

Speech by Ms. Bhawani Rana
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Federation of Nepalese Chambers of Commerce & Industry (FNCCI),
at the Opening Ceremony of the 12th China-South Asia Business Forum
on **"Challenging Opportunities: Employment Creation and Innovative Investment"**
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Good Afternoon!

It is indeed a great honor for me to address such a distinguished audience at the opening ceremony of China South Asia Business Forum. I would like to extend my sincere gratitude to the organizers of this meeting: Government of Yunnan Province, CCPIT, and SAARC Chamber of Commerce and Industry, for the warm hospitality extended to us.

We are in the midst of the time, when the whole world is looking with great interest at the One Belt One Road (OBOR) initiative forwarded by China. This project has tremendous potential to change how countries from South East Asia, South Asia, Central Asia, Europe, Africa and beyond, can cooperate to integrate economies. I believe that this movement, paired with the cooperation in innovative approach of doing business, will not only invigorate to reestablish the Asian Century, but also revive the socio-economy of the world at large, by creating jobs, capital, worth and prosperity for the whole of humanity. It is indeed praiseworthy that the OBOR, as the 'project of the century', embodies the spirit of peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit, as the four guiding principles.

On May 12, 2017, Nepal has formally become a partner in OBOR initiative. As a landlocked country that aspires to become a land-linked country, Nepal's top priority is connectivity, not only physical connectivity but connectivity through information highways. Our next priorities are: hydropower, cross border transmission lines, tourism exchange and development of tourism destinations and infrastructure.

Recently, at the Belt and Road Forum, Nepal proposed to expand Railway linkage from China to Nepal, which China has assured to consider and provide financial support for construction of the Cross Border Railway link that will connect Keyrong with Kathmandu, and further to famous tourist destinations of Pokhara, and Lumbini - the birthplace of Buddha. With this connectivity, we seek to develop the entire 'China-Nepal Economic Corridor' that will impact the socio-economic development of not only the northern mountain and hilly regions of Nepal, but also benefit the entire country.

Now is the era of innovation not only in the means of production, marketing, and process of management, but also in innovation in investment methods and investment in emerging and new markets and industries. Sustainable growth by innovative

investment in new energy, service industries including tourism and ICT, environment protection, development of financial centers, is the need of the hour.

Challenge comes together with opportunities, which gladly is the theme of today's forum. Along with the opportunities arising out of OBOR, Nepal faces new challenges, mostly in its lack of competitive strength and investment capacity. The private sector of Nepal should produce goods to export back to China so that the train that comes full with goods do not have to go empty back. In this, Nepal needs investment in industries which can utilize the newly opened vistas of connectivity. Having already signed bilateral transit agreement with China, Nepal expects to have market access to around 70 countries along the Silk Road Economic Belt and The 21st Century Maritime Silk Road.

The new windows of opportunities pave the way for huge potential for job creation. The rise in investment in infrastructure will certainly create new jobs. The surge in inbound tourism, and investment in tourism infrastructure, will create new jobs in service sectors, as well as in supporting industries, uplifting livelihoods of common people.

The Fourteenth Five Year Plan of Nepal has aimed to achieve employment creation of 400,000 jobs per year, and has plan to shift the excess labor force from agriculture sector to non-agricultural sectors. This is possible only when we can attract investment in non-agricultural sector, in urban development and infrastructure construction, new and renewable energies, agro-processing industries, massive entrepreneurship development, and opening up of new and innovative areas.

To create employment, a whole new areas of investment have to be considered, such as in Research and Development, IT software, e-commerce, e-governance, building of smart cities, trade schools, various trade facilitation service industries, logistics, waste management, to name a few.

We also need to explore new methods of investment, whether to utilize remittance money from employees working abroad, or citizen investment funds, provident funds, various professional welfare funds, venture capital and angel investment, crowd-funding, and so forth. Public Private Partnership and its various modalities of funding and financing have to be wisely utilized for infrastructure as well as non-infrastructure projects, thus creating direct as well as indirect employment from such projects. I, on behalf of FNCCI and private sector of Nepal, take this opportunity to invite all fellow businessmen and investors present here to invest in this country of unexplored opportunities.

It is need of the hour to access funding and financing from OBOR related financing institutions such as: Asian Infrastructure Investment Bank, Silk Road Fund, China Development Bank, EXIM of China, and New Development Bank, along with financing from various multilateral financing institutions, in projects that will create greater number of new jobs.

Lastly, I would like to highlight here that it is high time we work together with trade and investment partners. While globalization generated unbalanced opportunities, we need to work in global and regional framework in trade and investment, so as to create win-win situation, in the spirit of mutual learning and shared prosperity. Concerted efforts are needed for 'free and fair trade', and for flow of investment. As trade and investment are critical elements, mutual support and enforcing for employment generation is essential. An open, fair and nondiscriminatory multilateral trading system is crucial to cope with the challenges and to promote investment, providing meaningful and substantive market access opportunities as well as enhancing productive capacities.

Before concluding, I would like to express once again my deep appreciation to the organizers of this important meeting for giving me valuable opportunity to express few words. I believe that the ideas exchanged and contacts developed from this meeting will help to materialize some cooperation projects, and help further enhance the mutually beneficial relations.

Thank you!