

Remarks by FNCCI President Bhawani Rana at the Business Meeting
organised by CII, FICCI, ASSOCHAM during the official Visit of Rt.
Hon'ble prime minister of Nepal to India,
New Delhi, August 23, 2017

1. I am profoundly honoured to share few words in this special gathering. On behalf of the FNCCI- an apex organization of Nepalese private sector and the entire business delegation, I would like to express my warmest greetings to you all.
2. I would also like to extend my sincerest thanks to our counterpart in India, CII as well as FICCI and ASSOCHAM for organizing this event in an honour of our Rt. Hon'ble Prime Minister and extending warm hospitality to us.
3. We believe the visit of Nepalese Prime Minister to India is in an appropriate time as Nepal is marching towards the path of prosperity. Trade and economic linkages have become a very important component of Nepal and India relation. The volume of bilateral trade is also increasing every year however the growing trade gap is a matter of great concern for Nepal. This is the reason why we seek greater investments from Indian private and public sector, especially in productive sector.
4. We, private sector, also believe that this is the right time for investment in Nepal and take benefit of the untapped potential that Nepal offers.
5. Let me also share in this important gathering that the major problem of Nepal's development- the political instability, is being sorted out by our leaders by institutionalizing the New Constitution. Our Government has already successfully conducted two local elections and gearing up for next phase of elections. This has and will further provide the thrust on maintaining the political stability and ending the prolonged transitional period.

6. Our Government and its bureaucratic mechanism have prioritized creating conducive environment for investment and lowering the cost of doing business in Nepal. Government has started a second-generation policy reform initiatives and reformed several laws like Industrial Enterprises Act, Company Act, Labour Act, Social Service Act, to name a few and brought new ones like Special Economic Zone, IPR Policy, Mines and Minerals Policy, among others. The much-awaited Foreign Investment Act is also expected to be ratified by the Parliament within a month. This all shows Nepal's willingness to support the private sector led growth.
7. In the last two decades Nepal has gone through a rough phase in its political and economic history starting from the internal conflict to prolonged political transition to the devastating natural disasters. Nevertheless, the macroeconomic indicators of Nepal have been relatively well.
8. Last year, Nepal achieved its highest economic growth of 7.5 percent, the highest in the region. In the last one decade, the per capita income of Nepal has increased significantly thereby increasing the consumption by manifold and making Nepal an attractive market. Even though there is a trade imbalance, the balance of payment is satisfactory. In fact, it is enough to cover the goods and services import of 12 months.

9. There has been a rise in local investments in sectors like hospitality, manufacturing, and agro processing. There is also a surge of FDI in sectors like hydropower, infrastructure and manufacturing. Last year, Nepal received a commitment of about 14 billion USD during the Nepal Investment Summit. Recently, the Millennium Challenge Corporation of USA has approved the investment of USD 500 million in Nepal's power and transportation sector. This we believe would further encourage FDI in Nepal.
10. Recently, the Government of Nepal, under the chairmanship of Rt. Hon'ble Prime Minister has made a decision, which I believe will pave the way for development of mega power projects like Upper Karnali. Likewise, the development of 900 MW Arun III by SATLUJ is expected to commence soon.
11. Already the government has managed the supply of electricity, which has resulted in ending the load-shedding and improving the industrial capacity. Now, with development of these mega power projects along with other projects, Nepal is expecting massive investments in downstream industries and improved productivity.
12. Nepal, despite its flaws and challenges, is a profitable market. Just ask some of your colleagues from the ITC, Unilever, Dabur, Punjab National Bank, State Bank of India, Asian Paints, Berger Paints, among others, who are enjoying a good rate of return in their investments. These are the companies who have been in Nepal for about more than two decades and still doing a good business in Nepal.
13. So, I would urge my Indian colleagues and counterparts, not to be late and loose the opportunity. Nepal needs a massive investment and the Government is also very forthcoming in welcoming the foreign investment.

14. Hon'ble Minister, our two countries are blessed with natural resources and young human capital. Now, we need to work collectively to convert these resources into wealth, so that we both can prosper. Another important area where we can work together is tourism, especially in religious tourism like Buddhist Circuit and Ram and Sita Janmabhumi Circuit.
15. Last month, during the BIMSTEC Ministerial meeting, the focus was also given on regional economic cooperation and integration. In this regard, we private sector also believe in the regional cooperation for shared prosperity.
16. We are very fortunate to have Rt. Hon'ble Prime Minister Mr. Sher Bahadur Deuba with us today. I remember how Prime Minister Deuba has supported the Joint Economic Council (JEC) between the FNCCI and CII and helped in implementing the joint recommendations prepared by the FNCCI-CII JEC, which has become the bedrock of economic cooperation between Nepal and India, popularly known as the Trade Treaty of 1996.
17. Rt. Hon'ble Prime Minister, we, both apex bodies of private sector are working together to revisit our economic cooperation from the new global dimension. We are in touch with CII to revive the JEC and collaborate in enhancing and strengthening bilateral economic relation.
18. I would like to inform you all that FNCCI and CII is organizing Nepal-India Business Summit in this year. Taking this opportunity, we would like to invite you all to participate in the Summit and support us in enhancing Nepal-India economic cooperation.

19. Let me once again thank our hosts for organizing this event and on behalf of FNCCI and the entire Nepalese business community, I would like to invite you to do business in, and with Nepal. FNCCI, the apex private sector representative body in Nepal, is always ready to cooperate and welcome the foreign investment.

20. Let me conclude with the quote of Rt. Hon'ble Shri Modijee by saying,

“our relations have not moved forward with mere documents but through the heart of our people.”

21. Thank you and in solidarity!