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B³⁶⁰ BUSINESS

**ACCOMMODATIVE
MONETARY
POLICY
2025/26**
GOALS, PROVISIONS
AND CHALLENGES

**WHAT BANKS
NEED TO BECOME**

**GREEN TAPE OR
GREENWASH?**

NAIMA
DRIVING NEPAL'S
MOBILITY
FUTURE

**IN THE
DRIVER'S
SEAT**

STEERING THE
AUTO INDUSTRY
INTO THE FUTURE

RITU SINGH VAIDYA

Managing Director, VOITH
President, Nepal Automobile Importers
and Manufacturers Association



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Ashley Graham - Ariana DeBose



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Why do we need multiple organisations representing the same issues and the same people largely? This was a question on several minds when the Nepal Automobile Importers and Manufacturers Association was formed. It was the same when the Confederation of Nepalese Industries was formed many years ago. Initially, I also thought that perhaps it was a situation where leaders find it hard to let go and thus create a different organisation to give continuity to their voice and agenda. But I learnt different. It is not as much about the individual as it is about fostering innovation, broader representation and engagement. When the same issue is addressed with different strategic approach and efficiency the opportunity to create efficient outcomes increases manifold. It also allows strengthened focus on advocacy for policy change while allowing organisations to collaborate and share strength and resources.

Leading into the future in the dynamic environment we find ourselves in today requires transformation in leadership thinking that is quick to reflect, reconsider and restructure approach to problem-solving. With increased competition, constant regulatory changes, geopolitical and economic shifts, Nepal needs people in the private sector to not simply think about their individual businesses but to think collaboratively as a sector for better national outcomes.

There is no room for complacency in today's world and the greatest danger in working in these changing times is to function with yesterday's logic. Richard Branson once said – 'It is no secret that business is about people, people and people'; this means that the leader today needs to be equipped to deal with the tangible and intangible in organisational function, in the same breath.

While establishing the legitimacy of a new organisation like NAIMA, it is important to have a richer understanding of the role and function of NADA Automobiles Association of Nepal which was established in 1975. If NAIMA functions with emphasis on transparency, accountability, responsibility, technology and innovation, it will soon be able to establish its authority and reputation much as other organisations have been able to do with structured precision and time, while driving Nepal's mobility future.

A handwritten signature in black ink, appearing to read 'Charu Chadha'.

Charu Chadha
editor

BIZ INDICATORS

FOREX MARKET	Unit	15-Jul-25	15-Jun-25	YOY (15 July 2024)
INR	100	160.00	160.00	160.00
USD	1	137.28	137.44	133.36
EUR	1	160.56	158.03	145.46
GBP	1	185.15	185.96	173.29
AUD	1	90.19	88.94	90.47
CNY	1	19.15	19.13	18.39
SELECTED MACROECONOMIC INDICATORS		Mid-June 2025	Mid-May 2025	YOY (Mid-June 2024)
Real GDP at Basic Price	%	4.00	4.00	3.40
Gross National Income (GNI)	%	6.70	6.70	6.90
Gross Domestic Product (Current Price)	Rs in billion	6107.20	6107.20	5709.10
CPI (y-o-y)	%	2.72	2.77	4.17
BOP(-Deficit)	Rs in billion	491.40	438.50	425.70

Source: Nepal Rastra Bank

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IN THE DRIVER'S SEAT STEERING THE AUTO INDUSTRY INTO THE FUTURE

It Is Now A Paramount Requirement For Us To Venture Into Businesses That Are Not Bound By Geographical Boundaries. This Means Exploring Opportunities In The Online Space, Platforms Or It-Related Sectors. Anything That Can Help Us Tap Into A Global Or Regional Market Can Be Incredibly Beneficial For Sustained Growth And Broader Impact. This Strategic Diversification Also Allows Us To Contribute To Building A More Technologically Advanced And Globally Connected Economy Which Inherently Has A Significant Social Impact By Creating New Types Of Jobs And Fostering Innovation.

RITU SINGH VAIDYA
MANAGING DIRECTOR, VOITH
PRESIDENT, NEPAL AUTOMOBILE
IMPORTERS AND MANUFACTURERS
ASSOCIATION

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"NEPAL, LIKE MANY OTHER NATIONS, CAN
OVERCOME BAD GEOGRAPHY BY GOOD
ECONOMIC POLICY"

FRED MCMAHON
RESIDENT FELLOW, FRASER INSTITUTE

FACE TO FACE



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THE RACE TO BECOME THE WEST'S MAIN
TRADING PARTNER

ECONOMICS



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WHAT BANKS NEED TO BECOME: PART II

ELEPHANT IN THE ROOM

WRITE TO US AT

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The Hindu renaissance is about reclaiming civilisational pride with economic confidence. Nepal must see itself not just as a heritage site but as a living, thriving civilisational force. That will only happen when Nepal combines its spiritual capital with economic growth. Otherwise, temples will become tourist sites and nothing more"

SWAMI VIGYANANAND

JOINT GENERAL SECRETARY,
VISHVA HINDU PARISHAD
FOUNDER & CHAIRMAN,
WORLD HINDU
FOUNDATION

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ACCOMMODATIVE
MONETARY POLICY 2025/26
GOALS, PROVISIONS AND CHALLENGES

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NAIMA
DRIVING NEPAL'S MOBILITY FUTURE

IT IS MORE THAN A TRADE
ASSOCIATION; IT IS A COALITION
OF COMMITTED LEADERS WHO ARE
BUILDING THE FOUNDATION FOR A
FUTURE-READY MOBILITY SECTOR
IN NEPAL.

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IN THE DRIVER'S SEAT STEERING THE AUTO INDUSTRY INTO THE FUTURE

Ritu Singh Vaidya, as the Managing Director of United Traders Syndicate, the authorised distributor of Toyota vehicles in Nepal, has carved a unique path in a sector traditionally dominated by men. Her journey is a compelling narrative of resilience, strategic vision and an unwavering commitment to societal impact. Beyond her influential role at UTS, Vaidya plays a crucial part in her family's extensive business empire, Vaidya's Organisation of Industries and Trading House (VOITH), which encompasses a diverse portfolio ranging from automobiles and financial services to agriculture and heavy machinery, with new ventures in distributing major heavy equipment brands like XCMG and SUNWARD.

Vaidya's remarkable career trajectory began far from the corporate boardrooms, in the glamorous world of fashion and beauty. At just 19, her poise and

intellect garnered international acclaim, earning her the fifth runner-up title at Miss World, second runner-up at Miss Asia World, and first runner-up at Miss India Universe. Though she initially pursued modelling and fashion design, armed with a BA in Economics and Political Science from Delhi University and a diploma in fashion design, her inherent entrepreneurial spirit eventually guided her towards Nepal's burgeoning business sector. After successfully running a fashion design business for seven years and launching Spa Prana, her path organically transitioned into the industrial sphere. A woman of diverse talents, Vaidya is also a trained Hindustani classical singer with a released album, 'Sun Zara', and appearances in its music videos.

Her leadership extends beyond corporate boundaries; she is the President of Nepal Automobile Importers and Manufacturers Association (NAIMA), and also serves on the board of the SAARC Chamber of Women Entrepreneur Council and the Federation of Woman Entrepreneurs' Associations of Nepal, actively investing in microfinance initiatives to empower women through entrepreneurial funding. With her group's latest project, Huaxin Cement, set to produce 3,000 tonnes daily, and ambitious plans for hydropower and other infrastructure sectors, Vaidya embodies a holistic approach to leadership that balances corporate growth with profound social responsibility. Her insights into navigating such a multifaceted career were recently shared in a candid conversation with **Business 360**. Excerpts:



RITU SINGH VAIDYA

Managing Director, VOITH
President, Nepal Automobile Importers
and Manufacturers Association



It is now a paramount requirement for us to venture into businesses that are not bound by geographical boundaries. This means exploring opportunities in the online space, platforms or IT-related sectors. Anything that can help us tap into a global or regional market can be incredibly beneficial for sustained growth and broader impact. This strategic diversification also allows us to contribute to building a more technologically advanced and globally connected economy which inherently has a significant social impact by creating new types of jobs and fostering innovation.

Could you tell us about your current roles within VOITH?

Right now, I am deeply involved as the Managing Director for Toyota, which is a significant part of our automobile portfolio at United Traders Syndicate. Additionally, I oversee the operations for our new heavy equipment distributorships, specifically for XCMG and SUNWARD. These roles are integral to the broader Vaidya's Organisation of Industries and Trading House (VOITH) group. My journey in the automobile sector officially began in 2009 and it has been a continuous learning experience, evolving with the market and our group's strategic expansions.

How do you translate the concept of development into your business decisions while prioritising industries that uplift communities?

For us, the essence of any business venture is not just about financial gains. It is fundamentally about fostering goodwill and a sense of progress and prosperity for everybody around you. This perspective ensures that the benefits are not solely for the owners or shareholders but extend to everyone involved, from our employees and their families to the wider community.

When we talk about development, it encompasses tangible aspects like improved health facilities, increased earning opportunities, and even better nutrition within our immediate sphere of influence. Beyond our internal operations, we wholeheartedly believe in our guiding principle, our slogan, which is 'little things we do'. This philosophy drives us to constantly identify and take on initiatives that genuinely add meaningful value to society, ensuring our commercial endeavours contribute positively to the collective well-being.

How do you balance commercial growth with social responsibility?

What I fundamentally believe is that for any business house or commercial

entrepreneurship, your profit margins or your profit itself are the absolute centre of your survival. Without a healthy profit, you cannot sustain operations, innovate or grow. However, that profit is not an end in itself, it is what ultimately translates directly into our capacity for social responsibilities. It is the engine that powers our ability to give back. Within our family and our organisation, we are all incredibly conscious of this symbiotic relationship. Both my husband Suraj, myself, and even our future generation are acutely aware that we need to continuously invest back into the communities that support our businesses. It is an integral part of our ethos that commercial success is intertwined with our commitment to societal betterment.

Are there any defining moments in your leadership at VOITH that have shaped the company's current direction?

One significant moment was being fortunate enough to take on the leadership of a very sound company like Toyota within our group. Toyota's reputation for quality, durability and reliability is a very strong feature that we are immensely proud of and happy to uphold. When I took on this role, I believe I brought a newer mindset, perhaps a fresh perspective to problem-solving, partly because of my prior work experience in other diverse fields. This led to an added shift in mindset for the company as a whole.

My primary aim was to make our operations even more professional, aligning them with international standards. To achieve this, we completely believe in delegating jobs to the correct people. Hiring is an absolutely essential process for me. I personally interview candidates for senior positions because it is crucial to ensure that the execution of our plans and ideas will be competently managed by individuals of that specific calibre. This meticulous approach to

hiring is very important for us. However, once we have trusted and capable people in place, we empower them. We move away from micromanagement and instead focus on a macro-level management approach, fostering trust and accountability.

VOITH has historically focused on labour intensive, agri-based industries. Do you believe such industries are key for Nepal's long-term growth?

They are incredibly essential. As part of VOITH, my brother-in-law oversees our agri-businesses and we consider them foundational. I firmly believe that our 'bread basket' should be homegrown; we should strive for self-sufficiency in food security. In a country like Nepal, where a significant portion of the population is engaged in agriculture, investing in and developing these labour-intensive, agri-based industries not only contributes to our economic independence but also creates widespread employment opportunities and improves livelihoods in rural areas. It gives us a profound sense of achievement to know that a vital part of our family's business endeavours is contributing directly to securing basic necessities for the nation. This focus ensures stability and resilience in our overall economic landscape.

When diversifying and exploring new businesses, what key factors do you consider?

When we look at new businesses, the initial factors are always fundamental commercial considerations: what are the scopes for growth, where is the world moving, what is the current requirement, and what is the 'order of the day' in terms of market needs. All of these are very important.

However, for me, it is now a paramount requirement for us to venture into businesses that are not bound by geographical boundaries. This means exploring opportunities in the online space, platforms or IT-related sectors. The reason for this focus is that, after all, Nepal is a relatively smaller





Our future vision is centred on achieving a very sustained, inclusive growth. This means not just expanding our business operations but doing so in a way that ensures benefits are shared broadly. We aspire to be an organisation that consistently gives back to society at all times, embedding social responsibility into our core operations.

geographical country. Anything that can help us surpass these physical boundaries and tap into a global or regional market can be incredibly beneficial for sustained growth and broader impact. This strategic diversification also allows us to contribute to building a more technologically advanced and globally connected economy, which inherently has a significant social impact by creating new types of jobs and fostering innovation.

As the President of Nepal Automobile Importers and Manufacturers Association (NAIMA), what are your immediate goals?

As the president of NAIMA, my immediate goals are multifaceted and focus on three core areas. Firstly, it is crucial to address the diverse requirements of our members across the board, ensuring their voices are heard and their concerns are represented. Secondly, I aim to significantly network with all bodies that are related to the automobile industry in any possible way; this includes government agencies, other industry associations, and international partners, to foster collaboration and understanding. And the third, equally important goal, is to give back to both the customer and society at large.

To achieve these objectives, we are actively working. For instance, we have created various committees to explore how we can engage more people, ranging from the youth who are just entering the market to individuals who are ready to purchase vehicles. Our aim is to connect the dots between all stakeholders, especially with government bodies, to make the entire process more convenient for the customer and create a more conducive atmosphere for businesses to thrive in the automobile sector.

How do you view being the first female and founding President of NAIMA?

It feels genuinely good and it feels even better when I hear

it acknowledged so frequently. You are absolutely right; it is a significant position. So, I feel both good and deeply privileged to be able to hold this position as the first. The automobile industry is indeed very male-dominated; women are still a distinct minority in this sector. I am happy to be here, and I am not just hopeful, I am fully committed and confident that I will deliver on the responsibilities and expectations associated with this pioneering role. Women in leadership positions in any industry and particularly the automotive industry have the potential to drive innovation by bringing diverse perspectives that challenge traditional approaches to technology and product development.

The transportation sector is seeing a shift towards EVs. What role can NAIMA play in supporting clean energy growth?

The government's policies have undoubtedly been a major driving force, completely shifting the entire Nepali market towards electric vehicles (EVs). In one sense, this is a very positive move, as it holds the promise of cleaner air for our cities. However, we still have a substantial amount of work ahead of us. We need to acknowledge that alongside EVs, there is a significant volume of other traffic like traditional cars, buses and trucks that continue to pollute. The challenge lies in how we are going to balance this out and what strategic steps we will take to truly achieve a cleaner environment.

When considering NAIMA's contribution to cleaner and more efficient mobility solutions, we recognise that while EVs are promising, we also have to address the existing highly polluting vehicles. The reality in a developing country like Nepal is that many people are not wealthy and it is a significant financial burden for them to simply change their vehicles. So, what kind of support can the government provide?

Perhaps there could be clauses necessitating the change of older vehicles after a certain age or incentives for transitioning. Beyond that, improving testing facilities for vehicles and ensuring fuel quality are crucial steps. We are moving towards better fuel standards. These measures, along with improving road conditions (which also impact vehicle health), and maintaining robust testing facilities, are essential on the cleaner environment side.

But beyond the technical aspects, there is something else very majorly missing in our traffic system: driving ethics. How do we cultivate and enforce better driving etiquette on our roads? That is something NAIMA also wants to take up as one of its key goals, as it contributes significantly to overall road safety and efficiency, reducing congestion and unnecessary emissions from poor driving habits.

Are there any specific policy changes you personally would like to see from the government?

The most crucial policy change we desperately need and what we feel is holding back consistent growth is consistency in policy, consistency in taxation, consistency in norms, consistency in everything. This lack of predictability makes long-term planning incredibly challenging for the private sector.

I strongly believe the private sector is largely running this whole segment of the economy, driving growth and employment. Therefore, to truly facilitate and empower this vital sector, the government needs to provide a stable, predictable policy environment. That consistency is what we, as NAIMA and as private enterprises, ask for as the absolute main thing. We actually have various committees within NAIMA, seven types of committees, each focusing on different aspects, and we have a clear vision and mission statement that I personally penned, which further elaborates on our specific requests and aspirations for policy consistency and industry development.





The automobile industry is indeed very male-dominated; women are still a distinct minority in this sector. I am happy to be here, and I am not just hopeful, I am fully committed and confident that I will deliver on the responsibilities and expectations associated with this pioneering role.

What have been some of the biggest leadership challenges you have faced, especially as a woman leader?

I must genuinely thank my parents, especially my father, for how they raised me. There was a time when he used to literally play wrestling with me so that I would become mentally tough, not just physically but truly robust in both aspects. I believe this kind of upbringing is essential. If we were to, I really feel that we need to work on this aspect of fostering resilience from the very beginning of a child's life. If we treat both boys and girls equally from childhood, allowing them to fight their own battles and learn to navigate challenges, we will all grow to be equally capable individuals.

A significant challenge arises when there is an imbalance, for example, if between a brother and a sister, you tell the brother, "Oh, don't be rude to her because she might get hurt." That kind of protective, gender-specific messaging can inadvertently disempower. My philosophy is: let everybody fight their battles from the beginning; we will all become the same in terms of resilience and capability. And then, crucially, please give the same education to both. If they receive equal educational opportunities, they will both perform to the best of the abilities that the Almighty has given to them. There might be some who are natural leaders and some who are not, regardless of gender. However, if individuals are deprived of education, that is when life truly deprives you of everything, regardless of your gender or inherent potential.

How has your leadership style evolved over time?

I think my leadership style has really shifted and evolved significantly as I have moved through entirely different fields. I initially began as a science student, fully intending to become a doctor, but by class 11 or 12, I clearly knew that was not my path. I then

transitioned into Political Science and Economics, where economics felt incredibly natural to me, much like mathematics and science had. This gave me a cross-section of experiences.

My early career involved working with constantly changing teams every day, first as a model and then in the advertising world. This taught me adaptability and quick engagement. After that, I moved into establishing my own small-scale fashion design business because I knew I always possessed an entrepreneurial mindset and felt compelled to create something on my own, something that utilised my diverse talents. Finally, when I stepped into the automobile industry, it was completely out of my traditional zone, entirely new territory for me. However, what I have realised is that my educational background, coupled with my deep interest in entrepreneurship and the experience of having led ventures of various scales, whether small or large, all contributed to my readiness. Each previous experience built on the last, creating a cumulative story that allowed me to feel like a fish in water in this new environment. I found myself very much at ease, able to adapt and lead effectively because of the diverse foundations I had built.

What advice would you give a young entrepreneur just starting out?

To a young entrepreneur embarking on their journey, my advice would be threefold. Firstly, make your foundation strong. This is not just about formal education, though that is crucial; it also encompasses talent building, developing a resilient mindset, and honing every aspect of your personality that contributes to your professional capability. A great foundation provides the bedrock for everything else.

Secondly, you must clearly understand the fundamental definition of a business: it has to translate into profit. While

passion and purpose are vital, the commercial viability is what sustains your venture. So, you must drive it in a way that prioritises setting up efficient systems, clearly defining your goal, your aim and your purpose. Following that, your execution plan is severely important. A brilliant idea without meticulous execution will not yield the desired results. Focus on how you will practically bring your vision to life.

And thirdly, once your business starts generating returns, be incredibly wise about how you spend the money. Responsible financial management, reinvestment and prudent decision-making regarding capital allocation are critical for sustained growth and long-term success. These three pillars – strong foundation, profit-driven execution, and wise financial management – are non-negotiable for a budding entrepreneur.

What is the vision for VOITH going forward?

For VOITH, our future vision is centred on achieving a very sustained, inclusive growth. This means not just expanding our business operations but doing so in a way that ensures benefits are shared broadly. We aspire to be an organisation that consistently gives back to society at all times, embedding social responsibility into our core operations. Our ultimate aim is that everyone linked with us whether they are employees, partners, customers or community members, should feel as privileged and valued to be associated with VOITH as we feel to be privileged with them. It is about building a legacy of shared prosperity and mutual respect.

What are some qualities that drive you?

On a professional and personal level, I would say I am profoundly disciplined. I am also very focused on my objectives, and I consider myself a highly persevering person; I do not give up easily on goals I set. **B**

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ACCOMMODATIVE MONETARY POLICY

2025/26

Goals, Provisions and Challenges

Text: Pushpa Raj Acharya

Faced with a significant surplus of loanable funds in banks and financial institutions (BFIs) and sluggish credit demand, Nepal Rastra Bank introduced its 24th Monetary Policy on July 11. This policy aims to boost aggregate demand and stimulate economic growth. The first Monetary Policy under the new Governor, Dr Biswo Nath Poudel, projects a 12% growth in private sector credit and a 13% increase in broad money supply. While the estimated private sector credit mobilisation is expected to help achieve the government's 6% growth target, it could potentially exceed the monetary policy's inflation

target of below 5%.

A key highlight of the new monetary policy is the permission to include non-banking assets (NBA) in the capital fund. This provision will enhance banks' lending capacity by addressing solvency issues. Despite BFIs holding over Rs 700 billion in loanable funds, some have been unable to extend further credit due to solvency concerns. Additionally, banks are currently struggling with rising non-performing assets and a significant increase in blacklisted borrowers in recent years, complicating recovery efforts.

Overall, the monetary policy is largely accommodative and designed

to spur economic growth. Its flexible provisions are anticipated to boost confidence within the private sector which had previously adopted a 'wait and watch' approach to credit due to stringent past monetary policy compliance. While the previous year's monetary policy was largely flexible, working capital guidelines reportedly discouraged private sector borrowing. The new governor, immediately upon his appointment, deferred these guidelines for two years. The new policy also announced the introduction of sector-specific working capital guidelines for the health, education,

media, agriculture and MSME sectors, recognising their unique operational and credit-repayment cycles.

During the release of the FY 2025/26 Monetary Policy, Nepal Rastra Bank Governor Dr Poudel highlighted the country's opportunity to leverage abundant loanable funds and lower credit rates. He stated, "Given the low inflation and comfortable foreign exchange reserves, NRB has formulated a cautiously flexible monetary policy." The governor emphasised that this approach would help the economy gain momentum through private sector capital formation and reduced costs for the government's domestic debt mobilisation.

However, experts have expressed concerns that the new monetary policy lacks innovative solutions to significantly advance the economy or bolster financial sector stability. Nara Bahadur Thapa, former Executive Director of Nepal Rastra Bank, commented, "It simply revolves around the status quo rather than orienting towards unconventional solutions." Thapa criticised the policy's continued reliance on sectors like real estate, automobiles and the share market to drive economic growth, believing these sectors have limited optimisation potential and have 'already reached a dead end'. He further noted the policy's oversight of the burgeoning ICT sector, high-value/low-volume agricultural products, and manufacturing (based on vertical specialisation).

Financial sector analyst, Shovan Dev Pant, pointed out the policy's one-sided focus on facilitating borrowers, arguing it fails to address depositor protection. "It is incomplete due to the absence of a balancing approach towards depositors and borrowers," Pant stated, suggesting that without this balance, the monetary policy's objectives might not be achieved.

Major amendments

The monetary policy has adjusted the standing liquidity facility (SLF) rate, the upper ceiling, from 6.5% to 6%. Concurrently, the standing deposit facility (SDF) rate, the lower ceiling, has been revised from 3% to 2.75%. The policy rate (14-day repo rate), which serves as the operating target within the interest rate corridor, has also been lowered from 5% to 4.5%. Furthermore, the central bank plans to issue NRB Bonds to address structural liquidity challenges within banks and financial institutions.

The Monetary Policy 2025/26 prioritises credit access for

restaurants/hospitality and industry/businesses located along the Mid-Hill and Postal

Highways. Credits up to Rs 30 million will now be classified under the SME credit category, with interest rates capped at base rate plus two percentage points. Additionally, earthquake victims in Jajarkot and Rukum districts are now permitted to reschedule and restructure their loans by paying only 10% of the total accrued interest until the current period. The policy also announced a review of interest capitalisation for credit extended to the energy sector.

With the implementation of the new monetary policy, farmers can secure loans of up to Rs one million against crop collateral, benefiting from minimal loan loss provisioning during the grace period. Moreover, other credit types, primarily term loans, can now be aligned against collateral such as cereals, crops, livestock and fisheries. The monetary policy has also extended loan restructuring and rescheduling facilities to land development firms officially registered with government agencies.

Advancements in digital banking and payments

Nepal has made significant progress in digital banking and payments with increasing acceptance and adoption across the country. Building on this momentum, the monetary policy has initiated a new strategy following a review of the National Payments System Development Strategy. This aims to bolster payment systems and introduce a 'Regulatory Sandbox' to foster innovation in digital payment systems, ensuring robust security standards.

Moreover, risk-based supervision will be implemented for Payment Service Providers (PSPs) and Payment System Operators (PSOs). The Digital Lending Guidelines will also be revised to facilitate digital lending specifically for micro, small and medium enterprises.



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Challenges and opportunities

The monetary policy emphasises the necessity of establishing an Asset Management Company to tackle the persistent challenges of managing non-performing loans (NPLs) and non-banking assets. The unaudited financial statements from 20 commercial banks reveal a concerning trend: non-performing loans (NPLs) surged to 5.05% of their total loan portfolio (Rs 4,807.48 billion) by April 2025. This is a significant increase from just 1.5% in the 2022/23 fiscal year. This rise in NPLs negatively impacts banks' ability to lend. Concurrently, the policy highlights the potential of leveraging the current abundance of loanable funds and low interest rates, along with harnessing skills, capacity and opportunities to adopt new technologies.

The monetary policy announces the development of a Domestic Systemically Important Bank (DSIB) Framework to impose additional regulatory and supervisory provisions on such banks. It also schedules an asset quality review for commercial banks, a process that was previously halted due to a court challenge against Nepal Rastra Bank's decision to review the loan portfolios of the top 10 large banks.

Further, NRB underscored the revision of credit-to-deposit ratio related regulatory provisions following the full implementation of the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), aiming to enhance stability by minimising liquidity risks. The central bank will also issue Guidelines on Internal Liquidity Adequacy Assessment Process (ILAAP) to bolster liquidity risk management. Henceforth, hire purchase companies will be subject to additional compliances, including fit and proper tests, and the calculation of credit rates and service fees.

Addressing FATF grey list status

Given Nepal's placement on the Financial Action Task Force (FATF) grey list due to its inability to meet the 40 FATF recommendations, the Monetary Policy 2025/26 places significant emphasis on exiting this status. The policy states, "Effective coordination shall be made among concerned agencies for the implementation of set course of actions to come out of grey." Specifically, concerns related to Nepal Rastra Bank will be addressed through inspection, investigation and recommended actions, including enhancing the effectiveness of investigations by granting full autonomy to the Financial Intelligence Unit.

Private sector applauds monetary policy

The private sector has lauded the new monetary policy, anticipating it will significantly boost the economy. The Confederation of Nepalese Industries (CNI), in a statement, particularly welcomed the revision of 'Working Capital Guidelines' based on payment-income cycles. CNI believes that facilitating credit mobilisation for businesses, real estate and the stock market will enhance investor confidence. According to CNI, "Credit scores are recognised as an important element to avail lending, and the BFIs shall lend analysing the knowledge, skills and capacities of borrowers abiding self-regulation, which might help us shifting towards innovative approaches in lending policies of BFIs from traditional fixed and movable assets-based collaterals." CNI further stated that adequate credit flow to the private sector will contribute to achieving the government's growth target, adding, "We hail the approach to take advantage from higher



KEY HIGHLIGHTS

Growth projections for private sector credit: **12%**

Growth projections for broad money supply: **13%**

Inflation: **5%**

Cash reserve ratio: **4%**

Statutory liquidity ratio: **12%** for Class 'A' banks and **10%** for Class 'B' and 'C' financial institutions

Upper and lower ceiling of the interest rate corridor (IRC): **6%-2.75%**

Policy rate: **4.5%**

Foreign exchange facility against visa and ticket: **\$3,000**

Home loan limit: **Rs 30 million**

LTV for first home: **80%**

Margin lending: **Up to Rs 250 million**

Agriculture loan against collateral of crops: **Rs 1 million**

Cap in bonus distribution of MFIs: **No more than 15%**

- Loan restructuring and rescheduling provisions for real-estate companies
- BFIs are allowed to invest in debentures issued by infrastructure development committee
- Categorised loans issued to migrant Nepalis (with or without collateral) under deprived sector lending: Rs 3 lakhs for male and Rs 5 lakhs for female
- Non-deliverable forwards (foreign exchange): up to 25 of Tier-1 capital
- Classification of remittance companies based on their capital and transaction amount
- Announcement of implementing credit score-based lending

liquidity and low credit rates by mobilising credit to the private sector and cutting down the rates in government borrowing."

The Confederation of Banks and Financial Institutions Nepal (CBFIN) also praised the monetary policy, highlighting its significant approaches towards promoting investments in productive, employment-generating, export-oriented and youth-focused sectors, as well as fostering inclusivity. CBFIN noted that the provision allowing the inclusion of non-banking assets in the capital fund has alleviated capital stress for BFIs and enhanced their lending capacity.

Conversely, some commodity associations have criticised the policy for omitting sector-specific recommendations and for inconsistencies in the loan-to-value (LTV) ratio. Nepal Automobile Importers and Manufacturers Association (NAIMA) asserted that an 80-20% LTV ratio should be uniformly maintained for all vehicle types, without distinction between electric vehicles (EVs) and internal combustion engine (ICE) vehicles. NAIMA further claimed that the monetary policy overlooked rational suggestions such as permitting the opening of Letters of Credit (LCs) in Chinese yuan for vehicles produced and shipped from China, and reducing the risk-weighted asset ratio on vehicle loans from 100% to 75%. **B**

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Fred McMahon
Resident Fellow, Fraser Institute

“NEPAL, LIKE MANY OTHER NATIONS, CAN OVERCOME BAD GEOGRAPHY BY GOOD ECONOMIC POLICY”

Fred McMahon is an important voice in global economics. He works as a Resident Fellow and holds the Dr Michael A Walker Chair in Economic Freedom at the Fraser Institute. McMahon has a Master's degree in Economics from McGill University. His work focuses on development, trade, governance and how economies are structured.

McMahon leads the Economic Freedom of the World Project, which ranks nations based on their economic freedom. He also coordinates the Economic Freedom Network, a global group of over 100 think tanks. He has written many articles and books, including 'Looking the Gift Horse in the Mouth' and 'Road to Growth: How Lagging Economies Become Prosperous'. His writings often appear in major publications like the Wall Street Journal and Time.

He consistently argues that economic freedom helps countries become prosperous. McMahon's insights help us understand economic policies in different nations, especially those still developing. **Business 360** met with him in Kathmandu to discuss economic freedom and other key issues for Nepal's economy. Excerpts:

Your work emphasises the importance of economic freedom in fostering prosperity. Where does Nepal stand in the Economic Freedom of the World Index, and what specific areas should Nepal focus on to improve its score?

We measure economic freedom with 43 variables in five areas: Size of government, legal system, sound money (mostly variables on the stability of money value), freedom to trade, and regulation in credit, labour and business markets, and regulations reducing freedom to compete.

The chart below shows Nepal's rank out of the 165 jurisdictions we measure. Nepal is in the bottom half overall and in legal system.

Creating an impartial and timely legal system, one that Nepalis and foreign businesses can trust, would create a huge economic boost. Businesses crave certainty as an investment today will only pay off years in future. Lack of trustworthy legal systems creates immense uncertainty since no one knows what it will decide and why.

Opening Nepal to world trade would also be a great boost. Trade is a powerful growth booster for a developing nation. Nepal needs the eight billion people in the world as its market, not just its 30 million population.

Nepal has a poor score in freedom to compete which is the engine of economic growth. Without competition, businesses do not have to do much to maintain their market. Growth withers since firms do not need to compete to improve. With competition, they have to constantly improve products and productivity or the competition will eat their lunch. This drives productivity growth which drives increased prosperity. Productivity increase is the engine of prosperity.

Barriers to freedom to compete are reinforced by Nepal's low rank on business regulation, meaning unnecessary regulation. Restrictions on business increase the difficulty of creating ways to improve productivity.

Nepal has a low score and rank on freedom to trade. This piles on other barriers to competition. To produce high levels of prosperity, Nepal needs to compete with the world. Shutting out the world means Nepali companies never face the competition that generates gains in productivity.

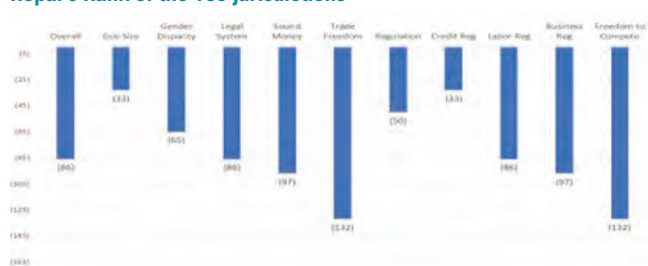
You have written about the 'negative sum economy' in some regions. Do you see similar risks for Nepal if it continues to depend on aid, remittance and limited private-sector growth?

The problem I discussed was the attitude that any loss of an existing business is a

quality products at competitive prices.

Nonetheless, having two gigantic markets on each side is a great advantage if you build better infrastructure and an economy that generates products and services that markets desire. So, freeing up

Nepal's Rank of the 165 jurisdictions



dead loss and will never be replaced. This leads to policies that protect or subsidise existing businesses whether they are competitive or not. This 'negative sum attitude' freezes out new and innovative businesses by putting up barriers and protecting old and inefficient one. So yes, without more productive businesses in Nepal, Nepalis will continue to leave the country sending back remittances that serve only to keep the economy afloat and government complacent rather than address the problems in the Nepali economy.

How can Nepal leverage its geographic position, being in-between two giant economies, to improve trade and attract investment while maintaining its economic sovereignty?

Nepal lacks good trade routes to China with particularly poor infrastructure on the Nepal side. It has fairly good trade routes to India. Nonetheless, improved infrastructure to both nations would help increase trade.

Even more importantly, a competitive economy creating productivity improvements is necessary to increase trade with Indian and China – consumers in both nations are only going to be interested in

the economy is a necessary condition. How to keep the good relations on both sides of each is beyond my expertise.

You have studied trade barriers extensively. What are some 'unseen walls' that might be limiting Nepal's global trade potential beyond the obvious infrastructure gaps?

One of the more ironic barriers to exports is not an explicit barrier to exports (there are plenty of these) but the import duties and other barriers to imports. This deprives Nepali businesses of reasonably-priced imported equipment to improve their quality and productivity and of raw materials and intermediate goods needed to produce many exports.

Another barrier to trade is the syndication in the transportation and logistics sector. Due to lack of competition, this leads to higher costs, inefficiency, uncertainty, and delays for Nepali exporters.

Samridhhi Foundation has produced a marvellous report on trade. Let me quote directly from it on another challenge facing trade: "Compliance with non-tariff measures – complex documentation processes, the need for multiple certifications, and lengthy approval processes have been a few problems



faced by the traders. The ITC (International Trade Centre) survey reports that around 51% of exporters encounter problematic NTMs, with the agriculture sector being particularly affected. Testing and certification by other government agencies (OGAs) contribute to delays at customs. On average, these agencies, which include quarantine facilities and laboratories, take 19 hours and 46 minutes, accounting for 20% of the total clearance time. Since these agencies are located outside the customs area, and the absence

of a single window system for the OGA services delays the procedure of testing samples and the issuance of certificates. Additionally, exporters face the problem of getting approval from the Bureau of Indian Standards, forcing them to rely on Indian labs, which significantly prolongs the process. These problems at the procedural level are largely due to Nepal's poor quality of national infrastructure."

Given the Fraser Institute's work on economic freedom and trade, what lessons can Nepal learn from other

landlocked countries that have successfully integrated into global markets?

Being landlocked with difficult geography is a challenge. To overcome this, Nepal needs to have good policy rather than policy that stifles trade adding to the problems of geography.

This is the path taken by nations with similar difficulties that have succeeded. Switzerland faces the same geographic situation but it is usually number three in the economic freedom rankings, the highest ranking of a non-

Asian jurisdiction and the highest ranking of a non-micro jurisdiction. (Only Singapore and Hong Kong have higher levels and for obvious reasons Hong Kong's scores have been declining.)

So, Switzerland with a geography in many ways similar to Nepal has become one of the most prosperous nations on the planet through growth-enhancing economic policy. Like Nepal, it is adjacent to a huge market, Europe, in Nepal's case India and China.

Other landlocked states that have relatively high levels of economic freedom are also succeeding: Austria and Czechia, for example. Landlocked Botswana has on average been the most economically free nation in sub-Saharan Africa and has had the highest growth rate in the region by far. It has diamond resources but many African states have great resources and failing economies. (Unfortunately, Botswana has been weakening in economic freedom so its success may not endure.)

Bottom line: Nepal, like many other nations, can overcome bad geography by good economic policy.

You often emphasise the role of governance in economic development. In Nepal's context of federalism and political instability, what are the most critical governance reforms needed to unlock economic growth?

You put it correctly: establishing stability and a trustworthy government is necessary for economic growth. Business cannot invest today if they are unsure what the economic policy will be down the road when their investment will start paying off. However, I am not familiar enough with Nepal's complicated and confusing political situation to make any specific comments.

How important is the protection of property rights and judicial independence in promoting economic freedom, especially in developing democracies like Nepal?

This is the single most important area of economic freedom. Without a firm, fair and timely rule of law, the rich and the powerful will enrich

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themselves by limiting the economic freedom of the poor and powerless. Improving the legal system is the work of generations, so each generation must move things forward or Nepal will never be blessed by an appropriate rule of law. Government can order a tax change on Tuesday and pretty much have it in place by Wednesday; but, if on Tuesday, government orders all judges, police, and officials to be honest and competent by Wednesday, little will happen. So, progress is slow but necessary.

Looking at Nepal through the lens of your book Road to Growth, what are some warning signs or bottlenecks that could prevent it from joining the league of prosperous economies?

My home area of Canada, Atlantic Canada, has long been Canada's poorest region, but in the 1950s and 1960s it was rapidly catching up with the rest of Canada. But then, the

federal government decided to boost the region by pouring in billions and billions of dollars to lift growth. The opposite happened and the region's catch up with the rest of the nation came to a halt.

The way the money was spent created numerous problems including one with similarity to the Nepali remittances. The extra money from Canada's federal government created a sense of complacency both for business and regional governments, which used the extra money to fund programmes that reduced economic freedom. To some extent, this parallels the effect of huge remittances to Nepal. The government has a cushion to protect it from the effects of bad policy, reducing the drive for better policies. This is a tragedy for Nepalis seeking prosperity for themselves and their families who leave Nepal.

Your work spans decades and many countries. Have you come across any low-income country that reminds you of Nepal's current situation and if so, how did it change its trajectory?

There are no exact parallels but here are some comparisons: Ireland, a relatively small European nation, was long one of the poorest nations in western Europe but in 1987 it launched major economic reforms that raised its economic freedom score from 6.92 in economic freedom in 1985 to 8.05 in 1995. Its economic growth soared. (See charts 1 and 2)

New Zealand saved itself from an economic crisis and launched a period of great growth following similar reforms boosting economic freedom at about the same time as Ireland, raising its score from 6.96 in 1985 to 8.91 in 1995. Again, growth soared.

South Korea, once not much more prosperous than Nepal, launched big reforms in the early 1980s boosting economic freedom and its growth took off. See charts below which include Nepal. (See charts 3 and 4)

Mauritius has a similar story, economic reform in the early 1980s followed by strong growth. (See charts 5 and 6). **B**

Chart 1: Western Europe and Ireland - Economic Freedom

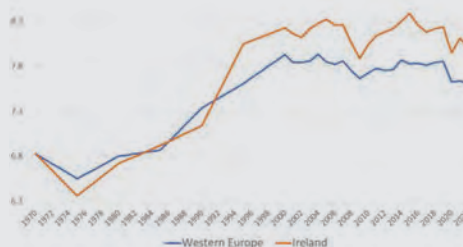


Chart 2: Per Capita GDP

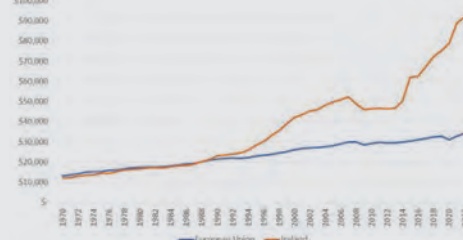


Chart 3: Asia - Economic Freedom

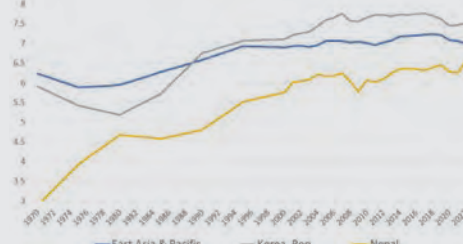


Chart 4: Per Capita GDP - Constant 2015 US\$

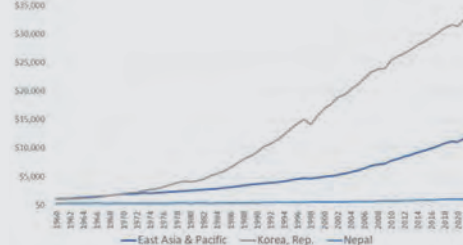
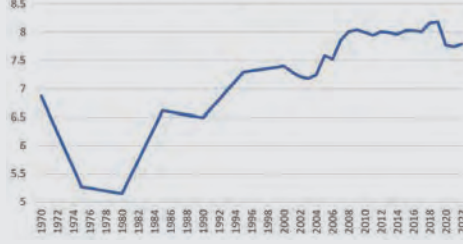


Chart 5: Mauritius - Per Capita GDP - Constant 2015 US\$



Chart 6: Mauritius - Economic Freedom



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Swami Vigyananand

Joint General Secretary, Vishva Hindu Parishad
Founder & Chairman, World Hindu Foundation

Swami Vigyananand is an IIT alumnus, a Sanskrit scholar, a spiritual thinker and the global convener of Hindu entrepreneurship and thought. As the Joint General Secretary of Vishva Hindu Parishad and Founder and Chairman of World Hindu Foundation, he is a prominent voice in articulating the role of Hindu values in modern life. His work bridges tradition and contemporary challenges, and his initiatives - from the World Hindu Congress to the World Hindu Economic Forum - aim to empower Hindu society economically and spiritually.

His recently launched book, *The Hindu Manifesto*, presents a fresh articulation of eight civilisational sutras rooted in ancient Indian texts like the Vedas, Ramayana, Mahabharata, Arthashastra

the land of Pashupatinath, Muktinath and the Himalayas, which have been sanctified by sages and yogis for millennia. But a renaissance cannot happen through symbolism alone. It needs vitality, vision and economic strength. The Hindu renaissance is about reclaiming civilisational pride with economic confidence. Nepal must see itself not just as a heritage site but as a living, thriving civilisational force. That will only happen when Nepal combines its spiritual capital with economic growth. Otherwise, temples will become tourist sites and nothing more.

How can Nepal leverage its civilisational identity to foster not just cultural pride but also sustainable economic growth?

You must understand that culture without economy

the abode of Shiva. That needs to be sold as a lived spiritual experience.

Do you see a more prominent role for Nepal in platforms like the World Hindu Congress or World Hindu Economic Forum? How can Nepali businesses and thinkers engage more meaningfully?

In fact, we are planning to host a major World Hindu Economic Forum event in Nepal in 2027. Nepal is a natural choice. It has the dharmic capital, the people and the geographical location. But to participate meaningfully, Nepal needs to build its economic narrative. What products from Nepal can enter global markets? What are the unique offerings? For instance, you have tea from the Himalayas. Why hasn't it been branded like Darjeeling

must be earned ethically, shared generously and reinvested in society. Management, according to Hindu values, is about trusteeship. The business leader is a custodian, not just an owner. He is responsible for his workers, community, environment and future generations. That's why I say that Hindu management does not reject modernity, it elevates it.

You have spoken often about creating a 'Dharmic economic model'. What would that look like in a country like Nepal, which is still developing its industrial and entrepreneurial base?

A Dharmic economic model in Nepal would focus on self-reliance, community welfare and sustainability. It would not blindly imitate Western capitalism but would draw from its own roots. For example, industries near pilgrimage sites must be clean and non-disruptive. We must also develop micro-enterprises that retain wealth locally. Create banks that serve small traders, not just the elite. In India, we proposed micro-banks and SME banks and one of those models was partially adopted as Mudra Yojana. Nepal can do something similar. A Dharmic economy also respects nature, Mother Earth is not to be exploited but revered. So, the idea is 'prosperity with responsibility'.

How do you think Nepal's young entrepreneurs can be inspired by ancient Hindu philosophical ideas while still operating in a competitive global market?

The youth of Nepal are very talented, hardworking and aware. What they need is exposure to their own civilisational wisdom. Hindu philosophy teaches resilience, creativity and inner clarity, qualities any entrepreneur needs. For instance, the Bhagavad Gita teaches detached action: focus on the work, not the result. In business, that builds stamina. Also, Hindu tradition celebrates enterprise, just think of *Vaisya dharma*. But we need to update

“THE HINDU RENAISSANCE IS ABOUT RECLAIMING CIVILISATIONAL PRIDE WITH ECONOMIC CONFIDENCE. NEPAL MUST SEE ITSELF NOT JUST AS A HERITAGE SITE BUT AS A LIVING, THRIVING CIVILISATIONAL FORCE. THAT WILL ONLY HAPPEN WHEN NEPAL COMBINES ITS SPIRITUAL CAPITAL WITH ECONOMIC GROWTH. OTHERWISE, TEMPLES WILL BECOME TOURIST SITES AND NOTHING MORE”

and Shukranitisar. These ideas, though ancient, are framed with a sharp relevance for the modern world, especially for countries like Nepal, which are rich in spiritual heritage but seeking faster economic growth. For Swami Vigyananand, dharma is not just a personal practice; it is a framework for national regeneration.

In a conversation with **Business 360**, Swami Vigyananand discusses how Hindu values can contribute to economic growth. Excerpts:

Nepal being a Hindu majority nation, how do you view Nepal's role in the global Hindu renaissance you often speak of?

Nepal holds a unique place in the Hindu world. Its spiritual heritage is unparalleled. It is

becomes nostalgia. And economy without culture becomes rootless. Nepal can strike the balance. What is needed is serious investment in branding and infrastructure. People come to Pashupatinath but they do not stay. Why? Because we have not created a full experience. Sacred zones should be created like in Sri Lanka where religious heritage is preserved with dignity but tourism is structured smartly around it. If pilgrims fly in the morning and leave by evening, what is the benefit to the local economy? We must ensure that cultural tourism becomes a sustainable economic engine. That means zoning laws, hospitality training, pilgrim circuits and above all, narrative-building. The Himalayas are not just mountains, they are

or Ceylon tea? You have herbs, handicrafts, spiritual retreats, yet global branding is missing. The World Hindu Economic Forum can help but the local leadership must take initiative. Create a platform, invite Hindu entrepreneurs globally, and they will come.

In a time when business is often driven by profit, how can Hindu values such as dharma and seva be integrated into modern management and leadership practices?

Profit is not wrong. Let us be clear. Even Kautilya emphasised wealth creation. But Hindu thought never said profit is the ultimate aim. The Hindu way is: 'Sahasrahasta Samahar, Sahasrahasta Sankir' – earn with a hundred hands, give with a thousand. Profit



our storytelling. Hindu ideas should not feel like museum artifacts. They must be lived, demonstrated and taught in modern formats through mentorship, courses and platforms that fuse tradition with innovation.

The World Hindu Economic Forum encourages collaboration among Hindu entrepreneurs globally. What specific opportunities do you see for Nepali business leaders within this network?

I see immense opportunities. We have Hindu business leaders from Auckland to Alaska, from Oslo to Johannesburg. They are successful and rooted in values. A Nepali entrepreneur who makes a good product, be it a herbal cosmetic, a spiritual retreat package or an educational service, can find market access through our network. The diaspora is willing to support but you need a professional pitch, a business plan and a commitment to quality. This network is not charity, it is collaboration. I always say that the first step is to have a clear product

identity. After that, access to capital, mentorship and market becomes possible.

Can you share any examples where Hindu economic thinking has successfully influenced policy or industry in a way that Nepal could also consider?

Yes, in India, when the Modi government first came to power, we submitted an economic document proposing the creation of two banks – one for micro loans and another for SMEs. While two banks were not created, the Mudra Yojana came into being based on that idea. It gave millions of small entrepreneurs access to credit. That is Hindu economic thinking in action: bottom-up growth, not top-down subsidies. Nepal can do the same. Instead of waiting for FDI, empower your own people with micro-capital, train them, support their ecosystems. That is real development. Also, start thinking in terms of the religious economy, what temples generate, what tourism can fund, how it can be reinvested locally.

How can countries like Nepal build a stronger base of economic self-reliance while still being part of the global economy?

Self-reliance does not mean isolation. It means standing on your own feet first. Nepal needs to identify its unique sectors like tourism, herbal medicine, education and organic agriculture, and build global-quality offerings in those. Develop brands. Create vocational ecosystems. At the same time, form partnerships with the diaspora, with India, with whoever aligns with your civilisational goals. But the idea is do not remain dependent on aid or remittances. Let remittances be a stepping stone, not a crutch.

What qualities should a leader cultivate, according to Hindu philosophy, to lead both ethically and effectively in today's business world?

In Hindu thought, a true leader is a Sardar, someone who can give their head for the people. Leadership is not about personal gain. It is about responsibility, vision and compassion. A Hindu

leader is expected to be *tyagi* (sacrificing), *sevak* (serving), and *neta* (guiding). And also, *satvik* (virtuous) in conduct. That does not mean weak, it means grounded. The best leader does not just speak about dharma, he lives it. In business, that means creating value, not just extracting it.

With many Nepali youth going abroad for work or study, how can we inspire them to return and contribute to the nation, both spiritually and economically?

This is a very important question. You cannot stop people from going abroad, nor should you. Let them gain skills, exposure and confidence. But the question is: What are you doing to make Nepal attractive enough to return to? If the country offers stability, opportunity and respect, people will come back.

Nepal is a heaven, it has the Himalayas, clean air, spiritual energy. But what is missing is infrastructure, opportunity and the mindset that says, "You can build your future here." We must make Nepal the land of opportunity, just like America once was. That is how India retained its talent, by creating tech parks, startups and capital access. Nepal must do the same.

What does 'Hindu unity' mean in practice when it comes to regional cooperation between countries like Nepal and India, especially in trade, education and innovation?

Hindu unity is not about slogans. It is about creating a platform of shared goals. Think of it like a motichoor laddoo (Indian sweet), many small grains bound together with syrup. It is soft, sweet and whole. But now, we need to make that laddoo firm and functional. Nepal and India share not just borders but civilisation. Cooperation should mean mutual recognition, ease of movement, student exchange, joint spiritual tourism circuits and shared innovation platforms. We should pool talent, invest in each other's success, and speak in one voice on global platforms. Hindu unity is a strategy for prosperity, not just sentiment. **B**



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INDIA'S GLOBAL PLAN

The race to become the West's main trading partner



REET DESAI IS PURSUING AN MA IN INTERNATIONAL RELATIONS AT KING'S COLLEGE LONDON, WITH A FOCUS ON GLOBAL SECURITY AND STRATEGIC AFFAIRS. SHE IS THE FOUNDER OF GLOBAL LAFDE, A BLOG AND INSTAGRAM PAGE THAT BREAKS DOWN INTERNATIONAL POLITICS AND CURRENT AFFAIRS THROUGH SHARP ANALYSIS AND STORYTELLING.

As the geopolitical chessboard continues to shift dramatically in 2025, India finds itself at a historic crossroads. India has become a top contender due to growing tensions between the United States and China, with

multinational firms actively pursuing 'China Plus One', a strategy to diversify their supply chains. Big companies like Boeing, Tesla and Apple are expanding their presence in the Indian market. Adding to this momentum, reports

suggest India may offer zero tariffs on select US goods as part of a broader trade facilitation push.

US President Donald Trump, in a recent rally, even claimed he had spoken with Apple CEO Tim Cook about 'big things coming' in India – comments that have further fuelled speculation about India's rising economic stature. However, the crucial question still stands: Will regulatory red tape and infrastructure constraints slow down the juggernaut, or will India really take advantage of this opportunity to overtake China as the West's preferred partner?

At the heart of India's rise is a confluence of strategic advantages. The country boasts a massive demographic dividend with a median age of 28, one of the youngest populations globally. This guarantees a consistent supply of skilled and semi-skilled workers, which is necessary for

4 **Policy reform has also been a crucial accelerator. In order to boost domestic manufacturing and increase India's competitiveness in the global market, the Modi administration has deliberately introduced policies such as the National Manufacturing Mission (NMM), the Production Linked Incentive (PLI) schemes, and Make In India.**

manufacturing processes that require physical labour. Together with a growing middle-class and increasing consumer demand, India provides a profitable domestic market and a manufacturing base. The fact that Apple intends to manufacture 25% of all iPhones in India by the end of 2025 – a significant increase over its 2022 figures – is not a coincidence.

Policy reform has also been a crucial accelerator. In order to boost domestic manufacturing and increase India's competitiveness in the global market, the Modi administration has deliberately introduced policies such as the National Manufacturing Mission (NMM), the Production Linked Incentive (PLI) schemes, and Make In India. By attracting foreign investment, fostering innovation, and enhancing infrastructure and ease of doing business, the Make In India initiative,



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introduced in 2014, seeks to establish India as a worldwide centre for manufacturing. This is complemented by the PLI schemes, implemented in 2020, and offers performance-based financial incentives to companies in 14 industries, such as electronics, semiconductors, pharmaceuticals and textiles, to encourage domestic production and lessen reliance on imports. By creating industrial clusters, expediting regulatory clearances, and boosting talent development, the NMM, announced in the 2025 Union Budget, seeks to integrate India further into global value chains.

The PLI schemes for 14 sectors had attracted over 95,000 crore (about \$11.1 million) in investments by September 2023, leading to production/sales of 7.80 lakh crore (about \$91.4 million) and employment generation for over 640,000 individuals. Sectors such as semiconductors, electronics, pharmaceuticals and textiles have been significant beneficiaries of these schemes. India's manufacturing exports surpassed \$450 billion in Fiscal Year 2024–25, with electronics and EV components emerging as the fastest-growing areas, demonstrating that these efforts are starting to pay off.

Corporate interest is operational rather than merely speculative. With the help of partners like Foxconn and Pegatron, Apple has increased its contract manufacturing in India, making it the country's second-largest iPhone production base behind China. Following years of discussions, Tesla has finally been given permission to build a gigafactory in Gujarat. The company also intends to build EV charging stations all around the country. Boeing, which has long had ties to India through defence and aerospace partnerships, is increasing its commitment in the country's aviation sector by collaborating with Tata Aerospace and HAL to produce parts for both military and commercial aircraft.

However, India's path to displacing China is far from guaranteed. There are four interlocking challenges that continue to constrain India's ambitions. First is the regulatory environment. Despite ongoing reforms, India still struggles with bureaucratic friction. Licensing, land acquisition and state-level policy inconsistencies can stall projects for months. As Tesla CEO Elon Musk candidly noted during a 2025 visit, "India's market is exciting, but navigating its regulatory maze still feels like playing Jenga blindfolded."

Secondly, the state of infrastructure is still inconsistent. Even though major projects like the Delhi–Mumbai Industrial Corridor and Gati Shakti have made logistics better, there are still issues with port efficiency, power reliability, and last-mile connectivity. At 13–14% of GDP, India's logistics costs are still far greater than China's 8%, which reduces cost competitiveness.

Third, a large skills deficit in India. Many industries continue to cite a lack of personnel with the technical know-how needed for modern manufacturing, even with the impetus created by Skill India. Launched in 2015, this government initiative aims to train over 400 million people in different fields by 2025 through programmes such as the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), industrial training institutes (ITIs), and apprenticeship schemes. However, gaps remain between training curricula and industry needs – particularly in high-tech sectors. A lack of talent is cited by the semiconductor and automotive industries as a factor that may hinder scale-up.

Finally, there are other competitors in the 'Plus One' race besides India. Mexico, Vietnam and Indonesia are emerging as nimble rivals. Vietnam's strong trade agreements with the EU and Trans-Pacific Partnership countries, quick decision-making, and reduced operating costs continue to draw businesses. In contrast to Vietnam's centralised agility, India's federal system, despite its democratic richness, frequently impedes the swift execution of policies.

“2025 might still be the tipping point. According to a recent Reuters report, Modi's post-election roadmap includes aggressive reforms: easing labour laws, rationalising the tax code, and establishing a 'Single Window' clearance system for strategic manufacturing projects. If implemented with urgency, these changes could significantly reduce friction and increase foreign direct investment (FDI), which stood at \$83 billion in FY 2024–25, a record high.”

That said, 2025 might still be the tipping point. According to a recent Reuters report, Modi's post-election roadmap includes aggressive reforms: easing labour laws, rationalising the tax code, and establishing a 'Single Window' clearance system for strategic manufacturing projects. If implemented with urgency, these changes could significantly reduce friction and increase foreign direct investment (FDI), which stood at \$83 billion in FY 2024–25, a record high.

India is also fortifying its external stance strategically. In addition to strengthening its position in the Quadrilateral Security Dialogue of the United States, Australia, India, and Japan, and the Indo-Pacific Economic Framework, the nation is pursuing trade deals with the EU, the UK and Canada. These economic-security alliances provide access to valuable markets as well as geopolitical leverage. India is a naturally appealing partner for the West as it seeks to reduce the risk of its economic reliance on China, thanks to its strategic location along key Indian Ocean trade routes and growing economic potential.

The road to replace China as the West's preferred partner isn't paved with certainty, but India is making a compelling case. It's not just about being a fast-growing economy with scale. It's about becoming an agile, efficient and predictable partner in global production networks. The question is not whether India can replace China – it's whether it can do so fast enough. The geopolitical window is open, but it won't remain so forever. India's global play is bold – but it now demands execution with surgical precision. **B**

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Ritu Singh Vaidya



Saurabh Jyoti



Shekhar Golchha



Udayan Kabra

NAIMA

DRIVING NEPAL'S MOBILITY FUTURE

It is more than a trade association; it is a coalition of committed leaders who are building the foundation for a future-ready mobility sector in Nepal.

The Nepal Automobile Importers and Manufacturers Association (NAIMA) is set to emerge as one of the most focused and strategic bodies in Nepal's industrial landscape. At a time when the global automobile industry

is undergoing seismic shifts towards cleaner energy, smarter systems and locally rooted supply chains, NAIMA stands out as a platform that seeks to balance aspiration with accountability. It is more than a trade association; it is a

coalition of committed leaders who are building the foundation for a future-ready mobility sector in Nepal.

NAIMA's mission is rooted in one clear goal: to foster a sustainable, inclusive and forward-looking mobility

ecosystem that supports clean energy transitions, local value addition and consumer-centric reforms. Its vision is not limited to representing the commercial interests of automobile dealers and assemblers. Rather, it aspires to be a constructive



Sandeep Kumar Sharda



Yamuna Shrestha



Hemant Golchha

policy partner, an advocate for long-term planning, and a credible voice in national economic transformation. The association sees mobility not just as a matter of transportation but as a core pillar of development.

The formation of NAIMA was prompted by a growing realisation that the automotive industry in Nepal had outgrown its traditional structures. As Ritu Singh Vaidya, President of NAIMA and Managing Director of VOITH, puts it, “As the industry evolved, it became clear that importers and manufacturers needed a dedicated platform. NAIMA was formed not to compete but to complement existing associations. We bring sharper focus to issues like policy reform, infrastructure development, safety and workforce training.” For her, mobility today goes far beyond selling vehicles, it involves shaping systems that are smarter, more inclusive and more responsive to people and the planet.

The association’s leadership reflects this philosophy. Comprising some of the country’s most prominent and experienced business figures, the NAIMA board brings a broad perspective, from passenger cars and commercial

vehicles to luxury brands, clean energy solutions and local assembly. Each member brings decades of hands-on experience in navigating Nepal’s policy landscape, consumer trends and international partnerships.

Among them is Shekhar Golchha, Chairman of Golchha Group, who began with the relatively unknown Bajaj brand decades ago and today operates a network that spans nearly the entire country. “What we need now is a clear roadmap from the government just like Sri Lanka or Bangladesh to begin meaningful value addition. We are ready. What is missing is policy clarity,” he says. He also emphasises the importance of technical training and skill development. “Today’s vehicles, especially EVs and high-performance motorcycles, are not something you can fix without proper knowledge. Technicians need formal certification. That is why NAIMA is developing training programmes so that the industry can keep pace with global standards.”

Cabinet Shrestha, Managing Director of Agni Inc, has seen the auto industry shift from rugged overland vehicles of the past to today’s hybrid and electric alternatives. He notes that Nepal still lags in terms of vehicle ownership relative to its road reliance and believes

policy should reflect this reality. “We need an auto policy that is relevant to our needs, not just a copy of other countries,” he says. “EV infrastructure is growing but not fast enough. Charging stations, skilled after-sales support and trained technicians must be developed together. NAIMA is working with stakeholders to make sure this growth is structured and sustainable.”

Hemant Golchha of Shangrila Motors, who represents global brands like Peugeot, Citroen and Leapmotor, agrees that stability is more important than short-term incentives. “Our tax and customs rules keep changing and that makes long-term planning very difficult,” he says. “What the industry needs is predictability, so we can invest confidently, maintain inventory properly and pass on the benefits to consumers.” For him, NAIMA is not just a lobbying group but a platform for ensuring quality across the board. “We need national benchmarks for safety, emissions and service. If we want to build consumer trust, those standards must apply equally to imported and locally assembled vehicles.”

That sense of shared responsibility is echoed by Suhrid Ghimire, Chairman of Continental Trading Enterprises, who believes the time has come for Nepal to move beyond import dependency. “We have come a long way from the reconditioned cars of the 1990s. Now we need to push for digitisation, smart traffic management, EV incentives and local assembly. NAIMA is ready to work with the government to develop policies that reflect the direction the world is moving,” he says. Ghimire is particularly vocal about NAIMA’s role in bridging the gap between innovation and regulation. “We can help define what counts as a plug-in hybrid, create standards for new technologies, and promote investment in digital tools, from online sales platforms to AI-based traffic solutions.”

Saurabh Jyoti, Chairman of Syakar Trading Company, adds a broader perspective rooted in decades of industry experience. “NAIMA’s value lies in its long-term strategic outlook. We are working toward a 10-year policy framework that ensures stability and transparency for all players, new and old. That is what will protect investments, encourage responsible practices and align us with global standards,” he says. He also



Cabinet Shrestha



Nikunj Agrawal



Suhrid Ghimire



Nirakar Shrestha

believes NAIMA has a critical role in ensuring that all clean technologies, whether electric, hybrid or hydrogen, receive policy support. “The current focus is only on battery EVs. But if we really care about emissions and sustainability, we need to widen that definition.”

Nikunj Agrawal of Paramount Motors believes NAIMA is unique because it represents all sides of the automobile sector – importers, assemblers and even those looking to begin manufacturing in the near future. “Many importers have now stepped into local assembly, which is a great sign for Nepal’s industrial base. But for this to succeed, we need a policy framework that is supportive, consistent, and fair,” he says. “NAIMA is that bridge between government aspirations and industry execution.” He also believes that NAIMA’s consensus-driven approach helps ensure that policies reflect the broader interests of the sector, not just a few big players.

The diversity within NAIMA is further reflected in members like Udayan Kabra of Omni Group, who brings in the commercial vehicle perspective. “Even small changes in import duties or axle load regulations can have a huge impact on logistics companies and commercial operators,” he says. “What we need is consistency

and a chance to plan ahead. Frequent policy shifts disrupt not just dealers, but customers too.” For Kabra, the strength of NAIMA lies in its ability to create a shared voice, even in a fragmented market. “Being on the board, I have seen that everyone gets a chance to speak and decisions are made collectively. That is how an industry platform should work.”

In terms of immediate policy goals, NAIMA has a clear agenda. It advocates for an 80/20 auto loan scheme to make vehicle ownership more accessible, a reduction in risk weight on auto loans to reflect low default rates and equal treatment for hybrid vehicles, which offer environmental benefits without needing additional infrastructure. Vaidya stresses that these are not just wish-list items, they are grounded in practicality. “We are not asking for unreasonable incentives. We are asking for consistency, predictability and a level playing field,” she says. “Policies need to be phased in properly. Sudden decisions hurt everyone.”

For members like Nirakar Shrestha of Laxmi Group, who recently began assembling Hyundai vehicles in Nepal, NAIMA’s relevance is only growing. “The dream is to manufacture in Nepal, not just for local use but for export someday. That will not happen

unless policies are consistent and investment is protected,” he says. His view is that Nepal needs to reframe its thinking: vehicles are not luxury goods but essential infrastructure. “Most Nepalis do not have access to reliable public transport. In this context, a car or a bike is not a luxury, it is a necessity.”

The importance of consumer education is also not lost on NAIMA. Whether it is fuel efficiency, EV battery care, or road safety, the association sees itself as an awareness partner. “We want to work with schools, municipalities, traffic police and local governments to run education campaigns. This builds trust, not just in vehicles, but in the brands behind them,” says Shrestha.

Yamuna Shrestha of Cimex Group, who introduced BYD electric vehicles in Nepal, is also actively looking at how NAIMA can work with local governments in the federal context. “We have expanded to multiple provinces and the regulatory environment is changing. NAIMA has to represent the voice of members at both central and provincial levels. That is our next challenge,” she says. She is also keen to address policy confusion around plug-in hybrids, which she feels has left an important technology out of the conversation. “We plan to

provide a clear definition to the government. Plug-in hybrids can be a bridge in our clean energy journey but they need the right policy recognition.”

Ultimately, what makes NAIMA unique is not just who it represents but how it operates. It is a member-led, committee-based association that values structure, communication and long-term vision. Whether it is preparing recommendations for next year’s budget, engaging with bilateral trade partners, or consulting on emissions standards, NAIMA functions as a credible, thoughtful and collaborative partner to the state.

As Vaidya says, “NAIMA is here to be a constructive partner to the government and a reliable voice for the public. We want to see Nepal become a leader in clean, smart and inclusive mobility. That will not happen overnight. But with consistent policies, united efforts and industry-government collaboration, we can absolutely get there.” For a country like Nepal, where transportation is deeply tied to everything from tourism to trade to urban planning, NAIMA represents more than just a trade body, it is helping write the roadmap for national progress, one policy, one investment and one vehicle at a time.

The newly established Nepal Automobile Importers and Manufacturers Association comes as a response to fortify the interests of automotive business owners and stakeholders while influencing policy that benefits business and consumers. Led by its founding President, Ritu Singh Vaidya, the executive team are formidable names in the auto business of the country. In this edition of **Business 360**, we gain individual perspective into the purpose of the organisation and what they hope to achieve.

Which are the automobile brands that you deal in?

Through United Traders Syndicate, we proudly represent Toyota in Nepal, a brand globally recognised for its commitment to quality, reliability and innovation. Toyota's diverse portfolio spans ICE vehicles, hybrids and emerging electric vehicle (EV) technologies, allowing us to cater to the evolving needs of our customers. Beyond automobiles, our group is also active in construction equipment and mobility infrastructure, reflecting our broader vision for national development and industrial progress.

In my capacity as President of Nepal Automobile Importers and Manufacturers Association (NAIMA), I also have the privilege of working closely with a wide spectrum of automobile brands represented by our members. NAIMA serves as a collective voice for importers and manufacturers, advocating for a balanced and forward-looking mobility ecosystem. While each company operates independently, our shared goal is to ensure that all vehicle platforms, be it ICE, hybrid or EV are supported through sound policy, customer education and sustainable practices. As a leadership body, we are committed to fostering a mobility sector that is inclusive, innovative and aligned with Nepal's long-term development goals.



RITU SINGH VAIDYA
President, NAIMA
Managing Director, VOITH

“Mobility today is not just about vehicles, it is about creating systems that are smarter, safer and more responsive to both people and the planet”



Any policy that you would like to see amended or introduced for the betterment of the automobile industry in Nepal?

Several key policy changes are crucial to strengthening Nepal's automobile industry. Implementing an 80/20 auto loan policy where banks finance 80% of the vehicle cost would enhance affordability and drive market expansion. Likewise, reducing the current 100% risk weight on auto loans to 75% would better reflect the sector's strong resale value and low default rates, making financing more accessible for consumers.

Additionally, the process of opening Letters of Credit (LCs) in Chinese Yuan should be streamlined to allow imports of goods produced and shipped from China, regardless of the beneficiary company's country of registration. Similarly, hybrid vehicles which offer fuel savings, clean energy benefits and require no external infrastructure should be given equal policy recognition and support as electric vehicles, as they stand on a similar platform in terms of environmental and economic value.

New regulations should be introduced with a well-planned transition period that considers the practical realities of the industry. A more phased and consultative approach would allow stakeholders to adapt effectively, reduce uncertainty and maintain business continuity. Ensuring predictability and fairness in policy implementation is essential for fostering a stable and growth-oriented automotive sector.

NAIMA has been consistently advocating for such reforms, with strong leadership from its board and the dedicated efforts of its professional secretariat, to ensure that policies remain practical, balanced and supportive of long-term industry growth.

As the founding President of NAIMA, what core challenges in the automotive industry prompted the formation of this new association separate from existing bodies like NADA?

NADA has played a significant role in Nepal's automotive journey serving as a broad umbrella for various stakeholders including garages, parts dealers, rentals and service providers. However, as the industry evolved, it became clear that the specific needs of importers, manufacturers and assemblers – who represent the backbone of the sector – required a more focused platform. These stakeholders invest heavily in brand partnerships, infrastructure, workforce development and compliance with global standards. Their operations are deeply tied to international protocols and require consistent engagement with government bodies on policy, regulation and technical matters.

NAIMA was formed to address this gap not as a competitor to existing associations but as a complementary body that

brings sharper focus to the strategic and operational concerns of importers and manufacturers. It is a member-led organisation, structured around specialised committees that work on policy advocacy, customer education, innovation, infrastructure and workforce training. NAIMA aims to provide consistent, constructive input to policymakers and foster collaboration across the mobility ecosystem.

The formation of NAIMA reflects a natural progression in Nepal's automotive landscape. As the sector diversifies into local assembly and manufacturing, and as mobility becomes increasingly central to economic development, it is essential to have a dedicated voice that can represent these evolving priorities with clarity and purpose.



Cabinet Shrestha

Board Member, NAIMA
Managing Director, Agni Inc

When did you enter the automobile business and how has it evolved over the years?

We have been in the automobile business for over three decades, witnessing its evolution from the early overland vehicles of the 60s/70s 'hippie trail' to today's new generation of internal combustion engines and electric vehicles. Looking back, it is clear just how much the industry has transformed.

Which are the automobile brands that you deal in?

We represent the Mahindra range of PickUp, SUV and EVs in Nepal.

Is there any policy that you would like to see amended or introduced for the betterment of the automobile industry in Nepal?

The automobile policy needs to be more relevant to our local context. Despite our significant reliance on roadways, we ironically have one of the lowest per capita vehicle ownership rates. Therefore, we require a more conducive and consistent auto policy that addresses electric vehicles, hybrids and internal combustion engine automobiles.

“NAIMA was incorporated to improve Nepal's mobility ecosystem, encompassing everything from traditional internal combustion engine vehicles to electric vehicles, hybrids and any future technologies. Our goal is to ensure the private sector's perspective is effectively integrated to support a structured, efficient and safe mobility environment”



Hemant Golchha

Board Member, NAIMA
Director, Shangrila Motors

When did you enter the automobile business and how has it evolved over the years?

Our family has been in the automobile business for almost 60 years now. I started my automobile business journey ten years ago with Peugeot.

Which are the automobile brands that you deal in?

Today, we represent Peugeot, Citroen and Leapmotor of Stellantis Group.

Is there any policy that you would like to see amended or introduced for the betterment of the automobile industry in Nepal?

Nepal's automobile business has matured significantly and has shown remarkable adaptability to electric vehicles. I believe we are moving in the right direction. Government policies should be simple and straightforward, with

consistency being paramount for long-term stability.

How can NAIMA ensure that its members are aligned when it comes to lobbying for taxation or customs policy reforms?

NAIMA's efficacy in lobbying for consistent taxation and customs policy reforms in Nepal's automobile sector relies heavily on aligning its diverse membership. Nepal's automotive landscape, particularly with the rapid adoption of electric vehicles, needs predictable policies to ensure long-term stability and growth. Transparent communication and data-driven advocacy are paramount. Nepal's vehicle tax structure is intricate and prone to frequent changes, impacting all segments from ICE vehicle importers to EV distributors.

“NAIMA, as the representative body for both vehicle importers and local assemblers in Nepal, is well-positioned to take the lead in setting and standardising safety and quality benchmarks in the automotive sector. Nepal currently lacks a comprehensive and enforceable set of safety standards for vehicles, which has led to inconsistencies in the quality of both imported and locally assembled models. NAIMA can also play an important role in ensuring that companies meet the government's requirement of maintaining authorised service centres, which helps guarantee after-sales support and enhances public trust in the brands”



Nikunj Agrawal

Board Member, NAIMA

Executive Director, Paramount Motors

When did you enter the automobile business and how has it evolved over the years?

I entered the automotive business about 17 years ago. At that time, ICE vehicles completely dominated the Nepali market. Since then, we have seen a rapid shift toward electric vehicles, especially in the four-wheeler segment. Nepal now stands out globally for its high rate of EV adoption.

Which are the automobile brands that you deal in?

In the passenger vehicle segment, we work with several well-established global brands. These include MG, Mazda, Mercedes-Benz, Renault, Volkswagen and Great Wall Motors.

How do you see NAIMA helping to build a unified voice for both importers and manufacturers in a market as fragmented as Nepal's?

NAIMA was formed to

represent the entire automobile ecosystem – importers, manufacturers and assemblers alike. In fact, many importers today are also involved in local assembly, especially in the two-wheeler and four-wheeler segments. This blend of roles is a good sign. It brings investment into the country, creates jobs and signals confidence in Nepal's economy to global brands.

When international companies choose to assemble CKD or SKD units in Nepal, it reflects their trust in our market. That, in turn, helps boost consumer confidence in locally assembled vehicles. NAIMA's role is to support both CBU (completely built units) and CKD assembly equally. The aim is to foster cooperation and development that benefits the entire sector and supports national economic growth.

“NAIMA is focused more on medium to long term policy development rather than short-term plans. We are working on creating a long-term vision that supports both importers and local assemblers. Our goal is to listen to all our members, understand their challenges and priorities, and craft strategies that promote a sustainable business environment. Ultimately, our approach is to balance the needs of businesses with the overall interest of the Nepali economy. We want to ensure that both distributors and assemblers can grow in a way that is responsible and future-ready”



Nirakar Shrestha

Board Member, NAIMA
Executive Director, Laxmi Group

When did you enter the automobile business and how has it evolved over the years?

My journey in the automobile sector officially began in 2006 as a dealer for Hyundai in Nepal. A turning point came in 2009, when Laxmi Intercontinental was appointed the sole distributor for Hyundai. In 2024, we took a major step forward by beginning assembly of Hyundai vehicles in Nepal, in collaboration with Hyundai Motor Company. It was a proud moment, but for me, it is still just the beginning. Our long-term vision is to manufacture vehicles locally, not only for Nepal but potentially for export too.

Which are the automobile brands that you deal in?

We currently represent a good mix of brands that cater to different segments of the Nepali market. On the

passenger side, we deal with Hyundai, BMW, Kaiyi and Forthing. Each brand speaks to a different type of customer, from entry-level vehicles and EVs to premium and luxury offerings.

What mechanisms will NAIMA use to resolve internal conflicts or competition among its members if there is any conflict?

We should promote a culture of mutual respect and healthy competition, not rivalry. Nepal's market is still growing and there is room for everyone to thrive if we are focused on long-term development. Rotating leadership roles, equal representation of members regardless of brand size, and inclusive decision-making will help keep things transparent and balanced. At the end of the day, NAIMA exists to uplift the entire industry, not any single player.

“ Instead of a new policy or amendment, I would say what is really needed is consistency. Over the past 10 years, one of the biggest challenges we have faced is the unpredictability of government policies, especially around taxation and import regulations. Every year, we are left guessing about what direction the new budget or finance minister will take. That kind of uncertainty forces all of us in the industry to take decisions based on speculation, not strategy. Because of this, business planning, stock management and even investor confidence suffer. It is not just bad for us, it creates a distorted image of Nepal in the eyes of global manufacturers and causes cash flow inefficiencies that ultimately affect consumers”



Sandeep Kumar Sharda

Board Member, NAIMA

Managing Director, SPG Automobiles

When did you enter the automobile business and how has it evolved over the years?

I came into the automobile business in the commercial segment in 2009 and slowly moved into the passenger vehicle segment. The automobile sector is one of the highest revenue generating sectors for the government. Over the years, the industry trends indicate a shift from small cars and sedans to SUVs and crossovers. In the last few years, we have witnessed a sudden shift from internal combustion engine vehicles to electric vehicles, which also means increased competition, mostly from Chinese brands.

Which are the automobile brands that you deal in?

We presently deal in Nissan, Omoda & Jaecoo and Zeekr.

Is there any policy that you would like to see amended or introduced for the betterment of the automobile industry in Nepal?

For the betterment of the automobile industry in Nepal, several policy amendments and introductions would be highly beneficial. Firstly, a review of the Hire Purchase policy for auto loans is crucial, as favourable financing conditions can significantly stimulate vehicle demand and make ownership more accessible.

Secondly, an increased network of charging stations is essential, particularly to support the growing adoption of electric vehicles and alleviate range anxiety for consumers. Also, the ongoing development and improvement of road infrastructure are paramount, as well-maintained roads not only enhance safety and reduce

“NAIMA can be a facilitator and advocate with the government for supportive policies such as subsidies and grants, research and development, training and skill development. NAIMA can also develop collaborations with similar organisations and suppliers”

vehicle wear but also facilitate efficient transportation across the country.

Lastly, the introduction of robust vehicle testing equipment and associated policies would ensure higher standards of vehicle fitness, roadworthiness and environmental compliance,

contributing to overall road safety and reduced pollution. These integrated policy changes would create a more conducive environment for the automobile sector's growth and modernisation in Nepal.



Saurabh Jyoti

Board Member, NAIMA
Chairman, Padma Jyoti Group

Which are the automobile brands that you deal in?

We exclusively work with Honda. We handle their entire range – two-wheelers, four-wheelers, power products, and we are expanding into agricultural and farm equipment as well.

Is there any policy you would like to see amended or introduced for the betterment of Nepal's automobile industry?

First, the taxation on automobiles is extremely high because the government still treats them as luxury items rather than necessities. But in a country like Nepal, where we do not have reliable mass transportation – no rail, limited bus services – motorcycles and cars are how people get around. These should be treated as essential and taxes should reflect that reality.

Second, on the subject of clean energy vehicles, current incentives are limited only to battery electric vehicles. But there are other technologies like hydrogen fuel cells, solar-powered systems, hybrids that also contribute to lower emissions. These should be included in the same tax incentive schemes. If hydrogen or hybrid vehicles are taxed at the same rate as conventional internal combustion vehicles, their cost becomes prohibitively high. We need a policy shift that supports all clean energy options, not just EVs.

Do you believe there is space for both NADA and NAIMA to coexist effectively, or do you foresee overlapping roles and friction?

I believe both organisations serve distinct purposes and can absolutely coexist.

“Whether a company is new or established, the rules should be the same. What NAIMA offers is a platform for long-term policy advocacy. We are working toward a 10-year policy framework that ensures stability and transparency for all players in the sector, whether big or small. We aim to provide clarity on government direction, help safeguard investments, and promote ethical practices like tax compliance and environmental responsibility. We are also committed to supporting infrastructure development and improving road safety. So, for new entrants, NAIMA offers a reliable, forward-looking structure that makes it easier to plan, invest and grow in Nepal's auto market”



Shekhar Golchha

Board Member, NAIMA
Chairman and MD, Golchha Group

When did you enter the automobile business, and how has it evolved over the years?

We have been in the industry for 26 years now. We started with Bajaj Motorcycles at a time when it was an unknown brand here, maybe just 1% or 2% of the market. Over the years, we have worked hard to build the brand and develop infrastructure. Today, we have a service and spares network that reaches 73 out of Nepal's 77 districts. From Kakarbhitta to Mahendranagar and up to Jomsom, you will find a Bajaj service centre. Along the way, we have expanded into horizontal integration with other brands like KTM, Triumph and soon Chetak. We also deal with automotive components like Servo lubricants and Eurogrip tyres.

How important is cross-border cooperation for NAIMA, particularly in terms of sourcing, partnerships, or policy alignment with India and China?

It is absolutely critical. Most of our two-wheeler imports come from India and four-wheelers are now split between India and China. Coordination with both countries is essential, especially with India, where we need to be aligned on policy and technical standards like the transition from BS4 to BS6. It is important for NAIMA to work closely with Society of Indian Automobile Manufacturers (SIAM), our Indian counterpart, to ensure a smooth transition period for manufacturers and dealers in Nepal. Looking ahead, as more companies consider local assembly and manufacturing, cross-border collaboration will only become more important.

“One area that needs serious attention is manufacturing and assembly. There is been some push for value addition and backward integration but what is lacking is a clear road map from the government. We need proper policy direction and incentives. Countries like Sri Lanka and Bangladesh have made significant progress in value addition, supported by proactive government policies. Our parent company is ready to support us in this but with the current duty structure and market size, it is not viable. If the government can offer a well-defined plan, we can genuinely begin to create more value locally”



Suhrid Ghimire

Board Member, NAIMA
Chairman, Continental Trading Enterprises

Which are the automobile brands do you deal in?

I started my automobile business in 1995. We are the authorised distributor for Korean brand Kia and Japanese brand ISUZU for Nepal. We have more than 15 sales and service touchpoints in Nepal.

Is there any policy that you would like to see amended or introduced for the betterment of the automobile industry?

For the betterment and sustainable growth of the automobile industry in Nepal, several policy adjustments are crucial. Primarily, a reduction in the currently high import taxes would make vehicles more affordable, shifting their perception from luxury goods to a necessity for national development. Then there is a strong need for stable and predictable regulations concerning vehicle imports and

emissions. This stability would prevent sudden policy shocks and significantly encourage both private and foreign investments. Additionally, balanced incentives for electric vehicles (EVs) and hybrid vehicles are essential, including tax breaks and robust charging infrastructure development. Encouraging local assembly and manufacturing is also vital to reduce dependency on imports. Lastly, the implementation of better financing policies with lower interest rates for auto loans, applicable to both EV and internal combustion engine vehicles, would greatly benefit consumers and stimulate market growth.

“NAIMA is poised to play a pivotal role in advancing technological innovation and digitisation within the Nepali auto sector. Its efforts will include advocating for favourable policies that foster the development of the local auto industry. NAIMA can also forge partnerships with online vehicle sale platforms to facilitate digital showrooms and electronic payment systems. Furthermore, enhancing consumer awareness and providing training for EV and high-tech vehicle repair is crucial. Collaborating with Nepal Electricity Authority and the private sector to expand the nationwide charging station network is another key initiative. Finally, NAIMA can promote the adoption of smart parking and AI-based traffic solutions to improve urban mobility and traffic management”



Udayan Kabra

Board Member, NAIMA
Director, Omni Group

Which are the automobile brands that you deal in?

As a group, we have been involved in financing commercial vehicles for over 35 years. But in terms of directly importing and selling vehicles, we began in 2014. Besides BharatBenz trucks, we also work in auxiliary sectors like tyres and lubricants. Additionally, we deal in Swaraj tractors, which are agricultural tractors owned by Mahindra & Mahindra, and are active in certain regions of Nepal.

Is there any policy that you would like to see amended or introduced for the betterment of the automobile industry in Nepal?

One key area that needs attention is the axle load regulations. The maximum permissible axle loads in Nepal are still lower than global standards. Similarly, the cap on the maximum GVW for vehicles

should also be removed. These limitations not only restrict operational efficiency but also discourage the introduction of better technology and more capable vehicles into the market.

How do you view the government's fluctuating import policies and how NAIMA should respond to protect business continuity?

In commercial vehicles, we have not seen drastic changes but there have been shifts. For instance, last year the government removed a 5% import benefit on vehicles imported from India and increased road tax from 7% to 10%. While these might seem minor, they have an impact.

But what is most damaging is unpredictability. Frequent changes in import policies make it difficult for businesses, and even customers, to plan. As for NAIMA, we should strongly advocate for more stable and consistent policies.

“Being on the board myself and probably the youngest member, I can confidently say that NAIMA is a platform where everyone is encouraged to speak. From what I have seen, the members are genuinely open to hearing different viewpoints, even when it does not directly benefit them. The culture within NAIMA so far has been collaborative and I believe that will continue. This inclusiveness is crucial for the development of the industry as a whole, especially in a market as diverse and fragmented as Nepal”



Yamuna Shrestha

Board Member, NAIMA
Managing Director, Cimex Inc

When did you enter the automobile business and how has it evolved over the years?

We entered the automobile industry in 2015/16 with BYD, a period when the focus was shifting towards new energy vehicles. For a dependent nation like ours, new energy vehicles hold significant importance. Our reliance on fossil fuels has led to a trade deficit, a problem new energy can address. We believed we could contribute to the new energy vehicle sector, and with collective effort, approximately 60-65% of people are now interested in passenger vehicles. This represents a substantial shift for Nepal. Additionally, in recent years, a high number of educated young people with an interest in technology are contributing to this evolving landscape in Nepal.

Do you think Nepal is ready for a policy push towards hybrid vehicles and how will NAIMA support that transition?

We aim to advance in line with evolving times and market demands. Globally, there is a significant demand for electric vehicles and plug-in vehicles are also part of this energy-efficient category. I believe the government should establish regulations for such vehicles. Despite a clear demand for plug-in vehicles, the government currently holds a different perspective on them. While these vehicles existed before, current iterations are so distinct that they are not actively promoted. I think this is due to a lack of proper clarification regarding what a plug-in vehicle entails, leading to its absence in the current budget plan. We, at NAIMA, intend to address this. We will

“I believe policies should not be tailored to an individual, business or group. Instead, policy should reflect the singular voice of the people. Every policy needs to be stable and protective, otherwise today’s businesses could collapse tomorrow. To prevent this, we require long-term, stable policies along with a declaration of a business’s operational history and stability. This approach safeguards businesses and simplifies processes for both the public and the government”

provide a definition and outline usage methods for plug-in vehicles, and after clarifying these misunderstandings, we

are confident we can facilitate the introduction of plug-in vehicles into the country.

NEPAL NAIMA mobility Expo' 2025

Nepal's Largest Auto Expo

AUGUST 06th to 10th, 2025 | SHRAWAN 21st to 25th, 2082

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50+ BRANDS

4 WHEELERS

2 WHEELERS

3 WHEELERS

35 NEW VEHICLE LAUNCHES



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	 MGPI	 MITSUBISHI MOTORS Drive your Ambition	NISSAN	 niu
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 PEUGEOT MOTORCYCLES	 REVOLT	ROYAL ENFIELD	 SEGWAY	 SUNLONG
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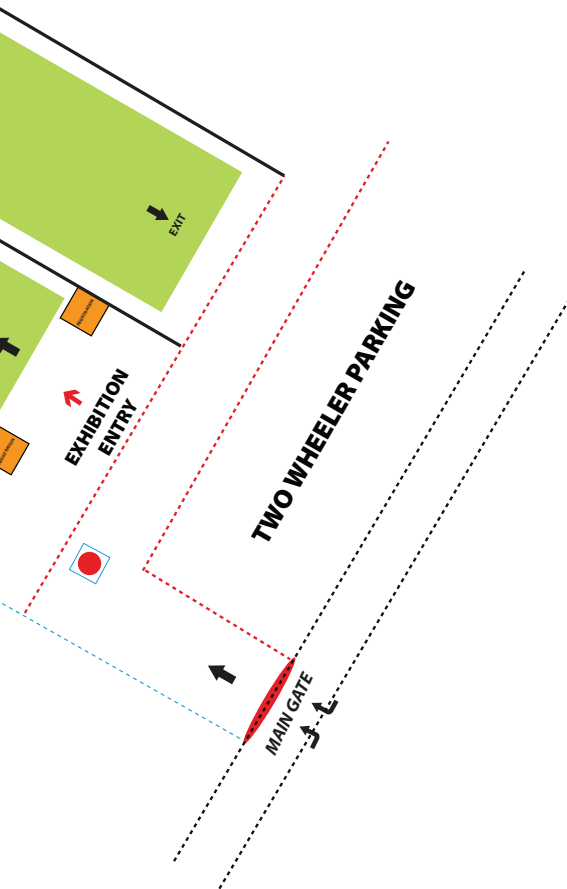
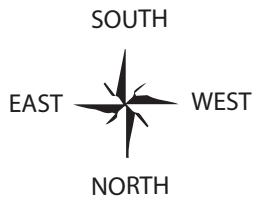
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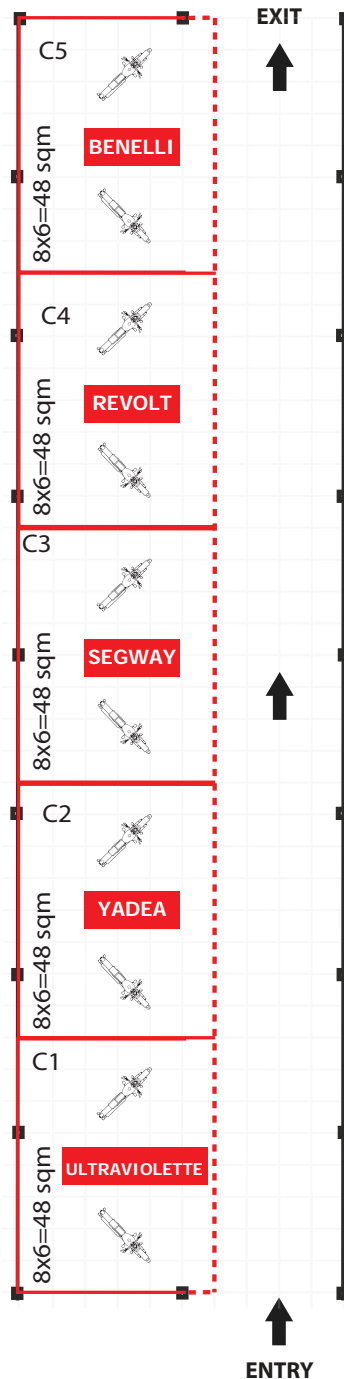
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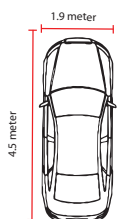
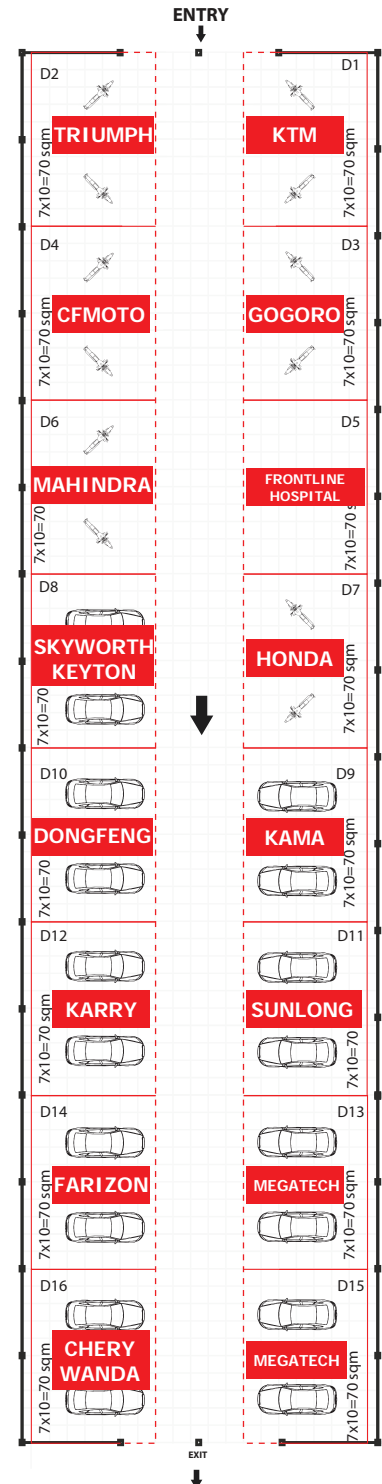
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Hall C

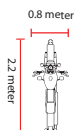


Hall D



Reference Size
of Four Wheeler

Length = 4.5 meter
Width = 1.9 meter



Reference Size
of Two Wheeler

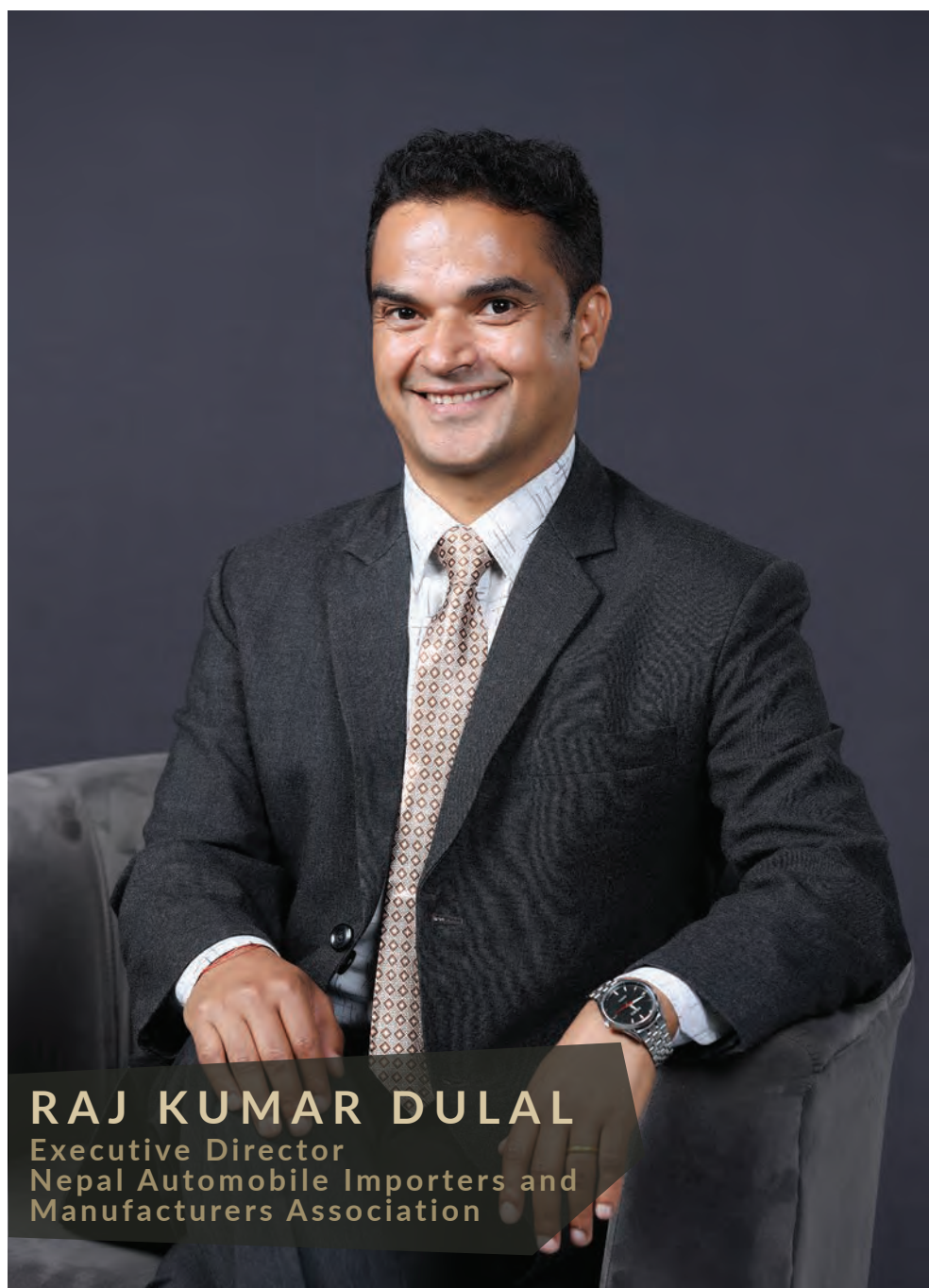
Length = 2.2 meter
Width = 0.8 meter

“NAIMA, through its Research, Data & Media Committee, will collect, analyse and publish data on key trends in Nepal’s mobility sector, including vehicle imports, emissions, consumer behaviour and technology adoption. It will release regular reports, whitepapers and an annual Mobility Insights Report to support evidence-based policymaking and industry planning. A digital and physical knowledge hub will also be developed to host publications, dashboards and curated resources. In addition, NAIMA will collaborate with like-minded agencies, relevant government entities and development partners working in this space to enhance data quality, share insights and align efforts for greater impact across the sector”

Raj Kumar Dulal is the Executive Director of Nepal Automobile Importers and Manufacturers Association (NAIMA), a platform that aims to bring together importers and manufacturers to shape the future of mobility in Nepal. With over 15 years of experience across the development sector, private enterprises and diplomatic missions, he brings a well-rounded perspective to an evolving industry. At NAIMA, he oversees operations, drives collaboration with stakeholders, and steers the association's efforts in promoting innovation, policy reform, sustainability and inclusive growth in the automobile sector.

Before joining NAIMA, Dulal managed USAID Nepal's education portfolio while working at the US Embassy in Kathmandu, overseeing major programmes across the country. He also has a background in entrepreneurship, having founded a Medical Transcription firm and operating small-scale agro-enterprises focused on sustainable farming and rural employment. His academic achievements include an MPhil in Education (Development Studies) with distinction, and he is currently pursuing a PhD.

At NAIMA, he plays a central role in integrating the association's five strategic pillars: policy advocacy, innovation, sustainability, education and workforce development, and consumer empowerment. He leads key initiatives like the NAIMA Nepal Mobility Expo and the



RAJ KUMAR DULAL
Executive Director
Nepal Automobile Importers and
Manufacturers Association

Monthly Mobility Sambaad, aiming to build a stronger, more resilient mobility ecosystem in Nepal.

In an interview with **Business 360**, he shared that he views mobility not just as a matter of transportation but as a pathway to national progress. Excerpts:

What are your top three priorities for NAIMA in its first year?

Our immediate focus is on operationalising NAIMA effectively. First, we are establishing a fully functional Secretariat with strong office systems and infrastructure. Second, we are executing strategic activities driven by our seven specialised committees, each guided by clear Key Performance Indicators (KPIs). Third, we are launching flagship initiatives like the Monthly Mobility Sambaad and NAIMA Nepal Mobility Expo - the largest auto expo in the country - to foster stakeholder engagement and policy dialogue.

How do you plan to balance the interests of importers and manufacturers?

NAIMA's inclusive leadership structure ensures that both importers and manufacturers have a voice in shaping the association's direction. We maintain this balance through active engagement in our committees and structured dialogue platforms, where diverse perspectives are brought together to develop shared strategies. Our role is to foster collaboration, encourage consensus and implement initiatives that reflect the broader priorities of Nepal's mobility sector.

What steps is NAIMA taking to engage with government agencies?

NAIMA's approach is centred on working closely with government agencies to align its initiatives with national development priorities. The formation of its seven specialised committees led by industry leaders reflects not only the strategic needs of the mobility sector but also broader national goals – covering areas such as policy reforms, infrastructure, innovation, consumer awareness and

workforce development. These committees engage in structured dialogue, submit policy recommendations, and collaborate on public initiatives, contributing to both the shaping of regulatory frameworks and the implementation of programmes that support public education and capacity building. Through this integrated model, NAIMA positions itself as a proactive and trusted partner in advancing Nepal's mobility agenda and long-term development.

What kind of internal governance has NAIMA set up?

NAIMA operates with a transparent and inclusive governance structure led by an executive committee which serves as the association's board. The President is selected through consensus, reflecting NAIMA's collaborative leadership approach. Seven specialised committees support the board by driving key initiatives aligned with strategic KPIs. A professionally staffed secretariat has been established to implement the association's vision and mission. While it works in close coordination with the board and committees, the secretariat operates independently in its day-to-day functions to ensure efficient execution. Governance is further supported by an Annual General Assembly, a shared Code of Conduct, and regular meetings with documented reporting. NAIMA remains committed to strengthening its systems for accountability, inclusiveness and effective policy advocacy.

How is it positioning itself in the EV infrastructure and policy space?

We support informed policy dialogue through research and stakeholder engagement, without promoting any specific technologies or brands. Our role is to facilitate balanced discussions and readiness for future mobility solutions.

What kind of data and research will NAIMA produce?

NAIMA, through its Research, Data & Media Committee, will collect, analyse and publish data on key trends in Nepal's mobility sector, including vehicle

imports, emissions, consumer behaviour and technology adoption. It will release regular reports, whitepapers and an annual Mobility Insights Report to support evidence-based policymaking and industry planning. A digital and physical knowledge hub will also be developed to host publications, dashboards and curated resources. In addition, NAIMA will collaborate with like-minded agencies, relevant government entities and development partners working in this space to enhance data quality, share insights and align efforts for greater impact across the sector.

How will it support skills development in the auto sector?

NAIMA is committed to strengthening human capital in the mobility sector through its Workforce Training & Best Practices Committee. The association is coordinating certification programmes, training-of-trainers (ToT) initiatives, and curriculum upgrades in collaboration with technical institutes and universities. These efforts aim to address skill gaps across technician, mechanic and engineering roles, particularly in areas like Internal Combustion Engine (ICE) and Electric Vehicle (EV) assembly, maintenance and software. NAIMA also promotes global best practices, workplace safety standards and employee welfare across service centres. These initiatives directly support national priorities such as 'Make in Nepal' and 'Stay in Nepal', while contributing to a more skilled, competitive and future-ready workforce.

Are there any current collaborations or partnerships?

Yes, we are actively collaborating with the Government of Nepal alongside a growing network of academic institutions, financial bodies, donor communities and national-international mobility organisations. These strategic partnerships help us build institutional capacity, foster innovation and ensure that Nepal's mobility sector remains aligned with global best practices. Through shared knowledge and joint initiatives,

we continue to advance a unified and future-ready vision for mobility across the country.

What role will NAIMA play in creating an investor-friendly environment?

As a non-profit distributing organisation, NAIMA's role is to facilitate an investor-friendly ecosystem within Nepal's mobility sector. We support the development of predictable policy frameworks, promote structured operations and provide trustworthy data to encourage long-term investment. Through programme-led strategies and committee-driven interventions, NAIMA helps bridge stakeholders – from public institutions to private investors – and ensures that growth initiatives are both inclusive and future-ready. Our focus is to enable smooth, well-informed collaboration and decision-making that benefits the sector and the country as a whole.

What does success look like for NAIMA in five years?

In five years, success for NAIMA means that our vision, 'Empowering Growth Through Mobility', and our mission, 'Ensuring Mobility for All', have been realised through measurable impact. As a trusted, well-governed institution, we have driven transformative policy reforms, built a robust and skilled workforce, and created equitable mobility solutions that reach every corner of Nepal. Our flagship programmes have gained national recognition, industry collaboration has flourished, and our efforts have made Nepal a more attractive destination for sustainable mobility investment. With all key performance indicators achieved across our committees, NAIMA now stands as a thought leader, regionally and globally, guiding the future of smart, safe and inclusive mobility. Our journey is one of collective growth, powered by data, integrity and meaningful stakeholder engagement. **B**



Green Tape or Greenwash?



Dipti Sapkota is an Associate at Pioneer Law Associates and a member of the firm's corporate practice group. Her work primarily focuses on finance, public policy, capital markets, and a broad range of corporate transactions.

Nepal's Green Bond Buzz: Not Just a Trend, But a Turning Point?

Over the past few months, green bonds have made quite the entrance in Nepal's capital markets. The country recently welcomed its first green bond issuances; a public issuance from Nepal Infrastructure Bank and a private issuance to be made by NMB Bank. These exciting developments highlight a growing commitment to sustainable finance and climate-friendly projects. Notably, they come at a time when green bond is dominating the global labelled bond market representing 57% of all such issuances as of December 2024. The question now is whether this marks a fleeting moment of enthusiasm or the beginning of a deeper, lasting shift in Nepal's financial landscape.

What's So 'Green' About These Bonds Anyway?

At their core, green bonds are your regular debt instruments having usual features of bond such as face value, coupon rate, maturity date, credit risk, etc. But the twist is in the destination of the funds. Unlike regular bonds, the proceeds from green bonds are ring-fenced. They are earmarked exclusively for projects with environmental benefits, for example renewable energy, energy efficiency and climate resilience.

International guidelines like the Green Bond Principles developed by the International Capital Market Association



(ICMA) have set the tone for green bond issuance, and Nepal's regulations are catching up. The Green Bond Principles of ICMA lay down four key pillars: use of proceeds, project evaluation, management of proceeds, and reporting. They are the backbone of any credible green bond issuance. But how clear is the 'green' in Nepal's context compared to the global standard? That is where the journey gets interesting.

Why the Hype? Chasing Returns or Saving the Planet?

Issuers see green bonds as a way to tap into the large and growing pool of Environmental, Social, and Governance (ESG)-focused investors. This is not merely a trend but a structural shift in global investment behaviour where capital increasingly flows toward projects. Investors, on the other hand, get to align their portfolios with environmental impact without sacrificing returns. It is a win-win at least in theory.

Nepal's emerging market is still learning the ropes, with everyone figuring out how to make the best of this green opportunity. For example, banks in Nepal may subscribe to green energy bonds to meet Nepal Rastra Bank's sectoral credit allocation mandates; a participation that simultaneously meets regulatory compliance and delivers environmental impact.

Playing by the Rules: Nepal's Legal Toolkit for Green Bonds

Nepal's legal framework for green bonds builds upon

its existing securities law. The Securities Registration and Issue Regulations gives green bonds a green light, provided they get SEBON's approval. They have opened the door to foreign investors and have committed more detailed guidance through future directives. So far, no detailed directive has been issued, limiting regulators with lack of clarity and issuers navigating a policy landscape which is more aspirational than actionable.

Meanwhile, Nepal Rastra Bank's Green Finance Taxonomy (2024) offers non binding guidance, classifying activities based on impact categories into 'Green', 'Amber', and 'Red'. Green means good-to-go projects, Amber suggests projects on its way but needs work, and Red is a definite no-go project. The Taxonomy mandates disclosure of where the money is going, independent third-party review of eligibility of project, and impact reporting. But the strength of these rules depends on the enforcement.

Public issuances of green bond still require trustees and credit ratings, which adds a layer of market discipline. But overall, the current framework leans heavily on good intentions and voluntary compliance, rather than enforceable legal obligations.

Green Tape or Greenwash? Where the Rubber Meets the Road

Here is the tough part: Securities Board of Nepal (SEBON) grants approval for the issuance of green bond but lacks legal authority to enforce compliances with

ICMA's principles. Without clear, enforceable standards for project eligibility, fund management, and accountability, the risk of 'greenwashing' looms large. To reduce this risk, Nepal needs binding standards requiring clear categories for projects, processes for selection, transparent fund management, and periodic reporting.

While Taxonomy asks for impact reporting, SEBON does not yet have capacity or internal mechanisms to audit or follow up on disclosures. Missing are real penalties for misreporting or deviation from green use-of-proceeds commitments. As a result, our regulatory framework remains aspirational, with an accountability gap that may weaken credibility. Investor-side, the absence of standardised impact metrics, comparable disclosure formats, and public access to reports undermines investor confidence. Without stronger regulatory backing, Nepal risks being seen as applying green tape instead of fostering genuine green finance ambition.

Keeping the Green in Green Bonds

Nepal's green bond journey so far is encouraging; issuing two inaugural bonds, adopting taxonomy, and mobilising real capital for climate projects. Yet, without legal clarity, effective oversight and incentive structures, ambition risks falling short of delivering measurable impact. The balance between green tape and greenwash will be determined by the strength of Nepal's regulatory commitment.

With a clear taxonomy, enforceable rules, capacity-building and market incentives, Nepal can transform early enthusiasm into a credible and vibrant green bond market; where 'green' truly means green. The next steps will determine whether Nepal's green bonds become a sustainable finance success story or a cautionary tale of missed green promise. **B**



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beed's take on the market

The Nepal Stock Exchange (NEPSE) index rose by 95.57 points (+3.59%), closing at 2,760.80 points on July 13, up from 2,665.23 on June 12. Over this period, the index experienced a dip in late June, bottoming out near 2,556 before staging a strong recovery in early July. This rebound drove the market to new near-term highs, reflecting renewed investor optimism and improved buying momentum.

Compared to the previous review period, which had seen significant trading activity, this phase reflected a more measured yet positive sentiment, with investors cautiously returning to the market. The U-shape movement of the index indicates early consolidation followed by confident upward traction, pointing toward a potentially bullish market in the short term. (See Figure 1)

Throughout the review period, two of the 11 sub-indices ended in the red zone, while the remaining nine posted gains. Commercial Bank, Microfinance and Development Bank sub-indices led the gains, while Hydropower and Trading sectors dragged overall performance.

Commercial Bank sub-index (+10.43%) was the biggest gainer as the share value of Siddhartha (+Rs 63.26), NIC Asia (+Rs 57.69)



Image generated with Bing Image Creator

and Everest (+Rs 54.8) increased substantially. Microfinance sub-index (+8.77%) followed witnessing a rise in share prices of Samudayik Laghubitta (+Rs 307.97), Mahila Laghubitta (+Rs 208.59) and Unique Nepal Laghubitta (+Rs 186.04).

Development Bank sub-index (+4.89%) followed suit with increase in the share value of Green (+Rs 134.46), Saptakoshi (+Rs 46.63) and Excel (+Rs 35.67). Similarly, Finance sub-index (+4.06%) rose with Nepal Finance (+Rs 130.6), Manjushree Finance (+Rs 30.6) and Goodwill Finance (+Rs 29.19) going up. Likewise, Life Insurance sub-index (+2.84%) witnessed a rise

in the share prices of Prabhu Mahalaxmi (+Rs 29.49), Nepal Life (+Rs 28.71) and Reliable Nepal (+Rs 26.52).

Non-Life Insurance sub-index (+2.81%) also rose with positive movements in Rastriya Beema (+Rs 531.62), Prabhu (+Rs 107.63) and Shikhar (+Rs 38.03). Manufacturing and Processing sub-index (+1.84%) saw gains from Bottlers Nepal (Balaju) (+Rs 829.8), Bottlers Nepal (Terai) (+Rs 130) and Himalayan Distillery (+Rs 40.67). Others sub-index (+1.18%) also gained supported by Pure Energy (+Rs 132.37), Nepal Warehousing (+Rs 34.77) and Nepal Reinsurance (+Rs 22.15). The Hotels and Tourism sub-index (+0.80%) also posted a slight gain, driven by Chandragiri Hills (+Rs 32.64), City Hotel (+Rs 30.14) and Taragaon Regency (+Rs 23.47).

On the downside, Trading sub-index (-2%) was weighed down by Bishal Bazar Company (-Rs 140.93), although Salt Trading Corporation (+Rs 278.57) posted a gain. Hydropower sub-index (-2.99%) was the worst performer over the review period, with losses in the share prices of Peoples Power (-Rs 96.01), Mid-Solu (-Rs 86.51) and Dordi Khola Jal Bidyut (-Rs 83.01).

News and Highlights

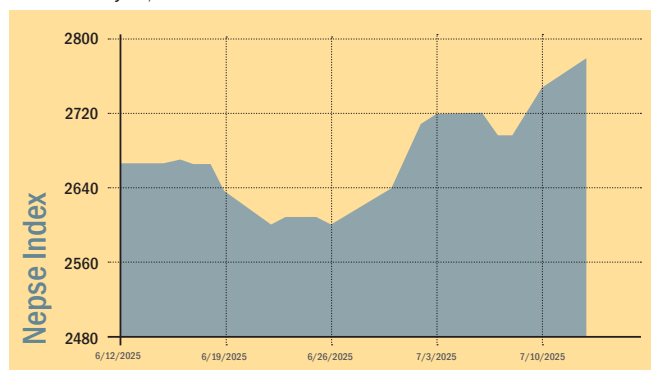
This review period saw notable regulatory and structural developments in Nepal's capital market. On June 23, the Ministry of Finance, acting on a recommendation made over a year ago by the Commission for the Investigation of Abuse of Authority (CIAA), directed SEBON to thoroughly assess the financial and managerial health of companies before granting approvals, aiming to strengthen oversight and due diligence mechanisms.

Meanwhile, SEBON amended the Securities Issuance and Distribution Directive, first introduced in 2008, through its ninth revision, allowing banks and financial institutions to issue non-cumulative preference shares to institutional investors. This update is intended to ease capital adequacy requirements and support credit growth.

On policy reform, SEBON's chairperson reaffirmed his commitment to issuing a new stock exchange licence and restructuring NEPSE, noting the absence of legal barriers to progress. During his July 10 address to the Finance Committee, he emphasised the need for coordinated efforts

Figure 1: NEPSE Index during the review period

June 12 to July 13, 2025



Source: Nepal Stock Exchange

Table 1: Sub-indices during the review period

June 12 to July 13, 2025

	June 12, 2025	July 13, 2025	% Change
NEPSE Index	2,665.23	2,760.80	3.59%
Sub-Indices			
Commercial Bank	1,361.27	1,503.31	10.43%
Development Bank	5,469.12	5,736.66	4.89%
Hydropower	3,643.25	3,534.32	-2.99%
Finance	2,436.61	2,535.55	4.06%
Non-Life Insurance	12,199.03	12,541.43	2.81%
Others	2,334.62	2,362.10	1.18%
Hotels and Tourism	6,805.41	6,860.02	0.80%
Microfinance	4,701.62	5,113.91	8.77%
Life Insurance	12,913.04	13,280.34	2.84%
Manufacturing & Processing	7,117.90	7,248.58	1.84%
Trading	4,232.01	4,147.26	-2.00%

Source: Nepal Stock Exchange

among SEBON, NEPSE and the government, calling for inclusive and balanced capital market growth.

In addition, SEBON also revised IPO regulations for investment companies, introducing stricter requirements including a minimum paid-up capital of Rs 500 million, profitability for two consecutive years, investment in productive sectors, and a higher credit rating threshold.

Despite governance concerns, including conflict-of-interest allegations related to SEBON's approval of Bungad Hydropower's Rs 290.5 million IPO on June 29, the primary market remained active. Four companies issued IPOs during this period. Mabilung Energy (Hydropower), managed by Laxmi Capital Market, was listed on June 15. Following that, Swastik Laghubitta Bittiya Sanstha (Microfinance), managed by Nabil Investment Banking, was listed on June 19. Bungad Hydropower (Hydropower), managed by Himalayan Capital, followed on June 29. Most recently, Bandipur Cable Car and Tourism (Hotels and Tourism), managed by Nepal SBI Merchant Banking, was listed on July 3.

Together, these developments reflect an active

market and a regulator moving toward tighter controls and broader structural reforms.

Outlook

The recent rise in NEPSE reflects improving investor confidence, led by the banking and microfinance sectors. If this momentum continues, the market may see increased activity and stability. Upcoming regulatory changes, such as stricter IPO rules, market oversight, and the potential launch of a new stock exchange, along with the anticipation of favourable monetary policy, could strengthen the market over time. Meanwhile, these shifts may also bring short-term uncertainty.

As Nepal's capital market enters a phase of reform, investors are advised to follow market trends closely and focus on strong, fundamentally sound companies. With effective implementation, these reforms could lead to a more transparent, efficient and resilient market environment. **B**

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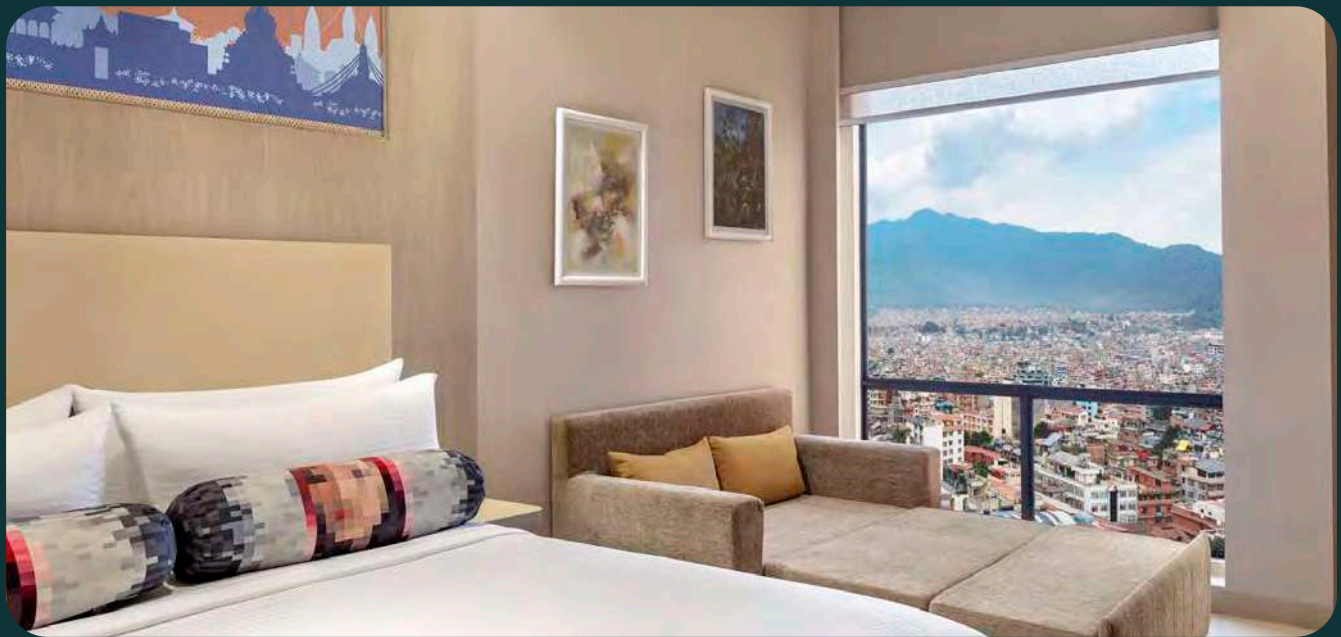
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Leveraging Tourism to Plug the Trade Hole



Purushottam Ojha is Former Commerce Secretary, Government of Nepal. He is also a Consultant on Trade, Transit, Investment and Private Sector Development.

Nepal has been persistently facing a situation of trade deficit over the last several decades. This is primarily attributed to weak supply-side capacity, unfavourable market access conditions and higher transportation costs, among others. The disadvantage associated with geography has affected various sectors of the economy, including the regimes of foreign direct investment, as defined by the declining trend of manufacturing industries over the last two decades or so.

Agriculture has become the mainstay of Nepali economy as 60% of the population is still engaged in some sort of agribusiness for their livelihood. However, its share in the GDP is on a declining trend, now hovering around 24%. In the industrial sector, manufacturing contributed around 12% to the GDP during the 1990s, which has been decelerating and is now coming down to 5%. The services sector now contributes 62% to the GDP and has seen impressive growth, particularly in wholesale and retail trade, accommodation and food services, real estate business, and travel and transportation.

The structure of the economy was thus shaped by premature de-industrialisation with the jump from agriculture to services leaving the industry

and manufacturing sector behind. On the other hand, the adoption of fast-developing modern technologies by the industries has impacted the dynamics of the labour market as the increasing number of workforce in the market misses the employment and income opportunities in the domestic front. The exodus of a large number of young people every year is also attributed to the asymmetric development and lack of decent employment opportunities at home.

Services as a whole are the emerging sectors of



the Nepali economy as this comprises three-fifths of the GDP composition. According to the Nepal Statistical Yearbook 2023, published by Nepal Statistical Office, wholesale and retail trade services rank top with a share of 13.84%, while the travel and tourism sub-sector (classified under the headings of accommodation and food services and transportation) made up 6.6% of GDP in 2023.

The relevance of services is more prominent in the context of coping with trade deficit challenges being faced by the country. The gap between import and export volume and value is increasing on a year-on-year basis. The import

figure is on a constant rise, while the export figure seems erratic, mostly static and often falling back. A sudden surge in export experienced in past years is backed by the export of vegetable oil and fats; exported taking advantage of duty differences between Nepal and India rather than for its competitiveness.

Alternative means of arresting the pace of imbalances in merchandise trade is the services sector. Five service sub-sectors have been identified by the Government of Nepal as having

the most potential for export, as indicated by the Nepal Trade Integration Strategy-2023. These sub-sectors are tourism, information technology, hydro-energy, construction, and skilled and semi-skilled human resources (as classified under Mode 4 of the WTO Trade in Services Agreement).

Tourism has been recognised as the most promising service sub-sector by previous trade integration strategies developed since 2004. Nepal has the potential to attract a large number of tourists, which could help bring foreign currency into the country as well as create employment opportunities for a large number of people.

The country was regarded as Shangri-la among Western visitors during the 1970s and 80s when the hippie culture was thriving. Trekking, mountaineering, sightseeing and enjoying the beauty of nature were the primary objectives of visitors during that period. Gradually, tourism products diversified in the following decades, expanding to include entertainment and adventure tourism such as paragliding, bungee jumping, rock climbing, as well as event tourism like meetings, conferences and social events like marriages and birthdays. Another significant tourism product is exchange of religious visits at the cross-border level. The triangular tourism circuit among Nepal, India and Tibet, China is operational for the people of the Hindu and Buddhist faiths. Such religious visits between the neighbouring countries had existed since time immemorial.

India is the largest source of tourists visiting Nepal. The recorded number of Indian tourist arrival in 2023 was 323,000, which is almost 32% of the total arrivals in the year. This was followed by the USA (10%) and China (6%). The United Kingdom, Australia, Bangladesh and Thailand are the other source countries of tourism for Nepal. Foreign exchange earnings from tourism in 2022-23 stood at 33.5% of the merchandise exports.

Given the declining competitiveness of goods trade, there is considerable potential to increase export earnings from the tourism sector to fill the void. However, the government is required to develop appropriate strategies to enhance the contribution of the tourism sector to economic growth and create productive employment in the country.



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Focus should be given to developing additional tourism products that are of high standards and meet the quality desired by the prospective users. Emphasis should be given to the promotion of eco-tourism, using the natural resources of the country, like rivers, lakes, mountains and forests. Preservation of the natural heritage and sites should be given high priority. It is important to create a unique and splendid destination based on culture, heritage and a storehouse of traditional knowledge that would be different from destinations elsewhere in the region.

Secondly, the government, as well as the private sector, should undertake aggressive marketing in the two neighbouring countries, as these countries comprise a substantial number of travellers departing the country every year. One recent estimate shows that roughly 27.8 million Indians and 101 million Chinese took an outbound tour in 2023. Nepal could increase the number of visiting tourists from these countries by following the proper marketing strategies.

Nepal should focus on strengthening the transport infrastructure and recreational services to attract international visitors and lengthen their stay. Particular attention is needed to improve the safety of road and air transport services. Many potential tourist sites are still not connected to the national transport network. Hence, the expansion of road services and the construction of new roads should also be evaluated from the perspective of promoting tourism.

Social inclusion and participation of micro and small enterprises is the cornerstone for enhancing contribution of tourism sector to poverty reduction initiatives and increase employment opportunities. This requires integrating local artisan products, souvenir

THE COUNTRY NEEDS ALTERNATIVE SOURCES OF FOREIGN CURRENCY EARNINGS, AWAY FROM REMITTANCES, WHICH COULD BE VOLATILE IN THE CONTEXT OF GROWING CONFLICT BETWEEN NATIONS. TOURISM CAN BE SUCH AN OPENING TO RELIEVE THE UNCERTAINTIES POSED BY REMITTANCE INCOMES AND THE UNDERPERFORMANCE OF GOODS EXPORTS.

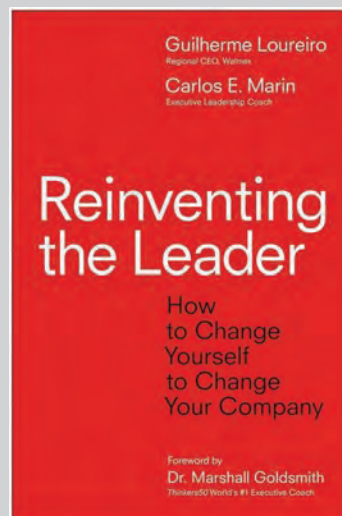
items, organic agriculture and eco-tourism into the tourism industry.

Nepal, with its diverse nature and ecological belts, ranging from high mountains to lower plains, has a high potential for attracting foreign tourists. The country needs alternative sources of foreign currency earnings, away from remittances, which could be volatile in the context of growing conflict between nations. Tourism can be such an opening to relieve the uncertainties posed by remittance incomes and the underperformance of goods exports. The imperative lies in developing a strategic plan for the enhancement of the tourism industry so that it helps to improve the resiliency of the balance of payments and creates productive employment within the country. **B**

BOOK OF THE MONTH

Reinventing the Leader: How to Change Yourself to Change Your Company

Author: **Gui Loureiro**



'Reinventing the Leader: How to Change Yourself to Change Your Company' by Gui Loureiro is a thoughtful book that encourages leaders to look inward before trying to change the organisations they lead. Loureiro argues that real leadership transformation begins with self-awareness and personal growth. He uses a mix of personal stories, practical tools and examples from his work with companies to explain how leaders can evolve in a fast-changing world.

One of the key messages in the book is that leadership is no longer just about control and giving orders. Instead, it is about being adaptable, listening more and building strong, human connections. Loureiro explains that companies are made up of people and when leaders take time to improve themselves – how they think, feel and behave – it naturally leads to a healthier company culture. He emphasises emotional intelligence, humility and

curiosity as essential traits of modern leaders.

The book is divided into clear sections that guide the reader through different stages of self-change. Loureiro mixes practical advice with reflective exercises, helping readers take action while also thinking deeply about their behaviour and impact. He avoids complex theories, making it easy to follow and apply to real situations. This makes the book useful not just for CEOs but for anyone in a leadership role who wants to grow.

Overall, *'Reinventing the Leader'* is an honest and refreshing take on leadership. It does not promise quick fixes but offers a meaningful path toward better leadership through personal development. Loureiro reminds us that companies change when people change and that starts with the person at the top. The book is well-suited for leaders who are open to learning and willing to look at themselves with honesty. **B**

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Nepal's ICT Budget & the Road to 2035

Text: Prajwal Nepali



The Government of Nepal in a significant push toward achieving the country's ambition of becoming a digital nation, unveiled an ambitious and forward-looking ICT agenda in the national budget for Fiscal Year 2025/26. The package of incentives, reforms and structural investments laid out in the budget aims to transform the country's technological landscape and position ICT as a cornerstone of national development. Central to the budget is the strategic focus on increasing digital exports, empowering domestic startups, and building critical digital infrastructure; components that are not only timely but necessary for Nepal to create 1.5 million jobs by 2035 and unlock its digital economy potential. These measures, if effectively implemented, could mark a transformative era for Nepal's tech sector, just as past industrial policies did for manufacturing and remittances.

One of the boldest initiatives announced is a 75% tax exemption on IT service exports, along with a flat 5% final tax rate for Nepali citizens selling services to foreign clients. This provides a long-overdue recognition to the growing number of digital freelancers, software engineers and outsourced service providers working from Nepal for international companies. The global gig economy is estimated to be worth over \$450 billion, and Nepal is emerging as a player in this space. The government by slashing the tax burden, hopes to formalise the digital workforce and channel foreign earnings into the formal economy. However, tax breaks alone are not enough. They must be supported by efficient registration, invoicing, and payment systems to encourage compliance and discourage underreporting. A dedicated platform for IT exporters similar to the simplified

THE GLOBAL GIG ECONOMY IS ESTIMATED TO BE WORTH OVER \$450 BILLION, AND NEPAL IS EMERGING AS A PLAYER IN THIS SPACE. THE GOVERNMENT BY SLASHING THE TAX BURDEN, HOPES TO FORMALISE THE DIGITAL WORKFORCE AND CHANNEL FOREIGN EARNINGS INTO THE FORMAL ECONOMY.

customs portal for physical goods could significantly help operationalise this policy.

To further empower innovation and entrepreneurship, the government announced a five-year income tax exemption for startups with annual revenues of up to Rs 100 million. This is a substantial increase from earlier thresholds and will benefit a larger pool of early-stage enterprises. Coupled with this is an Rs 730 million allocation for low-interest loans at just 3% interest to help startups access capital; a critical hurdle for many technology-based ventures. This two-pronged approach of reducing tax burden and easing access to finance reflects a maturing understanding of the startup lifecycle. However, the challenge remains in defining a 'startup' for policy implementation. Without proper criteria and governance, large firms could misuse these benefits, while genuine



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entrepreneurs struggle to navigate complex bureaucratic systems. A one-stop digital startup portal with eligibility validation, tax filings and loan applications would help build transparency and foster trust.

In another pioneering step, the budget includes the integration of robotic technology and artificial intelligence in Nepal's health sector. This represents an important step forward in leveraging advanced technologies to improve public services. The application of AI in diagnostic imaging, remote health consultation, and patient record analysis can greatly improve both urban and rural healthcare access. But the integration of AI into such a sensitive sector demands strict standards, digital infrastructure and human capacity development. It also calls for ethical guidelines, data privacy frameworks, and public-private partnerships to drive innovation. HealthTech, a booming global subsector, can also offer Nepal exportable solutions in time, if the groundwork is laid right. Pilot programmes in major hospitals and medical colleges can test AI use cases, which can then be scaled up across the country.

The budget also mandates the compulsory use of domestically developed software in government offices, in a move to promote digital sovereignty and build a sustainable tech ecosystem within the country. This policy has the potential to boost local software firms by giving them a guaranteed market, improve national cybersecurity, and reduce dependency on expensive foreign products. However, its success depends on implementation discipline, product quality and procurement integrity. The government must establish a quality assurance framework, certification body, and transparent tender system to ensure that only credible and capable companies are awarded contracts.

AMONG THE MOST PROGRESSIVE AND FUTURE-ORIENTED FEATURES IN THIS YEAR'S BUDGET IS THE LEGAL RECOGNITION OF SWEAT EQUITY FOR NEPALI PROFESSIONALS PROVIDING SERVICES TO FOREIGN COMPANIES. THIS MEASURE ACKNOWLEDGES THE INTANGIBLE VALUE THAT SKILLED PROFESSIONALS CONTRIBUTE TO STARTUPS AND TECH ENTERPRISES WITHOUT IMMEDIATE FINANCIAL COMPENSATION.

Simultaneously, local software developers need support in upgrading skills, integrating security features, and undergoing regular audits. If implemented well, this policy could seed a domestic software industry capable of competing in global markets.

Among the most progressive and future-oriented features in this year's budget is the legal recognition of sweat equity for Nepali professionals providing services to foreign companies. This measure acknowledges the intangible value that skilled professionals contribute to startups and tech enterprises without immediate financial compensation. By creating room for equity sharing based on time and expertise rather than capital, the government is aligning Nepal with global best practices in startup equity structuring. However, enabling this will require substantial

legal reforms. There needs to be clear guidance on how sweat equity is valued, reported and protected. Without proper frameworks, this progressive measure may be exploited or go unused due to fear of legal ambiguity. Furthermore, public education campaigns will be necessary to help founders and professionals understand the benefits and risks of such equity arrangements.

In an effort to revolutionise Nepal's financial sector, the budget also introduces a one-time digital KYC (Know Your Customer) system and establishes the groundwork for neo-banks: fully digital financial institutions. These changes aim to increase financial inclusion, reduce operational costs, and bring unbanked populations into the formal economy. With over 30% of the population still outside formal banking services, this measure is both timely and impactful. Yet, regulatory readiness remains a question. Nepal Rastra Bank will need to swiftly issue digital banking licences, adopt cybersecurity protocols, and collaborate with fintech companies to run pilot neo-bank services. It is also important to consider inclusive design principles so that digital banking solutions are accessible to people with low digital literacy and those living in rural areas.

Physical infrastructure remains a crucial enabler for digital growth. This year's budget addresses this through the construction of an IT Park in Kathmandu and the establishment of new data centres in collaboration with the private sector. These are major infrastructure commitments, complementing existing efforts like the data centre in Khumaltar and the previously stalled IT Park in Banepa. The success of these facilities depends on strategic planning especially in terms of location, power supply, bandwidth access and security. The government should work closely with the private

sector to ensure that the IT park offers not just physical space but incubation services, mentorship and international linkages. Similarly, data centres must meet global standards for security, energy efficiency and uptime to attract domestic and international clients.

While the announcements are promising, the most urgent gap remains institutional. Nepal still lacks a dedicated IT Board that can independently oversee, coordinate, and drive the digital transformation agenda similar to how the Nepal Tourism Board oversees tourism. Without such a body, policies tend to be fragmented, short-lived or poorly executed. The establishment of an ICT Board, composed of government representatives, private sector leaders and technical experts, is essential. Such a body could manage funds, certify digital service providers, coordinate R&D investments, and ensure the alignment of education systems with market needs. Additionally, a National Research and Innovation Fund should be established to finance university-led R&D, AI and blockchain pilots, and cybersecurity workforce development. These institutions will provide continuity and strategy far beyond annual budget cycles.

The digital ambitions outlined in the 2025/26 budget represent a major step in the right direction but ambition without execution risks becoming mere rhetoric. For Nepal to realise its dream of becoming a digital nation by 2035 and create 1.5 million ICT jobs, there must be clear implementation timelines, dedicated institutional mechanisms, and ongoing monitoring. This includes setting clear performance indicators such as annual increases in digital exports, startup formation, rural broadband access, and job creation in the ICT sector. It also means empowering local governments to execute policies at the grassroots level. **B**



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What Banks Need to Become: Part II



Suman Joshi, a former banker, is the founder and chair of True North Associates, a private equity firm.

This is a sequel to an op ed I did in 2017. Back then, I argued that banks needed to become digitally oriented institutions that serve customers with greater efficiency. Eight years on, much has changed. But Nepali banks have not changed nearly enough. We are still designing for yesterday's problems, still mistaking compliance for strategy and risk avoidance for prudence.

Now is the time for a reset.

Deeply Digital

It is encouraging to note that Nepal's digital payment system has evolved significantly since the pandemic and is now world class. But today, 'digital' is table stakes. What matters now is how deeply and seamlessly banks integrate into the lives and transactions of their customers.

While traditional banks are still redesigning their mobile apps, non-bank fintech entities are already reshaping the market. Nepal does not yet have licensed digital banks, but once regulatory space opens up, as it will, banks that have not reimagined themselves as digital platforms will lose relevance rapidly. Banks must embrace open banking, fintech partnerships, and platforms that allow continuous innovations on top of banking rails.

Ecosystem and Inclusion

Nepali banks continue to rely heavily on collateralised lending and regulatory arbitrage while productive capital remains inaccessible to SMEs, startups, and underserved sectors. In recent years, we have seen how patient, risk-tolerant private equity can unlock new possibilities. Banks should acknowledge this shift and discover ways of working alongside, in order to improve their own portfolio risk. They must participate effectively in building ecosystems for entrepreneurship and value creation.

businesses with fluctuating cash flows, thin margins and informal practices.

From Collateral to Cash Flow

One of the key bottlenecks in allocation of loans today is banks' obsession with secondary collateral in the form of real estate. In a country where most enterprises are asset-poor but ambition-rich, collateral-based lending either creates distortions or leaves a large chunk of businesses out of the equation.

Banks are in the business of managing risks, not avoiding them. Predominantly collateral

Capable Board

We have seen some improvement in the structure of bank boards through inclusion of independent and female directors. However, traditional boardroom experience is no longer sufficient. Banks must improve overall capability of the boards to comprehend complexity and guide institutions in volatile conditions. Banks need people on their boards who understand digital ecosystems, venture dynamics, AI, cyber risk, sustainability and ESG aspects, among others.



Financial inclusion is often equated to opening bank accounts of previously unbanked. But have we addressed structural exclusion with products that are contextually relevant and viable? It is time banks started catering to the informal economy in a more meaningful way. Today's SMEs are tomorrow's large borrowers. Banks must, as such, understand SMEs better. This means designing products and services that work for

based lending is risk avoidance disguised as prudence. The current episode of rising non-banking assets is a clear lesson. A shift toward cash flow-based lending is overdue. It is now practical and possible to derive creditworthiness from digital records, tax filings, mobile money flows, payment data, etc.

This shift however requires a change in mindset, tools, and incentives from both bankers and regulators.

The practice of key shareholders retaining control over bank boards through appointed proxies, who do not have knowledge or skills (which are different from academic degrees) for effective oversight and guidance to the management, must discontinue.

Further Consolidation and Scale

Here is a hard pill to swallow: the illusion of banking strength in Nepal has often rested on regulatory

forbearance. Is this resilience or fragility masked by excellent branding?

Nepal experimented with a liberal licensing regime for decades. The result? Over 20 Class A banks that look remarkably alike. Relative to the size of our economy, the number of banks should perhaps be 10 or less. More importantly, they must be stronger and more capable. We need banks that can invest in innovation, withstand economic shocks, and scale responsibly to meet future demands. Consolidation done strategically can and should be a lever for strength, not just size. But this requires courage, vision, and clarity from bankers and regulators alike.

Nepal's banking sector now has a long enough history and rich enough experience to think bigger. In a digital global context, growth can be achieved also by scaling expertise beyond national boundaries. Banks can learn from the hospitality sector: Soaltee Hotel has begun exporting technical and management services to foreign countries. Nepal Clearing House Limited has clearly built strong capacities in payment processing. Nepali banks are in a position to export technical services like credit models, compliance systems, training programmes, etc to frontier markets.

HR Quality

We have seen a worrying decline in the quality and depth of human capital across the banking industry. Bankers today are fluent in collateral registration, but uncomfortable with credit risk assessment. Product innovation is rare. Regulatory compliance dominates internal conversations.

It is possible that the central bank's oversight of HR policy of each bank has resulted in standardisation of people management processes and governance to the point

that most banks look and feel alike in what they deliver? Regulation should ensure soundness, not sameness. Rebuilding capacity requires empowered leadership and differentiated cultures.

Misguided and retrospective legal cases against bankers are becoming more frequent, often years after credit decisions were made in good faith with proper process. This breeds fear. When professionals worry about being prosecuted for judgement calls, they default to inaction. Criminal liability should be pursued for malafide actions but not for legitimate participation in a loan underwriting process. We need legal protection for professional decisions made under documented policies and systems of the day. If we want capable bankers who can make tough calls, we must stop turning them into scapegoats for systemic shortcomings.

A banking job is increasingly used as a stepping stone by many young professionals. It offers just enough prestige to secure visas, but rarely enough incentive to stay. When top talents exit early, institutional memory and leadership pipeline weakens.

If we don't fix the people problem and the policies that created it, every other progress will remain superficial.

The Choices

The banking industry in Nepal stands at a fork. One path leads to a future where banks are central to building inclusive prosperity. The other leads to managed decline in trust and returns. To walk the first path, banks must be in a position to ask 'what do our customers need and how can we better serve them?' instead of 'what do regulators allow?' **B**



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Nepal's Journey from Hydrogen Policy 2024 to National Budget 2025/26



Dr Biraj Singh Thapa is Team Leader, Green Hydrogen Lab, and Associate Professor, Department of Mechanical Engineering, Kathmandu University.

Background

Developed and developing nations alike are increasingly prioritising renewable energy as a strategic response to the adverse impacts of climate change. Projects involving solar, hydropower and wind energy are advancing rapidly across the world. Simultaneously, legal frameworks and policy instruments designed to discourage fossil fuel use and accelerate the adoption of renewable energy are being implemented on a global scale.

Following COP26, most countries have committed to achieving 'net-zero carbon targets' and are actively updating and publicising their respective Nationally Determined Contributions (NDCs). Nepal has likewise pledged to reach net-zero carbon emissions by 2045, a target that is more ambitious than those set by the United States and Europe (2050), China (2060) and India (2070).

In this broader international context, Nepal's strategic response is becoming increasingly evident. To fulfil its climate commitments, Nepal is prioritising the mobilisation of its abundant domestic renewable energy resources. This includes setting ambitious hydropower targets and



fast-tracking large-scale solar initiatives as national priorities.

Current Challenge

Nepal's electricity generation is almost entirely based on renewable sources, with hydropower playing a dominant role. However, when assessed in the context of total energy consumption, the share of electricity remains very low. This highlights the limited integration of renewable electricity within the country's broader energy mix.

According to data from Fiscal Year 2079/80 (2022/23), fossil fuels made up approximately 25% of Nepal's total energy consumption, while renewable electricity accounted for only around 7%. Alarming, this proportion has remained stagnant in recent years, even as the use of coal and diesel has continued to rise by about 1% annually.

Nepal's energy policy aims to increase access to reliable and affordable energy,

focusing on renewable energy sources and improving energy efficiency. The policy also seeks to reduce reliance on imported fossil fuels and promote sustainable energy practices. Specifically, Nepal is striving to achieve 100% renewable energy by 2050 and increase its installed electric power capacity significantly by 2035. In contradiction a government projection indicates that by 2050, coal and diesel will contribute 13% and 18%, respectively, to Nepal's overall energy consumption (Fig. 1). Petrol consumption has been targeted to be replaced by electric vehicles (EVs), especially for short-distance, light-duty transportation. However, diesel remains dominant in heavy-duty transport such as trucks, buses and construction machinery sectors, where electrification is currently less practical. Similarly, coal continues to be widely used in energy-intensive industries like cement, steel

and manufacturing. These sectors are considered hard to abate and require deep decarbonisation strategies. In such cases, standard electrification alone is not feasible, making the complete transition away from fossil fuels particularly challenging. In response, targeted interventions, alternative fuels, and advanced technologies will be essential to address these sectors effectively.

The Nepal government has set an ambitious target of generating 28,000 megawatts of hydropower by 2035. If implemented effectively, this plan is expected to produce a surplus of around 18,000 megawatts of electricity that is well beyond the country's domestic needs (Fig. 2). This trend poses a dual risk for Nepal. On one hand, it increases the likelihood of the country being pushed toward a 'coal and diesel-dependent economy' in the future, and on the other, the underutilisation



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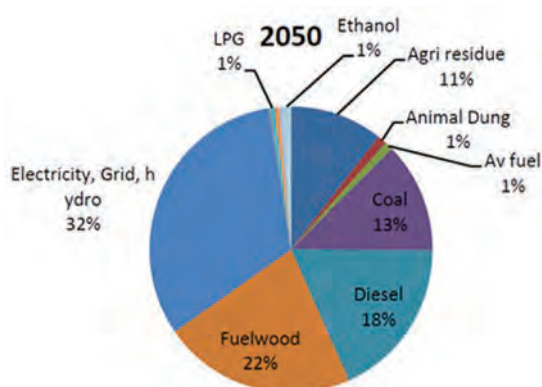


Fig. 1 Energy Consumption by Fuel in Nepal forecast for 2025, Source WECS

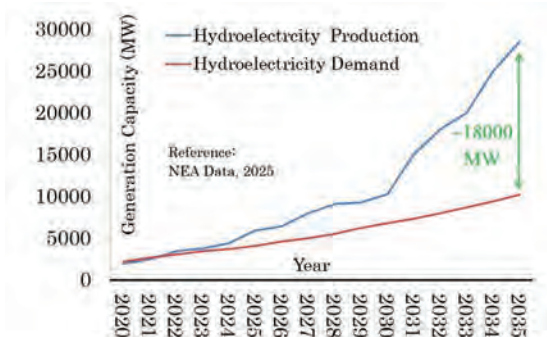


Fig. 2 Nepal Electricity Demand v/s Production forecast, Source NEA

of domestically generated electricity, along with persistent challenges in exporting it to international markets, is making investments in the hydropower sector increasingly risky.

To address the 100% renewable energy adoption, domestically produced electricity should play a crucial role in displacing hard-to-abate fossil fuels like coal and diesel, thereby contributing to better energy security, energy management, and carbon neutrality. Over the long term, this transition would foster a cleaner energy system and bolster Nepal's climate resilience. While the global movement to phase out coal and diesel is progressing rapidly, Nepal faces the growing danger of becoming entangled in a fossil fuel trap due to the absence of well-defined policies, regulatory frameworks, and implementable projects.

In response to such challenges, the global community has begun to recognise hydrogen as a strategic alternative for energy

transition. In Nepal, coal is primarily used in high-energy-consuming sectors such as the cement industry, brick kilns and heavy manufacturing plants, where combustion processes demand significant energy input. Diesel, by contrast, is mainly consumed by heavy-duty and long-distance transport vehicles.

Although electrifying these systems is technically feasible, Nepal still lacks the necessary strategic planning, investment mechanisms and policy clarity to make meaningful progress.

Hydrogen Technology and the Global Context

In response to the challenges of climate change, a broad-based global consensus is emerging – both at technical and policy levels – around the need to adopt renewable energy as an alternative to fossil fuels. Within this broader shift, technologies that split water into hydrogen and oxygen using renewable energy, and utilise the resulting hydrogen as a clean energy source, are

increasingly being recognised as powerful tools for fossil fuel substitution.

Countries with advanced energy systems are progressively adopting technologies that allow for the production of hydrogen at the point of renewable energy generation, wherever and whenever it is available. This hydrogen can then be stored and used as a fossil fuel alternative based on demand, by location, time and purpose. However, hydrogen remains more expensive than conventional fossil fuels and poses significant challenges related to complex storage and safety risks.

Despite these hurdles, hydrogen is gaining attention as a critical bridge technology between fossil fuels and a fully renewable energy future, especially given the present limitations in meeting total energy demand exclusively through renewables. With this in mind, the global technical community is working to make hydrogen technologies more cost-effective, scalable and safe.

At the same time, financial institutions are also beginning to view hydrogen as a credible substitute for fossil fuels. They are developing innovative financial tools, such as climate-resilient business models, integration of carbon credits, and impact-oriented investment mechanisms, to make hydrogen economically viable. Encouragingly, these efforts are beginning to yield positive results.

In this evolving context, Nepal too has taken initial steps to assess and harness the potential of hydrogen technology.

Development of Hydrogen Technology in Nepal

Nepal's journey in green hydrogen technology formally began in 2020 (2077 BS) under the leadership of Kathmandu University, which initiated early research and coordination efforts. Building on this, in

2021 (2078 BS), the Ministry of Energy established two key expert committees: the Green Hydrogen Coordination Committee and the Green Hydrogen Committee for Fertiliser Production. These bodies conducted comprehensive studies and submitted their findings to the Government of Nepal, laying the groundwork for hydrogen's formal recognition at the national level. As a direct result, the concept of green hydrogen was included for the first time in Nepal's annual policy and budget for Fiscal Year 2079/80, signifying its elevation to a national policy priority.

In continuation of this institutional effort, the government formed a green hydrogen related policy drafting committee in 2079 BS. Tasked with developing a national hydrogen policy, the committee undertook broad-based stakeholder consultations, which led to the formulation and official approval of the Green Hydrogen Policy 2080, endorsed by the Council of Ministers. The policy now functions as a strategic roadmap for the institutional development of hydrogen technology in Nepal. It lays out a framework for:

- Drafting relevant laws, regulations, procedures and guidelines;
- Attracting domestic and foreign investment; and
- Facilitating the implementation of hydrogen projects.

This policy marks a significant step in Nepal's broader transition toward a sustainable and climate-resilient energy system.

However, the absence of a dedicated hydrogen regulatory authority has posed implementation challenges. In response, Kathmandu University, in collaboration with the government, private sector and international partners, launched the Nepal Hydrogen Initiatives. This initiative envisioned placing Nepal-

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produced green hydrogen in the global market between 2030 and 2040. Despite its ambition, the initiative was hindered by a lack of enabling infrastructure.

To address this gap, the Ministry of Energy, Water Resources and Irrigation formed a separate committee to study structural arrangements required for effective policy implementation. Ongoing discussions now point toward the growing need for a dedicated regulatory mechanism, such as a Green Hydrogen Development Board, to ensure policy coherence, guide the energy transition, and coordinate execution. Without such an entity, realising Nepal's full potential in green hydrogen will remain a challenge.

Meanwhile, efforts at the provincial level are also moving forward. Notably, at the 2082 Koshi Province Investment Summit, a Memorandum of Understanding (MoU) was signed between the Koshi Province Government and Green Hydrogen Company Pvt Ltd to prepare a Detailed Project Report (DPR) for a green hydrogen-based fertiliser plant worth Rs 26 billion. This project represents a concrete step forward in operationalising green hydrogen at the sub-national level, aligned with national policy ambitions.

The foundation of Nepal's green hydrogen proposal lies in the strategic utilisation of its abundant hydropower resources. By harnessing this clean, renewable energy, Nepal aims to pave the way for a green, energy-driven model of industrial development. The core vision is to use domestic renewable energy as a catalyst for establishing an environmentally friendly, sustainable and globally competitive industrial infrastructure.

Hydrogen in the Budget 2082/83: A Strategic Government Priority

Building on its earlier policy commitments, the Government of Nepal has

elevated green hydrogen to a strategic priority in its Policy, Programme and Annual Budget for Fiscal Year 2082/83.

This latest budget explicitly reaffirms the state's focus on the development, promotion and institutionalisation of green hydrogen technology. Importantly, it outlines a clear roadmap to attract both domestic and foreign investment for the commercial production of green hydrogen, signalling a proactive shift toward implementation and market readiness.

The government has announced a complete waiver of customs duties and a five-year income tax exemption for the import and production of green hydrogen equipment. This move is widely viewed as a fundamental policy shift that opens the door to private investment in Nepal's emerging green hydrogen ecosystem.

Key Highlights Related to Green Hydrogen in the Budget of FY 2025/26

- Priority on energy self-reliance and promotion of alternative energy.
- Reduction of carbon emissions by increasing the production and consumption of alternative energy.
- Feasibility studies in collaboration with universities and the private sector.
- Attraction of domestic and foreign private investment.
- Full tax exemption on the import of machinery and equipment used for green hydrogen production, and a five-year income tax exemption for industries producing green hydrogen.

The government's decision is being praised as a bold and forward-looking step toward sustainability. The budget also outlines plans to conduct feasibility studies on green hydrogen production in collaboration with universities and the private sector. With this announcement, the government has sent a strong

and encouraging signal to both domestic and international investors, positioning green hydrogen as a promising new investment frontier in Nepal's energy landscape.

The Role Ahead in Institutionalising Hydrogen Development in Nepal

With the aim of contributing to global efforts in mitigating climate change, the Government of Nepal has been prioritising the promotion of renewable energy. In this context, hydrogen technology has recently been given a strategic importance in national policy frameworks, including the annual policy and programme statement as well as the national energy strategy.

The tax holiday announced in this fiscal year's budget presents a significant opportunity for Nepal to open new avenues for the development and governance of hydrogen technologies. In particular, this tax incentive can play a catalytic role through viability gap financing to scale up hydrogen applications as commercially viable projects, attract investment, and convert them into measurable outcomes, especially in the context of electrification.

At this crucial stage, Nepal must focus on integrating hydrogen into commercialisation, market expansion and industrial applications by actively engaging the private sector. Financial institutions must also be mobilised to support impactful projects through targeted investments, interest rate subsidies, and the adoption of innovative financial instruments.

Moreover, to ensure the technological, economic and financial viability of hydrogen solutions, it is essential to integrate carbon credits generated from fossil fuel displacement. The long-term vision must now include exporting hydrogen and related products to regional and international markets. The

next five years represent a critical window to capitalise on hydrogen's dual-use potential both domestically and globally.

The greatest opportunity, however, lies in the vast potential to electrify Nepal's internal energy system. Currently, electricity accounts for only 7% of total energy consumption in the country, leaving 93% still to be electrified. From this perspective, hydrogen should be viewed as a structural solution to Nepal's domestic energy transformation. Developing commercial projects that integrate hydrogen into this system is essential. In this process, the tax exemptions and policy incentives offered in the current budget are expected to play a vital enabling role.

For all these reasons, the time has come to connect hydrogen technology with Nepal's broader industrial architecture, market frameworks and financial systems to unlock its full potential.

Conclusion

The policy and fiscal incentives for green hydrogen outlined in Nepal's National Budget for Fiscal Year 2082/83 clearly signal a national commitment toward a clean, sustainable and energy-self-reliant future. Tax exemptions and an investment-friendly environment are expected to pave the way for transforming green hydrogen into commercially viable projects.

However, to fully realise this potential, coordinated efforts among the government, private sector and international partners are essential, along with a clear legal framework and the development of necessary institutional infrastructure. The current policy shift presents an important opportunity to position hydrogen as a central engine in Nepal's energy transition. The focus must now shift decisively toward practical implementation. **B**

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World Bank approves \$257 million to improve electricity and irrigation services

The World Bank's Board of Executive Directors approved two projects for Nepal on May 29 totalling \$257 million aimed at enhancing electricity distribution services and improving irrigation services to boost agricultural productivity.

The Electricity Supply Reliability Improvement Project (\$120 million) will strengthen the electricity distribution network and enhance electricity supply to users in Koshi, Bagmati, Karnali and Sudurpashchim provinces. The project, led by Nepal Electricity Authority, will focus on constructing new distribution substations, upgrading existing networks, and implementing an automated system for real-time monitoring of distribution networks to enhance operational efficiency.

The modernisation of Rani Jamara Kulariya Irrigation Project - Phase 3 (\$137 million) aims to improve irrigation services and agricultural productivity by expanding access to year-round irrigation services, increasing farm productivity, and enhancing climate resilience in Kailali district, Sudurpashchim Province. Jointly implemented by Nepal's Department of Water Resources and Irrigation and Department of Agriculture, this project will scale year-round irrigation to an additional 17,500 hectares benefiting 160,000 people.

"An uninterrupted electricity supply and adequate, year-round irrigation services are fundamental inputs for Nepal's sustainable development," said David Sislen, Country Division Director for Nepal, Maldives and Sri Lanka. "The projects emphasise improved connectivity and the promotion of clean electricity generated from hydropower, alongside integrated agricultural support services to farmers to help build resilience against climate and disaster risks."

The projects also include capacity-building initiatives for Nepal Electricity Authority and Water Users Association to promote innovative solutions and strengthen institutional systems for the effective management and sustainability of infrastructure.

Remittance inflow increases to Rs 1,356.61 billion; BoP at surplus of Rs 438.52 billion

As per the Current Macroeconomic and Financial Situation of Nepal based on 10 months' data ending mid-May 2024/25 published by Nepal Rastra Bank, the year-on-year (y-o-y) consumer price inflation stood at 2.77% in mid-May 2025 compared to 4.40% a year ago.

Food and beverage inflation stood at 1.52% whereas non-food and service inflation stood at 3.45% in the review month. During the same period in the previous year, the price indices of these groups had increased 6.41% and 3.09%, respectively.

Under the food and beverage category, y-o-y price index of ghee and oil sub-category increased 11.08%, fruits 6.15%, pulses and legumes 5.17% and non-alcoholic drinks 4.70%, while y-o-y price index of vegetable sub-category decreased 8.11 percent, spices 2.20%, and meat and fish 0.48%.

Under the non-food and services category, y-o-y price index of miscellaneous goods and services sub-category increased 9.04%, education 5.88%, clothes and footwear 5.23%, furnishing and household equipment 3.99%, and restaurant and accommodation services 3.16%.

During the review month, y-o-y price index in rural areas increased 3.21%, while in urban areas, it rose 2.61%. Based on provinces, in the review month, y-o-y consumer price inflation in Koshi Province was 4.29%, Madhesh Province 2.81%, Bagmati Province 2.40%, Gandaki Province 2.23%, Lumbini Province

CAN Federation hands over cybersecurity roadmap to NRB Governor



The Federation of Computer Association Nepal (CAN Federation) officially handed over a critical cybersecurity roadmap for banks and financial institutions (BFIs) to the newly appointed Governor of Nepal Rastra Bank (NRB), Biswo Nath Poudel.

The roadmap was conceptualised by Chiranjibi Adhikari, a renowned cybersecurity policy expert, Senior Vice President of CAN Federation and CEO of cybersecurity firm One Cover. It aims to establish a robust defence against escalating cyber threats.

The framework aligns with Nepal's National Cybersecurity Policy 2080, the Electronic Transactions Act 2063 (2008), the Cyber Security Bylaw 2077 (2020) and NRB's Cyber Resilience Guidelines (2023). It serves as a blueprint for creating a secure and resilient financial ecosystem.

Key stakeholders in Nepal's ICT and security sectors have actively supported the initiative. Shaligram Parajuli, MoCIT ICT Expert and President of the Centre for Cybersecurity Research and Innovation (CSRI), along with General Secretary Bhojraj Ghimire and Secretary Bandana Sharma, stressed CSRI's vital role in reducing cybercrime through research and development.

The roadmap sets out 12 key pillars. It mandates the appointment of a Chief Information Security Officer (CISO) in NRB and all BFIs, along with the formation of board-level IT risk committees and high-level cybersecurity committees, chaired by the NRB Governor or Deputy

Governor. A cornerstone of the initiative is the creation of FinCERT-Nepal, which will coordinate cyber incident response, conduct risk assessments and share threat intelligence among financial institutions in close collaboration with Nepal Police Cyber Bureau and npCERT.

The policy requires the seamless integration of all BFIs with npCERT to ensure real-time threat alerts and coordinated responses. It also stresses the importance of strategic partnerships with CSRI and CAN Federation to drive research, offer specialised training and conduct realistic cyberattack simulations. Regular risk assessments, robust controls such as multi-factor authentication, data encryption and routine vulnerability tests are integral parts of the plan.

In addition, stringent security measures for digital payment systems, comprehensive incident detection through a 24/7 Security Operations Centre (SOC) and strict reporting protocols are enforced. The roadmap further mandates security audits, due diligence for third-party vendors, compliance with ISO 27001 standards and a cybersecurity scholarship fund to promote industry-academic research and innovation in areas like fraud detection, blockchain security, AI-based threat analysis and digital forensics.

Periodic audits, compliance monitoring and enforcement actions – including fines or licence suspensions – will ensure the roadmap remains effective against evolving cyber threats. This comprehensive strategy marks a pivotal moment for Nepal's financial sector, laying a strong foundation for a secure, resilient and trusted digital economy.

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2.15%, Karnali Province 2.21%, and Sudurpashchim Province 3.14%. In the review month, y-o-y consumer price inflation in Kathmandu Valley, Terai, Hill and Mountain region surged to 2.64%, 2.64%, 2.65% and 4.01%, respectively.

According to the NRB report, during the 10 months of 2024/25, merchandise exports increased 72.7% to Rs 217.91 billion against a decrease of 3.6% in the same period of the previous year. Destination-wise, exports to India, China and other countries increased 104.7%, 5.1% and 4.2%, respectively. Exports of soyabean oil, polyester yarn and thread, tea, jute goods, and oil cakes, among others increased whereas exports of palm oil, zinc sheet, readymade garments, juice, and cardamom, among others decreased in the review period.

Similarly, merchandise imports increased 13.1% to Rs 1,474.19 billion against a decline of 2.4% a year ago. Destination-wise, imports from India, China and other countries increased 7.9%, 15.1% and 28.3%, respectively. Imports of crude soyabean oil, rice/paddy, edible oil, transport equipment, vehicle and spare parts, sponge iron, among others increased whereas imports of petroleum products, gold, electrical equipment, chemical fertilisers, and coal among others decreased in the review period.

The report mentions that the total trade deficit increased 6.7% to Rs 1,256.28 billion during the 10 months of 2024/25. Such deficit had decreased 2.3% in the corresponding period of the previous year. The export-import ratio increased to 14.8% in the review period from 9.7% in the corresponding period of the previous year.

The central bank has stated that remittance inflows increased 13.2% to Rs 1,356.61 billion in the review period compared to an increase of 16.9% in the same period of the previous year. During mid-April to mid-May 2025 (Baisakh,

2082), remittance inflows stood at Rs 165.30 billion. In the same period of previous year, such inflows amounted to Rs 115.99 billion.

In US dollar terms, remittance inflows increased 10.5% to \$9.96 billion in the review period compared to an increase of 14.8% in the same period of the previous year.

Meanwhile, the current account remained at a surplus of Rs 255.93 billion in the review period compared to a surplus of Rs 193.31 billion in the same period of the previous year. In US dollar terms, the current account registered a surplus of \$1.89 billion in the review period against a surplus of \$1.45 billion in the same period last year.

In the review period, net capital transfer amounted to Rs 8.48 billion. In the same period of the previous year, such transfer amounted to Rs 5.26 billion. Similarly, in the review period, Rs 10.6 billion foreign direct investment (equity only) was received. In the same period of the previous year, foreign direct investment inflow (equity only) amounted to Rs 7.05 billion.

The Balance of Payments remained at a surplus of Rs 438.52 billion in the review period compared to a surplus of Rs 392.64 billion in the same period of the previous year. In US dollar terms, the BOP remained at a surplus of \$3.23 billion in the review period compared to a surplus of \$2.95 billion in the same period of the previous year.

Gross foreign exchange reserves increased 23.1% to Rs 2,512.95 billion in mid-May 2025 from Rs 2,041.10 billion in mid-July 2024. In US dollar terms, the gross foreign exchange reserves increased 20.5% to \$18.40 billion in mid-May 2025 from \$15.27 billion in mid-July 2024.

Of the total foreign exchange reserves, the reserves held by NRB increased 19.6% to Rs 2,211.11 billion in mid-May 2025 from Rs 1,848.55 billion in mid-July 2024. Reserves held by banks and

financial institutions (except NRB) increased 56.8% to Rs 301.83 billion in mid-May 2025 from Rs 192.55 billion in mid-July 2024. The share of Indian currency in total reserves stood at 21.2% in mid-May 2025.

Based on the imports of 10 months of 2024/25, the foreign exchange reserves of the banking sector are sufficient to cover the prospective merchandise imports of 17.4 months, and merchandise and services imports of 14.6 months.

FNCCI welcomes budget for FY 2025/26, calls for integrated policy reforms



The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) has

welcomed the government's budget for Fiscal Year 2025/26, unveiled by Deputy Prime Minister and Minister for Finance, Bishnu Prasad Paudel, on May 29. In its press statement, FNCCI noted that the budget prioritises economic reforms and recognises the private sector as the backbone of the economy.

The budget incorporates several of FNCCI's demands, including measures to ensure stable and predictable policies by prohibiting retroactive laws and progressively implementing the recommendations of the High-Level Economic Reform Commission. FNCCI welcomed the proposal for a single-window system for business registration and closure, enhanced by digital platforms such as Nagarik app, and called for further reforms to public-private partnership laws and investment legislation.

Additional measures include provisions to shorten and simplify Environmental Impact Assessments (EIA) and Initial Environmental



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Examinations (IEE) to attract foreign direct investment, a reduction in rent rates for special economic zones (SEZs) and industrial estates, and the adoption of Industry 4.0 concepts to boost technology use. The budget also empowers the Investment Board Nepal (IBN), although FNCCI recommends merging IBN with the Department of Industry and other bodies for integrated services.

The budget aims to foster innovation-based startup entrepreneurship through the establishment of incubation centres – in collaboration with the government, universities and private sector – as well as through interest rate subsidies and a five-year income tax exemption for eligible businesses. It also supports the development of micro, cottage, and small to medium-sized industries, and encourages domestic timber management and women's entrepreneurship by offering tax exemptions on business registration.

In tourism and infrastructure sectors, the budget proposes special industry status for hotels and resorts, arrangements allowing tourists to carry up to \$5,000 in Nepali currency, and new plans for operating Pokhara and Gautam Buddha International Airports, along with expedited construction of Nijgadh Airport and the Nijgadh–Kathmandu Expressway. The agricultural sector is addressed through measures to expand fruit farming and support the 'Organic Hill Programme', while provisions to encourage reservoir-based projects and private investment in electricity transmission are also included.

However, FNCCI has criticised the failure to extend tax exemptions on electricity exports beyond 2025 and retention of the 'take and pay' arrangement, as well as the omission of its suggestion to remove the excise duty on domestic production. The private sector organisation also expressed concerns over retention of 2.5% deduction at

source (TDS) on export cargo, the luxury tax and VAT on certain jewellery, and the lack of reforms in personal income tax rates and exemption limits – all of which may dampen market activity and discourage exports.

Overall, the budget sets a feasible economic growth target of 6%. FNCCI stressed that achieving this target will require good governance and an environment in which the private sector can operate freely and with respect.

Budget is balanced but implementation remains a concern: CNI



The Confederation of Nepalese Industries (CNI) has stated that budget for Fiscal Year 2025/26 unveiled by the government is balanced and aims to address current economic challenges while boosting private sector investment, though its implementation remains a concern.

CNI has welcomed measures supporting private investment, including granting new industries in Special Economic Zones (SEZs) and industrial areas a three year rent exemption, reducing monthly SEZ rent from Rs 20 to Rs 5 per square metre, and extending benefits to industries in industrial areas that export over 30% of their production. It also welcomed 50% reduction on rent for industrial areas and revisions to laws on land acquisition and land ceiling.

The budget announces incubation centres operated in collaboration with the government, universities and private sector; 75% tax exemption on income from IT service exports; 5% final income tax for individuals exporting IT services; and five year tax exemption for startup businesses with an

annual turnover of up to Rs 100 million. Provisions for income tax and electricity tariff exemptions for IT based industries, hotels and resorts are also expected to attract investment.

Other measures include easier access to working capital loans for manufacturing, tourism, construction and housing sectors; permission for Nepali companies to open sales branches abroad and invest up to 25% of annual export income overseas; and support policies for RCC concrete, blacktopping, studies for standard gauge electric railways and systematic urban development with private sector participation.

The government has committed to reviewing laws on value added tax, income tax and excise duty to study multi rate VAT system, as previously suggested by CNI. The budget also states that supplementary Environmental Impact Assessment will not be required if tree numbers change by up to 10% after report approval.

CNI called for greater private sector participation in constructing and operating industrial areas. It welcomed plans for modern industrial zones in Shaktikhor (Chitwan) and Mayurdhap (Makawanpur), and for SEZs in Panchkhal and Simara to be operated with private input. Provisions for sourcing construction materials, leasing government land for tourism infrastructure and incentives for hotels, resorts and the timber industry were noted.

Additional measures include a partnership for data centre construction and operation, dedicated facilities for uninterrupted electricity and security, an automatic database of international price trends to replace customs reference prices, fast track import and export with authorised businesspersons and upgrading integrated check posts to reduce business costs.

Further steps to facilitate digital payments include the abolition of VAT on clearinghouse services,

cancellation of advance income tax on food grains and pulses at customs, removal of Rs 300,000 bank guarantee requirement for obtaining an EXIM code and provisions for free residential visas for experts and investors as well as digital nomad visas.

CNI noted omissions such as industrial development strategies, quality promotion and labelling requirements for imported goods, which should be prioritised in future budgets. Although many aspects of the budget are positive, CNI stressed that implementation has historically been weak and urged the establishment of a clear framework and greater accountability to achieve 6% economic growth target.

CNI has committed to continuing its constructive role in the budget's implementation through its 'Budget Watch' programme, engaging with stakeholders to ensure effective economic growth.

Budget is balanced despite implementation challenges: NCC



Nepal Chamber of Commerce (NCC) has stated that the government's budget for Fiscal Year 2025/26 is, on balance, sound, though its implementation will be challenging.

NCC said in a statement that the revenue target of Rs 1,315 billion and foreign loans and grants targets (Rs 233 billion in loans and Rs 55.45 billion in grants) will be difficult to meet unless economic activities expand, given evolving global conditions.

The budget is focused on facilitating trade, promoting industrial investment and boosting private sector confidence. It excludes projects below Rs 30 million and prioritises sectors such as information technology and tourism. NCC noted measures



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including the abolition of VAT on digital payments, an allocation of Rs 760 million at 3% interest to deter youth migration and a five year income tax exemption for startups with an annual turnover of up to Rs 100 million.

Other initiatives include the establishment of digital banks, opening up to foreign investment, infrastructure development and support for tourism. NCC also acknowledged proposals for systematic urbanisation with private sector participation, measures to facilitate land acquisition for collective housing and support for businesses through working capital loans and loan rescheduling.

The chamber expressed confidence in the export strategy aimed at goods with comparative and competitive advantages, certification of Nepal's quality standards and the use of potential domestic construction materials. It also called for policies to manage the underutilised forest sector sustainably.

Additional measures noted were the integration of Know Your Customer (KYC) details with the national ID card, tax exemptions for machinery used in green hydrogen production and wood seasoning, and reforms in the cooperative and financial sectors, including amendments to credit and insolvency laws. NCC has stressed the need for a monetary policy that targets 6% economic growth while keeping inflation at 5.5%.

Rathi elected Chamber of Industries Morang President

The 52nd annual general meeting of Chamber of Industries Morang held on June 13–14 unanimously elected a 14-member executive committee for a two-year term under the leadership of Nanda Kishor Rathi.

Bholeshwor Dulal was elected Senior Vice-President; Surendra Golchha, Bipin Kabra and Subodh Koirala were chosen

as Vice Presidents; and Paras Luniya was appointed Treasurer. Saurav Sarda, Birendra Rathi, Santosh Kumar Bhagat, Jayendra Sharma, Srijan Pyakurel, Ukesh Agrawal, Deepak Agrawal and Siddhartha Kabra were elected executive members.

In accordance with the organisation's statute, president-elect Rathi nominated three additional committee members: Pratik Raut, Paras Golchha and Kiran Vyas. The full 17-member executive committee will serve a two-year term.

Kiran Pandit appointed as NRB spokesperson



Kiran Pandit, Executive Director of Nepal Rastra Bank (NRB), has been appointed

as the bank's spokesperson with effect from June 4.

Pandit, who joined the bank's service in 2005, has acquired experience in the central bank's Bank Supervision Department, Banks and Financial Institutions Regulation Department, and the Financial Inclusion and Consumer Protection Division.

He is currently serving in the Payment Systems Department of NRB.

Louvre Hotels enters Nepal with launch of Royal Tulip Kathmandu



Louvre Hotels Group has made its debut in Nepal with the opening of Royal Tulip Kathmandu, setting a new benchmark for upscale hospitality and large-scale event hosting in the country.

Located in Gwarko, Lalitpur, the newly launched property is positioned to become Nepal's

NIMB Ace Capital facilitates allotment of 'NIFRA Green Energy Bond 6% - 2088/89'



NIMB Ace Capital, a leading merchant banking institution, announced on June 12 that Nepal Infrastructure Bank (NIFRA) has successfully completed the allotment of its 'NIFRA Green Energy Bond 6% - 2088/89'. The allotment event was held on the premises of NIMB Ace Capital, Kathmandu, in the presence of representatives from NIMB Ace Capital (the issue manager), NIFRA, regulatory authorities, and other stakeholders.

The Rs five billion bond issue received an overwhelming response from investors, with total applications exceeding the offered amount by 3.8 times, reflecting strong market confidence in NIFRA's green financing vision.

"For NIMB Ace Capital, this initiative is a natural extension of our legacy rooted in innovation and foresight," said Shivanth Bahadur Pande, CEO of NIMB Ace Capital. "By enabling Nepal's first ever Green Energy Bond issuance, we are

showcasing our commitment to sustainability, and are building on our long-standing vision of pioneering topical and impactful financial solutions for Nepal's climate-resilient development."

The debenture was structured with 60% of the total issue allocated through private placement and the remaining 40% offered to the general public, which witnessed enthusiastic participation from institutional and retail investors alike.

With a fixed annual interest rate of 6% and a tenure of seven years, this bond is designed to fund energy infrastructure projects, with a special emphasis on clean and renewable energy initiatives. The proceeds are expected to support hydropower and solar energy as the sustainable ventures align with NIFRA's commitment to Green, Resilient, and Inclusive Development (GRID).

The NIFRA Green Energy Bond marks a significant milestone in Nepal's capital markets history and underscores NIFRA's role as a frontrunner in mobilising domestic capital for impactful, future-focused investments.

largest hotel and a major hub for MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism. The 308-room hotel is developed by The Massif Hotel and will be operated under the management of Sarovar Hotels, a key partner of Louvre Hotels in South Asia.

Situated just 3.5 km from Tribhuvan International Airport, the hotel offers convenient access for both international and domestic guests. It features over 30,000 square feet of event space, including two grand banquet halls, six meeting rooms,

and several breakout areas, making it one of the most comprehensive conference venues in the capital. The site also includes parking facilities for up to 600 vehicles, underlining its capacity for large gatherings such as weddings, exhibitions and diplomatic events.

Currently, 104 rooms are operational, along with two food and beverage outlets: Lalitpur Café, an all-day dining venue, and The Alpine Lounge & Bar, offering cocktails and live music in a sophisticated setting.

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NRB forms taskforce to recommend banking sector reforms



Nepal Rastra Bank (NRB) has formed a three-member 'Banking Sector Reform Suggestion Taskforce' to propose measures to strengthen the country's banking sector chaired by Dr Rewat Bahadur Karki.

The taskforce has been given one month to submit recommendations on several key issues that include developing liberal yet prudent banking policies, implementing effective risk-based supervision and delivering

customer-friendly services; defining the banking sector's role in energising economic activity; ensuring efficient credit flow to rural areas; identifying and resolving challenges related to mergers and acquisitions of banks and financial institutions and their post-merger integration; outlining the sector's contribution to removing Nepal from the Financial Action Task Force (FATF) Grey List; and clarifying the central bank's coordinating role in capital market development.

Rajendra Shakya, Chairman of The Massif Hotel, said the hotel represents a bold step in elevating Nepal's hospitality offering. "This project reflects our ambition to redefine the guest experience in Kathmandu through scale, service and modern design," he said.

Ajay K Bakaya, Chairman of Sarovar Hotels and Director at Louvre Hotels India, described the launch as a significant milestone in the group's South Asia growth strategy.

The arrival of Royal Tulip in Nepal forms part of Louvre Hotels Group's broader push into high-growth markets across the region, as it continues expanding its global footprint with a focus on premium offerings.

inDrive opens office in Kathmandu

inDrive, a leading ride-hailing app in Nepal, has

announced the opening of its official office in Kathmandu, a major step in reinforcing its commitment to supporting driver partners and enhancing service quality for riders across the city.

The new office will serve as a central hub for a range of services aimed at empowering the driver community and improving the overall inDrive experience. With the launch of this space, inDrive will now provide in-person driver support and training, community and safety-focused initiatives, localised marketing and partnership programmes, and operational support tailored to the local market.

"We are excited to open our doors to our driver partners and the community here in Kathmandu," said Mark Tolley, Regional Director for APAC at inDrive. "This office is more than just a workspace – it is a support centre designed to help

drivers succeed and feel truly connected to the inDrive team."

Regular training sessions will be conducted at the new office to equip drivers with the knowledge and tools needed to grow professionally and deliver the highest level of service. Additionally, drivers can now visit the office directly if they face any issues or simply wish to speak with a team member in person – an important step toward building stronger relationships and mutual trust.

This opening reflects inDrive's ongoing commitment to the Nepal market, where the platform has quickly become a preferred choice for both riders and drivers due to its transparent, fair pricing model and user-first approach.

Rita Pokhrel, Director of inDrive Nepal, added, "Nepal is a key market for inDrive, and this new office is a reflection of the strong partnership we are building with the local driver community. By investing in localised support and listening to our drivers, we are building a platform that truly works for the people. This office represents our deep commitment to the drivers who power our platform. It is a place where they can come not just for training or support but to be heard, to grow, and to be part of something bigger. We are proud to open our doors here in Kathmandu."

The Kathmandu office opening further solidifies inDrive's reputation as a driver-focused, transparent and community-driven mobility platform, offering a fair and flexible model that has quickly gained popularity throughout Nepal.

World Bank Group's new Country Partnership Framework prioritises jobs and resilience

The World Bank's Board of Executive Directors discussed the new seven-year Country Partnership Framework (CPF) for Nepal on May 29. The CPF focuses on the fundamentals of job creation and building

resilience to natural disasters, including those linked to climate change.

"Creating jobs is not just at the heart of our mission, it is also the lifeline that can drive Nepal's sustainable and resilient growth," said David Sislen, World Bank Country Division Director for Nepal, Maldives and Sri Lanka. "The CPF builds on more than 60 years of partnership between the World Bank Group and Nepal and will leverage development partner collaboration and private sector solutions to drive growth, job creation and investments."

Under the CPF, the World Bank Group aims to make available about \$2.7 billion to achieve the CPF's outcomes of helping create more and better jobs, strengthening connectivity and access to services, and enhancing resilience to natural disasters and climate risks.

In the immediate term, the World Bank Group will prioritise policy reform for growth, tourism, digital connectivity and integrated urban development as engines of growth and job creation.

This will include creating a more investment-friendly environment with reforms that enable private sector-driven growth and investment; enhancing digital connectivity and access to digital government services for better productivity, governance, and service delivery; and improving the competitiveness and services of urban centres like Kathmandu Valley and secondary cities to unlock their potential as tourist and investment destinations.

"We support Nepal in creating more and better jobs, bolstering disaster preparedness, and contributing to a sustainable future by mobilising domestic and international private capital, promoting public-private partnerships, and enhancing institutional capacity," said Imad N Fakhoury, Regional Director for South Asia at IFC. "The World Bank Group's Country Partnership Framework will guide our

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Sustainability Solutions holds roundtable discussion on harmonising Nepal's sustainability reporting standards



Sustainability Solutions held a roundtable discussion on 'Sustainability Reporting: Harmonising Nepal's Regulations with International Standards' on June 8. The discussion provided a platform for meaningful dialogue, addressing synergies, gaps and actionable strategies to enhance sustainability disclosures in Nepal.

Key industry leaders, regulators and ESG professionals explored the alignment of Nepal's regulatory framework with International Sustainability Disclosure Standards and the Global Reporting Initiative.

Sustainability Solutions has compiled a report on Nepal's regulatory framework and the key stakeholders involved to assess industry-based sustainability interests.

Representing the banking sector, Sharad Tuladhar, E&S and Climate Project at NMB Bank, said, "Compliance with the standards and criteria of international reporting standards like GRI, SASB, TCFD and ISSB is a gradual process requiring a dedicated team within the bank. Sustainability disclosure ensures organisations provide environmental and social returns in a sustainable manner in addition to economic contributions to

the country."

During the discussion, representatives from the hydropower, investment, insurance and forestry sectors shared their long-term commitment to delivering sustainability reports and stressed the shared responsibility to reach set targets.

Founder of Sustainability Solutions, Sandeep Shrestha, said, "We are not advocating for one reporting standard or another. First, it is about mindset. What are the necessary regulatory changes to be made with the right partners, and what are the basic frameworks that the industry can adopt and integrate while working in tandem with the governance bodies?"

"Sustainability Solutions has penned guidelines for E&S officers at organisations to adhere to international standards," said Shrestha. "There is a need for mandates to hold companies accountable for their sustainability targets. In an advisory role, we can build sustainability systems and strategies for companies."

A sustainability report is necessary for companies acquiring insurance or seeking loans. A standard in sustainability reporting enhances the risk assessment capacity of providers as well as promoting business growth through sustainable practices.

efforts in advancing reforms that will unlock private sector investment and strengthen the business environment to make

a meaningful difference in the lives of the people of Nepal."

As a cross-cutting priority, the World Bank Group will help

strengthen the accountability and effectiveness of public sector institutions to improve the public sector's capacity to deliver results for Nepal and its people.

"MIGA is committed to supporting Nepal's development goals by providing political risk insurance and leveraging other guarantee instruments through the World Bank Group Guarantee Platform," said Şebnem Erol Madan, Director for Economics and Sustainability of MIGA. "By mitigating investment risks, MIGA aims to attract private sector investments that are crucial for creating jobs and strengthening economic resilience. Through our partnership with the World Bank and IFC under the new Country Partnership Framework, we aim to support Nepal to harness its assets and build a more sustainable and prosperous future."

The CPF is informed by a comprehensive analytical and evaluation programme, broad-based consultations with stakeholders across all seven provinces, and the Government of Nepal's 16th Plan, which lays out its national development priorities.

Funding cuts threaten Nepal's peace efforts, says retd US military officer, Evans



Nepal Institute for International Co-operation and Engagement (NIICE) invited Joe Evans to speak on 'Impact of Western Isolationism on Global Efforts to Build Peace: Implications for Nepal' on June 20.

Evans is a retired military officer who worked at the US Embassy from 2014 to 2017 in Nepal's Office of Defence Co-operation. He is also the Peacebuilding Project Coordinator at Villanova

University in the United States.

Addressing a gathering of researchers, educators and members of the media, Evans said. "The cuts in funding for anti-human trafficking measures, planning for disaster response, UN peacekeeping operations and girls' education in rural Nepal are reason for everyone to work together, both individually and collectively, to ensure these initiatives remain active." He emphasised the need for peacekeeping to tackle the root causes of conflict.

In his presentation, Evans described peace as an intrinsic sensation that exists in tandem with developments in the wider world. He mentioned that peace is most often discussed in relation to security or justice and stated that peacebuilding requires a collective effort to address conflicts currently occurring among people worldwide.

The event included an interactive discussion during which Evans took questions from the audience. He observed, "The Nepali Army has niche capabilities in disaster response and performs well in UN peacekeeping operations. However, the funding gap compared with other armed forces is far too large. In South-East Asia, no country appears to harbour ill will towards the Nepali Army. This is why Nepal can be a neutral force to guide conflicting nations towards peaceful resolution."

NIICE is a research centre and think tank that regularly invites experts to share their insights on their chosen subjects.

New Laminar Tiles showroom inaugurated at Bhaisepati, Lalitpur



Laminar Tiles launched a new showroom at Bhaisepati, Lalitpur with Karyabinayak Trade Suppliers appointed as the official dealer on June 13.

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Upendra Devkota Foundation organises 'Neurocon-II, Evolving Trends in Neuroscience'



The Upendra Devkota Foundation organised the second edition of Neurocon, a neuroscience convention, 'Neurocon-II, Evolving Trends in Neuroscience', from June 16-19.

Held every two years, Neurocon invites international practitioners to showcase developments in neuroscience. With two pre-conference days followed by a series of multi-disciplinary presentations over the next two days, Neurocon is the platform for medical professionals, pharmaceuticals and medical equipment manufacturers to convene.

The Upendra Devkota Foundation, founded in 2022, honours Dr Upendra Devkota's legacy of training a generation of practitioners in neuroscience and continues the journey of innovation that he began. He was the founder of Upendra Devkota Memorial National Institute of Neurological and Allied Sciences, a facility built in service to Nepal.

On June 18, at the gala inaugurating Neurocon-II, the Upendra Devkota Award for Outstanding Services was awarded to Dr Terence Hope for advancing neuroscience in Nepal. Chief guest for the event, Krishna Prasad Paudel, Chief, Policy Planning and Monitoring Division Ministry of Health and Population; and Achyut Wagle, Vice Chancellor of Kathmandu University presented the award to Dr Hope.

Laminar Tiles directors Abhinav Churiwal and Ashutosh Khetan, with Mani Raj Maharjan, owner of Karyabinayak Trade Suppliers, were present.

Nepal's first and only vitrified tiles manufacturer, Laminar Tiles are produced in Nepal at a state-of-the-art European technology-equipped facility spread over 12.5 bighas in Gulariya, Bardiya. The company offers tiles in five different sizes with over 500 attractive designs. These fully vitrified tiles are 99.92% waterproof and are four times more durable than other ceramic tiles.

Turkish Airlines named Best Airline in Europe for tenth time



Turkish Airlines, the airline that flies to more countries than any other, has once again asserted its leadership in the aviation industry, earning the prestigious Best Airline in Europe award at the 2025 Skytrax World Airline Awards for the 10th time. The ceremony, widely regarded as the Oscars of the Aviation Industry, was held at the historic Air and Space Museum in Paris on June 17.

Also chosen as the Best Airline in Southern Europe, Türkiye's national flag carrier was recognised with several other prestigious awards. Turkish Airlines received the World's Best Business Class Onboard Catering, Best Business Class in Europe, Best Business Class in Southern Europe and Best Business Class Onboard Catering in Europe awards, reflecting its superior service in premium cabins.

The carrier also earned the Best Economy Class in Europe and Best Economy Class Onboard Catering in Europe titles, underlining its dedication to providing a high-quality travel experience across all service classes. These accolades, totalling eight once again reaffirm Turkish Airlines' strong position in the global aviation sector and its leadership in the region.

These awards are granted based on the direct feedback of millions of international passengers, making them a true benchmark of passenger satisfaction. The continued recognition of Turkish Airlines' superior service quality, unparalleled flight network, and exceptional inflight dining experiences crafted with its catering partner Turkish DO&CO demonstrates the airline's unwavering commitment to its guests.

Commenting on the accolades, Turkish Airlines Chairman of the Board and the Executive Committee Prof Ahmet Bolat stated, "To be recognised once again as the Best Airline in Europe by our valued guests is a source of immense pride for the entire Turkish Airlines family. This achievement, along with other awards, is a testament to the relentless effort and passion of our team. We are driven by our timeless tradition of Turkish hospitality, and we sincerely thank our guests and the Skytrax organisation for affirming our commitment to excellence. We will continue to elevate the travel experience for our guests across our ever-expanding global network."

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Memorial service held to mark 268th anniversary of Kaji Pande's demise in battle



A memorial service for Kaji Kalu Pande was held to mark the 268th anniversary of his demise in battle on June 4. The Kaji Kalu Pande Kaji Tularam Pande Memorial Foundation invited the Chief of the Army Staff (CoAS) General Ashok Raj Sigdel to place ceremonial flowers on Pande's grave at the Kalu Pande Samadhi.

Attending the event were senior Nepali Army personnel as well as Pandes from the eighth and ninth generations. Retired General Pawan Pande, speaking exclusively to Business 360, disclosed that the initiative to renovate Kalu Pande's gravesite began 28 years ago. He said, "It was a neglected grave until our family bought this land. We, the foundation, the ward and the Nepali Army designed and established this site and the temple. The grounds below the temple are where Vamsharaj Pande, son of Kalu Pande, brought stones from Manakamana Temple and held a grand ritual prior to their famous victory over Kirtipur."

The foundation's rejuvenation operation has brought significant investment to the site, improved traffic at local businesses and positioned the gravesite at Chandragiri as an attractive destination for residents of Kathmandu Valley.

Retired General Pande expressed his gratitude for the efforts of the Nepali Army, the local ward and

municipalities and National Life Insurance.

Chief Guest CoAS General Sigdel placed the ceremonial wreath on the site to honour the memory of a renowned strategist's sacrifice in pursuit of King Prithvi Narayan Shah's vision for the nation.

Additionally, the foundation invited notable guests to address the congregation. Tourism professional Bikram Pande and Professor Radha Ram Subedi expanded upon the historical significance of the site and the many accomplishments of Kaji Pande during his lifetime.

Retired General Pande closed the event by thanking the attendees for honouring his forefather's legacy and utilised his time on stage to advocate for renaming the site where Damodar Pande – the first Prime Minister (Mulkaji Sahib) of Nepal and the son of Kaji Pande – was murdered, as Damodar Road in his honour.

Binod Pande, Chairman of the National Ex-Army and Police Organisation of Nepal (NEAPON) and an eighth-generation descendant of Kaji Pande, expressed his hope that the commemoration of Kaji Pande's contributions to a unified Nepal will remind Nepalis that there are ample opportunities for strategic thinkers within the nation without the need to seek prospects abroad.

Kaji Pande fell on June 1, 1858 AD.

HEI CEO, Anju Shrestha, wins 'Best Woman CEO in Strategic Leadership – General Insurance 2025' award



Anju Shrestha, Chief Executive Officer of Himalayan Everest Insurance (HEI), has won the Best Woman CEO in Strategic Leadership – General Insurance 2025 award at Women's Tabloid Publication's Voice of the Women awards ceremony.

Speaking after the event, Shrestha said, "This honour is not just a personal achievement but a recognition of our entire Nepali insurance industry and of all the women who work within it." She added that it reflected her team's ongoing support, hard work and commitment.

The Voice of the Women awards celebrate female leaders worldwide for their contributions to business, leadership and entrepreneurship. Daniel D'Costa, Business Development Manager at Women's Tabloid Publication, said, "Women's contributions in business and leadership are unique. We endeavour to showcase their achievements on an international stage."

Under Shrestha's leadership, HEI has advanced innovation, transparency and customer-centric services through strategic planning, digital technology and strong corporate governance. The award not only recognises her strategic vision and leadership but also highlights the progress of Nepal's insurance sector.

Ncell Foundation celebrates Pemba Sherpa's Everest summit

Ncell Foundation proudly celebrates the extraordinary

achievement of Pemba Sherpa, a kidney transplant survivor who successfully summited Mount Everest. Pemba Sherpa is the first kidney transplant recipient to achieve this feat. This historic achievement not only exemplifies the incredible strength of the human spirit but also stands as a powerful testament that nothing is impossible when dream is fuelled by strong determination. He reached the summit on the morning of May 14.



Ncell Foundation is proud to have supported Pemba in this journey. More than a personal triumph, this achievement served as a beacon of hope for those facing physical challenges, demonstrating the limitless potential of the human spirit and on the other this journey symbolised the urgent call for climate action. He used this platform to raise awareness about the critical need to protect and preserve the Himalayas, which are increasingly vulnerable due to climate change.

Sharing his win emotionally, Pemba said, "My health remained strong throughout the summit. I am standing on the Top of the World representing 850 million kidney patients across the globe to show nothing is impossible. This journey was also a call to save our melting Himalayas. I had reached out to many, but only Ncell Foundation believed in my dream and made it possible. I'm truly thankful for their support."

Bishakha Lakshmi Khadka, Director of Ncell Foundation and Special Projects said, "His journey is a story of inspiration, resilience and hope to anyone facing impossible odds, not only to personal goals but to the global climate cause. At Ncell Foundation, we are honoured to have played a

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Eleven women with disabilities bring their businesses to Impact Hub



Impact Hub organised 'Stories in Conversation' as the fourth event of their What's Hub? Series on June 18. At Impact Hub's accessible workspace, 11 women entrepreneurs with disabilities showcased their businesses and shared their stories as part of the Building Entrepreneur Access Model (BEAM) funded by the MetLife Foundation.

Anukula Rai handcrafts delicate pieces using ribbon, thread and patience. She

established 'Bunai by Anu'. Ganga Chhantyal is founder of Saymo Unique Sewa Garments. She currently employs 12 people who build her brand. Hem Kumari Rai built a career in beauty services, and is the founder of FL Beauty Parlour, offering personalised and respectful care to women from all walks of life. Similarly, Jharana Kumari Rakashkoti is a mother, entrepreneur, activist and athlete who established Jharana Physiotherapy and Rehabilitation Centre, an accessible and inclusive service

for people with disabilities. Jyoti Harijan is the founder of Jyoti Crochet. She sells hats, bags and decorative pieces with her daughter's help. Meanwhile, Mina Shrestha created opportunities for other women with disabilities by offering skill, employment and purpose at Subhashree Tailors, a women's clothing business. Likewise, Ram Laxmi Duwal leads Dharma Surya Poultry Suppliers, raising healthy chickens in clean and well-organised conditions.

Ramsali Tamang started a home farming venture, Pakhrin Haas Farm. She supports local food production. Reeta Shakya is the founder of Yeipu Boutique and leads an all-women team to offer high-quality custom clothing. Rita Singh has a Masters in Sociology. She founded Nawabi Biryani with four business partners this year. Rupa Aryal started Aama Chhori Achar with her mother's support. A home-based pickle brand, she is a reminder that people can create their own opportunities.

The women showcased their products at Impact Hub's co-working space. The event was attended by Rajee Budhathoki, Case Management Coordinator at the Spinal Injury Sangh Nepal's VOICE project. Women with disabilities have found training, community and funding to start their businesses through Budhathoki and the VOICE project.

The project lead for BEAM, Rashi Maharjan, said, "At impact Hub, we are trying to create an accessible safe-space through the BEAM project. And we are not just looking for entrepreneurs and innovators, but we are looking to build a tight-knit group of change makers who not only advocate for themselves, but uplift the community with them."

What's Hub? is a monthly community event hosted at Impact Hub.

part in supporting this mission. Pemba Sherpa is a symbol of strength, a record-breaker, and an inspiration to Nepal and the world."

Pemba's climb is a reminder to the world: the Himalayas are not just peaks to conquer, but symbols of a fragile ecosystem we must strive to protect.

'Snake Bite Prevention' campaign launched by The Rotary Foundation



Funded by The Rotary Foundation and led by Isabella C Bassignana Khadka, in partnership with World Wildlife Fund (WWF), World Health Organisation (WHO), Nepal

Medical Association, BP Koirala Snake Bite Centre, and the Ministry of Health and Population, a website www.snakebitenepal.org, is now available in Nepali, Tharu, Awadhi, Bhojpuri, English and Maithili languages. The website lists nearest destinations for treatment because death from snakebites is preventable.

Concurrent to the website, this campaign adds 11 different public service announcements over the radio that reach rural communities, posters, social media promotion, radio discussion programmes, in-person sessions, and a YouTube video released on June 12 featuring Ani Choying Drolma. The campaign encourages people to stay away from snakes, sleep above the ground, and sleep under a mosquito net. While walking through tall grass, people are encouraged to carry a flashlight and a stick to tap on the ground to keep snakes away.

The Rotary Foundation's four-year campaign for public awareness and snakebite prevention's vision is 'A Nepal where no one dies from snakebite', starting with reducing snakebite mortality by 50% by 2030.

Biologists, doctors and researchers convened to answer questions on prevention of snakebite. The session was intended for INGOs, NGOs and Kathmandu residents working with groups in the Terai belt at risk of snakebite. Current data says 40,000 people were bitten by snakes last year, with 3,000 reported deaths.

Ghana Shyam Gurung, speaking exclusively to Business 360, said, "Snakes are a critical part of the ecosystem but people are generally scared of snakes. People are not aware of venomous and non-venomous snake species. The Rotary Foundation is doing a great job protecting

the lives of marginal people living in farming lands. For us conservationists, the loss of life to any animal attack is equally devastating. Snake attacks, somehow, are not as discussed as preventable compared to attacks from tigers or elephants. Prevention is possible, because a snake attacks when threatened or when it considers the victim to be prey. Awareness campaigns like this are key."

Forests, parks and ponds in Kathmandu valley help cool our cities by up to 1.6°C, study finds

Urban forests, parks and ponds could lower temperatures in the country's capital by as much as 1.6°C if implemented strategically, according to a new study published in the journal Urban Climate. The research

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Sustainable prayer flag launch programme organised



In celebration of World Environment Day, Global Compact Nepal (GCN), in collaboration with its member companies, Hyatt Regency Kathmandu and Lal Dhanus International Services, organised the Sustainable Prayer Flag Launch Programme. The event highlighted the importance of sustainability and cultural preservation, focusing on eco-friendly prayer flags made of 99% cotton.

The programme took place at Hyatt Regency Kathmandu, located in Bouddha, a UNESCO World Heritage Site and a culturally significant location in Nepal. It brought together members of GCN and key stakeholders to raise awareness about sustainable practices while preserving Nepal's spiritual traditions.

The event commenced with opening remarks by Krishna Shah, Executive Director of Global Compact Nepal, who emphasised the value of integrating sustainability into cultural practices. Representatives from Hyatt Regency Kathmandu shared insights

about their ongoing green initiatives, such as cultivating organic vegetables and tree planting, while Lal Dhanus International Services, led by Nim Diki Sherpa, introduced the eco-friendly prayer flags.

Special remarks were delivered by Deputy Mayor of Kathmandu, Sunita Dangol, who underscored the importance of individual actions combined with collective efforts to drive long-term sustainable change.

The programme concluded with a plantation of few trees at Hyatt's in-house herb garden and a trail walk from Hyatt Regency to Bouddhanath Stupa using Hyatt's dedicated pathway connecting the hotel to this iconic site. Participants, including members of Global Compact Nepal, symbolically hung the new sustainable prayer flags at the stupa. The effort was supported by Bouddha Bikas Samiti, further strengthening collaboration between cultural and sustainability-focused organisations.

represents the first of its kind to closely examine how different types of blue-green spaces help cool down city areas across Kathmandu valley.

The study, carried out by an international team from seven institutions, looked at 301

parks, 130 urban forest patches and 26 ponds within the valley's high-density urban areas using satellite-based information and machine learning algorithms.

Temperatures go up as you move away from blue-green

spaces like forests, parks, and ponds. The study shows that Swoyambhu forest stayed cooler at 31.9°C, while nearby city areas reached 36.0°C — a difference of 4.1°C. At UN Park, the temperature was 34.3°C, compared to 38.2°C in the surrounding buildings, a difference of 3.9 °C. A traditional pond, Na Pukhu, in Bhaktapur measured 39.6°C, while the nearby urban area hit 42.5°C.

The number represents the highest cooling effects recorded over five summers, highlighting how much these blue-green spaces can help during the hottest times.

Note that the satellite temperature estimates give an idea of the ground temperatures but still need to be confirmed with actual measurements on the ground.



However, the differences they show help us understand important cooling patterns.

The temperature at Ranipokhari's centre was 37.1°C, while nearby streets reached 39.8°C — a cooling difference of 2.7°C. The cooling effect spreads about 150 metres from the water's edge, with the strongest cooling felt within the first 100 metres. In Bhaktapur, Siddha Pokhari pond showed 36.0°C compared to 38.5°C nearby built-up areas.

Meanwhile, in Lalitpur, Pimbahal pond kept the area cooler, showing 38.3°C vs 40.4°C in the surrounding temperatures. The cooling effect can be even felt up to 300 metres away from the water.

Overall, urban forests provide the greatest cooling effect, lowering temperatures by up to 1.2°C on average. Parks come next, cooling by up to 0.9°C, and ponds can reduce temperatures by up to 0.85°C.

But how well these spaces cool depends a lot on their surroundings. In vegetation-dominated areas, blue-green spaces can cool temperatures by as much as 1.6°C, while in densely built areas, the cooling effect drops to just 0.3-0.6°C.

Lead researcher Saurav Bhattarai, a PhD student at Jackson State University, USA and an ORISE fellow, said our findings show that effective cooling strategies should be tailored to specific urban contexts. "Just adding green spaces is not enough; they need to be carefully designed and well integrated with the

surrounding city environment," he explained.

This study comes at a time when Kathmandu Valley is getting steadily warmer, with temperatures rising by 0.38°C per decade since 1976. Today, the central city areas are often 2-3°C hotter than the surrounding regions. The study also found that soil moisture in the valley has dropped by an average of 2.1% over the past decade, with some central urban areas experiencing reductions as high as 35%. **B**

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THROUGH THE MYSTIC EYE

LEADERSHIP: FINDING THE ORDER IN CHAOS



Sadhguru. Ranked amongst the 50 most influential people in India, Sadhguru is a Yogi, mystic, visionary and a New York Times bestselling author. Sadhguru has been conferred the Padma Vibhushan by the Government of India in 2017, the highest annual civilian award, accorded for exceptional and distinguished service. He is also the founder of the Conscious Planet – Save Soil movement, which has touched over 4.1 billion people, and the Miracle of Mind app, which aims to empower 3 billion people with tools for mental wellbeing.

Q. Sadhguru, your analogy of a manicured garden versus a jungle, it is very similar to this thought of basically, structure versus chaos. Is it important for leaders to manage in a state of chaos, or do they need to bring that chaos down to a more structured way? For the corporate world, how do leaders need to think about that? Should they let the chaos kind of evolve into itself? Do they need to bring more structure to it?

Sadhguru: Chaos is not a choice. The choice that you have made is to reap out of the existing chaos. If you choose to make something chaotic, that will be stupid. It will go somewhere else.

Something looks chaotic not necessarily because it is chaotic but simply because you have a linear mind and something does not fit into your straight line, so you think it is out of order.

For a gardener's mind, a jungle will look chaotic. But no, there is a very deep order there. That is why a forest will live for



millions of years and a garden will not last for a month without maintenance. People are thinking of something as chaos because they have an external view of things. They do not have an internal, integrated view of that. If you understand the ecosystem – today, slowly human beings are beginning to understand – we understand that is the greatest order because that is the only thing which has lived for millions of years.

Stuck in Straight Lines.

A snake will not move in a straight line. This does not mean its mobility is not good. Just travel without using your limbs, let me see. Without limbs, the snake has found a way and he is very effective. He finds his own way of life, he chooses his terrain accordingly and he manages.

So, this is about different types of lives, different types of people, different types of terrains, different types of activities – to reap the best out of it, you have to harness that, rather than beating everyone into one type of system, because in that, you may produce some level of efficiency, but you will

destroy people and situations. Essentially, you will destroy the existing ecology and try to create something new.

For example, to build anything in the ashram, we have never bought a bulldozer and leveled any land. Whichever way the terrain is, I design accordingly and build on that. When I go to the US for example, I see with great distress that if they want to build fifty houses, they just level out fifty acres completely. This is the worst thing you can do. You have no sense of how much life you are disturbing.

You think order means it must be in a particular way. No, there is a different kind of order, and if you do not allow that within the human mind, within the human consciousness and in the actions that we perform, then we become straight lines. Maybe somebody else appreciates us, but we are miserable doing what we are doing simply because we are straitjacketed all the time about how we should be and how we should do.

Instead of harnessing everything to its best the way it is, you want to turn everything

the way you think it should be. This is essentially because you think too much of yourself. You think you are better than the natural forces that are working, which have shaped everything the way it has been shaped.

The Order of the Jungle.

So, chaos is not a choice. There is always a certain order, which is not logically correct. The order of the jungle is not logically correct, but it is the best order because it has lasted longer than anything else. Everyone is talking about building sustainable businesses. If you want a sustainable business, you must take to the order of the jungle.

Today, in India, we use the phrase “jungle raj” (Referring to the Hindi word – rule) because people believe a jungle means disorder. I am using the word “jungle” as a very superior order. It is a highly sophisticated order where you do not see any straight lines, but still everything is in place. Everything is in such a way that it can function like this for a million years and still last. That is definitely a superior order, isn't it? **B**

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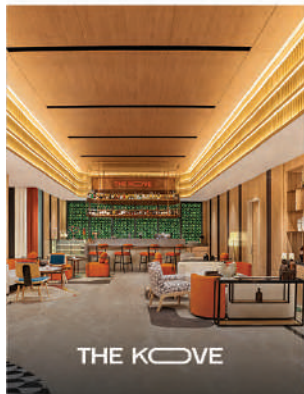
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