

News & News

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nepal

FNCCI 44 th AGM Concluded

The 44th Annual General Meeting (AGM) of the Federation of Nepalese Chambers of Commerce & Industry (FNCCI) was held during June 11-12, 2010 in Kathmandu. The AGM deliberated on various pertinent issues and passed resolutions inviting government attention on them.

Inaugurating the FNCCI AGM, Prime Minister Madhav Kumar Nepal in his address said that the private sector should be more responsible and mature. PM called on the private sector to extend its support in reducing the length of the current political transition and helping in writing a new constitution as soon as possible.

Delivering his welcome speech, FNCCI President Kush Kumar Joshi asked the government to create conducive atmosphere for the development of industry and

business. President Joshi further added that security, rule of law, energy availability and easy access to loan facilities are some of the major issues for the promotion of business and industry sector.

Proposing the vote of thanks Senior Vice President of FNCCI Suraj Vaidya urged the government to rethink on its decision on Certificate of Origin and requested the government not to destruct the whole permanent structure established by the FNCCI which has been in operation for more than three decades.

Earlier, in the afternoon, FNCCI organised a discussion program on 'Nepali Economy Under the Shadow of Politics'. The Leadres of the major political parties Dr. Baburam Bhattarai, UCPN-M, Mahesh Acharya, Nepali Congress, Bharat Mohan Adhikary, CPN-UML, Dr. Prakash

Chandra Lohani, Rastray Janashakti Patry, Dr. Tilak Rawal, Leader of the Madeshi Janaadhikar Forum(D), Leader of the Madeshi Janaadhikar Forum Umashankar Prasad Shaha felt the nation economy is in bad shape and it need to political consencous to make the condusive atmosphere and should be kept free from any political disturbances. Speaking in same program FNCCI President Joshi urged the government and major political parties to improve the security situation.

On June 12, 'Youth Self-Employment' program was organized by FNCCI. Finance Minister Surendra Pandey was the Chief Guest of the program. FM Surendra Pandey, FNCCI President Kush Kumar Joshi and Vice President Krishna Prasad Tamraka addressed the program.

Industry-Commerce Day Observed

FNCCI and private sector of Nepal has been celebrating April 10 as the "Industry and Commerce Day" since 2000, to commemorate the day FNCCI was registered by the government in 1966 as the representative organization of private sector of Nepal.

This year also on April 10, 2010, the "Industry-Commerce Day 2010" was observed in Kathmandu with various functions and programmes. Constituent Assembly (CA) Chairman Subash Chandra Nemwang, inaugurating a special function organised to commemorate the "Industry-Commerce Day 2010", appreciated work done by the private sector and FNCCI in spite of unfavourable situation. He then assured he understands the issues troubling Nepali business sector such as lack of security and load shedding, and they will do everything in their capacity to address these problems.

Welcoming the participants,

FNCCI president Kush Kumar Joshi said that the country's industrial sector was heading towards its death bed due to the ongoing political and economic environment. "There is a tendency of fulfilling the demands through intimidation. Obstruction of roads, blocking supply of goods, donation drive at gun point and bandas and sticks, all these are causing disastrous impact in the business sector," said President Joshi. President Joshi then announced an award with the name 'Late Girija Prasad Koirala Arthik Patrakarita Puraskar' during the function.

General Federation of Nepalse Trdae Unions (GEFONT) Senior Vice President Binod Shrestha and Nepal Trade Union Congress-Independent (NTUC-I) President Laxman Basnet also addressed during the program.

FNCCI Vice-President Krishna Prasad Tamrakar proposed the vote of thanks at the conclusion of the function.

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FUAECCI and FNCCI sign an agreement

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Federation of the UAE Chamber of Commerce and Industry (FUAECCI) have signed a memorandum of understanding recently to foster development and strengthen economic ties for mutual benefit.

FNCCI vice president Pradip Jung Pandey and FUAECCI Acting President Saeed Ali Khammas signed the agreement on behalf of their respective organization in Fujairah, UAE.

The MoU will help diversify economic cooperation between the respective

companies of the two countries on a mutually advantageous basis. The private sectors of the two countries have agreed to encourage and facilitate actions leading to the development of economic cooperation and promotion of commercial and industrial exchanges between companies and enterprises of the two countries. Both parties will encourage and facilitate the conclusion of commercial, industrial and economic cooperation agreements and contracts between the business and entrepreneurs of the two countries, the MoU reads.

The parties shall carry out regular exchange of available publications and information

pertaining to foreign trade, production and export offers of their respective companies, as well as investment and market trends.

As per the agreement the Parties shall undertake all necessary measures for the implementation of this MoU in their mutual interest and may establish when required and agreed upon a Joint business council as a frame for the fulfillment of a MoU. The MoU will remain valid for five years and will be automatically renewed for similar periods unless requested to be denounced by either party with a written notice.

FNCCI-NRN-A sign

In a bid to expand bilateral trade between Nepal and the USA, the Federation of Nepalese Chamber of Commerce and Industry (FNCCI) the Nepalese Embassy based in Washington DC, and Non-Resident Nepali Association (NRN-A) recently signed a memorandum of understanding (MoU).

Kush Kumar Joshi, President of FNCCI, Dr. Shankar Sharma, Ambassador of Nepal to the US, and NRN-A US representative Rajendra Bahadur Shrestha signed the MoU on behalf of their respective organizations.

As per the agreement, the parties would cooperate and assist in finding out most competitive advantage sectors of Nepali export trade in the USA.

Similarly, the body would prepare a business directory with adequate information, provide common platform for all three parties to come together and share their innovative and entrepreneurial ideas to help address the legitimate concerns of the business community both at home and abroad.

The agreement will also help deepen understanding between the parties to enhance cooperation between and among the organizations and their affiliated business entities.

SAARC craft outlet re-open

The SAARC Chamber Craft Village is re-opening its sales outlet, under the new name We-Empowering Women recently in Lalitpur.

The new sales outlet is located on the main road in Pulchowk, Lalitpur according to press release issued by the SAARC Chamber Craft Village.

The sales outlet aims to promote and sell products and handicrafts made by

women artisans and farmers from the eight SAARC member countries.

The products range from handloom bags from Afghanistan, wall hangings from Bhutan, kantha bed covers from Bangladesh, beaded jewelry from India, shell jewelry from Maldives, hand-embroidered carpets from Pakistan all the way to natural fibre purses from Sri Lanka, the press release added.

Tourists arrival up

Altogether 196,319 foreign tourists visited Nepal in the first six months this year by air. The figure is just an 18.1 per cent higher as compared to the same period last year.

Some 26,997 tourists come to Nepal in June this year, which is an increment by 16.3 per cent compared to the same period last year, according to a data released by the Department of

Immigration, Tribhuvan International Airport (TIA).

Tourist arrivals from South Asia went up by 22.2 per cent. Of them, arrivals from Bangladesh, India and Pakistan increased by 51.4 per cent, 20 per cent and 13 per cent respectively.

The tourist arrivals from China also recorded a growth of 13.5 per cent while tourists from Malaysia and

Singapore have increased tremendously by 59.6 per cent and 100.4 per cent respectively.

The number of tourists who came from Japan shot up by two per cent. However, arrivals from South Korea and Thailand plunged by 35.3 per cent and 26.5 per cent respectively. The number of tourists from Europe went up by 6.2 per cent.

SAARC

India to grow 8 pc

The International Monetary Fund (IMF) expects the Indian economy to grow by 8 per cent during 2010-11, though high inflation and rising fiscal deficit would continue to remain areas of concern. "with India's long-term prospects remaining strong and private sector balance sheets sound, we expect growth to be back at potential in 2010-11 even if advance economies grow below trend," IMF said in its latest paper issued after consultation with Indian authorities.

The Fund, however, forecasts a moderately lower growth rate for the 2011-12 fiscal at 7.7 per cent. For the current fiscal, the fund said the economy would grow by 6.7 per cent, much lower than the 7.2 per cent projected by the Central Statistical Organizations. (PTI)

India's industrial output grows 11.5%

India's industrial output grew at the slowest pace in seven months, slipping to 11.5% in May from 16.5% in April, but the drop is unlikely to stop the RBI from raising interest rates later this month.

Finance secretary Ashok Chawla remained hopeful of the industrial output growing at a double-digit clip in the ongoing fiscal. "nobody should expect that the manufacturing sector will continue to grow at an abnormally high number for a long time to come. There are capacity constraints. Whatever output lag was there in the economy has been filled and the manufacturing sector is now showing the kind of average secular growth which continues to be good and would be favourable for the economy"

Global financial research firms such as Citi, however said industrial growth will taper to 8%-9% in the ongoing financial year. Nomura research said it expects industrial output growth to slow down from an average of about 14% in the first half to 6%-9% by the end of the year, and to an average of 9% for the entire fiscal. It attributed the decline in growth in May to weaknesses in capital and consumer goods. (TNN)

Pakistan's trade deficit narrows by 10.54

Owing to increase in exports and decline in imports, the country's trade deficit narrowed by 10.54 percent during the fiscal year 2009-10 as against the last year. The trade deficit during July-June (2009-10) was recorded at US\$15.327 billion against the deficit of US\$17.134 billion during the last year, according to figures released by Federal Bureau of Statistics recently. The exports during the period were recorded at \$19.382 billion, showing an increase of 9.58 percent against the exports of US\$17.688 billion during last year.

The imports witnessed negative growth of 0.32 percent by falling from US\$34.822 billion last year to US\$34.709 billion during the year. During the month of June this year, the exports witnessed positive growth of 3.75 percent against the month of May. Exports during the month were recorded at US\$1.819 billion against the exports \$1.753 billion recorded during May. The imports during the month under review fell by 4.14 percent by decreasing from \$3.363 billion in May to \$3.224 billion in June. Based on FBS

figures, the trade deficit during June declined by 12.73 percent when compared to the deficit of last month. As against the exports of 1.522 billion during June 2009, the exports during June 2010 witness increase of 19.54 percent. While the imports during June 2010 declined by 3.45 percent when compared to the imports of 3.339 billion in the same month of last year. The trade deficit during June 2010 was narrowed by 22.69 percent when compared to the deficit of the same month of last fiscal year. (APP)

Sri Lanka strategy on tourism promotion

The Board of Investment promotional strategy will focus mainly on 5 areas during the next five years, which include dairies, tourism and leisure, education, IT/BPO and urban infrastructure development. Since the Tourism sector has the potential of becoming a major contributor in the economic development of the country, the government aims at building up this industry so that it may offer a world standard product.

Current trends indicate that there has been a consistent increase in tourist arrivals in the island since the end of the conflict and this trend has led to very optimistic forecasts on the future of tourism in Sri Lanka. The industry could become a US\$ 2 billion industry by 2016 from the current level of US\$ 400. For that objective to be achieved Sri Lanka needs to attract a total of 2.5 million arrivals from the current level of 500,000.

Significantly, Sri Lanka has received positive reviews in major international tourism publications. National Geographic, for example ranked Sri Lanka as number 2 in its list of 20 Top Destinations. The magazine's website described Sri Lanka as the resplendent isle' and underscored the natural charms of the island as "Indeed splendid." National Geographic website further stated that Sri Lanka has "some of the most exotic and exclusive locations around the world".

The BOI's strategy is therefore to bring in investments to develop the current tourism infrastructure by improving the existing hotel capacity or expanding its capacity. The Board of Investment of Sri Lanka therefore granted investment approval to Hotel Services (Ceylon) Limited for an expansion project of Ceylon Continental Hotel. (Lankapuvath)

Dhaka signs power deal with india

Bangladesh will begin importing power from India by late 2012 after the two countries signed a landmark electricity transmission deal, an energy official said recently. India will export up to 500 megawatts under the 35-year deal signed by the state-run power companies of both nations, the head of

Bangladesh's Power Development Board, Alamgir Kabir, told AFP.

"It's a landmark deal as far as we are concerned. It will help ensure energy security for our country and ease the acute power crisis," he said. Bangladesh has long suffered severe power outages because of demands

from its fast-growing economy. The power shortfall is especially acute in the hot summer months from April to October. Years of under-investment mean Bangladesh's power plants generate around 4,000 megawatts of electricity a day, while demand totals 6,000 megawatts.

ASIA

Japan's exports up

Japan's exports climbed sharply in February, as a solidifying global recovery fueled the world's appetite for cars, machinery and gadgets.

Exports jumped 45.3 percent from a year earlier to 5.13 trillion yen (\$ 56.7 billion), marking the third straight month of year-on-year increase, the finance ministry said recently.

Car shipments surged 117 percent, while electronic machinery exports climbed 46 percent. General machinery rose 31.5 percent. The figures confirm that government stimulus efforts around the globe have helped spur demand for Japanese products and are underpinning the country's recovery. But it is Asia in particular that is driving the world's second-biggest economy, which now sends more than half its exports to the rest of the booming continent.

Asia-bound exports jumped 56 percent from a year earlier to 2.78 trillion yen (\$30.7 billion), according to the Ministry of Finance's monthly report. The figure reflects an expected slowdown from January, when shipments soared 68 percent. The Lunar New Year holidays fell in February this year, effectively trimming one business week from the month. (AP)

China grow 9.5 pc: WB

The World Bank raised its China growth forecast this year to 9.5 per cent from 9 per cent recently but said Beijing needs to cool inflation and possible bubbles in real estate prices.

Premier Wen Jiabao has warned that inflation will be a key challenge as Beijing tries to keep a recovery on track. Inflation rose to 2.7 per cent in February, near the government's official cap of 3 percent for the year. "China's macro stance needs to be tighter than it was in 2009." World Bank

economist Louis Kuijs told a news conference where the bank quarterly report on Chinese economic conditions.

Analysts expect Beijing to raise interest rates soon as it eases off its stimulus after growth rebounded to 10.7 per cent in the final quarter of 2009. But authorities say easy credit will continue because the global outlook is uncertain. Inflation "is on course to be significant" and the government also needs to control the risk of a bubble in real estate prices the World Bank said. (AP)

S'pore sees economy growth 15 pc

Singapore expects its economy to soar 15 percent this year after a record expansion in the second quarter that suggests Asia's recovery from the global recession remains on track.

Gross domestic product for April through June grew 19.3 percent from a year earlier when the economy was shrinking because of the global recession, the Trade and Industry Ministry said recently.

The growth was the fastest since the government began releasing quarterly GDP

figures in 1975. The ministry raised its forecast for the city state's economic growth this year to a range of 13 percent to 15 percent from the previous forecast of 7 percent to 9 percent.

It also raised its forecast for export growth as global demand has stayed strong amid Europe's debt and fiscal crisis.

"this should reinforce the view that fears from the eurozone crisis may be exaggerated," DBS bank said in a report. (AP)

WORLD

World economy recovers

The world economy is recovering faster than expected but recent volatility in financial markets shows that "significant challenges" remain, Group of 20 finance minister said recently.

After a two-day meeting overshadowed by the eurozone debt crisis, ministers said in a communiqué that recent events "highlight the importance of sustainable public finances" and the need for fiscal sustainability.

The ministers and central bank chiefs of the world's leading nations said they met "at a critical juncture to firmly secure the

global recovery and address the economic challenges and risks."

The ministers agreed further progress on financial repair is crucial to global economic recovery. "This requires greater transparency and further strengthening of banks' balance sheets and better corporate governance of financial firms."

They said they are committed to reach agreement quickly on stronger capital and liquidity standards "as the core of our reform agenda." The communiqué made no mention of a controversial proposal for a bank levy. (AFP)

Germany Jobless rate at 7.5 pc

Germany's unemployment rate dipped to 7.5 per cent in June thanks to an improving economy and a traditional springtime upturn, official data showed recently. The unadjusted jobless rate was down from 7.7 per cent in May, with the number of people registered as unemployed dropping by 88,000 to 3.153 million, the Federal Labor Agency said. Compared with June 2009, some 257,000 fewer people were out of work. In adjusted terms, the number of people unemployed dropped by 21,000 compared with May, a smaller drop than in last three months. The adjusted jobless rate was unchanged at 7.7 per cent. (HNS)

US trade deficit widens

The US trade deficit widened in May to the highest level in 18 months as a rebounding economy pushed up demand for imports of foreign-made cars, computers and clothing.

The trade deficit increased 4.8 percent to \$ 42.3 billion, the largest imbalance since November 2008, the Commerce Department reported recently. American exports of goods

and services rose 2.4 percent but this increase was outpaced by a 2.9 percent rise in imports. American manufacturing has been a standout performer a global economic recovery. But the concern is that export sales will be hurt by the European debt crisis, which has dampened growth prospects in Europe.

Through May, the US trade deficit is running

at an annual rate of \$ 474.8 billion, up by 26.6 percent from \$ 374.9 billion deficit for all of 2009. That had been the lowest annual trade gap since 2001, another year when the country was in recession. The rise in the May deficit came despite the fact that oil imports dropped by 9.1 percent to \$ 27.6 billion as both the price of oil and the volume of shipments declined slightly. (AP)