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nepal

Agreement of Cooperation between FNCCI and CII

-Joint Task Force to Boost Export & Investment-

Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and of Confederation Indian Industry (CII) had signed a Memorandum of Understanding (MOU) on 8th February 1995 to promote economic cooperation between the two countries. The two organizations formed a Joint Task Force to prepare a report for promotion of Nepalese exports to India and Indian investments in Nepal. This report was formally presented to the Prime Ministers of both the countries in Feb. 1996 in New Delhi.

Bearing in mind that many development have taken place in the economic and political sphere since that time FNCCI and CII have agreed to set up a new Joint Task Force (JTF), which would work to identify areas of mutual cooperation between Nepal and India. This Joint Task Force apart from looking into increasing exports from Nepal and Investments from India will look into the possibility of cooperation in

sectors such as hydroelectricity, tourism, surface-water-air transport and agro forestry.

In the presence of visiting prime minister of Nepal Purna Kumar Dahal 'Prachanda' president of FNCCI Kush Kumar Joshi and past president of CII Subodh Bhargava signed the agreement on behalf of their respective organisations in New Delhi on 15 September 2008.

The Terms and Reference for the FNCCI-CII Joint Task Force are; to suggest ways and means to enhance economic cooperation between Nepal and India; to identify opportunities for Indian investments and technology transfer including in joint ventures; to identify sectors and products where Nepal offers viable and sustainable competitive advantage for Indian Investment; to identify issues impeding trade, commerce and make appropriate recommendations; to look at the possibility of cooperation in

sectors like education, energy, environment management, sustainability climate change, human resource development, health care and agriculture including in WTO and IPR related issues; to suggest to the Governments of Nepal and India the policies and procedures especially with regard to improving infrastructure, communication and transportation facilities; to determine specific requirements for training and skill up-gradation of employees of Nepalese enterprises and to look into any other form of economic cooperation in the mutual interest of Nepal and India.

The Task Force will submit its report to the FNCCI - CII Joint Economic Council within 6 months after its formation.

FNCCI/Philippine CCI decides to boost Trade & Economic Ties between Nepal & Philippine

The Federation of Nepalese Chambers of Commerce & Industry (FNCCI) and The Philippine Chamber of Commerce and Industry (PCCI) have signed a memorandum of agreement (MoA) recently in Manila.

Pradeep Kumar Shrestha, Former President of FNCCI and Edgardo G. Lacson, President of PCCI signed the agreement on behalf of their respective organizations. The signing of the agreement took place during the 22nd Conference and 74th-75th Council Meeting of the Confederation of Asia Pacific

Chambers of Commerce & Industry (CACCI) on October 22-23, 2008 held in Manila, Philippines.

The accord is aimed at promoting bilateral trade, relations, investment, technology transfer, as well as exploration of new potential areas of mutual interests of business community of these two countries.

As per the accord, both Chambers have agreed to cooperate with each other to promote, strengthen and expand trade, economic, scientific, technological cooperation and

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other business relations between concerned organizations and firms of both parties; similarly both organizations agreed to exchange information about commerce, industry and economy in general of their respective economies; to assist their members in establishing and strengthening

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business contacts through the organization of events such as conferences, seminars, study tours, exchanges of trade delegations and participation in trade fairs with the objective of promoting the growth of trade between Philippine and Nepalese businessmen; to undertake such other steps as needed to further the interest of both sides for the realization of the agreement; to work out concrete measures ensuing from the Agreement and inform each other of their fulfillment and agreed to organize a Philippines - Nepal Business Council based in the Philippines and a Nepal - Philippines Business Council in Nepal that will meet as a rule every other year or on any other mutually agreed schedule either in the Philippines or in Nepal.

Finance Minister Dr. Bhattarai Unveils Rs. 236 billion budget

Finance Minister Dr. Baburam Bhattarai on Sept. 19 unveiled the budget estimates of Rs. 236 billion for the fiscal

year 2008/09 to implement the policies and programmes of the first elected government of the Federal Democratic Republic of Nepal.

Dr. Bhattarai has proposed Rs.111.82 billion (47.38%) for general administration and Rs. 124.19 billion (52.62%) for development related programmes. He Said that he had allocated Rs. 128.51 billion for recurrent expenditure Rs.91.3 billion for capital expenditure and Rs. 16.18 billion for principal payment

The size of this year's budget is higher by 39.7% compared to the total allocation of the previous fiscal year and by 44.5% than the revised expenditure. On the recurrent expenditure head, it is increased by 40.6% and on the capital expenditure, head by 64.5% to the revised expenditure. In contrast, the principal payment is lowered by 1.0% against the revised expenditure.

The projected sources of financing for the budget include Rs. 129 billion from current sources of revenue, Rs 65 billion foreign assistance, Rs. 47.09 billion foreign grant and Rs. 18.70 billion

foreign loans. The budget will have a deficit of Rs. 41.11 billion.

Nepal ranked 121st position in CPI

With 2.7 Corruption Perception Index (CPI), Nepal has ranked 121 position among the 180 countries in the world in 2008. Denmark has ranked the first position with 9.3 CPI, and Somalia among those showing 1.0, the highest levels of perceived corruption, according to the latest Transparent International (TI) report.

The report highlights the fatal link between poverty, failed institutions and graft. But other notable backsliders in the 2008 CPI indicate that the strength of oversight mechanisms is also at risk among the wealthiest.

"In the poorest countries, corruption levels can mean the difference between life and death, when money for hospitals or clean water is in play," the report said.

Nepal ranked 128th in economic freedom

An international report has ranked Nepal in the 128th position, way behind neighbors India and China, in the latest ranking of global economic freedom.

The Economic Freedom of the World: 2008 Annual Report by Canadas Fraser Institute and Washington DC based Cato Institute, released recently says Nepal scored 5:35 out of 10 in terms of economic freedom, pushing its position further down from the 123rd spot it had occupied last year.

The report ranks 141 countries on a range of factors including size of the government, legal structure and security of property rights access to sound money, freedom to trade internationally and regulation of credit, labor and business.

The research suggests Nepal's scores improved on the size of the government compared to the last year, but dipped on legal structures and security of property rights.

Likewise, its scores on access to sound money dropped along with regulation of credit, labor and business, whereas it scored better this year in terms of freedom to trade internationally.

According to a press release, the report has ranked India 77th and China 93rd while Sri Lanka is ranked 103rd just ahead of Pakistan.

In 2008, the report has rated Hong Kong as the freest economy, followed by Singapore, New Zealand, Switzerland and the United Kingdom respectively.

MoU signed to import power from India

Nepal Electricity Authority (NEA) will import up to 60 MW power through Power Trading Corporation (PTC) of India to make up shortages.

A Memorandum of Understanding (MoU) to this effect was signed between NEA and PTC of India on 24 September in Kathmandu.

Arjun Kumar Karki, managing director of NEA and Tantra Narayan Thakur, chairman and managing director of PTC India Ltd. inked the MoU which will help mitigate the prevalent power shortage in Nepal.

According to the MoU, PTC would be supplying up to 60MW power on round the clock basis on commercial principles at a tariff mutually agreed between the two sides.

Ireland-Nepal Chamber in Dublin

Nepali Businessmen in Ireland have registered Ireland-Nepal Chamber of Commerce and Industry (INCCI) in Dublin with the objective of strengthening business relations between the two countries. Representatives of various Nepali organizations in Ireland attended the launching ceremony, INCCI said it aimed to promote bilateral trade, tourism and industry.

Ganga Ram Kandel, president of INCCI, presented the policy, objectives and future programmers of the bilateral institution. According to the statement officials of other Nepali organizations also expressed their commitment to strengthen business relations between two countries in the days to come.

SAARC

Indian Economy to grow at 8%

Finance minister P. Chidambaram recently said he was confident that the economy will grow close to 8% this fiscal although the PM's Economic Advisory Council saw GDP expansion slowing to 7.7%.

If the PM's Economic Advisory Council pegs it (economic growth) at

7.7%, I can confidently say it will be close to 8% he told reporters after his meeting with chairpersons of PSU banks. Chidambaram's remarks came a day after industrial growth halved in the first quarter of this fiscal.

Referring to undue competition among banks of large bulk deposits from public sector organizations, the minister said he would ask the Department of Public Enterprises not to resort to bidding route and deposit 60% of their surplus fund with the public sector banks. Chidambaram also said that bankers told him that credit will grow at very brisk pace and productive sectors will not be starved of credit.

Bangladesh may become nation UN

Bangladesh is expected to graduate from the Least Developed Countries (LDCs) group to a middle income (MI) country in the next 17 years if it sustains a growth rate between 6.5 and 6.7 per cent, a UN report said.

The Centre for Policy Dialogue (CPD) - a Bangladesh think tank - released the report titled 'UNCTAD LDC Report 2008: Growth, Poverty and the Terms of Development Partnership' in Dhaka recently.

Mustafizur Rahman, CPD executive director, released the report. The United Nations Conference on Trade and Development (UNCTAD) report, however, pointed out that Bangladesh's current moderate economic growth riding mainly on export of low technology manufactured goods like readymade garment might not sustain if its export basket is not diversified.

The report said soaring food and oil prices, frequent natural calamity, growing inequality are major roadblocks in the way of achieving the millennium development goals. Bangladesh is the largest food importer among the 49 LDCs, the report said.

Bangladesh's GDP growth in the past fiscal (July 2007 to June 2008) is estimated to be 6.2 per cent, lower than the target of seven per cent, due to negative influence caused by floods as well as cyclone Sidr last year.

Bangladesh eyes bilateral free trade pacts

Bangladesh is pursuing bilateral free trade deals with three neighboring

countries following the collapse of World Trade Organization (WTO) talks for a global agreement, an official said recently.

If successful, the WTO's so-called Doha round of talks would have reaped huge financial benefits for Bangladesh, giving the impoverished country a massive economic boost with zero tariffs on its exports a government spokesman told AFP the country had decided to pursue one-on-one deals after the collapse of recent global talks.

"Initially, the government has decided to start bilateral free trade talks with India, Pakistan and Sri Lanka," he said, Sri Lanka and India had already signed a bilateral deal with each other and similar negotiations between other regional neighbors were also under way, he said.

Bangladesh is a member of the WTO and two regional trade treaties: the South Asian Free Trade Agreement (SAFTA) and the Bay of Bengal Initiative for Multi-sectoral, Technical and Economic Cooperation (BIMSTEC).

But analysts say the country - where more than 40% of the 144 million population lives below poverty line - has gained little from those multilateral trade deals and that bilateral deals are more beneficial.

Sri Lanka tea output rises

Sri Lanka's tea production rose by 18.2 percent to 171.3 million kilograms (376.9 million pounds) during the first half of this year, the Sri Lankan Tea Board said recently.

Production in June was 27.3 million kilograms, up 16.2 percent from the 23.5 million kilos during the same month last year.

"The weather gods have been good to us this year, while companies are also applying fertilizer periodically, despite high world prices," said Anil Cooke, senior vice president of the privately - run Asia Siyaka Commodity brokers.

ASIA

Investment in China picking up

Investment in China is picking up while the trade surplus is declining, data showed recently, suggesting the world's fourth largest economy may be increasingly relying on itself for growth momentum.

The country's urban fixed-asset investment - spending on productive

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capacity in the cities - rose 27.3 percent in the first seven months of 2008 compared with a year earlier, the National Bureau of Statistics said.

"In July, fixed-asset investment again accelerated to a certain extent," the statistics bureau said in a statement. "That will help in tackling the issues arising from a weakening in external demand".

The bureau did not publish a figure for the month of July alone, but it was clear that an acceleration had taken place.

Based on previous figures from the bureau, it would seem that fixed-asset investment increased by about 30 percent in July from the same month a year earlier.

"Urban fixed-asset investment has maintained a growth level of about 25 percent every month," the statement said. "That's an important accomplishment".

Singapore's economy

Singapore's economy difficulties will continue at least until next year amid rising inflation and a global slowdown, Prime Minister Lee Hsien Loong said.

Consumer prices will gain as much as 7% this year, Lee said in his National Day rally speech.

The government in August lowered its 2008 economic expansion forecast to between 4% and 5% from an earlier estimate of as much as 6%.

"After several good years, our economy faces more challenges this year," Lee said. "The US economy has run into serious trouble, and this is affecting the whole world. The difficulties will continue into next year, at least."

The US housing slump has roiled financial markets and hurt demand for Asian-made goods, threatening expansion in a region the Asian Development Bank says will account for more than a fifth of global growth this year.

The Singapore dollar, which climbed to its strongest in more than a decade earlier this year, has since slid and is Asia's worst performer this quarter amid concern growth will slump.

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Investment in Abu Dhabi

Investment in the economic zones of the emirate of Abu Dhabi in the United Arab Emirates rose to \$3.3 billion in 2007, according to a new report.

The 'Socio-Economic Report (2007) for Abu Dhabi Emirate', released by the Abu Dhabi Department of Planning and Economy, said the economy of the emirate performed well throughout 2007, the state run Emirates News Agency (WAM) reported.

"Abu Dhabi's gross domestic product (GDP) rose from \$40.6 billion in 2002 to \$108.9 billion in 2007, a significant growth of 8.12 percent per annum," the report quoted Butti Ahmed Mohammed Bin Butti Al Qubaisi, executive director for planning and statistics at the Department of Planning and Development.

"Oil and gas GDP stood at \$43.3 billion in 2007 against \$23.1 billion in 2002," he added. The report attributed the brisk growth to massive diversification programme the emirates government has adopted, leading to multiple sources of income.

According to Al Qubaisi, social support and services improved, with a hike of social benefit by 75 percent in 2006. Minimum social support was increased to \$59.9 due to rising cost of living.

WORLD

Biggest US bank failure

As the debate over a \$700 billion bank bailout rages on in Washington, one of the nations largest banks - Washington Mutual Inc, - has collapsed under the weight of its enormous bad bets on the mortgage market.

The Federal Deposit Insurance Corp, seized WaMu recently, and then sold the thrift's banking assets to JP Morgan Chase & Co. for \$1.9 billion.

Seattle-based WaMu, which was founded in 1889, is the largest bank to fail by far in the country's history. Its \$307 billion in assets eclipse the \$40 billion of continental Illinois National Bank, which failed in 1984, and the \$32 billion of IndyMac, which the government seized in July.

The downfall of WaMu has been widely anticipated for some time because of the company's heavy mortgage-related losses.

US growth forecast, slashes for Japan, Eurozone

The organization for Economic Cooperation and Development has increased its forecast for growth in the US economy this year but slashed its predictions for Japan and the euro zone.

The OECD, the Paris-based grouping of 30 developed countries, said growth in the US economy would be 1.8

percent this year compared to 2007, a sharp upwards revision from a prediction in June of 1.2 percent.

Growth in the Japan economy would be 1.2 percent instead of 1.7 percent and the euro zone would expand by 1.3 percent instead of 1.7 percent, the organization said in an interim assessment of leading OECD countries.

The combined economy of Group of seven nations, the worlds leading industrialized democracies, was forecast to grow by 1.4 percent, unchanged from the last analysis by the OECD in June.

The revision to the 2008 US figure was mainly due to unexpectedly strong data for the second quarter of the year, the OECD explained.

French economy

The French economy is likely to grow by 0.1 percent in the third quarter, setting annual growth on target for growth of at least 1.0 percent in the absence of recession, the central bank said recently.

The central bank also published its index for industrial confidence, which rose to 94 points from 92 points in July, indicating a slight rise in activity.

Meanwhile the statistics institute INSEE reported that 12 month inflation was 3.2 percent in August after 3.6 percent in July.

Economy and Finance Minister Christine Lagarde said that the worst of an inflationary spurt in France was now over.

The growth estimate from the central bank was in line with an initial estimate.

European Commission in Brussels downgraded its forecast for French growth this year to 1.0 percent from 1.6 percent previously, in line with the latest estimate by the French government.

The EU commission said however that in the third quarter, growth was likely to be zero, and foresaw growth of 0.1 percent in the fourth quarter, after contraction of 0.3 percent in the second quarter.

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BUSINESS OPPORTUNITIES

Following Business Opportunities have been received in the Federation of Nepalese Chambers of Commerce & Industry (FNCCI). Interested Parties may contact with parties concerned.

EXPORT

- 1 Fruit King International Trade Corporation
Fruit & Vegetable Commission Agent,
Importer, Exporter & General Trading
Suppliers.
Postal Address: 8-27/13, Haji Ghebi Road,
near Masjeed-e-Shams Shaldara, Quetta,
Pakistan.
E-mail: frutking662410@hotmail.com
pakfruit66@hotmail.com
Postal Code: 87300
Phone: 0092812666351
Mobile: 00923008382584
◆ *Fruits, vegetable and dry fruits*
- 2 Versatelist Consulting India Private Limited
Bangalore , India
Tel: 91- 94484 80597
Email: jayashankar@versatelist-consulting.com
◆ *Offer services in consulting and certification to various Quality Management standards like ISO 9000, ISO 27000 (Information Security Management), ISO 20000 (IT Infrastructure), CMMi etc.*
- 3 Hangzhou Surfer Industrial Co. Ltd
Yi Fang Mansion, No. 167 Shixin North Road,
Xiaoshan District, Hangzhou, Zhejiang
Province, China
Tel: 86-571-82605666
Fax: 86-571-82605488
E-mail: jenny@loncer.com.cn
Web: www.loncer.com.cn
◆ *Sanitary Ware: Shower room, Simple Shower Room, Massage Bathtub, Shower Screen, Shower Pane and Hardware*
- 4 Ellahinoor Enterprises Pvt Ltd.
Pakistan M.Serajul Haque CFO.
Email: mserajulhaque@gmail.com
◆ *Cement and Rice*
- 5 PPS- Fashion 29 Ring road
Shamoli, Dhaka Bangladesh
Tel- 0088-01712-536880
Email: ppsarif@dfnbd.net
◆ *garments and knitwear*
- 6 Bdtender.com
15/10 Tajmahal Road, Block 'C'
Mohammadpur, Dhaka
Phone:+88-02-9123070/8123070/
Website: www.bdtender.com
◆ *Tender and notices*
- 7 Hong Kong Thomas Co., Ltd
Website: <http://www.hkthomas.com>
- ADD:6-3-102 yNO.751 JINSHUI ROAD,
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- 8 Alina Combine Pharmaceuticals (Pvt) Ltd.
208, Amber Estate,Block 7 & 8, Shahrah-e-Faisal, Karachi. Pakistan
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