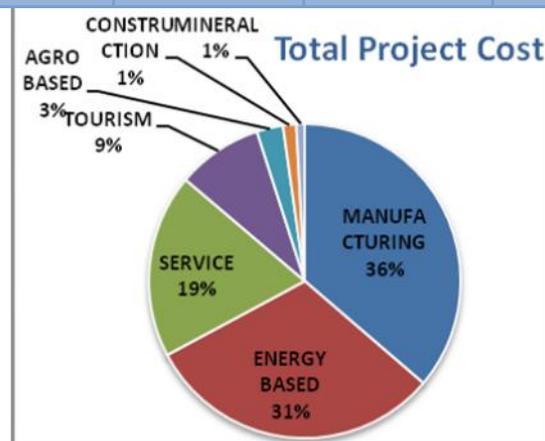
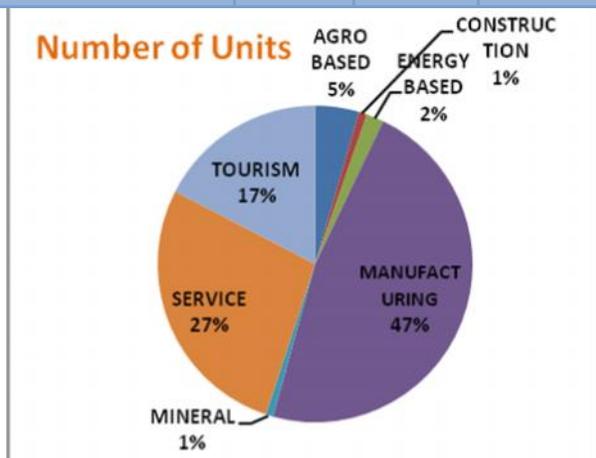


NICCI e-Newsflash

Summary Sheet of Industries (FDI + Domestic) Registered by Category From the beginning to mid-July 2011

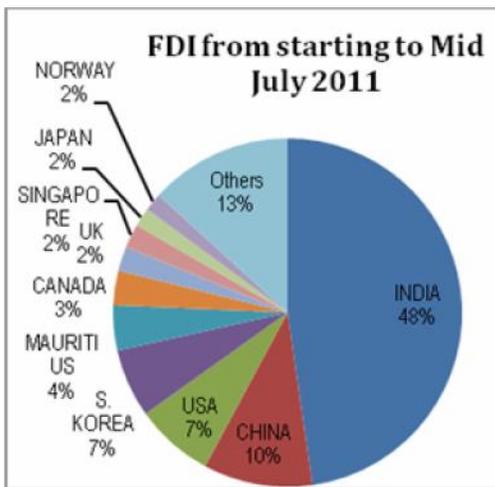
(Fig in mil Nep Rs)

Investment Category	No. of Units	%	Total Project Cost	%	Total Fixed Cost	Total Employee	%
AGRO BASED	205	5	11265.99	3	9536.58	26553	6
CONSTRUCTION	38	1	5729.03	1	5419.01	2542	1
ENERGY BASED	81	2	128184.22	31	122849.14	12341	3
MANUFACTURING	2148	47	150681.55	36	106853	250406	61
MINERAL	35	1	3579.76	1	3174.84	4017	1
SERVICE	1251	27	78918.27	19	55039.82	84032	20
TOURISM	793	17	36782.85	9	32575.07	32887	8
TOTAL	4551	100	415141.67	100	335447.46	412778	100



FDI from Starting to mid July 2011

S. N.	Country	Value
1	INDIA	32,390.31
2	CHINA	6,874.17
3	USA	4,955.90
4	S. KOREA	4,320.89
5	MAURITIUS	2,845.00
6	CANADA	2,166.54
7	UK	1,539.71
8	SINGAPORE	1,505.39
9	JAPAN	1,171.24
10	NORWAY	1,135.83
	Others	8,982.99
	Total	67,887.97



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India to resumes exports to Nepal against IC

After almost a month-long silence, India has issued notification while scrapping duty refund procedures (DRP) which created confusions among Nepali importers, concerned customs authorities at both sides and Indian exporters, prompting them to seek payments in US dollar to make excise duty-free supply.

Indian Finance Ministry on Monday March 26 issued a fresh notification, clarifying to exporters that they can accept payments in Indian currency as well. It has notified that their supply made against Indian currency will still be regarded as exports, and exporters will not be charged excise duty on such exports.

"It is clarified that exports to Nepal will continue to be permissible irrespective of whether the payments are made in Indian currency or foreign convertible currency as long as they are in accordance with applicable Reserve Bank of India (RBI) guidelines," reads the new notification that India's Department of Revenue issued to its customs official.

Contrary to latest preciseness, India in its previous notifica-

tion issued on January 13 had said that 'abolishment of DRP puts export to Nepal at par with exports to other countries except Bhutan'

Following such notification, Indian exporters since the scrapping of DRP on March 1, had been demanding Nepali importers to make payments in US dollar and brought imports of excisable goods, which largely includes industrial raw material and vehicles, to a grinding halt for two weeks. Nepal Rastra Bank (NRB) allows payments in dollar for only 250 items.

Later, some Indian exporters started accepting payments in Indian currency but forced Nepali importers to pledge additional 10 percent payments as collateral to make sure the goods reached Nepal. This arrangement compelled the importers to pay more in excise duty at the customs.

The new notification, even considering the possible obstacles to the trade between two countries, has appealed the concerned traders to approach the Indian government for further clarification if they faced any difficulties in this connection. ■

(Latest notification available at www.nicci.org)

NEA, K-Water sign for Upper Modi 'A'

Nepal Electricity Authority and Water Resource Corporation (K-Water) of South Korea have signed an agreement for the development of Upper Modi 'A' Hydropower Project on Tuesday 27th March.

The agreement was signed between NEA Officiating Managing Director, Tikaram BC

and Vice Chairman Baiyung Huner Yun of the K-Water in the presence of State Minister of Energy Suryaman Dong and ministry secretary Hariram Koirala.

As per the agreement, the project will be operated under Public Private Partnership (PPP).

The cost for the 42 MW project is about US\$ 100 million. South Korea has agreed to bear 80 percent of the costs including 10 percent share to the public and NEA will invest remaining 20 percent of the total cost.

The project will be constructed at the border of Parbat and Kaski districts as per the concept of run of the river project. As per the agreement, around 18.5 cusec water, needed for the construction of the project, will be taken to power house at Syaune Bazaar through 6,085 meter-long tunnel.

Similarly, a 7.5 km long 132 KV transmission line will be constructed to connect the power with the proposed New Modi Station. ■

Nepal-Bangladesh trade talks in May

Nepal and Bangladesh are aiming to sign an agreement in May in Kathmandu, for which Ministry of Commerce and Supplies (MoCS) has started preparations for the secretary-level talks. The meeting would pave way for commencing the operation of transit route between the two countries. The draft of the agreement was finalized more than a year ago. The two sides are yet to finalize the exact date of the meeting.

The draft the agreement on bilateral transit was finalized during a commerce secretary-level talk held in Dhaka in 2010 and f in-

cludes provisions that allow Nepal to use Mongla and Chittagong ports for international trade. Nepali traders are currently facing problems in transit of goods through Fulbari-Banglabanda route due to complicated transit process.

The proposed pact is crucial to boost Nepal's exports to Bangladesh. According to statistics compiled by Central Bank of Bangladesh, Nepal exported goods worth \$7.5 million during the three months between July and September last year, compared with imports of \$3.6 million from the country in the same period. Lentils contribute to 75 percent of Nepal's export to Bangladesh.

The Hydropower Study Sub-committee formed 3 weeks earlier under the parliamentary committee on Natural Resources to examine the procedural formality and transparency in agreement between Energy Ministry and Three Gorges signed on Feb 29, has claimed that the construction of the 750 Megawatt West Seti Hydropower Project was cent per cent certain and the sub-committee study reports had created a basis for the construction. The Sub-committee members made this remark citing their reports at a meeting held at the Committee's office in Singha Durbar on Sunday, April 1. The Committee, however, approved the report making some improvements.

Coordinator of the Sub-Committee, Gagan Thapa said "As we conducted the study at an appropriate time, the certainty of construction of the project has become a hundred per cent. We did not intend to ob-

West Seti Hydel Project: "go ahead" -House body

struct it but to make it devoid of error so that every work goes smoothly and transparently."

Thapa said that the Energy Ministry also violated the provision that approval should be sought from the Finance Ministry while taking loan or aid from the foreign organization for the construction of a hydro-project.

Chairperson of the Committee, Shanta Chaudhari, argued that the Committee could not be held accountable for the cancellation of the project as it had instructed the government to continue the project as per rules and regulations. "Let's not cast doubt on the project. Let's talk about completing the project within seven years. The Committee is for construction of the project and not the otherwise." ■

Berkeley Lab study shows far higher potential for wind energy in India than earlier

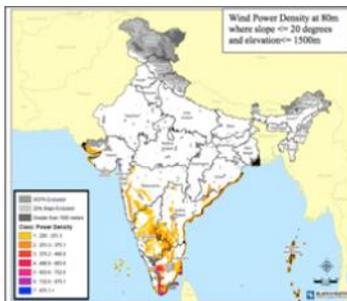
A new assessment of wind energy in India by Lawrence Berkeley National Laboratory has shown that the potential for on-shore wind energy deployment is far higher than the official estimates - about 20 times and up to 30 times greater than the current official estimate of 102 gigawatts. This landmark finding may have significant impact on India's renewable energy strategy as it attempts to cope with a massive and chronic shortage of electricity. "The main importance of this study, why it's groundbreaking, is that wind is one of the most cost-effective and mature renewable energy sources commercially available in India, with an installed capacity of 15 GW and rising rapidly," says Berkeley Lab scientist Amol Phadke, the lead author of the report.



wind to play a major role in India's electricity future.

"The key agency in charge, the Ministry of New and Renewable Energy (MNRE), has now signed a MoU with Berkeley Lab to collaborate on several issues related to potential estimates and wind energy integration," said Jayant Sathaye, who leads the International Energy Studies Group at Berkeley Lab.

Ranjit Bharvirkar, a senior consultant at Itron Inc. and one of the other authors of the study, said part of the motivation for reassessing India's wind potential came from recent reassessments of wind potential in the United States and China. Both found substantial increases over the previous assessments - a ten-fold jump in China and a 50 percent increase in capacity in the United States. Improved wind technology, including higher efficiency and hub heights, accounted for much of the increase along with more advanced mapping techniques.



Even if the previously estimated potential of 102 GW is fully developed, wind would provide only about 8 percent of the projected electricity demand in 2022 and 5 percent in 2032. The new Berkeley Lab study

has found the total techno-economic wind potential to range from 2,006 GW for 80-meter hub heights (an indication of how high the wind turbine stands above the ground) to 3,121 GW for 120-meter hub heights. Given these new estimates, the availability of wind energy can no longer be considered a constraint for

The previous wind potential estimate in India of 102 GW is based on the assumption that only two percent of the windy land is available for wind power development. However, this assumption is not based on any assessment of land availability. The Berkeley Lab study undertook a systematic assessment of the availability of land using publicly available GIS (geographic information system) data on topography, which is the primary reason for the higher potential estimates.

The study excluded land with low-quality wind, slopes greater than 20 degrees, elevation greater than 1,500 meters and certain other unsuitable areas such as forests, bodies of water and cities. The researchers obtained off-the-shelf wind speed data for heights of 80 meters, 100 meters and 120 meters from 3TIER.

Source: DOE/Lawrence Berkeley National Laboratory

Banks urged to reduce interest rate

Vice-chairman of the National Planning Commission (NPC) Dipendra Bahadur Kshetry Friday urged the banks and financial institutions to reduce their interest rates to mobilize the growing deposits.

He further said that the banks and financial institutions should reduce the interest rate after increasing the deposit significantly because they increased the interest rates during the liquidity crunch last year but did not decrease the interest rates in a way that came in the notice of the people.

Kshetry said that the country was likely to achieve the economic growth as per the projected by the budget. "The increase in the agriculture production, improvement in the good governance and others economic indicators will contribute to achieve expected the economic growth."

He further said the current economic growth would not be enough for the development of the country because the neighboring countries were securing in double digit growth.

The increased interest rates affected the investment in the country, he said and added that the investment of the banks would be increased if the interest rates were reduced, he said. Although the Investment Board was established two years back, he said that it was now effortful to increase the investment in the country for achieving the desired economic growth of the country.

NPC vice-chairman Kshetry said this while inaugurating the 2nd general convention of the Nepal National Employees' Organisation of Nepal Rastra Bank (NRB).

In the program, Governor of the NRB Dr. Yubaraj Khatiwada said that the NRB was effortful to establish the good governance in order to strengthen the banking sector and NRB would not let the individuals and institutions involved in the financial crime go scot-free.

Dr. Khatiwada further said that the financial sector was gradually improving from the critical situation of last year and the management were equally responsible for the capacity enhancement and good governance in the institution. ■

Oil discovered in Kenya for first time

Kenya's President Mwai Kibaki announced on Monday, 26 March that oil has been discovered in his East African nation for the first time, and a foreign oil firm said the find is similar to the valuable light crude previously discovered in neighboring Uganda.

Kibaki said. "It is however the beginning of a long journey to make our country an oil producer, which typically takes in excess of three years." He welcomed the news, calling it "a major breakthrough."

Tullow's exploration director, Angus McCoss, called the discovery an "excellent start" to Tullow's exploration campaign in the rift basins of Kenya and Ethiopia and the firm is working with Kenya's government and plans on further seismic and drilling activities.

Tullow said "To make a good oil discovery in our first well is beyond our expectations and many other prospective sites similar to Ngamia have been identified. Following this discovery the outlook for further success has been significantly improved."

Tullow said the Ngamia well was drilled to 1,041 meters (3,415 feet) and would now be drilled to about 2,700 meters (8,858 feet) - a process that will be completed in May. Moveable oil with an API greater than 30 degrees was found - an industry measurement of how heavy the oil is. Tullow said the oil is light and waxy. Light crude oil has a low density and flows freely at room temperature. Light crude is more valuable than heavy crude. ■



We are on web at
www.nicci.org

GPO Box 13245
Ace Apartments,
Narayanchaur, Naxal
Kathmandu, Nepal.
Phone: 977-1-4444607
Fax: 977-1-4444608
Email: secretariat@nicci.org

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