

# NICCI e-Newsflash

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## Shri Ram –Janaki Temple at Janakpurdhham, Nepal



*One of the religious and cultural heritage that bonds the relationship between Nepal and India at people to people level from time immemorial*

## IBN core team to negotiate PDA with four hydel projects

The meeting of the board of Investment Board of Nepal (IBN) on Tuesday formed a six member core team headed by IBN CEO Radhesh Pant to negotiate power development agreement (PDA) with four export-oriented hydropower projects under the purview of the board. The projects are 900MW Upper Karnali and 600MW Upper Marsyangdi, 600MW Arun 3 and 880MW Tamakoshi III.

Other members in the committee include Anup Kumar Upadhyay, director general of Department of Electricity Development (DoED), Keshav Dhoj Adhikari, joint secretary at the Ministry of Energy (MoE), Baikuntha Aryal, joint secretary at the Finance Ministry and Mukunda Paudyal, joint secretary at the IBN and a representative (yet to name) from the Ministry of Law and Justice .

Indian company GMR Energy is developing Upper Karnali and Upper Marsyangdi projects, while Satlaj India is developing Arun 3 project and Norwegian Company SN Power the Tamakoshi III. All the developers are seeking early PDA agreement to begin construction of the projects. Although the developers were cynic about the PDA template, the government has incorporated the concerns of the developers in the new template, according to the IBN.

Chairman of Interim Election Government Khil Raj Regmi, who chairs the board, directed the IBN and the newly-appointed

committee members to swiftly proceed negotiations with the developers.

“With the approval of a PDA, we will proceed towards active negotiations with the developers of the four projects,” said IBN CEO Radhesh Pant.

The IBN, during a separate meeting on Monday with Sutlaj and GMR, had forwarded a PDA template tailored for their respective projects. “The template that has incorporated comments from the international lending communities, multilateral agencies and the developers themselves has also been given to SN Power,” Pant said. The two developers had given their comments after reviewing the PDA template in December.

“The revised PDA draft has addressed most of their concerns,” said another IBN official. “Rest of the contentious issues will be dealt with properly during the negotiation,” he said.

Meanwhile, the IBN and World Bank have jointly hired Lahmeyer International, a global engineering firm, to evaluate the four projects from socio-economic, financial, environmental, geotechnical and hydrological perspective.

“The evaluation of these projects will help us assess their benefits and our position during the PDA negotiation,” added Pant. ♦

## PTCN gets Dhalkebar-Muzaffarpur transmission line construction license

The government has decided to transfer the license for development and management of the Dhalkebar-Muzaffarpur 400 kV cross-border transmission line to Power Transmission Company of Nepal (PTCN) from Nepal Electricity Authority (NEA), according to a high-level official at the Ministry of Energy (MoE). "The Ministry of Finance (MoF) has given its nod for the handover of the license," he said.

Earlier, NEA had bagged the license from the government to develop the transmission line. The PTCN is a subsidiary of NEA that was set up mainly to develop the 400 kV cross border transmission line.

The transmission line, which is supposed to be developed with loan assistance from the Exim Bank of India, is expected to facilitate power trade between the two countries. The transmission line will be 140 kilometers long and 40 kilometers section, from Dhalkebar to Bhattamad, will lie in Nepal.

Nepal and India had signed a memorandum of understanding in 2009 to develop the project in fast track mode. NEA had signed the MoU with three Indian stakeholders -- Power Trading Corporation (PTC), Infrastructure Leasing & Financial Ser-

vices (IL&FS) and Power Grid Corporation of India Ltd (PGCIL).

As per the agreement, Nepal and India are to lay the transmission line in their respective countries with loan assistance from the Exim Bank of India. But the Exim Bank has yet to release the loan pledged to Nepal.

Similarly, the two countries also plan to lay other two cross-border transmission lines -- 112 km 400 kV Duhabi-Purnia and 125 km 400 kV Butwal-Gorakhpur.

According to NEA officials approximately 22 km section of the Duhabi-Purnia transmission line lies in Nepali territory and around 90 km section lies in India. Similarly, approximately, 25 km section of the Butwal-Gorakhpur transmission line falls under Nepali territory and the remaining 100 km section in India.

However, the Ministry of Energy - the body entity to look after the energy sector of the country, has yet to approve the handover of license from the NEA to PTCN. "MoE is also prepared to give its nod to the handover of the license of Dhalkebar-Muzaffarpur transmission line to PTCN," the official at the MoE said. "However, a formal decision has yet to be made." ♦

## Govt set to invite DPR proposals for 420-km Butwal-Gaddachowki section

The government is set to prepare the Detailed Project Report (DPR) of yet another section of the Mechi-Mahakali Electric Railway. The Department of Railways is preparing to invite Request for Proposal (RFP) from short-listed international consulting firms soon. According to the department, it will invite the RFP for 420km Butwal-Gaddachowki sector which also includes a 14km-long link railway route that connects Kohalpur with Nepalgunj. Butwal-Gaddachowki is the fourth section after Bardibas-Simara, Timara-Tamsaria and Tamsaria-Butwal-Bhairahawa sections on which the government is preparing the DPR for construction.

"We have already short listed four eligible consultants for each package and are preparing to call the RFP from them soon," said Rajeshwor Man Singh, superintendent engineer of the department. Eight consortiums of around two dozen companies from South Korean, German, Italian, Spanish, Austrian, Indian and Nepali have been short listed for the DPR.

The DPR will include a detailed design of the railway routes, other infrastructure required alongside the route, cost estimation and bid documents for construction. The department officials said that the detailed study of the Butwal-Gaddachowki section would be carried out in four packages—115km Butwal-Lamahi, 102km Lamahi-Kohalpur and 14km Kohalpur-Nepalgunj link, 94km Kohalpur-Sukhkhad and 94km Sukhkhad-Gaddachowki.

Dohwa Engineering Co Ltd (South Korea), ILF Consulting (Austria), Rites Limited (India), Italferr SpA (Italy), Gauff Rail Engineering GmbH Co (Germany), SENER Ingeniería y Sistemas SA (Spain) and Full Bright Consultancy (Nepal) are among the firms applying for the DPR of Butwal-Gaddachowki section.

Rites of India which had conducted the feasibility study for whole of the Mechi-Mahakali railway, also known as East-West railway project, estimated the project cost at Rs 800 billion.

Meanwhile, the DPR of the first section Bardibas-Simara and its link route Simara-Birgunj was completed by South Korean consultant. The report shows the construction of the Bardibas-Simara (including of the link route) would cost up to Rs 99 billion depending on facility, safety measures, quality and level of service to be incorporated in the railway construction plan.

The government for long has been planning of developing railway as an alternative means to land transport for faster and cheaper transport service. The government's plans on railway sector include construction of new railway lines in the country which include 945km Mechi-Mahakali Railway, 259km Pokhara-Kathmandu railway including extension to Mechi-Mahakali railway and 113km six connection links from Mechi-Mahakali Railway to Indian Railway network. ♦

## Need of integrated tourism development approach stressed

Economists and experts on Tuesday said that the country's tourism development was lagging behind owing to the lack of integrated tourism development approach. Former finance Minister Ram Saran Mahat said that the political instability and lack of integrated planning were main reasons for the sluggish development of Nepalese tourism sector.

Launching a research oriented book entitled 'The System of Tourism Development Planning in Nepal' written by Dr. Om Prakash Sharma here in the capital, Mahat said that Nepal could become tourism capital of South Asia if developed properly. Various diversities that we have here could make the country the tourism capital of South Asia, he said.

Economist and former vice-chairman of the National Planning

Commission, Jagadish Chandra Pokharel said that the book by Sharma would be useful for the planner as well as researchers interested in tourism sector.

Another economist, Chiranjibi Nepal said that identification of trekking as the main source of Nepalese tourism was the remarkable finding of the book.

The book, based on research works would be supportive for the integrated tourism planning of the country, he said.

Author of the book Sharma, said that only 10 per cent of the tourism earnings are being obtained to the country as most of the goods and services utilized in the sector come from import. ♦

## Govt ponders another strategic national tourism master plan

For sustainable and strategic development of the country's tourism industry the government is planning to formulate a national tourism master plan which includes three strategies—development, promotion and marketing—to guide the future development of Nepal's tourism.

According to Tourism Ministry officials, the ministry plans to hire national and international experts in the field of tourism and also from the United Nations World Tourism Organization (UNWTO), a leading international organization in the field of tourism.

"As tourism in Nepal could be a major driver to boost the country's economy, it needed an effective and comprehensive strategy to identify current challenges and ways to address them," said ministry spokesperson Bal Krishna Ghimire, adding "the government is giving due attention to the tourism sector because it could not remain indifferent to the current challenges."

The strategic document is estimated to be completed by 2014,

thereby incorporating Tourism Policy 2065, Vision 20, the country's three-year interim plan and related acts. The government launched Vision 20 last year which envisages ambitious target to increase annual tourist arrivals to Nepal to 2 million by 2020 and to increase employment in tourism to 1 million.

The ministry has already prepared a tourism master plan and has invited expressions of interest (EoI) to prepare an integrated tourism master plan on the basis of the master plans of all the 18 tourism zones (TZ). The ministry has developed specific and exclusive zones for intensive tourism development under its 18 TZs plan that has been included in the government's policies and programmes and the budget of 2011-12.

"Currently, the Netherlands Development Organisation (SNV) Nepal is providing technical support to prepare the strategic document," Ghimire said. Meanwhile, the ministry will also review the tourism master plan that was worked out by the Nepal Tourism Board in 2006-07. ♦

## Department of Labour to issue work permit to foreigners

The Department of Labour (DoL) has been mulling a concept to introduce work permits for foreign workers after two years of a failed attempt to identify the status of foreign workers in the country. It is planning to collect data of foreign workers to enforce the work permit provision, said director general at the department Krishna Hari Pushkar Karna.

The department had tried to enforce the work permit provision on foreign nationals working in the country two years back but had failed to do so as donor/international development agencies and multinationals did not support the drive. About 40,000-50,000 foreign nationals are believed to be working in the country but only one-fifth have taken work permits.

"We want to bring all foreign nationals under the Nepali labour law net, so we are starting the drive," said Karna, adding that a nationwide campaign will be launched soon to record foreign

workers.

The department will carry out two programmes — identification of foreign workers and registering them at the department — in the current fiscal year.

"First, we will ask foreign workers to come for voluntary registration. If they refuse to register themselves, the department will take action against them," he said. According to him, the Labour Act 1992 has made it mandatory for a foreign worker to get a work permit to work in Nepal.

Clause 2 (B) of the Labour Act has clearly mentioned that foreign nationals can be employed in Nepali industries, businesses and service sector only after getting permission from the department. An employer can hire foreign workers only if there are no qualified Nepalis for the specific job. ♦

## Electronic share trading with CDSC comes into full operation

The CDS and Clearing Ltd has formally started electronic trading, clearing and settlement of securities. After the testing of its software for a couple of weeks, CDSC has begun its live operation from Monday. Minister for Finance Shankar Prasad Koirala inaugurated the service known as Central Depository System (CDS) amid a program on Monday.

The CDSC was established as a subsidiary of Nepal Stock Exchange (NEPSE) in financial and technical assistance of Government of India. Technical assistance to the CDSC was obtained from SDSL (India).

The newly formulated Securities Transactions, Clearance and Settlement Regulations by Securities Board of Nepal (Sebon) had paved the way for CDS and Clearing Ltd to start the electronic transaction of stocks in the country's sole security market.

Speaking on the occasion, Koirala said "Development of the capital market was a priority of the government and the Ministry of Finance is always ready to help develop the capital market," he said. He further said the government would come up with favorable policies to promote securities market.

Though the government had initially planned to introduce CDS a couple of years ago, the plan had not materialized in the absence of necessary regulation to govern it. Now that CDS has been launched, investors are hopeful that settlement of share transactions would be fast and hassle-free.

Nepal Rastra Bank Governor Dr Yuba Raj Khatiwada said the introduction of CDS will attract big and institutional investors into the stock market. It will also help in developing linkage

of Nepalese capital market with international capital market in future, he said. "It is a step forward in the journey of enabling our stock market compete with other leading stock markets of the world," added Khatiwada.

He urged the investors of gold to turn into share market saying that "Our stock market will develop if you increase investment in securities. Investment in gold will take our money out of the country," he added.

Babu Ram Shrestha, Executive Chairman of Security Board of Nepal, said that Nepalese capital market would take a U-turn within one year as important infrastructure including CDSC and credit rating agencies have come in operation.

Jaideep Mazumdar, Charge D' Affaires, Embassy of India, said that assistance of government of India establishing CDSC was as per the India's policy of enhancing development ties with Nepal.

Dr. Jibnath Dhital, chairman of CDSC, urged all the listed companies and investors to enter into electronic service of CDSC.

"The CDS will enable investors to immediately sell or buy shares along with instant transfer of ownership," said Subodh Sharma Sigdel, CEO of CDS and Clearing Ltd.

The CDS and Clearing Ltd has settling share transactions through manual system since November, 2012.

Process of clearing and settlement of share transactions will be completed with the joint involvement of Depository Participants (DPs), share issuing companies, share registrar, clearing members and settlement agencies. ♦

## 'Electronic cheques must from new fiscal'

The central bank has asked financial institutions to issue electronically readable cheques by the end of the current fiscal year. Issuing a circular on last Friday, Nepal Rastra Bank (NRB) has directed financial institutions that avail electronic cheque clearance service from Nepal Clearing House Ltd (NCHL) to replace existing cheques with the standard cheques as specified in its Cheques Standards and Specifications Guidelines 2011 by mid-July 2013.

Standard cheques — that are different from the current cheques — have a character recognition technology that helps facilitate the processing of cheques and has the routing number and account number at the bottom.

The technology allows computers to read information like account numbers of printed documents. Unlike barcodes or similar technologies, Magnetic Ink Character Recognition (MICR) codes are easily readable. Standard cheques are supposed to have security features that will help check fraud cheques. The current cheques have to be scanned and data needs to be punched manually to settle them electronically.

Nepal Clearing House started electronically clearing Nepali currency cheques from April 9, 2012, whereas it has been clearing foreign currency cheques from February 3, 2012.

Electronic cheque clearing provides means to transfer cheque images electronically through a secure medium completely replacing the traditional physical routine of moving paper-cheques among banks and the clearing house, and results in significant reduction of tedious and time-consuming manual process of cheque clearing, for both banks and customers.

Currently, some 41 banks and financial institutions — including the central bank, all commercial banks and a few class 'B' and 'C' financial institutions — are members of NCHL that has been settling cheques electronically since the last couple of months.

NCHL, that was established in 2009 in association with Nepal Bankers' Association, Nepal Rastra Bank and other financial institutions, has started Automatic Check Truncation and clearing systems with the current normal cheques. ♦



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## Delhi bus route system: Service every 5 minutes, e-display at stops on 29 routes soon

To improve frequency and reliability of the bus network in the city, as fast and reliable as the Delhi Metro, the Delhi Traffic Police, in consultation with DTC and DIMTS, has proposed express connectivity of 29 major bus routes in the city across radials, concentric circles and east-west connections of the city.

The report, after a monthlong study of all 750 DTC routes, has been submitted to the transport department and proposes to reduce time between two buses to five minutes and a passenger information system (PIS) at each bus stop on these routes. Later, the system may be spread to 459 other routes which have also been earmarked, said officials.

The system targets about 12 lakh users and proposes to make these bus routes into a 'trunk bus network', said officials. "We were tasked to provide a recommendation of rationalization of bus routes, along with DTC and DIMTS. The report has been submitted to transport department for consideration," said additional commissioner of police (traffic) Anil Shukla

"It was found that 488 routes need attention and we are planning to do this in a phased manner to streamline the entire system. The 29 routes selected cater to a maximum number of users. We'll implement it as soon as possible," he said. Around 700 buses are currently operational on these routes, and the proposal aims to add 450 more buses on these routes to boost frequency.

These existing routes will be converted into a high frequency network, focusing on reliability, availability, predictability and accessibility. Every bus stand on these routes will have public information system indicating arrival of next bus, said sources. "If implemented, it aims to reduce time between buses to five minutes. The user will be able to read on the PIS board when the next bus is due to arrive," said an official. TNN - New Delhi

## Indian Railways to offer personalised alerts, wake-up calls

It's the next best thing to trains running on time: travellers can look forward to alert messages on their phone in case their train is delayed or cancelled.

Indian Railways plans to provide a slew of personalised services that can match airlines, including wake-up call, in collaboration with RailYatri.in, a subsidiary of Stelling Tech.

RailYatri and railways' IT arm Centre of Railway Information Systems (CRIS) are also working on a smartphone app to provide real-time information on the position of trains and predictions on their expected time of arrival in different stations.

"We're looking at providing services like wake-up calls and informing passengers if there are any changes in the schedule of the train they are booked in like delays or cancellations through SMS or phone calls," Manish Rathi, CEO and co-founder of RailYatri.in, says. "It can even be to alert someone on the position of a train so they can receive their family at the station on time," he adds.

At present, RailYatri already offers real-time details on routes, location of trains and even predictions on expected time of arrival for up to 6,500 trains running at any given point of time, on their website called Rail Radar.

They are also working on providing detailed visualised information on how any particular train travels over weeks or months and where delays usually occur online.

The plan is to expand services and features in a way that answers all possible queries passengers may have and provide direct information instead of passengers having to hunt for data themselves.

An Android app is being worked on to make the current services available to a larger consumer base and should be launched in the coming few months.

"We are fine-tuning some features. We want to ensure it will work on all platforms including iPhones, Windows system and Blackberry," Rathi says. ET Bureau - New Delhi

***We solicit suggestions/feedback from all members and readers for NICCI e-Newsflash at [secretariat@nicci.org](mailto:secretariat@nicci.org)***

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