

REPORT OF SEMINAR PROCEEDINGS

Seminar Report on

**Foreign Direct Investment in Nepal: Challenges and
Opportunities**

Organized by

**Association of Former Career Ambassadors of Nepal
(AFCAN)**

And

Center for Diplomacy and Development (CDD)

12 July 2023,

Hotel Himalaya, Kupandole, Lalitpur, Nepal

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SUMMARY

The Association of Former Career Ambassadors of Nepal (AFCAN) and Center for Diplomacy and Development (CDD) organized a seminar on foreign direct investment (FDI) on 12 July 2023, which included presentations and stimulating discussions on various aspects of FDI. Held under the theme of ‘Foreign Direct Investment in Nepal: Challenges and Opportunities’ the seminar saw participation from different sectors including former Ambassadors, former senior bureaucrats, government officials, diplomats, representatives of donor agencies based in Kathmandu, representatives of private sector, academia, media, think tanks and students. The diversity of participation was matched with equally diverse line-up of speakers and panelists.

Hon. N. P. Saud, Minister of Foreign Affairs graced the occasion as a Chief Guest. Similarly, HE Naveen Srivastava was present as a guest of honour. Three presentations were made by Mr. Hari Bhakta Sharma, former president of Confederation of Nepalese Industries (CNI); Dr. Posh Raj Pandey, President of the South Asia Watch on Trade, Economics and Environment (SAWTEE) and senior advisor to the Ministry of Finance; and Mr. Shankar Singh Dhami, Director at the Department of Industry. Reflecting the different backgrounds of the speakers, those presentations touched upon different aspects of foreign investment, including the government policies, geo-economic context, and constraints in investment promotion.



INAUGURAL SEGMENT

The inaugural segment of the event kicked off with lighting of Sukunda by the Chief Guest, who was accompanied by other guests and organizers. After the ceremonial opening, Ambassador Jhabindra Prasad Aryal, General Secretary of AFCAN made program highlights where he briefed about the AFCAN and presented the objectives of seminar. Touching upon the significance of FDI, Ambassador Aryal also gave a brief glimpse of the line-up of presenters.

This was followed by the welcome remarks by Ambassador Bhagirath Basnet, President of AFCAN. In his remarks, Ambassador Basnet mentioned that Nepal was abundantly blessed with natural resources and vibrant young population. Everything was there except capital and technology – he stressed. He also gave a broad overview of constrains in promoting FDI in Nepal, including inadequate single window service, lengthy approval process, hurdles in borrowing of foreign currency, and cumbersome repatriation of profit. Ambassador Basnet emphasized the need to addresses these challenges for increasing foreign direct investment. He concluded his remarks by extending gratitude to guests, presenters, and participants in the seminar.

Subsequently, Ambassador Mohan Krishna Shrestha, Founder President of CDD made his welcome remarks. Highlighting the importance of an effective and pro-active diplomacy, Ambassador Shrestha recalled of the period of 1990s when the concept of economic diplomacy—including foreign investment promotion, was mainstreamed in Nepal’s diplomacy. He emphasized the need of collaboration between the government and private sector for promotion of economic diplomacy. Comparing with the case of Cambodia, a fellow LDC which had streamlined the procedures and been able to attract significant amount of FDI, he implored to learn from those countries which have been successful to attract FDI. He also called for action and effective implementation of all polices related to FDI in Nepal rather than singing laurels.

The welcome remarks were followed by the remarks by HE Mr. Naveen Srivastava, Ambassador of India to Nepal. Ambassador Srivastava focused on the role of FDI, emerging trends in post COVID-19 scenario, and the experience of India in attracting inward investment. Talking of the role of FDI, he compared it with ‘good cholesterol’ which could bring benefits such as transfer of technology, wider consumer choice, development of ancillary industries, up-gradation of skills and increasing corporate tax which boosts up the exchequer. Regarding the trends, he stated that the world faced a ‘supplier’s

market’ and although FDI flow grew up in past decade, COVID pandemic drastically changed the scenario. “Trends towards economic decoupling are there and FDI flows are getting localized more in the region; geopolitical factors have also led the countries to restrictive policies including ‘reshoring’ of investments; supply chains are being regionalized” –he added. He also talked of the digital transformation, and further added that environmental considerations and governance system had started to take precedence. Further, he also emphasized that these trends were providing new opportunities.



Ambassador Srivastava then highlighted the scenario of inward foreign direct investment in India. He shared that India had seen an inward flow of 950 billion USD in foreign investment in last 9 years, while FY 2021/2022 witnessed the highest flow of FDI (84 billion USD) as the COVID-19 was waning. He talked of several initiatives taken by the government of India, including Prime Minister Narendra Modi’s ‘Make in India’, ‘Atmanirbhar Bharat’ to make India a global manufacturing hub, shift to ‘red carpet from red tape’, and improvement in ease of doing business, among others. He further touched on economic relations between India and Nepal. He said that major focus recently had been on connectivity –including transmission lines, petroleum pipelines, and power sector. He also added that Nepal and India had finalized an agreement that allows India to seek to buy 10,000 MW of hydroelectricity from Nepal in next 10 years. He also gave examples of successful Indian investments in Nepal such as Surya Nepal, Dabur, Punjab National Bank, State Bank of India, and Hindustan

Unilever. Highlighting the areas of investment opportunities in Nepal, Ambassador Srivastava also emphasized that Nepal and the neighboring Indian states can be looked as one integrated market.

Finally, the Chief Guest of the Programme Hon. N.P. Saud, Minister for Foreign Affairs, delivered his remarks. Hon. Minister stressed that Nepal is a virgin land for investment which is still at nascent stage of industrialization and investment in every sector is profitable. Our tariffs are low, and the tax regime is simplified; full repatriation of income from investment is guaranteed; investment regime was being reformed; and an automated route for FDI approval is in place –he added. Hon. Minister further highlighted the opportunities for investment across a wide range of areas including mining, manufacturing, agriculture, energy and tourism infrastructures, information technology and hospitality industry. He also alluded to abundance of natural resources, large pool of human capital, promising market in the neighborhood, as well as sound policy and regulatory framework as key enablers for FDI in Nepal. Stressing upon the liberal and forward-looking investment policy of Nepal, he expressed the commitment of the Government for promotion of investment.

The inaugural segment was closed after the vote of thanks by Ms. Shanti Laxmi Shakya, Member of the Executive Committee, CDD.

PRESENTATIONS

A. 3.1 Presentation by Mr. Hari Bhakta Sharma

The first presentation was made by Mr. Hari Bhakta Sharma, the Executive Director at Deurali-Janta Pharmaceuticals and former President of Confederation of Nepalese Industries (CNI). In his presentation, Mr. Sharma shared the perspectives of private sector -particularly the problems related to inconsistent policy space and procedural hassles. While acknowledging the abundance of opportunities for investment in Nepal, he stressed on the need for consistent and predictable policy space as well as reforms to incentivize investment.



The edited outline of his presentation follows below.

We have not been able to increase FDI despite all the possibilities. FDI coming to Nepal is very low. Although Nepal can produce 84% of many agricultural products, more than 50% of our agricultural needs are imported from India. Investment opportunities in hydropower, manufacturing, tourism, are tremendous. But the question is why there is no investment? Where did we go wrong? Many times, even at CNI, we have been deliberating about opening the restrictions imposed by the regulations, including simplifying the process of approval. In the past, many policies have been tried. Our policy has been to import, get more revenue on imports, increase consumption, and take revenue from there. With this practice of multiplying money with money without producing, economy of Nepal

doesn't progress. We don't produce, we consume more. Ambassador of India shared how India deregulated and provided incentives.

Most critical component we lack in this country today is expertise in our people. We do not have the right skills available in the country for different sectors including manufacturing and service sector. From Nepal, during the Academic Year of 2022/23, about 125,000 students have gone to different universities in the world for higher education whereas the number in India is around 700,000, and probably around 300,000 from Bangladesh. If you look into the ratio of population and number of students going abroad, it is the highest in Nepal –even higher than China. From an economic perspective, probably a billion dollars is required to support their study and stay. In a country where we are having a problem of trade deficit, this is one of the challenges and it is very difficult to find qualified people in the country.

If we don't reverse some of the policies that exist in the country, probably not only FDI but even the investment from local investors would also not come. It will go for consumption or other services. Unless we do not agree to change some of the policies that are detrimental to our investment flows, we will not see any large investment in our manufacturing sector. In last 30 years, only three companies have sustained in Nepal –namely Unilever, Dabur India, Asian Paints. These are the only examples of big Joint Venture companies successful in manufacturing sector in Nepal. But most of the other companies are very small or mid-sized in nature, not employing more than 100-200 people. Total investment is very low.

In the last 30 years of time, when we started welcoming investment from other countries, the total number of investment figure actually is only large in hydropower. That is also after the investment in Arun-III which is a single-largest project of FDI in Nepal. The rest of the FDI projects are not big. Even in the banking sector, the actual money that has come in is not very high. But the rate of return of all these companies, whether they are big, medium, or small in size, is far better. For example, the Unilever invested probably about a million dollars, but they must have made a hundred of millions of dollars as profit from Nepal. Equally true is for Coca-Cola, Asian Paints. When Dabur came to Nepal it was a mid-sized company and was jokingly called Hajmola company. We gave the opportunity to make that mid-sized company a global company.

Opportunities are there, but unless we evaluate what went wrong in the implementation of policies, we probably will not be able to bring more FDI in Nepal. I see a couple of areas with high opportunities, for example IT. In this country lots of young people are doing IT jobs. IT is a promising sector. It is happening because there is less control because the government simply does not know how to control. Once the government learns to control it, then it will meet a similar fate like carpet or garments sectors. Our government is very happy of controlling. We believe on ‘more you control, more it comes into the grip of government’. The Federal system generated hopes, but governance system didn’t improve. The Federal system has come but the governance has gone.

Why would the government want resort to something that is so unproductive? Why would it want to control enterprises so that enterprises do not feel confident to invest? So, my humble submission is –let us improve our regulations. There is an abundance of opportunity. Investors also know it. But we have not been able to make sure that what regulation is fit for our economy. Unless we have policy stability, investment will not come. In any part of the world, if the policy environment is not sustainable and predictable, investors do not go to invest. In our country the policy is only for 12 months. In every budget, we have the authority to swing 360 degrees. Every year, the provisions of budget are unpredictable. We have learned a very bad practice of changing sensitive indices through budget. This is happening in the industrial sector too. Regulations are changed suddenly. For example –some of the companies in Nepal will have to pay 100 per cent extra income tax this year.

Some of the businesses will have to pay 40 per cent extra income tax. When we go on saying that we have strong policies, the question arises – ‘what policies are strong?’. Let us evaluate where we are strong? Let’s look into where we have missed the opportunities of bringing right mindset. If you look at top 500 global companies, only one company that exist in this country is Lever –that also came from India Hindustan Lever rather than the parent Lever from London. Out of 500, we have only one. There is no technology giant present in Nepal –Microsoft, Apple, Baidu. No global consulting company can open their office in Nepal.

How can we improve ourselves? We are not allowed to go to other markets? I am not allowed to take even a dollar from this country abroad to invest. How our systems believe that Nepali entrepreneurs will learn to compete in the global market? Most of the highly educated scientists and managers prefer not to live in this country. Four years ago, when the COVID-19 pandemic started in

world, I was the first person to submit an application requesting the government to allow us to start manufacturing vaccines in Nepal. There are no human vaccines produced in this country, and we wanted to produce one. That particular application is still pending with the government. You can imagine how quick we are in terms of allowing investment. When it is very critical, very serious, nobody will take decisions. We are process oriented. Due to the slow processes, opportunities get spent.

How many projects became successful from Investment Board Nepal (IBN)? There are only four examples. There are only four companies who became operational through the facilitation of IBN. Though IBN is a high authority and its board chaired by the Prime Minister himself, and Ministers, Chief Secretary and Secretaries as its members, it has not been able to clear most of the investment proposals that had come under the purview of IBN. Many of those projects, if they had got timely approval, could have given prime benefit to our economy. The reason? We are process oriented rather than result oriented. We need to set targets and be result oriented. Time is money and when there is a delay in process, investors will go elsewhere as Nepal is not the only destination for their investment. Another problem in our country is that we try to see color in investment –whether it is from India, or China, or Russia, or America, or UK? But there is no color in investment. It does not matter where the investment comes from. It is a most fundamental challenge as we are trying to see color of investment.

Why our investment has been very low? It is so for both domestic and foreign investment. Investment in industries is the lowest in the whole region. Compared with Bhutan, Bangladesh, Maldives, India, China, South-East Asia, Cambodia, Laos, it is the lowest. Maybe the case of Somalia and Guinea is comparable.

Investment in the real sector can generate employment, create value, bring technology and lots of other things which are missing in our economy. Unless we evaluate and realize that we are running out of time, things cannot be corrected very soon. There are around 21 different laws and regulations in this country which are extremely detrimental for investors. And many of them talk about possible punishments. They talk about the jail term, from 3 months to 3 years. Now it has increased to 9 years. With the changed regulations, they have increased the penalties. Financial crimes should be dealt with financial penalties. Even our tax laws have provisions for jail sentences. The private sector is not respected. Unless there is a true reform, investors will not have confidence.

We have an abundance of opportunities. 30 million population is a big size market. Last year, we imported goods and services about 16 billion dollars from India –out of that 11 billion dollars was official trade and the rest was unofficial trade between Nepal and India. If you look into the other side, the question arise how many employments may have been generated in India due to the market provided by Nepal? In order to bring more FDI, we need to make it easier to bring scientists and experts in Nepal. Currently the process is cumbersome as one needs to visit multiple offices and produce a lot of paperwork. This should be reformed in Nepal. Policies regarding taxation should not be changed every year with the budget. Investments cannot flow unless there is a predictability of policies.

Opportunities are there in every sector –tourism, hydropower, production, manufacturing, agricultural processing, information technology, and metallurgy. Unless we change policies, investment will not come.

B. 3.2 Presentation by Mr. Shankar Singh Dhami

Mr. Shanakr Singh Dhami, Director at the Department of Industries, in his presentation gave a broad overview of legal framework, incentives provided by the government for investors and overall investment climate. He elaborated the salient features of FDI policies, comparative advantages of investing in Nepal, profit repatriation process, and other policy matters. His presentation was also backed with the data and other relevant information.



The edited outline of his presentation, along with relevant facts and figures is presented below.

There is a lot of opportunities for investing in Nepal. Comparative advantage of investing in Nepal includes our location between two big economies, India and China with a total population of 2.85 billion population. The size of the market is huge. As an LDC, Nepal also enjoys duty free and quota free market access although we are soon graduating from the LDC status. Labour is relatively cheap. Land is relatively cheap. Almost all Multinational Corporations (MNCs) are enjoying a very

high rate of profit. Concessions including tax redemption, incentives, and other facilities are there. Similar, climate is pleasant, and population is young and economically active

We have a large amount of untapped hydropower resources. Our industries still face electricity shortages due to infrastructure problems. We are also engaged with multilateral and regional organizations like WTO, SAFTA, BIMSTEC, UNCTAD, MIGA. Similarly, we have transit agreement with India and China. Infrastructures related to industries and trade, such as Special Economic Zone, Integrated Check Posts, Inland Container Depot, Industrial Districts are increasing. Nepal has Bilateral Investment Promotion and Protection Agreement with five different countries and Double Taxation Avoidance Agreement with eleven different countries. Similarly, Nepal has signed bilateral trade agreements and treaties with seventeen countries, including the USA.

Our investment-related policies are conducive. These policies encourage foreign capital and technology investment for import substitution, export promotion, and infrastructure development. The salient features of the policies related to FDI include:

- Repatriation of investment, dividends, or royalties is guaranteed within 15 days as per Foreign Investment and Transfer of Technology Act (FITTA), clause 15. The Department of Industry is implementing online services for repatriation and this duration may be further reduced.
- FDI may be greenfield or brownfield. Right now, the department is implementing greenfield investment through an online system. About 83 percent of greenfield investment are approved within seven days of their application.
- FDI may be lease investment in aircraft, ships, construction, and huge machineries.
- There is also a provision for ‘escrow agreement’ between investor and commercial or infrastructure-development bank.
- Currently, there is a ‘One Stop Service center’ under the Department of Industries. Service including industry regulation, investment approval, company registration, labour permits, visa, approval of environment report, energy and infrastructure development, exemption facilities, PAN, foreign exchange approval are provided through this service center.
- There is national treatment for foreign investors. There is no discrimination between Nepali investors and foreign investors.
- Our policies and laws protect against nationalization or expropriation of FDI industries.
- There is a grievance handling mechanism at the Department of Industry. The Department also has a mechanism for settlement of disputes between Nepali and foreign investors.
- There is online application/approval for FDI and other related services through the Department’s web-portal <https://imis.doind.gov.np/#/auth/login> .

In particular, the salient features of the Foreign Investment and Technology Transfer Act, 2019 (FITTA) include:

- Guarantees national and non-discriminatory treatment to all foreign investors.
- 100 percent foreign investment allowed in all types of industries except industries mentioned in the negative list of FITTA.
- Open to technology transfer in all industrial sectors.
- Guarantees repatriation of profits in convertible currency.
- Provides business/residential visas for investors.
- Defines FDI broadly, includes lease financing and investment made in the permitted sectors of equity investment, in new industry in foreign currency, investment through purchase of shares of existing industry through capital investment fund, technology transfer and reinvestment of dividends earned from foreign investment.
- Provides a One-Stop-Service Center to facilitate and fast-track investment.
- Allows opening bank accounts in convertible foreign currency
- Provides for dispute settlement as agreed between the parties in agreement.

Similarly, the salient features of the Industrial Enterprises Act (IEA) 2020 include:

- Classification of industry based on fixed asset investment and nature of business.
- ‘No work, no pay’ provisions to restrict illegal strikes
- Provides a One-Stop Service center.
- Provides for importing goods from the foreign parent company for market development of new goods.
- Provides for hiring foreign nationals in high-level managerial positions.
- Provides industrial environmental standards.
- Provides contract manufacturing for supply of goods and services.
- Provides for allowing various fiscal incentives to industries.

FDI may include foreign currency investment in equity, investment through leasing of machines, investment through venture capital funds, investment through technology transfer, reinvestment of profits, investment by issue of securities in foreign stock markets, and investment in secondary stock markets.

Though most of the sectors are open for FDI, there are certain sectors where FDI is restricted. Investment in primary agriculture¹ was restricted, but that restriction has been lifted for large investments where the investment is above 50 crores NRS as asset and at least 75 percent of the production is for export. Cottage and micro industries are protected. Personal service businesses such

¹Animal husbandry, fisheries, bee-keeping, fruits, vegetables, oilseeds, pulses, dairy, and other industries and business related to primary products of agriculture.

as hairdressing, tailoring, driving are also protected. Similarly, foreign investment is not allowed in industries manufacturing arms, ammunition, bullets and shell, gunpowder or explosives, and nuclear, biological and chemical weapons as well as in industries producing atomic energy and radio-active materials. Likewise, real estate businesses, retail businesses, internal courier services, local catering services, money-changers, and remittance services as well are protected.

Other sectors where foreign investment is controlled includes travel agencies, guides involved in tourism, trekking, and mountaineering guide, rural tourism including home stay. Foreign investment is also restricted in businesses of mass communication, media, and motion pictures in national language. Further, foreign investment in certain sector is capped. For example, FDI for equity investment in consultancy services has been capped at 51 percent. Foreign investment in telecom, international air operators, domestic air operators, and approved training organization has been capped at 80%, 80%, 49%, and 95% respectively.

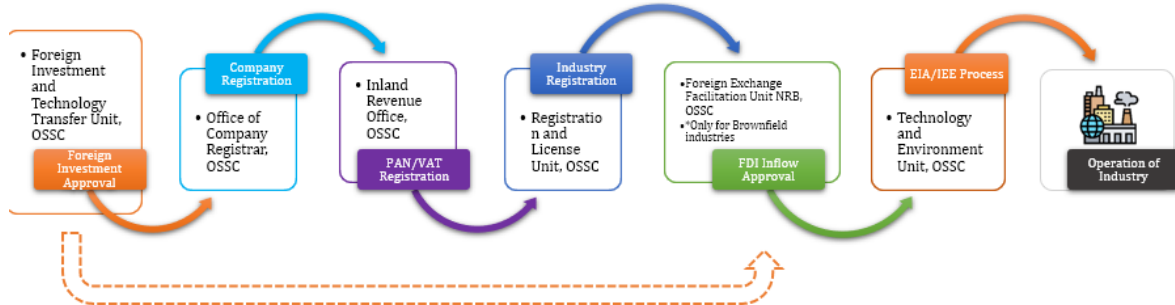
DOCUMENTS REQUIRED FOR FDI APPROVAL

There are different agencies with different jurisdiction involved in facilitating FDI. The Department of Industry provides one stop service for FDI up to NRs 6 billion. Similarly, the Investment Board of Nepal, chaired by the Prime Minister, extends approval and facilitates in the investment exceeds NRs 6 billion. Industrial and Investment Promotion Board deals with policy issues. Nepal Rastra Bank (Central Bank) facilitates in inflow and repatriation of capital. In addition, the Office of the Company Registrar is responsible for company registration.

Timeline for investment:

- 25 percent, 15 percent, 10 percent, and 5 percent of approved investment should be remitted within the first year from date of approval of investment in the cases of investment of amount up to 50 million, 250 million, 1000 million and more than 1000 million respectively.
- 70 percent of the amount should be remitted within the period the industry comes into operation, whereas the remaining 30 percent should be remitted within next two years from the date the industry comes into operation.

Process of Foreign Investment in Nepal



8/6/2023

PROCESS OF FOREIGN INVESTMENT IN NEPAL

Department of Industry has also been serving for one stop service center for visas for investors and foreign-workers. Investors can apply for business visa, while non-tourist visa is granted to the foreign workers. Similarly, foreign investors investing the equivalent of USD 1 million or more at a time can apply for residential visa for the investor and his/her family members.

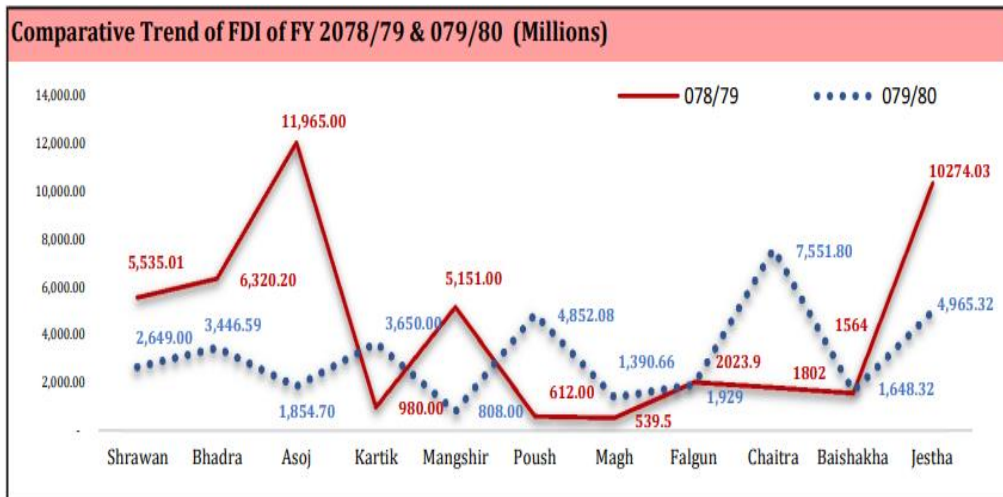
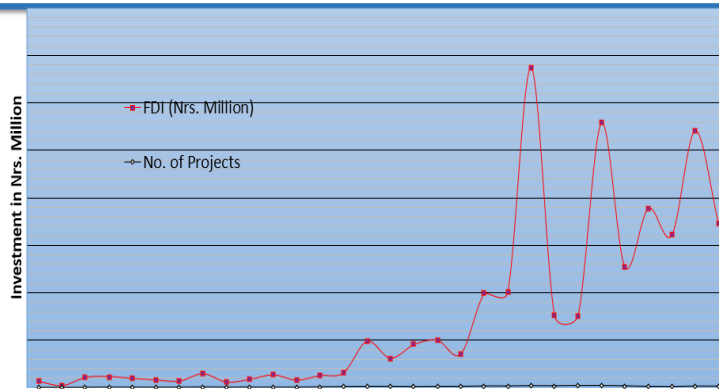
In addition, the Government has also streamlined profit repatriation process. Nepali laws allow repatriation of investment, dividends and royalties. Department of Industries (DoI) grants approval for repatriation followed by NRB's approval for currency exchange. Similarly, there is a provision to complete recommendation of repatriation within the 15 days of application.

In order to incentivize investment in industries, the Government provides various concessions including:

- 40% tax concessions in infra investment,
- 20% tax concession in manufacturing industry and further 5% added on the income from exports;
- 90%, 80% and 70% concession in income tax provided that manufacturing industry is set up in most undeveloped, undeveloped and less developed areas;
- 50% concession in income tax for tea production & processing, dairy and textile industry;

- Full exemption in income tax for the first 5 years for the investment greater than NPR 1 Billion and 500 employment opportunities in manufacturing/service industry;
- Full exempt in income tax for power projects for 1st 10 years and 50% exempt for next 5 years. This is valid until mid Apr 2024;
- Full exempt in income tax for mines & minerals extraction-based industry for 1st 7 years and 50% exempt for next 3 years. This is valid until mid Apr 2024;
- Full exempt in income tax in 1st 10 years and 50% exempt in next 5 years for tourism industry investing minimum.NRs 2 billion. This is valid until mid Apr 2024;
- Tax exemption on the basis of employment up to 25 for specified industries.

Foreign Investment Facts and Figures



PAST 10 YEARS SECTOR-WISE FDI (till 2078/079 Jestha)

Potential Sectors of Investment in Nepal include transport, tourism, infrastructure, information technology, mines, mineral and natural resources, and agriculture. In the past 10 years, tourism sector and service sector have attracted the largest share of foreign investment –37 percent and 34 percent respectively. Green mobility is a new sector that can attract investment.

To further attract investment, the Government has reduced the minimum FDI threshold from NPR 50 million to NPR 20 million since November 2022. Approval of FDI through automatic route has been initiated. Relevant policies areas being reviewed and updated while the Intellectual Property Rights Act is being revised.

C. 3.3 Presentation by Dr. Posh Raj Pandey

The final presentation of the day was made by Dr. Posh Raj Pandey, President of the South Asia Watch on Trade, Economics and Environment (SAWTEE) and senior advisor to the Ministry of Finance. Dr. Pandey presented an overview of global scenario, theoretical aspects of investment and role of diplomats for promoting foreign direct investment. While talking of the global disruptions, he emphasized on the need to keep house for promoting inward investment.



The edited version of Dr. Pandey's presentation is presented below.

Mr. Dhami elaborated on the legal frameworks on investment. Mr. Sharma talked of constraints faced by private sector. I will try to make the presentation useful for diplomats.

Let us begin with the major disrupters. First disrupter is geo-economics. Trade tensions between the USA and China and some sort of protectionism in policies are changing the global economic order and investment flows. The worst form of traditional geopolitics is also back. Moreover, the situation has been further deteriorated by Ukraine War.

There is also a sort of deglobalization, or 'slowbalization' as the Economist had called it. Populist nationalism is in rise and export to GDP ratio have fell from one-third to about one quarter while FDI fell from 5.3 percent to 1.3 percent. Further, we are witnessing regions within

regions with fragmentation in global economy. World economy has become multipolar, and new growth poles as well as mega regional groups are emerging.

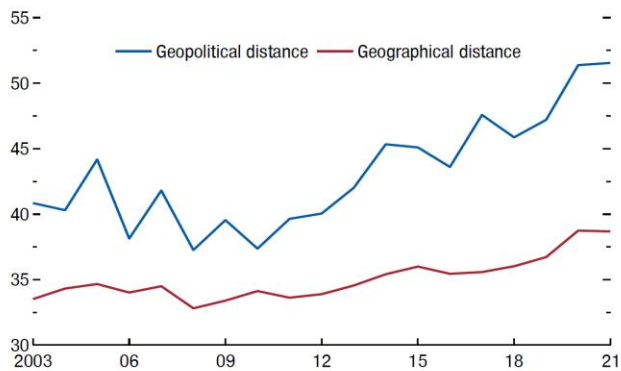
It was evident during the time of COVID-19 that the countries started thinking for themselves. Disrupted by more than 2 years of COVID-19 crisis, world moved more towards isolationism while many started declining to respect global rules. The fifth disrupter is climate change. Global warming has become existential threat. As nature would obey no boundaries, climate change has been an important element of national and international security.

A new geography of production is evident. Major economies are moving from 'just in time production' to 'just in case'. Many are reversing from off-shoring economic activities, and now they are talking about reshoring, nearshoring or even friend-shoring.

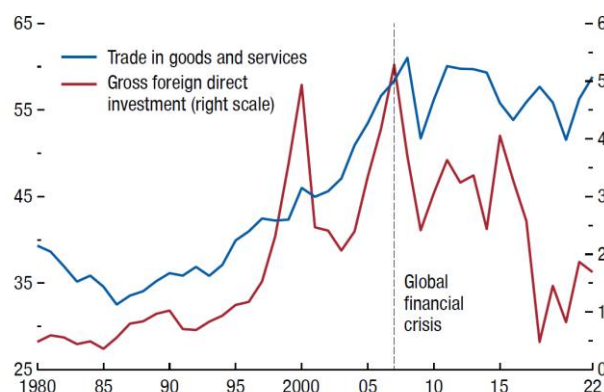
In addition, multilateral trading system is becoming feeble. World Trade Organisation (WTO) is in crisis while Doha rounds of trade talks have stalled. WTO's Dispute Settlement Mechanism is no longer functional. There is divide between developed and developing countries. Question of subsidies and state market relations are outstanding.

Moreover, the products and value chains are being sliced out. Production process are being fragmented internationally. Trade is being done in tasks and parts. While the production process is being unbundled in one hand, we can see 'servicification' or production in other. The contribution of service sector is increasing in economy. Frontiers of technology are also expanding. With technological advancement, we are witnessing digitalization, reduction in transport and communication costs.

All in all, these disrupters have resulted in geo-economic rupture. The data as well reflect this. Trade and foreign direct investment declined, but the decline was steeper for the latter. FDI to China has decreased, as the US investment has moved from China to other regions. Foreign investment has increased in Europe and some other developing countries. Mr. Sharma said that there is no color of investment, however the data suggest otherwise. Geopolitical distance is a key and only determinant for FDI flows rather than geographic distance.



Sources: Bailey, Strezhnev, and Voeten (2017); Centre d'études prospectives et d'informations internationales, Gravity database; fDi Markets; and IMF staff calculations.



Source: IMF staff calculations.

| | | | | | | | | |
|----------------|-------------------|---------------------|-------------------|-----------------|-----------------|------------------|-------|-------------------|
| Source regions | Rest of the world | 26.4 | 7.1 | 5.3 | 11.4 | -3.7 | -24.7 | 18.6 |
| | China | -22.1 | -6.9 | -17.8 | -31.3 | -44.3 | | -31.9 |
| | Asia excl. China | -3.2 | -8.7 | -11.7 | -2.4 | -23.7 | -49.2 | -4.4 |
| | Emerging Europe | 27.6 | 2.9 | 9.9 | 18.1 | -22.3 | 13.9 | -11.5 |
| | Advanced Europe | 7.5 | -11.7 | 9.3 | -0.9 | -9.8 | -19.7 | 8.6 |
| | Americas excl. US | 18.6 | 27.3 | 14.9 | 34.0 | 5.9 | -13.3 | 27.6 |
| | United States | | 9.2 | 0.6 | 19.4 | 2.3 | -40.6 | 21.6 |
| | | United States | Americas excl. US | Advanced Europe | Emerging Europe | Asia excl. China | China | Rest of the world |
| | | Destination regions | | | | | | |

Sources: fDi Markets; and IMF staff calculations.

Let's now look at the motives of investors. Why do they want to invest in Nepal? First, investors seek market, and thus current size or expected growth of the market matters. Second, they seek efficiency which is shaped by lower costs or economies of scale. Third, they seek resources –mainly to acquire raw materials. And last, investors also look for strategic assets, special skills and technology. To promote FDI flow, we need to balance the motive of investors.

Another question is why do we want foreign direct investment in Nepal? FDI brings capital which bridges the gap between savings and investment. It also bridges the foreign exchange gap and helps in balance of payment. Further, FDI brings technology, management systems and new skills. While foreign investment has positive spillover effect to domestic investment, it also helps us to participate in global and regional value chain by enhancing our access to export market. In addition, FDI helps to improve environmental standards. It can also be a source of government

revenues. We need to attract foreign investment as it is an important source of economic growth and structural transformation.

There are a number of factors which make investment in Nepal attractive. Foreign investment is accorded high priority in state agenda -as reflected in the directive principles of the Constitution, development plans, budget and second-generation reforms. In IT and digital employment, there is no minimum threshold. Nepal's strategic location between China and India is another advantage, while we have bilateral trade agreements with multiple countries. Trade laws and regulations are up to the international standards. Nepal is a member of WTO, MIGA, SAFTA and BIMSTEC. The legal system to promote and facilitate FDI is robust, including FITTA, PPP Act, and SEZ Act. Investment Board of Nepal and Department of Industries are special vehicle for investment. Moreover, there is a high rate of return in Nepal as the average return on equity is about 15 percent. For Unilever Nepal Limited, the dividend ranged from 100 percent to 1270 percent per year during the last ten years.

Further, there are various areas in Nepal with investment opportunities. Energy and hydropower are one --with projects such as 10,800 MW Karnali Chisapani and 180 MW Aandhi Khola and Nalingad storage projects. There is also investment prospect in wind energy and solar energy. Transportation infrastructures including international and regional airports, expansion of east-west highway and metro services are also areas for foreign investment in Nepal. Similarly, agriculture is another area where investment opportunities lie in manufacturing of organic fertilizers, herbal productions, collection and agri-processing. In the areas of manufacturing, foreign investment can be brought through strategic partnership in State Owned Enterprises, whereas the areas such as precious and semi-precious stones, construction minerals as well provide opportunities for investors. Information and communication technology is also an attractive sector, as investments can be brought in business process outsourcing, software development, data centers, and so on. In addition, specialized hospitals and laboratories can also draw FDI. Tourism and hospitality as well have investment opportunities.

In promoting investment, diplomats could take some responsibilities. Reinforcing multilateralism is essential, guided by the principle of 'Panchasheel' as enshrined in the constitution. Diplomats can reduce information asymmetries and ease bureaucratic procedures.

They can put pressure on housekeeping for country's attractiveness as investment destination. Both infrastructures as well as human capital should be improved. They can advocate for administrative and regulatory reforms, while also addressing coordination failures.

D. 3.4 Question & Answers

The presentations were followed by questions from the participants. The unattributed questions are presented below.

Q1. (Mr. Hemant Kharel) Why are foreign investors not showing interest in Nepal? How can policies be made consistent amidst the political uncertainty?

Q2. (Prof Dr. Sriram Mathe) It is more of an observation. It seems that we are operating in two different worlds. There is a big divide between policy world and practical world. There is no issue with policy but with implementation. I would like Nepal to learn the lessons from Cambodia. Nepal and Cambodia had joined the WTO in same year. We need to solve domestic problems, so that investment can improve.

Q3. (Mr. Bhai Raja Pandey). Hydropower is one resource that we can sell. But we have not been able to sell it and draw more investment in this sector. We have faced hurdles in exporting.

Q4 (Mr. Abhishek Basnet). Mr. Dhama mentioned that primary agriculture sector has been opened for foreign investment if it has 75% export content. This, however, was subjudiced in court. Has this been settled?

Q5 (Bishnu) Mr. Dhama listed the areas of investment. We can also promote investment in the education sector. We can bring students from different parts of the world.

Q6. (Ambassador Madhuraman Acharya): It is good that we have shifted from donor conferences to investment conferences. What is lacking?



Mr. Dhami and Dr. Pandey responded to the questions raised. Regarding the question on investment on primary agriculture, Mr. Dhami responded that the Supreme Court had ruled in favour of the provision to bring foreign direct investment in primary agriculture provided that 75 percent of the produce would be for export. Regarding investment in the education sector, he stated that investment in education sector was already open.

Touching on the issue of constraints and disconnect between the policy and practical world, Dr. Pandey stated that it was needed to support human resources. He also indicated that the domestic private sector was unfriendly to foreign investment. Populist governance is also a problem and there is also a fault in the constitution which talks about socialism-oriented economy –he added.

CLOSING SEGMENT

Ambassador Prakash Kumar Suvedi, Executive Member of AFCAN, made remarks summing up the gist of all three presentations. Ambassador Suvedi recalled that the presentation by Mr. Shankar Dhama focused on the legal framework as well as policy amendments made for procedural ease, while that of Dr. Posh Raj Pandey hewed upon the conceptual context as well as global and regional scenario of investment. Similarly, Ambassador Suvedi euded the presentation of Mr. Hari Sharma, where the perspective of a practitioner was highlighted as Mr. Sharma had delved into the constraints including bureaucratic hassles and policy instability including the tendency of annual budget to sway any policy.

Furthermore, Ambassador Suvedi drew attention to UNCITRAL –a multilateral mechanism based in Vienna which holds 8 to 12 thematic sessions in a year. The United Nations Commission on International Trade Law (UNCITRAL) is body established by the UN General Assembly in 1966 to work for facilitation of international trade and investment. Since its establishment, it has been trying to harmonize trade and investment laws. Domestic laws based on UNCITRAL model can be easily understood by international community. Through Nepal had been a commissioned member of the body from 1974 to 1977, our presence could not be sustained –Ambassador Suvedi added. He called for looking at UNCITRAL, including Nepal’s role in it, more seriously.



Another remark in the closing segment was made by Mr. Mitra Bandhu Paudel where he briefly recapped and commented on all three presentations. Recalling the presentation of Mr. Sharma, he said that it was high time to introspect as things were way too much process-oriented rather than result-oriented. Of Mr. Dhami's presentation, he questioned whether all strong investment related policies were conducive in practical life. Commenting on the presentation, he added that it is challenging to meaningfully achieve the objective when there are too many agencies involved and there was a need for proper engagement among all stakeholders. While concurring with Dr. Pandey's broad message, Mr. Paudel stated that the presentation could have involved more examples from real life. He further stated that only a result oriented FDI could stimulate additional economic activity.



The event concluded with the presentation of token of love to the guest speakers and a brief closing remark by the President of AFCAN.

Rapporteur: Mr. Suvanga Parajuli, Under Secretary, Ministry of Foreign Affairs, Nepal

Annexures

1. About AFCAN

2. About CDD

3. Statements

- I. Foreign Minister
- II. AFCAN Chair
- III. CDD Chair
- IV. Ambassador of India to Nepal
- V. AFCAN General Secretary

4. Programme

5. List of Participants

About AFCAN

The Association of Former Career Ambassadors of Nepal (AFCAN) was established in 2007. It is a non-profit making association. Its objectives are, inter alia, to contribute to the promotion of Nepal's national interests in accordance with the country's foreign policy; conducting studies, researches, interactions and dialogues within the Association and with other bodies and providing independent institutional views and advice to the Government of Nepal on matters of foreign relations, which might be helpful in policy formulation and execution.

AFCAN has been working closely with the Ministry of Foreign Affairs through occasional consultations on matters of importance on foreign relations. It organizes workshops and seminars on important issues such as Foreign Direct Investment, External Trade, Foreign Employment, Tourism, Water Resources, etc. from time to time.

About CDC

The Center for Diplomacy and Development (CDD) is an independent, unbiased, and non-profit making institution established in February 2018 in Kathmandu with the objectives to work in the fields of diplomacy and development issues. It is a think tank under Track II diplomacy.

CDD regularly organizes seminars, workshops, symposiums etc. on topical issues of diplomacy and development.

**Remarks by Hon'ble N.P. Saud, Minister for Foreign Affairs,
at the Seminar on
Foreign Direct Investment in Nepal: Challenges and Opportunities
organized by Association of Former Career Ambassadors of Nepal (AFCAN)
July 12, 2023.**



Chairman of AFCAN,
President of Centre for Diplomacy and Development,
H.E. Ambassador Naveen Shrivastavji, Guest of Honour,
Excellencies,
Distinguished Participants,

It is an honour for me to share this forum with you. Thank you, AFCAN, for taking the initiative of this brainstorming and for inviting me.

Investment in general, Foreign Direct Investment in particular, is a crucial driver of economic growth and development. Through investment, country's resource potential is utilized, employment is generated, people's livelihood is ensured, and prosperity is achieved. As Nepal stands at a critical stage of development transformation, the question of how we can channelize more investment becomes pressing and important. The theme of today's seminar is, therefore, very timely. With the promulgation of a democratic Constitution in 2015 Nepal has accomplished an important political

process. With this, our political development has taken a shape. We have already conducted two important elections for all three tiers of governance as per the new federal structure, thereby consolidating inclusive democracy up-to the grass-roots level.

In the meantime, we all are aware that without economic development, our political gains cannot sustain. Economic agendas are, therefore, our topmost priority.

Nepal is graduating from the category of Least Developed Country by 2026. We have taken the graduation as an opportunity for enhancing productive capacity and structural transformation. For this, we are looking for private sector collaboration and investment from the foreign partners. We want to utilize our vast natural resources to achieve rapid economic growth.

Our development priorities include modernizing agriculture, strengthening connectivity infrastructures, utilizing hydro-power potential, promoting trade and tourism, and developing IT sector. For all these, investment is the key.

Ladies and Gentlemen,

Nepal has taken a forward-looking Foreign Investment Policy. We have opened almost all sectors of the economy to foreign investment – from hydropower, manufacturing, tourism, services, infrastructure building to agro-based industry

We are continuously working on how foreign investment can be more incentivized. We have been taking strong initiatives to reform laws and streamline procedures related to investment and technology transfer. We have put in place an automated route for FDI approval.

Investment Board of Nepal provides on stop service for the large investors. Special Economic Zones in major industrial centers provide additional incentives.

One of our greatest strengths is demographic dividend. We offer young and educated workforce, a competitive advantage to investors seeking skilled and affordable labor. This young human capital can be immediately utilized in IT enabled services, and digital trade. Data mining would be another area of exploration as we have enough supply of green and clean energy.

Full repatriation of income from investment is guaranteed by the Foreign Investment and Technology Transfer act. Nepal Rastra Bank clears the repatriation within seven days. We assure full protection of investment.

We are aware that FDI is not easy to come. Investors want to see how easy and smooth processes are, how secure their investment is, how profitable is it going to be. Countries are competing to bring more FDI with higher and better incentives.

On its part, Nepal is committed to undertaking further reforms in policies, regulations, and procedures, and facilitating investment. A brainstorming event like this seminar provides us useful inputs for taking further measures to improve investment climate in the country.

We stand ready to welcome and assist investors who are keen to embark on a transformative journey with Nepal.

You are aware that Nepal's hydropower is an attractive area for large scale investment. Harnessing of this treasure brings multiple positive implications. First, adequate, smooth and uninterrupted power supply triggers other economic activities domestically, thereby contributing to industrialization and economic growth. Second, utilization of Nepal's hydropower would enable us to provide clean renewable energy to our neighbourhood, which we have already started doing. Given Nepal's and its partners' commitments to global climate action clean energy becomes more desired.

Distinguished Participants,

Before I conclude, I thank the organizers once again for this discussion on a topical theme. This will definitely help us identify our challenges when it comes to getting more foreign direct investment and also, ways and means to address these challenges. We are all united in our goal: namely, to make Nepal a more desired destination for foreign investment.

I wish I were able to remain throughout the discussion. But even in my absence, I hope to get the inputs that are generated from here. I wish for the success of the event.

Thank you.

Statement by Amb. Bhagirath Basnet, President of AFCAN

at the Seminar on

“Foreign Direct Investment in Nepal: Challenges and Opportunities “



**Honorable Foreign Minister Mr. N.P. Saud,
His Excellency Shri Naveen Srivastava,
Excellences, Distinguished Guests,
Friends, Ladies and Gentlemen,**

Namaskar and Good Morning.

On behalf of the Associations of Former Career Ambassadors of Nepal (AFCAN) and personally, I extend a warm welcome to this Seminar on “Foreign Direct Investment in Nepal: Challenges and opportunities”. We have been hearing this slogan for over three decades without any significant progress.

Nepal is abundantly blessed with natural resources and enjoys pleasant weather throughout the year. The country’s maintains, pristine environment and possesses largely untapped natural resources. The people of Nepal are known for their simplicity, sincerity, honesty, hard-work, and resilience, even in the face of difficulties. Additionally, our current population provides the advantage of a youthful workforce. These favorable conditions should have attracted foreign investment, but without any success.

Nepal welcomes foreign investment in various sectors such as manufacturing, energy, agro-forestry, services, information technology and tourism.

I have been told that foreign investments haven't come as we have certain shortcomings to attract them.

There are some serious complaints from investors in Nepal. Despite the government's claim of an easy and streamlined approval process through a single-window policy, foreign investors have experienced a different reality. They find the approval process to be lengthy, costly and time-consuming, and the supposedly convenient single-window system does not work as intended. Investors also face hurdles concerning foreign borrowings. The rules imposed by the Nepal Rastra Bank restrict the payment of foreign borrowings if there are outstanding loans to foreign banks, creating an unfavorable situation for investors. Repatriation of profits is another challenge, as it requires approval from multiple agencies, leading to further delays. Furthermore, copyright laws and intellectual property rights enforcement in Nepal often fall short of international standards, discouraging multinational companies from investing in the country.

Considering Nepal's growing dependence on imports, widening trade deficit, and declining foreign reserves, Foreign Direct Investment is crucial for the country's development.

I am confident that the experts present today will address these complaints and identify means to attract foreign investment to Nepal in the future. We should always treat foreign investment as our customers, acknowledging that customers are always right. It is essential to recognize that no one invests for charity. Business people worldwide work for profit, and we must consider this aspect. We need to create an environment that benefits both our country and investors, fostering a win-win situation. I am certain that the experts at this seminar will explore, devise, and suggest strategies for attracting more foreign investment to Nepal.

Lastly, I extend my heartfelt gratitude to all of you for accepting our humble invitation and attending this seminar. Once again, welcome to all of you.

Thank you very much.

AFCAN-CDD Seminar on FDI on Wednesday, 12 July 2023.

Remarks by

**Mr. Mohan K Shrestha, Founder President of Center for
Diplomacy and Development, Kathmandu.**



Thank you Master of Ceremony Manita jee

Good morning and Namaste

- Chair of this program Ambassador Bhagirath Basnet
- Chief Guest Hon. N.P. Saud, Minister for Foreign Affairs
- Respected Guest of Honour
- His Excellency Mr. Naveen Srivastava, Ambassador of India to Nepal
- Respected Speakers at the dais
- High dignitaries from the Foreign Ministry
- Your Excellencies Ambassadors
- Former Ambassadors of Nepal
- Former Secretaries
- Professors/Academicians/Intellectuals
- Leaders of Business community
- Friends from Medias, Journalists
- Distinguished guests
- Ladies and gentlemen,

To begin with, I wish to express my sincere thanks and appreciation to all distinguished guests who are attending our program accepting our invitation. The Association of Former Career Ambassadors (AFCAN) and Center for Diplomacy and Development are effortful to promote knowledge and experience on diplomacy and in other issues of topical importance to the people through various means. This seminar is also a part of this effort.

It is said that for small nations, an effective and pro-active diplomacy is a necessity. It has proven so while we assess the current international situation. Dangers from political problems are looming in many parts of the world.

Today's seminar topic is a very important one. After sometime, we will be listening, from experts, various aspects of foreign direct investment in our country. We fully understand that FDI has many challenges in its implementation. At the same time, we also have huge potentiality for incrementing FDI in our country.

I remember it was in 1996 while I was working in the United Nations Division of the Foreign Ministry, a new concept of economic diplomacy was added to the objectives of our non-aligned foreign policy. That new policy had six objectives like the promotion of tourism, exports, FDI, foreign employment opportunities, development of water resources and foreign aid. These all objectives hold much significance in our national economic development process. These are the areas which can play a catalytic role as engine of growth in the country. These are the areas which can create huge employment opportunities and raise revenue for the government. It is, therefore, very important that economic diplomacy must be implemented in an effective way. Government and private sectors must work assiduously for the promotion of economic diplomacy.

Distinguished guests,

Foreign Direct Investment feature as one of the important objectives of economic diplomacy. Twenty-seven years have passed since our country has aimed to import FDI. Latest available figures indicate a total of 5,692 industries have been set up with FDI with investment of 439.78 billion rupees. FDI industries have created more than 300,000 employment opportunities. FDI is coming from more than 100 countries to Nepal. FDI has touched every aspect of the national economy from manufacturing to service to hospitality and to other sectors. Efforts of the government and private sector must continue in coming days also for the promotion of FDI in the country. It is a process which has no ending.

While living in Paris, one day, I met Ambassador of Cambodia Mr.Kich Uman. He was a senior Ambassador having lived in France for more than 11 years. During our talks, he told me that Cambodia, slightly bigger in size than our country and with one third of our population, attracts FDI worth 8 billion dollars a year. He was not yet happy with such huge figures. He further said, Excellency, we are taking actions to increase more FDI in our country.

It came to my mind, Cambodia, a country devastated by 30 years' internecine war and with less hospitable atmosphere could do so much. And why can't we? Where are the problems. What actually hinders, in our country, for increasing FDI. This natural question came to my mind. With enormous resources both natural and human, Nepal possess, in fact, abundant resources for development i.e. agriculture, bio-diversity, ITC. tourism, water resources and many others.

In 2017, An investment summit was organized at Soaltee Hotel where I also attended. One lady representative of an international financial institution, while delivering her speech, indicated that bureaucratic entanglements, in our country, are too many to count. She also gave example of Cambodia where FDI projects are approved within days. Government welcomes foreign investors as valuable guests. To my mind, it is therefore, very much necessary that our country also value

FDI as a source of capital investment, technology transfer and great knowhow. Let us create a more hospitable atmosphere for FDI import. I understand that in South Asian region, Nepal receives less than 1 percent of the global FDI resources. There is enormous FDI capital in the world market. We need skill to tap those. Our FDI provisions like non-nationalization, repatriation of capital and profits, tax holidays,

infra-structure facilities, abundant labour resources and favorable climatic conditions are not less than those found in any other country. Yet in 27 years, we have not been able to attract half FDI amounts which Cambodia attracted in one year. This is a very serious question if we are to take in mind.

Hence, is not it proper that we also learn from other countries who have been successful to attract FDI in great figures. Just making good policies, we cannot sit singing laurels. Rather we must take appropriate actions for their effective implementation. We must also promote FDI projects which uses our available raw materials and create employment in rural areas Such effort would bear fruits for our country and people.

With these few words, let me thank you, once again, for your cooperation extended to us in our effort to soul-searching on this important topic.

Thank you.

Date: 12 July 2023

**Remarks by Ambassador at Seminar organized by
the Association of Former Career Ambassadors of Nepal (AFCAN)
on the topic “Foreign Direct Investment: Challenges and Opportunities”
(12 July 2023 at 0900 hrs at Hotel Himalaya, Kupondole)**



- Foreign Minister N P Saud ji, Ambassador Basnet, Ambassador Shrestha, first of all I wish to express my sincere gratitude to you for inviting me to this august gathering comprising distinguished members of the Association of Former Career Ambassadors of Nepal (AFCAN) as also my fellow diplomats from various countries. I also wish to convey my greetings to Foreign Minister N P Saud who has taken time off his busy schedule to join us this morning.
- I have been asked to speak on the topic of ‘Foreign Direct Investment (FDI): Challenges and Opportunities’. The topic is certainly timely and apt. It also reflects very well the commitment of former career Ambassadors of Nepal to contribute positively to the task of nation-building.
- But, for me when Ambassadors Basnet and Bhattarai proposed the subject, it was bit of a challenge – for I am neither an economist nor do I profess to have any special knowledge or background on this subject.

- However, as fellow diplomats I am sure we all have been in unfamiliar circumstances during our careers and are thus accustomed to work in and successfully accomplish whatever task is assigned. Thus, I am here today amidst you.
- I will try and structure my remarks broadly in three parts – dwelling on the benefits that FDI can accrue to a host country and also the emerging trends in FDI flows in the wake Covid-19 pandemic, the second dealing mostly with how India has been able to attract FDI in the recent years and emerge as one of the most favoured destinations for attracting FDI and finally how India's growth and development could be of benefit for Nepal as it progresses on its developmental journey.

Ladies and Gentleman,

- Economists tend to favor the free flow of capital across national borders. They argue that this allows capital to seek out the highest rate of return.
- As per a note by International Monetary Fund (IMF), unrestricted capital flows may also offer several other advantages including reducing the risk allowing investors to diversify their lending and investment and second, the global integration of capital markets can contribute to the spread of best practices in corporate governance, accounting rules, and legal traditions.
- Such free flow of capital can take place in many forms including FDI, portfolio investments, merger and acquisitions etc. However, several studies as well conventional wisdom over the last two and half decades of going through first South East Asian financial crises and then early in this century the global financial crisis also highlight that many private capital flows pose countervailing risks particularly the international debt flows of short term variety, which a report calls as "bad cholesterol" as these are driven largely by speculative considerations based on interest rate differentials and exchange rate expectations, not on long-term considerations.

- In contrast, FDI is viewed as "good cholesterol" because it can confer several benefits. These include, as per the same IMF study:
 - Transfer of technology
 - Spurring competition in the domestic markets and thus offering better choices to consumers (an example of this from India is the allowing of FDI in auto-sector – whereas till early 1980s the Indian auto market was dominated by two/three models of cars, now there are numerous choices and these are being exported to other markets too).
 - Development of human resources through both employment generation and skill up-gradation as new industry and its ancillaries establish themselves. And Finally;
 - Profits generated by FDI contribute to corporate tax revenues in the host country.
- Thus, in general it is largely accepted that FDI contributes to investment and growth in host countries.
- And since these benefits are known to all countries, the international investors thus are spoilt for a choice as to where to invest.
- At the same time there is another trend which is that, the global FDI flows are witnessing a slower growth.
- As per a Boston Consulting Group (BCG) paper, even before the pandemic, greenfield FDI's grew at only 2% per year. Part of the explanation for the slow growth was emerging geopolitical factors and a nascent economic decoupling between nations and their regions. For example, the study notes, intraregional investment flows increased by 5% per year, but inter-regional flows dropped by 4% per year from 2016 through 2019.

- These factors have become sharper in the wake of the pandemic leading to new trends in the FDI flows. Geopolitical factors and associated steps taken by several countries and regions towards tightening investment related regulations have affected FDI. These should be factored in as each country devises its policies.
- The disruption caused by the pandemic exposed vulnerabilities and brought in focus the risks associated with over concentration of manufacturing activities in particular geographies. Accordingly, we are now seeing trends towards re-shoring or near-shoring of production and supply chains. This shift is driven by the desire for greater supply chain resilience, reduced transportation costs, and the need to ensure continuity during times of crisis. An off-shoot of this trend is also what is being termed as ‘regionalisation’ of supply chains.
- Similarly, COVID has also accelerated digital transformation of societies and as a consequence we are seeing increased investments in information technology, e-commerce, and telecommunication. This trend is likely to continue as digitalization remains a priority for businesses in a post-pandemic world.
- Finally, as per same BCG report, environmental, social, and corporate governance factors have begun to guide more investment decisions. The study notes that while the largest shares of FDIs from 2016 through 2019 were still in coal, oil and gas, real estate, and renewable energy, only renewable energy grew during that period. The pandemic and concerns related to Climate Change have accelerated this trend.
- Such trends present new opportunities even as investors remain somewhat conservative and risk-averse due in the wake of COVID. Many studies therefore note that in such a scenario, Governments need to provide a supportive business environment, streamline administrative procedures, and ensure policy consistency to attract and retain FDI.

Ladies and Gentleman,

- In view of these developments how has India emerged as a preferred destination for global FDI flows?
- India received FDI inflows of more than US \$920 bn in the last 23 years as per some estimates. The total FDI inflows received in the last 9 years (April 2014- March 2023) was \$ 595.25 bn which amounts to nearly 65% of total FDI inflow in last 23 years.
- Even after Pandemic our FDI inflows have maintained their momentum as India attracted the highest ever FDI inflow of \$83.57 bn during financial year 2021-22.
- This has been possible due to several initiatives taken by the Government since 2014 and especially during COVID-19 to ease administrative processes.
- India was 142nd in 2014 in 'World Bank's Ease of Doing Business Ranking. Due to Government's continued focus on streamlining administrative procedures, which PM Modi termed as 'from Red Tape to Red Carpet', our ranking improved to 63rd in 2019.
- There have been improvements in other global benchmarks too. India for instance ranked 68th in the Global Competitive Index and was also named as the 48th most innovative country.
- At the same time the FDI policy of the country has opened up many sectors, that were previously restricted, to FDI. These include sectors such as defence manufacturing, real estate, and research and development.
- Another factor that has contributed to growth in investment is the attention that the Government has paid to improving infrastructure. National Infrastructure Pipeline initiative to provide world-class infrastructure across the country has been launched. This has led to significant investments in road, railways and energy infrastructure in the country.

- In the wake of COVID-19 Government also came up with new and innovative steps such as Production Linked Incentive (PLI) scheme in specific sectors as also promoting Atma-nirbhar Bharat to promote not just manufacturing in India but also promoting integration in the global supply chain as also to help country achieve self-reliance.
- As we all know, investors are cautious and seek stable and predictable environments to deploy their capital. The above initiatives that I mentioned have been key in providing such an environment.
- And of course, factors such as large market, growing middle-class, young population and continued growth remain a strong pull factor for FDI inflows.

Ladies and Gentleman,

- Insofar as India-Nepal economic relations are concerned, India has remained one of the foremost development partners of Nepal. Today our bilateral cooperation is very robust, multi-sectoral, and spans across the geography of Nepal.
- Our development partnership has taken major leap in last 15 years, and several connectivity projects have been undertaken.
- The most important outcomes have been in terms of enhanced rail connectivity, setting up of Integrated Check Posts (ICPs) at multiple points along our borders and building of roads and bridges to facilitate connectivity across our borders.
- The outcomes from the recent visit of the Prime Minister of Nepal to India last month attest to our efforts in all these areas.
- Our cooperation has also in particular expanded in the area of strengthening energy connectivity between our two countries. The laying of cross-border petroleum pipeline has resulted in direct economic benefit to Nepal as well as spared the roads from congestion.

- In the power sector, Indian Public Sector Units (PSUs) and India-Nepal JVs have been active in the development of major hydroelectricity projects. At the same time, both countries have also recently finalized an Agreement for Long-Term Power Trade wherein it has been agreed to strive to increase the quantum of export of power from Nepal to India to 10,000 MW within a timeframe of 10 years.
- Apart from the above, India-Nepal cooperation extends to health, education and a number of other sectors including post-earthquake reconstruction.
- India's Lines of Credit (LOC) are also extended by the Export Import Bank of India to the Government of Nepal (GoN). India has provided four LOCs to the GoN for a total of US\$ 1.65 billion. These LOCs are being utilized for execution of infrastructure development projects and post-earthquake reconstruction projects as prioritized by Nepal.
- India's LOCs have financed some 44 road projects, another 7 projects in hydropower and transmission lines and several others in housing and reconstruction, which are spread all across Nepal. Many of these projects are either completed or are nearing completion.
- India is largest source of foreign investments in Nepal accounting for more than 32% of the total FDI stock of Nepal, which is worth nearly Rs.75.8 billion, as per NRB data until mid-July 2021.
- There are about 150 Indian ventures operating in Nepal engaged in manufacturing, services (banking, insurance, dry port, education and telecom), power sector and tourism industries. Indian companies and investments have played a key role in Nepal's national economic journey by contributing to industrialization, employment generation, government revenue and export earnings.

- Some of the major Indian firms that work in joint ventures in Nepal, include Surya Nepal, Dabur India, Hindustan Unilever, State Bank of India, Punjab National Bank, Life Insurance Corporation of India (LIC), Asian Paints, GMR India, CONCOR, Manipal Group etc.
- Also, the Indian firms like Satluj Hydro Electric Project have made massive investments in hydropower projects in Nepal.
- With the recent agreements on power trade, we expect Indian investments in Nepal only to increase.

Opportunities for the future

- Natural resources, strategic location, renewable energy potential, tourism, young population and availability of labor are some of the key advantages of Nepal which could be suitably harnessed to attract FDI in Nepal.
- For instance, hospitality sector can be a major arena which can attract FDI into Nepal in view of large tourist inflow into Nepal. As per latest figures from Nepal Tourism Bureau Indian tourists continue to be largest and their spending also remains highest.
- There has always been a good opportunity for attracting FDI into hydro-electricity projects. The electricity generated from these projects and sold to neighboring countries can significantly add to the Nepali exports and also help in addressing the trade deficit.
- In this context, the latest agreements (long term power trade and trilateral power trade agreement with Bangladesh) point to a brighter future.
- Areas near our borders for instance can also attract FDI from India in manufacturing to cater to both markets in Nepal and India. This also will fit in with the trend of regionalization of supply chains.

Conclusion & Way Forward

- For us in India it was various initiatives of the Government such as easing FDI in different sectors/areas, formulation of an attractive policies, adopting contactless single window clearance systems, speedy redressal of litigation to avoid delays and cost escalation, policy continuity, creation of sufficient infrastructure, bridging skill gap, improving labor productivity which has helped in consistently making India an attractive destination for FDI.
- India assumed the G-20 presidency this year, with the motto of *Vasudaiva Kutumbakam* and One Earth, One Family, One Future, and as part of its initiative invited Nepal among other countries to be part of the Economic Track of its G-20 Presidency. Under its Neighbourhood First policy, India will continue to work with Nepal for mutual benefit as well as prosperity of the peoples of both countries.
- There is also a great scope for experience sharing between India and Nepal in understanding the processes involved in creation of enabling environment for attracting FDIs. Institutional collaboration with concerned Indian organizations could be useful and we in Embassy would be ready to facilitate any such requests.
- I would like to express my good wishes to the participants and organizers and thank you for the patient hearing.

Highlights of the objective of the Seminar on Foreign Direct Investment in Nepal: Challenges and Opportunities by Jhabindra P. Aryal



**Hon'ble Mr. N. P. Saud, Minister for Foreign Affairs of Nepal
His Excellency Mr. Naveen Srivastava, Ambassador of India to Nepal
Excellencies Ambassadors and the representatives of diplomatic missions in Kathmandu
Honored guests and guest-speakers in the dais
Friends from media
Distinguished guests, ladies, and gentlemen.**

It is my privilege and honor to briefly elucidate what the Association of Former Career Ambassadors of Nepal (AFCAN) is. I would also briefly present to you the main objectives of today's seminar.

As introduced earlier, the Association of Former Career Ambassadors of Nepal (AFCAN) is a non-profit making association. It has been conducting seminars, interactions, or workshops from time to time with a view to further explore the pertinence of various topics that are closely linked with the foreign policy priorities of the Government of Nepal. I believe many participants here are aware of many such activities carried out by AFCAN in the past that dealt the wide range of topics, from water resources to foreign employment, foreign trade, tourism as well as to other contemporary bilateral and multilateral issues.

Foreign Direct Investment plays an important role in Nepal's economy. It is indeed in the core of our economic diplomacy. We thought experts' opinions and deliberations thereon might be useful reference in future policy formulation for the Government of Nepal.

We also join hands sometimes with other think tanks or organizations having similar objectives to organize such programs. Today's seminar is organized jointly by the AFCAN and CDD (Centre for Diplomacy and Development).

On behalf of the AFCAN, I wish to offer sincere gratitude to the Chief Guest of the program Hon. Minister for Foreign Affairs and Guest of Honor His Excellency the Ambassador of India to Nepal for their valuable time and presence. The presence of honorable Minister for Foreign Affairs will be a source of encouragement for us to make more efforts in organizing such activities in the days ahead. I believe, the remarks to be delivered by the Chief Guest, Guest of Honor and Presidents of AFCAN and CDD will add significant value to the objective of the seminar.

Following this inaugural session, three experts- Mr. Shankar Singh Dhimi, Director, Department of Industry, the Government of Nepal, Mr. Hari Bhakta Sharma, Former President of the Confederation of Nepalese Industries (CNI) and Executive Director of Janta-Deurali Pharmaceuticals and Dr. Posh Raj Pandey, Senior Economic Advisor, Ministry of Finance, the Government of Nepal- will join a half-day long seminar with us, who come with vast and profound knowledge and experiences on the subject of Foreign Direct Investment in Nepal. In that session, we can hear their thoughtful interventions on opportunities and challenges in inviting foreign direct investment in Nepal. While thanking the experts, may I also let you know that the floor will later be open for questions and answers.

Last but not the least, I also thank you all who have accepted our invitation and spared your valuable time. Your presence is encouraging to us all. Questions you will direct towards our experts will certainly enrich the contents of today's deliberations.

I do hope that this seminar will be helpful in exploring more avenues and options in inviting more foreign direct investment in Nepal.

Thank you all for your kind attention.

Seminar hosted by
the Association of Former Career Ambassadors of Nepal (AFCAN)
and the Center for Diplomacy and Development (CDD)

Day : Wednesday
Date : 12 July 2023 (27 Asadha 2080)
Venue : Himalaya Ballroom, Hotel Himalaya, Kopundole
Time : 09:00 to 14:00 hrs

Program

Part I

09:00 hrs Opening and Registration

09:30 hrs Master of Ceremony Miss. Manita Pokharel announces the start of the program, Short Brief on AFCAN and CDD

- Inauguration of the program by alighting Sukunda by the Chief Guest
- Playing of the National Anthem

09:35 hrs Ambassador Jhabindra P. Aryal, General Secretary of AFCAN highlights the objective of the seminar.

09:40 hrs MC invites:

09:45 hrs Ambassador Bhagirath Basnet, President of AFCAN to deliver his welcome remarks.

09:50 hrs Ambassador Mohan Krishna Shrestha, Founder President of CDD to deliver his welcome remarks.

09:55 hrs Guest of Honour His Excellency Mr. Naveen Srivastava, Ambassador of the Republic of India to Nepal to deliver his remarks.

10:05 hrs Chief Guest Hon. N.P.Saud, Minister for Foreign Affairs of Nepal to deliver his remarks.

10:15 hrs Vote of Thanks by Miss. Shanti Laxmi Shakya, Member of the Executive Committee, CDD

End of the Inaugural part

Tea and Coffee Break

Part II

- 10: 40 hrs Presentation on Foreign Direct Investment by Mr. Shankar Singh Dhama,
Director, Department of Industry, the Government of Nepal
- 11:00 hrs Presentation by Mr. Hari Bhakta Sharma, Former President of
CNI and Executive Director of Janta-Deurali Pharmaceuticals
- 11:20 hrs Presentation by Dr.Posh Raj Pandey, Senior Economic
Advisor , Ministry of Finance, the Government of Nepal
- 11:40 hrs Questions and Answers
- 12:20 hrs Assessment on presentations by Ambassador Prakash Kumar Suvedi, Executive
Member, AFCAN
- 12 :30 hrs Dr. Mitra Bandhu Poudel, Vice President, CDD
- Vote of Thanks
- Presentation of Token of Love to Guest Speakers
- End of the program
- Lunch

LIST OF GUESTS

A. Ministry of Foreign Affairs

Mr. Bharat Raj Paudyal,
Secretary, Ministry of Foreign Affairs
Singha Durbar

Ms. Sewa Lamshal
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Ram P. Subedi
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Dhan. B. Oli
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Lok Bahadur Thapa
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Sudheer Bhattarai
Chief of Protocol, Ministry of Foreign Affairs
Singha Durbar

Mr. Tej Bahadur Chhetri
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Krishna Prasad Dhakal
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Ghanashyam Lamshal
Joint Secretary
Ministry of Foreign Affairs
Singha Durbar

Mr. Bhrigu Dhungana,
Joint Secretary, Ministry of Foreign Affairs, Singha Durbar

Miss. Rita Dhital
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Dilip Poudel
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Amrit Bahadur Rai
Joint Secretary, Ministry of Foreign Affairs
Kathmandu

Mr. Laxman Khanal
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Sharad Raj Aran
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Ganesh Prasad Khakal
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Kaushal Kishore Raya
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Dr. Surendra Thapa
Joint Secretary, Ministry of Foreign Affairs
Singha Durbar

Mr. Subhanga Parajuli
Under Secretary
Ministry of Foreign Affairs
Singha Durbar

Mr. Hari Odari
Under Secretary
Office of the Foreign Minister
Singha Durbar

B. Departments of Passport

Mr. Surendra Yadav
Director General
Department of Passport
Tripureswor

Mrs. Durapada Sapkota
Director
Department of Passport

Tripureswor

Dr.Damaru Ballav Poudyal

Director

Department of Passport

Tripureswor

Mr. Kumar Rai

Director

Department of Passport

Tripureswor

C. Department of Consular Affairs

Mr. Prakash Mani Poudel

Director General

Department of Consular Affairs

Tripureswor

D Institute of Foreign Affairs

Mr. Rajendra Pandey

Oficiating Executive Director

Institute of Foreign Affairs

Tripureswor

Mr. Madhavji Shrestha

Specialist

Institute of Foreign Affairs

Tripureswor

E. Ex-Foreign Ministry

Mr. Nabin Bahadur Shrestha

Former Foreign Secretary

Kathmandu

Mr. Gopal Bahadur Thapa

Former Chief of Protocol

Kathmandu

G. Department of Industry

Mr. Babu Ram Gautam

Director General

Department of Industry

Mr. Shankar Singh Dhimi

Director, FDI Division

Department of Industry

Tripureswor

H. Chief of Investment Board of Nepal

Mr. Sushil Bhatta
Chief Executive Officer
Investment of Board of Nepal
Kathmandu

I. FNCCI

Mr. Chandra Prasad Dhakal
President
Federation of Nepalese Chamber of
Commerce and Industry (FNCCI)
Teku, Kathmandu

Mr. Manoj Paudel
Chief, FDI Division
FNCCI Office, Teku

J. Confederation of Nepalese Industries (CNI)

Mr. Rajesh Kumar Agrawal
President
Confederation of Nepalese Industries (CNI)
Thapathali

K. Nepal Chamber of Commerce

Mr. Rajendra Malla
President
Nepal Chamber of Commerce
Kantipath

L. Ambassadors of foreign countries

H.E. Ms. Felicity Jane Volk
Ambassador
Embassy of Australia
Bansbari

H.E. Mr. Salahuddin Noman Choudhary
Ambassador
Embassy of Bangladesh
Ambassador
Embassy of the People's Republic of Bangladesh
Basundhara

H.E. Mr. Carlos Den Hartog

Ambassador
Embassy of Brazil
Maharajgunj

H .E. Mr. Chen Song
Ambassador
Embassy of the People's Republic of China
Naxal, Kathmandu

H.E. Noha H. Elgebaly
Ambassador
Embassy of Arab Republic of Egypt
Lalitpur

H.E. Ms. Riina-Riikka Heikka
Ambassador
Embassy of Finland
Bishalnagar

H.E. Ambassador Gilles BOURBAO
Ambassador
Embassy of France
Lazimpat

H.E. Ambassador Thomas Prinz
Ambassador
Embassy of Germany
Gyaneswor

H.E. Mr. Hanan Goder-Goldberger
Ambassador
Embassy of the State of Israel
Lazimpat

H.E. Mr. Yutaka KIKUTA
Ambassador
Embassy of Japan
Panipokhary

H.E. Mr. Park Tae Young
Ambassador
Embassy of the Republic of Korea
Tahachal
H.E. Mr. Jo Young-Man

Ambassador
Embassy of DPR Korea
Bakundole, Lalitpur

H.E. U Sein Oo
Ambassador
Embassy of the Union of Myanmar
Bhaisepati, Lalitpur

H.E. Ms. Torun Dramdal
Ambassador
Embassy of Norway
Kathmandu

H.E. Mr. Abrar Hussain Hashmi
Ambassador
Embassy of Pakistan
Maharajgunj

H.E Mr. Yousef Mohammed Al-Hail,
Dean of Dipomatic Corps
Embassy of the State of Qatar
Lalitpur

H.E. Mr. Aleksei A. Novikov
Ambassador
Embassy of Russian Federation
Baluwatar

H.E. Mr. Saad bin Nasser Abu Haimed
Ambassador
Embassy of Kingdom of Saudi Arabia
Lalitpur

H.E. Vosita Vorasaph
Ambassador
Royal Thai Embassy
Bansbari

H.E. Abdulla Al Shamshi
Ambassador
Embassy of the United Arab Emirates
Panipokhary
H.E.Mr. Dean Thompson

Ambassador
Embassy of the United States of America
Maharajgunj

H.E. Mr. Esala Ruwan Weerakoon
Secretary General
SAARC Secretariat
Thamel

Ms. Nilusha Dilmini
Charge d'Affaires, a.i.
Sri Lanka

Ms. Manusavee Monsakul
Charge d'Affaires, a.i.
Royal Thai Embassy
Bansbari

Mr. Matthias Meier
Charge d'Affaires, a.i.
Embassy of Switzerland
Jawalkhel

Mr. Mohd Fadzle Abu Hassan
Charge d'Affaires, a.i.
Embassy of Malaysia
Lalitpur

Ms. Pippa Bird
Charge d'Affaires, a.i.
United Kingdom
Lainchaur

Mr. Prasanna Srivastava
Deputy Chief of Mission
Embassy of India
Lainchaur

Mr. Bhoop Bisht
Second Secretary
Embassy of India
Lainchaur

M. United Nations Development Program Office

Mrs. Hanna Singer-Hamdy
Resident Coordinator
United Nations Development Program
Pulchowk

N. Hon.Consuls based in Kathmandu

Mr. Basanta Raj Mishra
Hon. Consul, Chile
Kathmandu

Mr. Binaya Man Shrestha
Hon.Consul, Colombia
Kathmandu

Mr.Dinesh Shrestha
Hon. Consul, Malta
Kathmandu

Mr. Lok Manya Golchha
Hon. Consul, Poland
Kathmandu

Mr. Narayan Bajaj
Hon. Consul, Romania
Kathmandu

Mr.Vishnu Kumar Agrawal
Hon Consul, Czeck Republic
Kathmandu

Mr. Pradeep Kumar Shrestha
Hon.Consul, South Africa
Kathmandu

Mr.Rajesh Babu Shrestha
Hon.Consul of Austria
Kathmandu

O. Association of Former Ambassadors of Nepal (AFNA)

Amb. Dr.Shambhu Ram Shimkhada
President
Association of Former Nepalese Ambassadors (AFNA)
Kathmandu
Amb. Dr.Suresh Chandra Chalise
Amb.Dr. Durgesh Man Singh

Amb.Prof. Mohan Prasad Lohani
Amb.Yuba Nath Lamshal
Amb.Bhim Udas
Amb.Dr. Anjan Shakya
Amb.Mr. Ram Mani Pokharel

P. Nepal Army and Nepal Police

Lt. Gen. (Retd) Nepal Bhushan Chand
Kathmandu

Maj. Gen. (Retd) Binoj Basnyat
Kathmandu

Maj. Gen. (Retd) Tika Dhamala
Kathmandu

Mr. Surendra Bahadur Shah
Former AIGP
Kathmandu

Mr. Sanat Basnet
Former IGP, Armed Police Force
Kathmandu

Mr. Krishna Basnet
Former AIGP, Armed Police Force
Kathmandu

Mr.Achyut Krishna Kharel
Former IGP, Nepal Police
Kathmandu

Q. Former Secretaries

Dr. Dwarika Nath Dhungel
Former Secretary
Kathmandu

Mr. Purushottam Ojha
Former Secretary
Kathmandu

Dr. Shanta Raj Subedi
Former Secretary
Kathmandu
Mr. Krishna Gyawali

Former Secretary, Kathmandu

Mr. Sushil J.B. Rana
Former Secretary
Kathmandu

Mr. Hare Ram Koirala
Former Secretary
Kathmandu

Mr. Deependra Purush Dhakal
Former Secretary
Kathmandu

Mr. Deependra Bikram Thapa
Former Secretary
Kathmandu

Mr. Lal Shankar Ghimire
Former Secretary
Kathmandu

Mr. Gopi Nath Mainali
Former Secretary
Kathmandu

Mr. Chandra Ghimire
Former Secretary
Kathmandu

R. Nepal Council of World Affairs

Mr. Hemanta Kharel
President
Nepal Council of World Affairs
Pulchowk

Mr. Atul Koirala
Nepal Council of World Affairs
Pulchowk

S. Center for South Asian Studies

Dr. Nischal Nath Pandey

Director
Center for South Asian Studies
Bishalnagar

T. Professors, Academicians and Intellectuals

Prof. Jaya Raj Acharya
Baluwatar

Prof. Dr. Shiba Kumar Rai
Kathmandu

Prof. Lok Raj Baral
Kathmandu

Prof. Dr. Narayan Chapagain
Kathmandu

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Lalitpur

Prof. Dr. Pramod Bahadur Shrestha
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Amb. Mahendra Singh Rajput
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Lalitpur

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Tribhuvan Univesity, Kirtipur

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President/Chairperson
Xavier Academy
Lazimpat
Dr. Bindu Nath Lohani

Former Vice President
Asian Development Bank
Kupondole

Mr. Dipendra Bahadur Chhetri
Former Governor
Nepal Rastra Bank
Kathmandu

Prof. Dr. Gandhi Pandit
Anamnagar
Kahmandu

Mr. Bijendra Man Shakya
Kathmandu

Mr. Aditya Baral
Kahtmandu

U. Medias and Journos

Mr. Umesh Chauhan
Chief Editor Kantipur Daily
Kathmandu

Mr. Saroj Ojha
Sachetana Program
Kathmandu

Mr. Keshab Poudel
Editor, Spotlight
Kathmandu

Mr. Gajendra Basnet
Chief Editor, Sagarmatha TV
Kathmandu

Mr. Amrit Dhakal
Sagarmatha TV
Kahtmandu

Mr. Mahabir Poudyal
Nepal Live Today Online News
Kathmandu

Mr. Chandra Shekhar Adhikary
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Mr.Lekha Nath Pandey
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Editor, the Republica
Kathmandu

Mr. Pramod Sedhain
Editor, Khabarhub
Kathmandu

Mrs.Saraswati Karmacharya
Reporter, Samacharpatra
Kathmandu

Mr. Kaushal Ghimire
Radio Nepal online
Kathmandu

Mr. Parshu Ram Kafle
Naya Patrika Daily
Kathmandu

Mr. Nawaraj Chalise
News 24 TV
Kathmandu

Mr. Narendra Upadhaya
Editor, The Telegraph
Kathmandu
Mr. Jagdiswor Pandey

Sub Editor, Kantipur Daily
Kathmandu

Mr. Jan Sharma
Freelance Journalist
Kathmandu

V. AFCAN

Executive Committee

Amb. Bhagirath Basnet, President
Amb. Mohan Krishna Shrestha
Amb. Jhabindra Prasad Aryal, General Secretary
Amb. Dr. Niranjana M.S. Basnyat, Treasurer
Amb. Prakash Kumar Suvedi, Executive member

Former Presidents

Amb. Sundar Nath Bhattarai
Amb. Kedar Bhakta Shrestha
Amb. Dr. Rambhakta P. Thakur

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Amb. Dr. Madan Kumar Bhattarai
Amb. Durga Prasad Bhattarai
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Amb. Hari Kumar Shrestha
Amb. Dr. Dinesh Bhattarai
Amb. Mr. Ramesh Prasad Khanal
Amb. Badri Prasad Khanal
Amb. Madhu Raman Acharya
Amb. Madhuban Prasad Paudel
Amb. Rudra Kumar Nepal
Amb. Paras Ghimire

X. CDD Executive Members and Guests

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Ms. Kirti Thapa, General Secretary
Mr. Shankar Prasad. Pandey, Executive Member
Miss Shanti Laxmi Shakya, Executive Member
Mr. Hemanta Raj Kolachhapati
Mr. Khem Raj Lakai, Promoter
Mr. Nawa Raj Pandey, Promoter
Mrs. Anita Jadhari, Promoter
Prof. Ganga Bahadur Thapa, Promoter

Mr. Surendra Shakya, Promoter
Amb...Bhim Udas
Mr. Hom Bahadur Chhetri, Promoter
Mr. Min Bahadur GC, Promoter, Paris,France
Mr.Bhojendra Man Shakya, IT Expert,CDD

Guests

Dr.Arnico Pandey, Climate Change Expert
Mr. Hari Bhandary, Guest
Miss.Sabi Bhandary, Guest
Mr.Suresh Shrestha, Guest
Mr.Sushil Bikram Shah, Business Executive
Mr.Nirmal Shrestha, Executive Director Rise Media Pvt Ltd
Mr.Ashok Gurung, Manager, RMPL
Mr.Khadga Pariyar, RMPL
Mr.Anup Baral. RMPL
Miss.Sunita Dulal, RMPL
Miss.Prasila Shakya, Guest
Mr.Shyam Mohan Shrestha, Guest
Mr.Janak Raj Sharma,Guest
Mr. Hari S.Puri
Mr.Charles Mendies
Mr.Arun Shrestha

Y. Businessmen and Industrialists

Z. Chiefs of other Institutions

(Nepal Development Research Institute (NDRI)

Dr.Nawaraj Khatiwada, President,

Dr.Jaya K. Gurung, NDRI

A. Some Reportes on Foreign Affairs from different newspapers

B. MC, Rapporteur and Volunteers

Ms.Manita Pokharel, Master of Ceremony,

C. Television Channels - Sagarmatha, News 24, Kantipur, Image and others

Former Senior Bureaucrats

Dr.Bhekh Bahadur Thapa

Former Foreign Minister

Baneswor

Mr. Nilambar Acharya

Former Minister

Kathmandu

Mr. Kedar Bhakta Mathema

Former Ambassador to Japan
Sanepa, Lalitpur

Dr. Sanduk Ruit
Tilaganga Eye Hospital
Kathmandu

Mr. Narayan Thapa
IT Expert
Kathmandu

Supreme Court and Law

Mr. Ram Kumar Prasad Shah
Former Chief Justice
Kathandu

Mr. Tap Bahadur Magar
Chairman, Human Rights Commission
Kathmandu

Mr. Balaram K.C.
Former Justice of the Supreme Court
Sanepa, Lalitpur

Mr. Surya Prasad Koirala
Senior Advocate
Kathmandu

AFCAN and CDD Guests

Dr. Bipin Adhikary
Mr. Ghanashyam Ojha, FDI Expert
Dr. Govind Kusum
Prof. Dr. Yuba Raj Sangroula
Mr. Manohar Bhattarai
Mrs. Bandana Rana
Mrs. Babita Basnet
Mrs. Sajani Amatya, President, SAATHI
Mr. Ratish Basnyat, US AID
Miss. Prerana Marasini, US AID
Ms. Padmini Pradhananga
Mrs. Sharu Joshi Shrestha
Mr. Yadav Khanal
Mr. Arjun Kant Mainali
Mr. Shambhu Koirala

Dr. Krishna Prasad Acharya
Dr. Hira Mani Ghimire
Mr. Gyanendra Lal Pradhan
Dr. Subash Shrestha, Principal, Global College
Mr. Bijendra Man Shakya
Prof. Kushum Shakya, Ph.D. Dean