

e-News Flash

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VISIT TO THE CII, DELHI

The visit to the CII, Delhi in particular to directly interact with its relevant Divisions was a much needed exercise. The DG, NICCI met with the Directors for Infrastructure, Energy & Energy security, Food & Agribusiness, Centre of Excellence for Sustainable development and Centre of Excellence for Visionary Leadership in Manufacturing; each one welcomed this Initiative of NICCI moving to be an active, proactive and focus driven bilateral chamber of the 2 countries.

It was clear that most Divisions had not had Nepal on their radar of engagements. Most admitted that Nepal as a destination for their activity was not thought of, so there was neither any discussion nor an outright negation of the possibility.

It would be more than welcome if NICCI took



on this role of introducing, encouraging and co-ordinating such a collaboration between CII Divisions & the interested members on both sides. The way forward would be multi pronged. Perhaps, we could begin with:

*Capture the practices & programs at the CII & its Divisions and tailor them in size and scope to match NICCI. And herein lies the challenge.

*Get CII to collaborate with NICCI in initiating some of its activities here

*Get NICCI members interested to 'anchor' some initiatives

*Encourage a CII Member to partner with a NICCI member, directly.

The Secretariat has already begun work to take these meetings forward.

NICCI NEWSLETTER, NOV ISSUE

The work on the November 2011 Issue of the NICCI Newsletter has begun. This will be the last issue of 2011, after which a Quarterly Newsletter will begin, starting January 2012.

The Theme for the coming issue is **ENERGY, POWER & INFRASTRUCTURE**. The wide readership of the NICCI Newsletter spans various Sectors, Professionals, Educational

Institutions, Business houses, Associations & Chambers, Embassies, INGOS, NGOs, media and more BOTH in Nepal & India. The Newsletter DIRECTLY reaches the desk of around a 1000 readers, so does your Page: whether a write up or an advertisement.

Calling contributions in the form of articles, opinion, advertisements !

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Salient features of the e-News Flash

- Compilation of interesting and relevant news, views and facts
- Well written, informed and authoritative sources
- A quick read
- A completely a-political and an a-industry selection
- Well edited, personal touch

OLD ROUTES, NEW ECONOMY

The Silk Route that gave birth to the initial links between China and India and the Mediterranean for three millennia, leading up to the Middle Ages, is being replicated today.

Increasingly considered as the Southern Silk Route, the emerging trade ties between South or Latin America/the [LATAM region](#) and China and India (or among three of the rising BRIC powers) are redefining the new economic order of the world.

This new business pattern will be critical in the coming years since trade and capital exchange in these rapidly developing nations is set to grow ten-fold over the next forty years; due to each participant witnessing a spurt in education, social development and standard of living.

Indian giants such as Indian Oil Corp, ONGC Videsh, Tata Consultancy Services, Tata Motors, Dr Reddy's Laboratories, Shree Renuka Sugars, Jindal Steel, Videocon Industries and agro-chemical giant United Phosphorus have already anchored their presence in LATAM. Their presence indicates vast prospects in IT/ITeS, engineering goods, pharmaceuticals, energy (biodiesel and bio-fuel) and agro-chemicals.

The Obama Administration recently stressed on the need to extend an [Afghanistan- Pakistan transit trade agreement](#) to India, asserting that this will transform the economic dynamics of the region.

"Opening transit trade to India would be transformative, because India is going to be such an important economic anchor for the region in the 21st century'.

"....a shared commitment to promote private-sector investment, increase regional trade and transit and foster a network of linkages throughout the region"

The Indian and Pakistani commerce secretaries have been engaged in very important talks over the last several months to try to increase the volume of direct trade between their two countries that goes across the Wagah border," says Assistant Secretary of State for South and Central Asia Robert Blake in his remarks at a seminar on 'Looking Ahead: US-India Strategic Relations and the Trans-Pacific Century' at the School of Advanced International Studies (SAIS), Johns Hopkins University.



Referring to the 'New Silk Road' vision of Secretary of State Hillary Clinton, Blake said this is a shared commitment to promote private-sector investment, increase regional trade and transit and foster a network of linkages throughout the region to build up the Afghan private sector and create a stable and prosperous Afghanistan within a stable and prosperous region

India has agreed to allow Nepal to trade with Bangladesh through its territory, but bureaucratic hurdles and lack of infrastructure have not allowed the arrangement to work. Perhaps the India-Bangladesh memorandum of January 2010 indicates New Delhi's commitment to force compliance by its bureaucracy, and

jumpstart a process on infrastructure building.

The need for regional integration is especially urgent when we compare South Asia with Southeast Asia. Whereas 25 percent of trade of ASEAN countries is with each other, in South Asia this figure stands at a dismal four percent; this represents a colossal inefficiency, and an ongoing failure on the part of policymakers and entrepreneurs.

The recent SAARC Business Leaders meet has reiterated the need for efforts from all the policy makers, business leaders, beauracrats, politicians, economic advisors & planners to this end.

The role of 'old routes, new economy' gets more significant in the face of every passing trade winds.

AGRI SECTOR IN TRANSFORMATION

The Agri Sector is hailed as the primary sector and yet it evokes little or no interest from the big business houses. Matters are soon to change.

In an novel move the Centre (India) has asked States to lift all restrictions on the movement of fruit and vegetables, so as to eliminate intermediaries, reduce wastage and tame the stubbornly high food inflation. The proposal also aims at setting the stage for opening up multi-brand retail to foreign direct investment.

Free movement of perishable horticulture products will enable farmers to bring their produce directly to retailers or allow retailers to purchase from farmers. This will reduce the role of middlemen in the process and benefit farmers as well as consumers.

At present, it is mandatory for farmers to bring their produce to the mandis or local vegetable markets. The transactions in such markets are opaque and loaded heavily in favour of bulk



buyers. A recent paper titled Framework for One National Market for Agriculture Produce estimates that a product sold by a farmer in a mandi for Re 1 costs Rs 4 by the time it reaches the consumer.

Experts say the archaic mandi laws have discouraged investment in logistics and infrastructure. According to some studies, nearly 40% of horticulture produce goes waste because of poor transportation and storage facilities.

Some experts say organised retail will help in cutting out the intermediaries and ensure a better price for producers while reducing the cost for consumers. Investment in cold storage units made by retail chains will also reduce the wastage.

Here, in Nepal too, this Agri Sector seeks strategic intervention and would do good if it can attract private sector investments & professional engagement. Not only is the scope vast, but also that relevance of reforms and commitment in this Sector is long overdue.

NEPAL IN THE I-SECTOR, IT-ICT-ITES

The passing away of Apple's Steve Jobs has got all media, e- & print in to a tizzy about the whole e-revolution. It was as if this 1-man made IT (pun intended!) all happen. The Economist has him on the cover, going to the extent of saying 'The magician.....and the World he created'

Although Nepal stands at the lower rung in the global scenario of the I-revolution, be it the IT, ICT or the ITes, there have been discernible developments in this sector in the recent past. The telecommunication facilities have improved remarkably. The academic institutions/universities for such professionals and human resources have expanded. The communication technologies, both electronic and print media, have extended their access to general people. Uses of the Internet, emails and computers are gaining in popularity. Telecenters are widening their outreach. Several e-Government applications are being introduced.



Where do such initiatives, projects and plans stand now ?

Although the Government of Nepal is, keen and committed to promote e-Government for implementation of various G2G, G2C and G2B projects

defined under respective priority areas., the difficulties in this are many.

What about the private sector? How much of the e-world have our Top Guns brought in, into their business processes, their human resource development and their way of doing things.

When the world is hurtling through the cyberspace with ever innovative ways to dramatically change the way we do things, what of Nepal ?

"A lot of people in our industry haven't had very diverse experiences," he (Steve Jobs) once said.

"So they don't have enough dots to connect, and they end up with very linear solutions."



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All e-News Flash Issues
available on www.nicci.org

Dear Member,

NICCI is taking on a number of initiatives to bring about a vibrant interaction between Members, Govt officials, Industry experts, Academicians and like minded groups.

The focus would be on sharing best practices, developing action plans and actually making things happen.

*Please do write to me at ykhare@nicci.org & tell me your areas of interest, so that you as a **MEMBER** benefit the most*

Thank you.



REACHING OUT

The past few months have seen NICCI reaching out and making its presence & relevance seen & heard.

Active interactions with other Chambers, Business Associations, Institutions, govt and non-govt bodies help NICCI learn, grow & work towards meeting its objectives.

Even within the Member body NICCI has begun to encourage more participation from the Organizations: not just the top management strata but right from within the Organization.

NICCI now moves into venues ranging from the high end to the informal ones like Literary Fairs, Last Thursday and even Moksh.

The recent event of Sept 17th, the Executive's day Out,



was unique in this aspect as the Member Organizations were represented by 4-5 of their mid 7 senior managerial staff and the interactions were far from stiff collared and lip service kind.

NICCI's visit to the CII was another feature of this Reaching Out.

The collaborative rather than the competitive working style has helped NICCI become more desirable on the various forums that matter.

The working with the FNCCI on critical issues and concerns, the role in the JEC, the engaging with USAID / NEAT and the CNI, the consultations through Focus group discussions and with other subject expert bodies like BEED, Samriddhi and the open doors for educational Institutions would go a long way in forging NICCI's role in the country's journey towards better economic environment.