresting a business person first and then looking into the matter later has further discouraged business people who are already frustrated with the

current business scenario in the country. FNCCI has urged the government to first find out the truth about any matter and then only take legal action if necessary.

FNCCI also drawn the attention of the government and relevant authorities about the fact that the Nepal Investment Summit is going to be held very soon and such arrests will discourage both domestic and foreign investors.

FNCCI hosts workshop on AI technology in partnership with Robotics



The ICT Development Committee of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Robotics Association of Nepal (RAN) hosted a workshop titled 'Brainstorming Workshop on AI: Public-Private Partnership on Artificial Intelligence' at the FNCCI secretariat in Teku, Kathmandu, on February 2.

While delivering his welcome remarks, FNCCI Senior Vice-President Anjan Shrestha urged the participants to actively participate in the workshop with an aim to develop Nepal's IT sector through the public-private model. He mentioned that the IT sector was crucial in contributing to the country's economy. "We aim to enhance Nepal's capacity in AI and promote innovation in the industrial sector," he said.

Senior Vice-President Shrestha expressed his belief that the programme would provide valuable suggestions and a roadmap to draft Nepal's policies, rules, plans and projects that can leverage new technology to address the current economic and social issues. "I strongly believe that this workshop will play a vital role in establishing a proper public-private partnership mechanism so as to develop the IT sector of the country," he added.

He further stated that there is no doubt that AI has the potential to boost the country's economy and help face the prevalent economic and social

challenges. Shrestha added that the country needs to rapidly develop and utilise robotics to keep pace with the changing times. "I am confident that this workshop will play a key role in helping us to learn about and adopt the latest technology which will further help us walk towards the path of prosperity," he said.

Shrestha also mentioned that the workshop will be useful in providing suggestions and feedback to the Ministry of Education, Science and Technology (MoEST) while it is drafting the country's education policy. Before concluding his speech, Shrestha again requested the participants to actively engage in the different sessions of the workshop.

Chairperson of the ICT Development Committee of FNCCI, Shakti Kumar Begani, mentioned that Nepal's business and industrial sector could take advantage of the development of information technology and artificial intelligence. He stated that if we are not able to keep pace with the rapid advancements being made in the IT sector and not willing to adopt technology then the country will be left behind in the global race. Begani added that the government, private sector and all concerned agencies must collaborate for the nation's prosperity. He assured the participants that the ICT Development Committee of FNCCI will always be at the forefront of any initiatives being taken in the IT sector of the country.

Meanwhile, FNCCI Vice President (Commodity) Hem Raj Dhakal said, "We should identify key economic sectors where AI can be utilised and we should channel our resources in those sectors. We must be smart in utilising technology in areas where we have a competitive advantage like agriculture, tourism, energy, manufacturing, information and communication, infrastructure development, education and skill development, financial services, e-commerce, logistics, entrepreneurship and startups, among others."

Similarly, FNCCI Vice President (Associate) Jyotsna Shrestha stated it was necessary for a landlocked country like Nepal to look into the possibilities of using smart technologies like artificial intelligence for the economic and social development of the country. She added it was vital for all concerned to identify problems and also look for genuine solutions to those problems. "I believe we have the required technical human resources in the country and we should also take advantage of Nepali experts living abroad," she stated, adding that it was time we started working towards producing experts on a war-footing as there was no alternative now.

On the occasion, Former Minister Ganesh Shah mentioned such discussions should take place in the coming days too. He stressed the need to utilise technology to improve the nation's industrial and commercial sectors. Shah added that the private sector should be informed about both the advantages and disadvantages of AI. "I would also urge the private sector to encourage and



collaborate with the executive, judiciary and legislative bodies when it comes to education and digital technology," he said. He also urged the FNCCI members to take further interest in education and technology.

While addressing the gathering, MoEST Secretary Pramila Devi Bajracharya informed the ministry was holding discussions on various acts and policies related to the ministry at present and that the suggestions provided in the workshop would be of immense help. "The government is serious about promoting the use of technology and I urge the private sector too to be involved in promoting digital technology," she added.

Meanwhile, President of Robotics Association of Nepal, Bikash Gurung, informed Nepal has been making significant progress in robotics and added that if there was a conducive environment then the country would be able to reap the benefits of robotics and artificial technology.

The workshop saw the participation of representatives of the private sector, government, universities and colleges, and donor agencies, among other distinguished personalities.

FNCCI signs MoU with BVMW Germany

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) signed a memorandum of understanding (MoU) with BVMW Germany to explore the possibility of German companies investing in Nepal or collaborating with Nepali businesses. The MoU was signed on February 7.

The MoU was signed by FNCCI President Chandra Prasad Dhakal and Christoph Ahlhaus, Executive Chairman of BVMW, on



behalf of their respective Embassy of Germany in Kathmandu in the presence of German Ambassador to Nepal

Dr. Thomas Prinz.

During the MoU signing ceremony, FNCCI President Dhakal said there needs to be collaboration between FNCCI and BVMW to promote trade relations between Nepal and Germany. He added that both the organisations need to explore ways to increase exports from Nepal to Germany because Germany has been a trusted export destination of Nepal for many decades.

President Dhakal also mentioned that SMEs will be affected the most by Nepal's graduation to a developing country status as Nepal will lose the duty free

access for exports to Europe. He stressed SMEs, particularly run by women, need to be supported. He added FNCCI and BVMW should collaborate for the promotion and development of SMEs.

The major objectives of the MOU are to enhance cooperation between FNCCI and BVMW and establish a practical framework to cooperate in investment promotion. The MoU also speaks about strengthening institutional relations and capacity building through mutual cooperation.

As per the MoU, both FNCCI and BVMW will have a regular exchange of information on

investment policies, rules, regulations, procedures, incentives and opportunities. There will also be an exchange of general updates on statistics and data related to Nepal and Germany with a view to making them accessible to both organisations.

According to the MOU, both the organisations will take the initiative to encourage and provide support for the exchange of business delegations or investment missions. FNCCI and BVMW have also agreed to assist each other to organise combined events related to investment and entrepreneurship.

FNCCI President Dhakal participates in World Government Summit

Chandra Prasad Dhakal, President of the Federation of Nepalese Chambers of Commerce and Industry, during his speech at the World Government Summit being held in Dubai apprised the participants about the Investment Summit 2024 that Nepal will be hosting on April 28-29 this year.

He highlighted that as part of the preparations the government with the involvement of the private sector has proposed amendments to certain laws and regulations to create a more favourable investment climate in Nepal. Dhakal also informed the participants that the government has finalised the framework agreement of Bilateral Investment agreement and the country will soon be signing agreements with potential partner countries.

FNCCI President Dhakal also spoke about the Nepali economy and the role of the private sector in helping develop the country's economy. He informed the gathering about the potential for economic growth and development in Nepal. He mentioned that the Government of Nepal is making efforts to improve the business environment by implementing reforms to simplify business procedures, reduce regulatory burden and enhance transparency.



Discussions held on Start-up Enterprises Credit Operation Work Procedure

Entrepreneurs recently held a discussion on the 'Start-up Enterprises Credit Operation Work Procedure' in Kathmandu. Along with the endorsement of the Startup Procedure 2080 by the government the Industrial Enterprise Development Institute has sought the Start-up Enterprises Credit facility.

The discussion was organised by the Start-up and Innovation Committee of the Federation of Nepalese Chambers of Commerce and Industry to inform business persons and entrepreneurs about the Startup Procedure and Start-up Enterprises Credit. During the event representatives of the government and private sector clarified all the questions related to the Startup Procedure and Start-up Enterprises Credit.

Approximately 100 people including executive members of FNCCI, start-ups, entrepreneurs, and small and micro entrepreneurs participated in the event that was held in a hybrid model with stakeholders participating in-person and also virtually.

The Start-up and Innovation Committee of FNCCI has been consistently working on issues related to start-ups. The discussion was held by the committee as there were numerous requests from business people who had just started their enterprises and from people who were looking to start a business reading the issue.



During the discussion, Umesh Kumar Gupta, Executive Director of Industrial Enterprise Development Institute, explained about the Start-up Enterprises Credit facility. He clarified the participants about whether or not startups, entrepreneurs, and micro and small entrepreneurs who have already availed concessional loans will be allowed to re-submit proposals. Gupta also explained whether businesses that were registered in the name of the parents but being run by their children, educational institutions, hostels and subsidiary enterprises would be eligible for the credit facility. He also clarified whether or not the businesses should be registered in PAN or VAT to avail the facility.

On the occasion, Sur Krishna Vaidya, Vice President (Industry Commerce) of FNCCI, emphasised that such discussions should be held at the state, district and local levels. He expressed his belief that if people at the local level are aware of such facilities being provided by the government then it will help promote entrepreneurship and startup culture in the country.

"Moreover, there will be more participation of the general public in such government programmes," he stressed. He further informed that FNCCI has already taken a policy decision to collaborate with Tribhuvan University on issues related to start-ups.

Meanwhile, Jyotsna Shrestha, Vice President (Associate) of FNCCI, said she was confident that the Start-up Enterprises Credit facility will be a reality and go a long way in helping start-ups with the continuous efforts of the Start-up and Innovation Committee of FNCCI.

Juna Mathema, Chairperson of the Start-up and Innovation Committee, mentioned that FNCCI has established a national network of start-ups and queries related to the Startup Procedure and Start-up Enterprises Credit are being dealt with accordingly. She added she was confident that the discussion event would help start-ups and entrepreneurs understand about the Startup Procedure and Start-up Enterprises Credit and they would be able to move forward by availing the facility.

FNCCI organises 'National Women Entrepreneurs Summit' in Bhairahawa



The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) - Lumbini Province and Siddhartha Chamber of Commerce and Industry organised the 'National Women Entrepreneurs Summit - 2080', a first of its kind, in Bhairahawa, Rupandehi district, on February 16-17. The two-day summit, with the theme 'Women's Investment, Entrepreneurs in Every House', was held under the leadership of Women Entrepreneurship Development Committee of FNCCI.

Women entrepreneurs present at the summit emphasised the need for conducive policies for women to be able to operate their businesses with ease. They also spoke about the challenges they face on a day-to-day basis while running their businesses and sought training programmes to enhance their skills. They also mentioned the need for capital, technology, human resources and

marketing. The women entrepreneurs also pointed out that since businesses could be successfully run through a small capital and local resources, women entrepreneurs and micro, cottage and small industries could play a big role in the country's economic development.

On the occasion, Dilli Bahadur Chaudhary, Chief Minister of Lumbini Province, stated it was time to link businesses being led by women entrepreneurs to issues like operating cost, expenses and income. He mentioned that there was a need to link rural enterprises with the urban areas of the country. He informed the gathering that the provincial government had prepared an entrepreneurship programme through which the authorities are looking into ways in how women can earn at least Rs 30,000 a month. Chief Minister Chaudhary said that since the youths are leaving the country for

employment opportunities it was commendable that women entrepreneurs had taken the initiative to organise such an event.

Chaudhary further stated that Lumbini Province is ready to raise the required financial resources to develop women entrepreneurship. He added the country will not be able to progress economically until and unless women entrepreneurs are encouraged and are successful in their ventures. He also assured the participants he would disseminate the findings of the summit to the chief ministers of the other six provinces and pledged to take further initiatives to help women entrepreneurs.

Meanwhile, Santosh Kumar Pandeya, Lumbini Province Home Minister, said, "The provincial government considers it its responsibility to support women entrepreneurs and is serious

about fulfilling it." He also informed that the Lumbini Province government has been facilitating in market promotion, branding and marketing of locally manufactured goods and has also taken the initiative to link women entrepreneurship to the national economy. Pandeya further stated that the provincial government aims to provide employment to two lakh youths and sought the private sector's cooperation in its drive to develop youth entrepreneurship. He also urged the participants to provide suggestions on aspects that need to be included in the government's policies and programmes, and budget so as to help women entrepreneurs.

On the occasion, Anjan Shrestha, Senior Vice-President of FNCCI, mentioned that the government should focus on creating an environment for sustainable business practices. He also said the government needs to take steps to promote small businesses, empower women entrepreneurs and promote economic prosperity. Shrestha informed that FNCCI has been frequently drawing the attention of the government to enable financial access to women entrepreneurs. He also stated that women entrepreneurs should be provided loans on projects as collateral and that subsidised loans and refinance facility must also be provided to women entrepreneurs. He added that women entrepreneurship is not related just to creating jobs or the economy but it also relates to equality and a just society. He shared that 27% of the businesses in the country are registered in the name of women but only a handful of them are

actually running it and this was the major reason why the country has not made much progress.

Shrestha further stated that the policy to provide concessions when property is registered in a woman's name had been successful but the facility to provide concessions to women entrepreneurs had not given the desired outcome. "Though there is a provision for a discount when registering a business in a woman's name there has been no facility of subsidies provided to give continuity to women-led businesses," he informed, adding that even the subsidised loan facility has been halted. He stated that any business needs to be able to operate continuously and for this there is a need for policy stability. Shrestha also pointed out the need to focus on the fact that after Nepal graduates to a developing nation status the country's exports will lose duty-free access to European and other developed nations and this will have a major impact on small and medium enterprises and businesses run by women.

Hem Raj Dhakal, Vice President (Commodity) of FNCCI, said the government and private sector should collaborate for the development of women's entrepreneurship. He shared that the FNCCI has been actively working on that aspect.

Krishna Prasad Sharma, Lumbini Province President of FNCCI, said the women entrepreneurs' summit had been organised in Bhairahawa to address the issues being faced by women entrepreneurs across the country and to support entrepreneurship development. He expressed

hope that this would aid in promoting entrepreneurship beyond the federal capital.

Meanwhile, Kamala Shrestha, President of the Women Entrepreneurship Development Committee of FNCCI, shared that the summit had been organised to bring together officials of all three tiers of the government and also representatives of financial institution to make them aware of the various problems being faced by women entrepreneurs. She also said it was commendable that the number of women entrepreneurs in the country had been rising in the recent past and that the participation of women in the labour force has also witnessed a rise. She informed that from 1971 till 2021, the number of women who were actively engaged in running enterprises for more than 10 years had increased from 29.2% of the population to 60.4%. "There have also been studies which have stated that just a 1% rise in the number of women in the labour force will help the gross domestic product increase by 0.3%," she shared. She added the fact that more women are involved in household work rather than in business is a challenge.

More than 350 women entrepreneurs, business people and women interested in getting involved in entrepreneurship attended the event. During the summit, discussions were held on the laws and regulations related to women entrepreneurship. The second session of the summit focused on issues related to women's access to finance, while the third session discussed issues on market access.

Private sector needs to be committed to social justice, says FNCCI President Dhakal

Chandra Prasad Dhakal, President of Federation of Nepalese Chambers of Commerce and Industry, has said that social justice is not about making reforms in just one area. He pointed out that social justice could be achieved only when there is equal access and opportunity in the economic, social, political and cultural spheres, hence a collective effort and commitment is necessary. He stated that the private sector is aware of the rise in interest in social justice and its necessity.

Dhakal was representing the private sector at an event that was held to mark the World Day of Social Justice 2024, on February 20.

On the occasion, Dhakal also spoke about the private sector's contribution to the country's economic

development. He mentioned that since a large chunk of the economy in Nepal is informal and since there is so much of cultural diversity promoting and ensuring social justice is a huge challenge. He informed that the concept of social justice had been gaining ground globally and there have been several initiatives taken to deliver social justice.

He also informed that the private sector has been actively participating in various initiatives aimed at fostering social justice and made a commitment to further cooperate in promoting it. He mentioned there have been a lot of reforms in various policies, laws and institutional arrangements to promote social justice. Dhakal added that if there was proper implementation of policies related to

social justice then the country would be able to achieve social justice for all.

Dhakal further mentioned that the private sector which has 81% contribution to the national economy and 87% contribution to employment has been fulfilling its responsibilities to promoting social justice in the country. He stated if there is lack of understanding and cooperation between employers and employees then labour relations will not be sustainable, adding that when labour relations are sour the social justice cannot be achieved. Hence, Dhakal said to institutionalise and strengthen cooperation and dialogue, FNCCI had signed an agreement with the Joint Trade Union Coordination Centre (JTUCC) for the purpose.

FNCCI President Dhakal lays foundation stone for FNCCI Bagmati Province Office

Chandra Prasad Dhakal, President of the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), laid the foundation stone for the FNCCI Bagmati Province Office in Hetauda Sub-Metropolitan City, Makawanpur district, on February 22.

The construction of this office is expected to influence local business groups. Upon completion, it will house modern offices, meeting rooms, and conference facilities. These amenities will be available for entrepreneurs, startups, and established businesspersons to utilise for effective business operations, collaboration and networking.

During the ceremony, President Dhakal expressed that the FNCCI Bagmati Province Office will serve as a business promotion and networking hub. The office plans to host trade fairs, industry-specific events, and commercial summits to strengthen relationships between local entrepreneurs and international partners.

The office will also allocate space for a business incubator and accelerator. This will enable startups and small enterprises to access orientation, training and resources to expand and enhance their businesses. This is expected to contribute to the region's overall economic development.

FNCCI Bagmati Province President Dil Sundar Shrestha



shared plans for the office to collaborate with vocational training institutes and universities to offer skill development programmes. He stressed the importance of skilled workforce for business competitiveness, and talked about the initiative that aims to bridge the skills gap. According to Shrestha, the office will allocate exhibition spaces to display local products, handicrafts and traditional arts. He mentioned that this initiative will not only help local artisans but also be an attraction for tourists.

Through this office, FNCCI will advocate for favourable business policies, address regulatory challenges, and provide legal assistance to local businesses. FNCCI President Dhakal expressed optimism about the positive impact of this initiative.

Private sector meets Prime Minister; requests for conducive business environment



The heads of the umbrella organisations of the private sector in a meeting with Prime Minister Pushpa Kamal Dahal, apprised him of the economy still being at risk because though the country has achieved external sector stability the market has still not gained any momentum.

President of Federation of Nepalese Chambers of Commerce and Industry Chandra Prasad Dhakal, President of Confederation of Nepalese Industries Rajesh Kumar Agrawal and President of Nepal Chamber of Commerce Rajendra Malla expressed that the government should be more serious about improving the economy. Prime Minister Dahal had called the presidents of the three respective private sector bodies to get their views on the economy and how it could be improved.

The private sector leaders informed the prime minister that due to low demand in the market industries had been operating at 40% of their total capacity. They mentioned that the policies which were adopted so as to control the rapid expansion post-Covid had improved the Balance of Payments and foreign exchange reserves situation but had hampered domestic market activities. They also stated that the policies introduced by the government and concerned

regulatory agencies which had affected small businesses had started having a negative impact on banks and financial institutions. They further drew the prime minister's attention to the situation that those policies were now affecting the government's revenue collection.

FNCCI President Dhakal shared that there is low demand in the market and the way that the private sector is viewed is also not favourable. He also said that the private sector has not been able to run its projects in a smooth manner. "It is time that the government become proactive to resolve these problems," he added.

Dhakal suggested that to increase market demand the government needs to increase capital expenditure. He also suggested the prime minister to expand credit facilities like refinancing so that funds would flow into the rural and semi-urban areas. Dhakal further stressed that the provision whereby the Commission for the Investigation of Abuse of Authority and National Vigilance Centre could look into the affairs of the private sector was not justifiable and urged Prime Minister Dahal to remove the provision from the proposed bills. He added that as a mark of respect for the contributions made by the private sector, it should be included in the order of precedence.

Meanwhile, CNI President Agrawal said there should be a safe environment for businesses to operate. He pointed out that the Indian government had removed the provision of business people being jailed for business offences and had instead increased the fine they had to pay but here business people are in a state of panic and this needs to be reformed. Agrawal emphasised that double taxation on capital gains tax must be removed and the system of various oversight agencies looking into the private sector must be ended. He added that debt restructuring and rescheduling are also necessary.

Putting forth his views, NCC President Malla said the risk weight system in real estate and share loans should be reduced to 100%. He stated that the risk burden currently is set at 125% and if this could be reduced to 100% then market demand would rise. He also mentioned that banks and borrowers should be allowed to mutually decide on working capital loan.

The private sector said projects which had been started with the approval of the government should be allowed to function in a smooth manner and the government should provide the necessary support for that. It also drew the attention of the

government to the fact that activities targeted at the private sector would have a negative impact on the economy.

During the meeting, Prime Minister Dahal said that based on the suggestions and feedback provided by the private sector the government will take initiatives to improve the economy. He assured the private

sector representatives that the government will put in all the efforts to complete private sector and government projects on schedule.

Also, Prime Minister Dahal said that the government will take initiatives to complete the work of private sector and government projects on time. Chief Secretary of the Government of Nepal Dr Baikuntha

Aryal was also present in the meeting.

Although remittance inflow and foreign currency reserves have increased businesses are disappointed due to low market demand. Moreover, banks and financial institutions are flush with funds at the moment.

All political parties should have common economic agenda, says FNCCI President Dhakal

President of the Federation of Nepalese Chambers of Commerce and Industry, Chandra Prasad Dhakal, has drawn the attention of all the political parties for the need to adopt a common economic agenda. He stated that the economy is in a very precarious situation and if the political parties did not do so to improve the situation then the country will head to a disaster. He said this during a discussion held with member of the State Affairs Committee. He added that if the government and political parties are not sensitive towards the economy then it will not be possible to attract either domestic or foreign investment.

President Dhakal stressed, "If all the concerned stakeholders do not get together and take the initiative to solve the existing problems in the economy then instead of increasing investment the private sector will look for ways to exit from their businesses."

According to a study conducted by the FNCCI and International Finance Corporation, out of the 81% employment in the economy the private sector contributes 87%.

Dhakal mentioned that said there should be a mechanism whereby when there are difficulties in the economy then there should be ways to resolve them. He added that the problem has been compounded as there is lack of inter-agency coordination within the government. "Everyone has been saying that they are doing a good job but the outcome has not been as expected," he opined.

Fundamentally, the government's revenue collection has been affected as the private sector has not been able to work properly. The government's deficit was around Rs 50 billion in the first six months of the current fiscal year. Revenue collection has been affected as the private sector has not been able to work in a smooth manner.

FNCCI President Dhakal further emphasised that the reforms that the government has prepared to amend some regulations targeting the upcoming investment



summit must be endorsed. FNCCI has submitted a three-point suggestion to the government seeking reforms in 12 laws.

Meanwhile, a task force including the private sector that was formed under the coordination of Ek Narayan Aryal, Secretary of the Prime Minister's Office, has submitted its suggestions for reforms to Chief Secretary of the Government, Dr. Baikuntha Aryal.

Dhakal reiterated that the suggestions that were prepared to improve the investment climate of the country should be endorsed by the Parliament.

Speaking on the occasion, Senior Vice-President of FNCCI, Anjan Shrestha, mentioned that the government usually adopts the attitude of taking the private sector as witnesses while drafting policies and regulations. He informed that if the government incorporates the suggestions provided by the private sector while drafting its policies and regulations then the country's economy will improve.

He added that there are more monitoring agencies than there are agencies involved in drafting policies and this trend has discouraged investors in the country.



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