

DAO Kathmandu Regd. No. 148/11/063/64
Postal Regd. No. 07/066/067

ME/Israel..... US\$ 1.00
Australia/New Zealand.. US\$ 2.00

Europe..... US\$ 2.00
USA/Canada..... US\$ 2.00
China/Korea/Hongkong...US\$ 2.00

Other SAARC Nations..... US\$ 1.00
Asean Countries..... US\$ 1.00
Japan..... US\$ 1.00

Nepal..... NRs. 50.00
India..... IRs. 35.00
Bhutan..... NU. 35.00

Interview: Dr. Yubaraj Khatiwada

Viewpoint : Dr. M.Elena Filio-Borromeo

NEW SPOTLIGHT

April 02-15, 2010

www.nepalnews.com/newspotlight

FORTNIGHTLY



GPK

BLACK & WHITE

NIBL Special Fixed Deposit

Let Your **Earnings** Yield You Even **More.**

NIBL now offers upto 11% interest on **NIBL Special Fixed Deposit**



*conditions apply

interest p. a.

This scheme is valid for limited period only

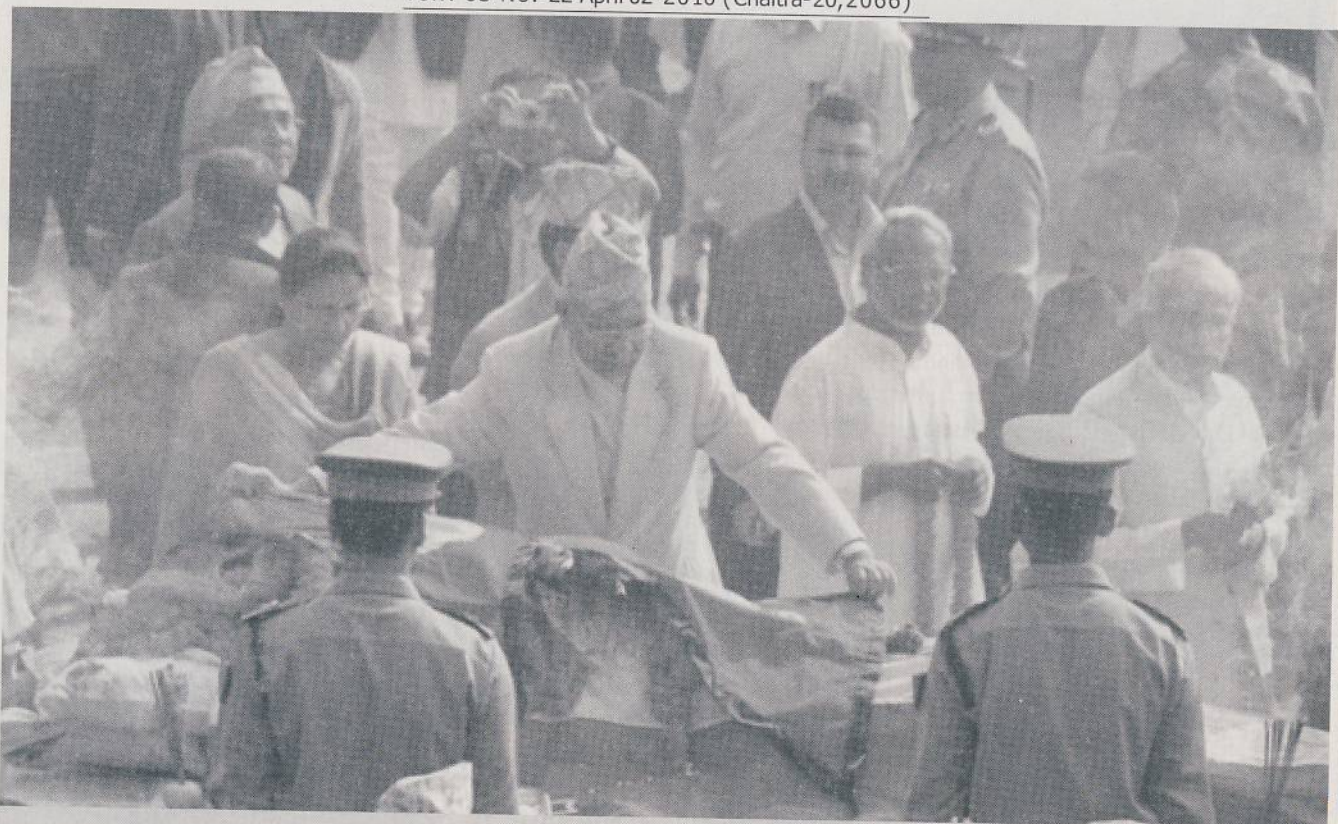
- Nepal's first bank to receive an investment grade credit rating of [Nepal] "A" by ICRA.
- Highly experienced management and sound corporate governance.
- No. 1 private sector bank in terms of deposits and lending.
- 24 years of stable banking.
- Highest growth rate among banks in Nepal.
- Wide Branch and ATM Network.
- The highest Capital Base.
- High Customer Base.
- 365 Days Banking.

Tel: 4228229, 4242530 www.nibl.com.np



नेपाल इन्भेस्टमेन्ट बैंक लि.
NEPAL INVESTMENT BANK LTD.
Truly a Nepali Bank





COVER STORY: GPK: The Man People Loved To Hate *Cover Photo:Alvaro* 8



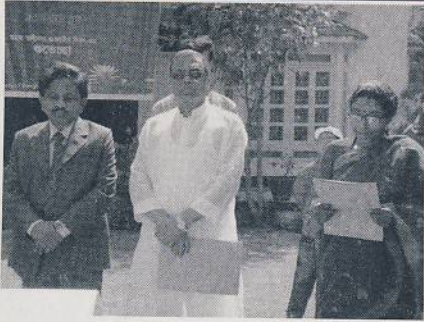
Water War Clouds 5



INTERVIEW: DR.YUBARAJ KHATIWADA 14

NEWSNOTES	7
UCPN-MAOIST: Another Tremor	4
UK ELECTIONS: Candidates Come Calling	6
AGRICULTURE: Worried Farmers	7
LIQUIDITY CRUNCH: Money Travails	13
FORUM : Rajendra Kumar Khetan	17
Inflation Report	18
VIEWPOINT: Dr. María Elena Filio-Borromeo	20
REVIEW	21
Climate Change: Pressure On Panchkhal	22
INDRAWATI SUB BASIN PROJECT: Community First	23
ART	24

Editor and Publisher : Keshab Poudel, **Senior Correspondent:** Saroj Dahal, **Reporter:** Pradipti Bhatta, Abijit Sharma, Aditi Pandey
Marketing Manager : Madan Raj Poudel, Tel: 9841320517, **Photographer :** Sandesh Manandhar **Guest writer :** Alvaro Castrillo Schreiber
Cover Design/Layout : Hari Krishna Bastakoti
Editorial Office : Tel: 977-1-4430250 E-mail: spot@mail.com.np, P.O.Box: 7256
Office : Kamal Pokhari, Thir Bom Marg, House No. 559/144 (Opposite to Himal Hospital)
Printers : Pioneer Offset Printers (P.) Ltd., Dillibazar, Kathmandu. Ph: 4415687
 Kathmandu DAO Regd. No. 148/11/063/64, Postal Regd. No. 07/066/067
 US Library of Congress Catalogue No. 91-905060



Bangladesh Independence

The Embassy of the People's Republic of Bangladesh in Kathmandu celebrated the 39th Independence and National Day of Bangladesh by hoisting national flag and holding discussions on the significance of the day, special prayer and one minute silence in the morning and a gorgeous evening reception in the Hotel Radisson of Kathmandu.

Subash Nemwang, speaker of the Constituent Assembly lit a traditional lamp as the chief guest of the grand reception program. About four hundred guests, including ministers, CA members, Chief of Army Staff, foreign secretary, secretaries, ambassadors, former ambassadors, diplomats, higher officials of civil administration, army and police, political leaders, businessmen, elite persons of cultural arenas of Nepal, journalists, and expatriate Bangladeshis attended the reception.

Ambassador of Bangladesh Dr. Neem Chandra Bhowmik expressed gratitude towards Nepalese people for the support they had shown in the liberation of Bangladesh in 1971. He especially recalled the contribution of the late great leader of Nepal and the former Prime Minister Girijia Prasad Koirala. During the Liberation War he, with other leaders of Nepali Congress, went to Bangladesh to hand over arms to the freedom fighters.

Return Bear Rubina: AWNN

Roots and Shoots Nepal and Animal Welfare Network Nepal (AWNN) have called for the repatriation of Rubina, a rescued dancing bear, back to India. According to the campaigners, Nepal at the moment cannot offer the specialized care rescued dancing bears need while

Bhattarai is General Secretary

The Constituent Assembly has confirmed its secretary general as the deadline for promulgation of the new constitution is coming closer. For three and a half years, an acting secretary general had been running the CA and parliamentary affairs.

the secretariat in the process of constitution making.

"Since Nepal is in the process of constitution making through the CA, I am happy to be a part of this historic mission," said Bhattarai. "Although the time is very short, we can still promulgate



Manohar Prasad Bhattarai was appointed general secretary of Constituent Assembly and Legislature Parliament by the President Dr. Ram Varan Yadav under the recommendation of chairperson of Constituent Assembly Subhas Chandra Nembang. Bhattarai has worked for more than three decades in the legislature.

Bhattarai was appointed acting General Secretary of the Legislature-Parliament nearly two and a half years ago.

Having performed all the important duties as the acting general secretary, Bhattarai's confirmation as the general secretary means his responsibilities only got bigger in providing all kinds of logistic support to the mobilization of

the constitution in time."

With the presence of wise, competent political leadership having knowledge of constitution and constitutional laws and experiences of working in the parliamentary system, Bhattarai said, "We will be able to fulfill our historical responsibility. The support of international community has been generous all the time; they will continue to support us in this very important but crucial time."

One of the advantages for Bhattarai is that he has spent almost all his career in the legislature. Having an extensive ins and outs of legislative functions, Bhattarai's five year's tenure will see much more change in the legislature.

India has four bear rehabilitation sanctuaries.

"CITES rules that confiscated animals that are the victim of illegal trade must be returned to their country of origin," says CITES expert Ravi Aryal. Roots and Shoots Nepal and AWNN argue that Nepal should opt for cross-border

cooperation and return rescued dancing bears to India.

"India features some of the best Bear Rehabilitation Centers in the world, stretching 160 acres with all the facilities and habitat settings the rescued animals need," argues Manoj Gautam, representative of Roots and Shoots.

According to Gautam rescued dancing bears need specialized care as they normally suffer from malnutrition, dehydration, damaged feet, gastrointestinal disorders and worm infestations. "Nepal at present cannot offer such care," according to Gautam.

Wildlife SOS, an Indian organization active in wildlife rehabilitation, has expressed a willingness to rehabilitate the bear.

Pakistan Day Celebrated

Pakistan Embassy Celebrated Pakistan Day by organizing various programs. Along with marking the 70th anniversary of the adoption of Pakistan resolution, Pakistan also celebrated the golden jubilee of diplomatic relations



with Nepal. Nepal and Pakistan established their diplomatic relations in March 1960.

"The day reminds us of the momentous times when our founding fathers resolved to carve out an independent sovereign country for themselves and their coming generations," said Ambassador of Pakistan to Nepal Syed Abrar Hussain.

Recalling the fifty years since the establishment of diplomatic relations between the two countries, Pakistani Ambassador Hussain said, "The period of the last 50 years is a history of friendship between our two nations that have shared aspirations from amity, peace and tranquility in the region."

Japanese Aid For Waste Management

The Embassy of Japan has decided to extend a grant of eighty-four thousand, six hundred and eighty eight US dollars (US\$ 84,688), equivalent to approximately six million, one hundred and fifty-one thousand, seven hundred and thirty six Nepalese Rupees (Nrs 6,151,736), to the Nepal Pollution Control and Environment Management Center for the implementation of the Project for Community Based Waste Management in Kathmandu Valley under the Grant Assistance for Grassroots Human Security Projects (GGP) Scheme of the Government of Japan in Japan's Fiscal Year 2009.

A grant contract to this effect was signed and exchanged between Tatsuo MIZUNO, Ambassador of Japan, and Tikaram Dahal, Executive Director of the Nepal Pollution Control and Environment Management Center (NEPCEMAC).

During the signing ceremony, Japanese ambassador MIZUNO pointed out that in spite of Nepal's huge potentiality in tourism development; there are lots of negative incentives such as frequent *bands*, and lack of social infrastructure. The poor management of solid waste is also one of the negative factors. Kathmandu Valley has to be kept more clean and more beautiful by cleaning away heaps of garbage in the street and improving the hygiene conditions, in order to attract more tourists.



New Chinese Car in Nepal

Chinese Ambassador to Nepal Qiu Guohong launched a new Chinese car stall in Nepal along with Rajesh Kazi Shrestha, president of Nepal China

Chamber of Commerce and Industry and chairman and Managing Director of R.K. Associates, car dealer. UFO-SUV (Super Utility Vehicle) has a powerful engine which is suitable to Nepal. This car is already exported to different countries of the world including Germany, Morocco, Italy, and Venezuela. The car has 4G18S Japanese Mitsubishi Engine.

"Manufactured by Chinese Zhe Zhiyang the car is perfectly suitable to Nepalese market," said distributor.



Condolence To Koirala

Along with Nepal's two neighbors India and China, the United States, Japan, Israel, Pakistan, Bangladesh, Sri Lanka, the United Nations Secretary General Ban Ki Moon and several other leaders and organisations paid tributes to former Nepalese prime minister Girija Prasad Koirala after his death, describing him as a wise leader who guided the Himalayan nation in the right direction.

Koirala, who had been suffering from respiratory disease, died on 20th March at the age of 86.

"Koirala was a mass leader and a statesman, whose knowledge and wisdom guided the polity of Nepal in the right direction at critical junctures in the country's history," Indian Prime Minister Manmohan Singh said.

A high level Indian delegation led by Finance Minister Pranab Mukherjee, speaker of Indian Parliament Meira Kumar and minister of External Affairs S.M Krishna came to Nepal to pay tributes to Koirala.

Similarly, Chinese premier Wen Jiabao, in his condolence statement, said that China has lost a good friend. Similarly, US Embassy in its press statement said, "On behalf of the American people, we wish to express our sympathy and solidarity with the people of Nepal upon the death of Girija Prasad Koirala, leader of the Nepali Congress party and former Prime Minister. ■"



Maoist Leaders: Fighting for power

UCPN-MAOIST

Another Tremor

The rift within the faction-ridden main opposition party threatens to explode into a full-blown division

By SAROJ DAHAL

The standing committee meeting at the party's Paris Danda headquarters on March 29 ran for a marathon seven hours.

The agenda was not new. The feud seen there was not new either.

The only thing that made it different from the previous ones was the intensity of the debate – and its timing.

Coming close on the heels of the demise of Girija Prasad Koirala, the meeting discussed at length the possible situation arising out of his absence.

Understandably, the focus was on post-May 28 constitution deadline.

The party had earlier decided to go for 'a people's revolt' if the constitution of its liking did not come about.

Top leaders had even begun training the cadres across the country for a revolt and eventual capture of power.

Many of them are still out of Kathmandu. On a mission.

But with senior leader Baburam Bhattarai publicly resenting the idea, the party has been thrown into confusion.

In an article in Kantipur daily, Bhattarai ruled out the revolt option and hit out at its advocates — the "extremist" elements of the party.

He also ruled out forming a new coalition on sheer mathematical strength on the floor – an idea some within the party including chairman Prachanda had been vociferously pushing for.

It was this article by Baburam that hogged the debate at Paris Danda.

Some criticized him for creating confusion across the rank and file.

Said C.P.Gajurel, "Baburamji's comments have definitely sent a confusing message."

"He is expected to correct it through newspaper article or interview."

Prachanda and a vice chairman Narayan Kaji Shrestha 'Prakash' even demanded a 'correction'.

Baburam flatly rejected it. "No way," he said, according to one of his confidantes.

He told New Spotlight, "why should he apologise when the party has followed his line (since the peace process began)"

Prachanda hopes to return to Singh Durbar after toppling the present government through a no-trust motion.

Baburam believes a shaky simple majority government is not the need of the hour. "A consensus government is the only way out to ensure the constitution on time."

Some see in Baburam's rejection of the no-trust motion move and a popular revolt a tactical move to stop Prachanda from becoming prime minister again and Mohan Vaidya 'Kiran' from gaining control of the party.

But Baburam camp believes there can be no other rational move other than to go for a consensus government.

Detractors say, the camp has the backing of influential power centres that are not averse to a Maoist-led government with Baburam at the helm.

Middle of the roaders smell a rat in the tug of war within the party.

Said one central committee member, after meeting the both sides, "Mutual mistrust runs deep and a vertical split is increasingly looking not a distant possibility." ■

Water

War Clouds

Rapidly rising tensions over water in South Asia could mean regional conflict is well underway

By Navin Singh Khadka in London

They may have appeared like fictions once. They certainly have not become facts already. Yet, water wars do increasingly loom large in South Asia.

Sample these recent simultaneous developments in the region: Sharing of the Indus river water has emerged as one of the thorniest issues between India and Pakistan.

A visibly worried Bangladesh has proposed to China and India development of joint basin wise management of the Bramhaputra.

The two Asian giants already have their horns locked on the river – one of world's biggest ones.

A new dam in the Indian state Manipur is yet another source of water-related tension between Dhaka and New Delhi.

Between Nepal and India, however, no new water issues have come up publicly of late while decades old knotty disputes remain swept under the carpet.

Out in the open is the Indus controversy pitting India and Pakistan in the fray fifty years after the quarrelsome neighbours signed the treaty.

Islamabad alleges that India is stealing water from the Indus depriving Pakistanis of their due share, an accusation New Delhi vehemently denies.

The issue dominated the recent secretary level talks between the two South Asian nuclear rivals.

With Islamabad pushing for it, it is said to have surfaced even in the US-Pakistan strategic dialogue in Washington last week.

Former Indian water resources secretary Ramaswamy Iyer wrote in the Indian Express recently, "Water is a bogus issue manufactured by the (Pakistani) army and the government for strategic and political purposes."

While the Indian media is apparently downplaying the issue, the Pakistani press has been ratcheting it up.

"At the three day annual talks on the Indus Waters Treaty, Pakistan raised its objections to construction of two new power projects on the Indus river by India," the Dawn newspaper reported as the meeting began on March 28.

"The water crisis in Pakistan is directly linked to relations with India," Pakistani president Asif Ali Zardai wrote in Washington Post last year.

"Resolution could prevent an environmental catastrophe in South

While India is yet to settle things with Pakistan, it has had to grapple with an even more serious challenge – a Chinese take away.

As China carries on with its South-to-North Water Diversion project including the Bramhaputra river, the lower riparian country India is increasingly becoming jittery.

It has tried to raise the issue with Beijing at different levels.

"But even a joint expert level mechanism set up in 2007 has proven of little value," writes Professor Brahma Chellaney with the Centre for Policy Research in New Delhi.

Perhaps having noticed China and India not seeing eye to eye on the issue, Bangladesh came up with the proposal to develop joint basin wise management of the Bramhaputra.

But water experts say what Beijing and New Delhi's response will be to that is anyone's guess.

What conflict over Bramhaputra could be for the eastern part of South Asia, fight for the Indus would be for the region's west.



Himalaya: Under a threat

Asia, but failure to do so could fuel the fires of discontent that lead to extremism and terrorism."

Regional water war by then will have become a fact.

Khadka is a BBC journalist



British veterans minister Kevan Jones (right) with chairman of the BGWS Major (Retd.) Tikendra Dal Dewan at the BGWS office last month (Photo courtesy: Milan Tamu)

UK ELECTIONS

Candidates Come Calling

Major British parties compete to ensure support of a small but emerging expatriate Nepalese community

By Bhagirath Yogi in London

On 18 March, Thursday, British Minister for Veterans, Kevin Jones, visited Gurkha Bhavan, the headquarters of British Gurkha Welfare Society (BGWS) at Farnborough outside London. During his interaction, Minister Jones appreciated the role being played by Gurkhas in protecting UK's vital security interests and said the British government was doing all it could to settle former Gurkha veterans in the UK.

Though it was an official visit, the timing was quite significant. With general elections in UK only weeks away, it was but obvious that the British minister from the ruling Labour party wanted goodwill and support from the Gurkha community.

As British voters are preparing to choose a new government on May 6, candidates from major political parties are wooing immigrant communities including expatriate Nepalese.

On Saturday, 27th March, Virendra Sharma, Labour MP for Ealing Southall, addressed a small gathering of expatriate Nepalese community at a restaurant in Southall. He assured his party's full support to address problems being faced by Gurkhas and Nepali students now studying in the UK.

With latest opinion polls showing narrow margin between ruling Labour and the main opposition Conservative party, parliamentary candidates know it very well that every vote counts. As during the last

parliamentary elections in 2005, few seats had been won or lost with the margin of a few hundred votes, they don't seem to take any chances.

The third largest party in the House of Commons, Liberal Democrats, too, has been wooing expatriate Nepalese voters. Liberal Democrat leader Peter Carroll, affiliated with the Gurkha Justice Campaign, is now contesting from Maidstone and the Weald where there is a sizeable Gurkha community.

Gurkhas bagged a major victory last year after the British government announced that all ex-Gurkhas, who had served for at least four years in the British Army, would be allowed to apply for settlement rights in the UK. But they lost a major legal battle in January this year.

Royal Court of Justice, a British appellate court, rejected arguments by the British Gurkha Welfare Society, that nearly 24,000 Gurkha veterans who served in the British armed forces before 1997 were discriminated in terms of pension and other benefits compared to their British counterparts.

While British politicians are seeking Gurkha votes, Gurkha organisations are trying to seek their support in their on-going struggle. "As an organisation, we are neutral but we continue to lobby for cross-party support in our fight for equal treatment and equal pension for ex-Gurkhas," said Prakash Gurung, Public Relations Officer of the BGWS.

Growing in Strength

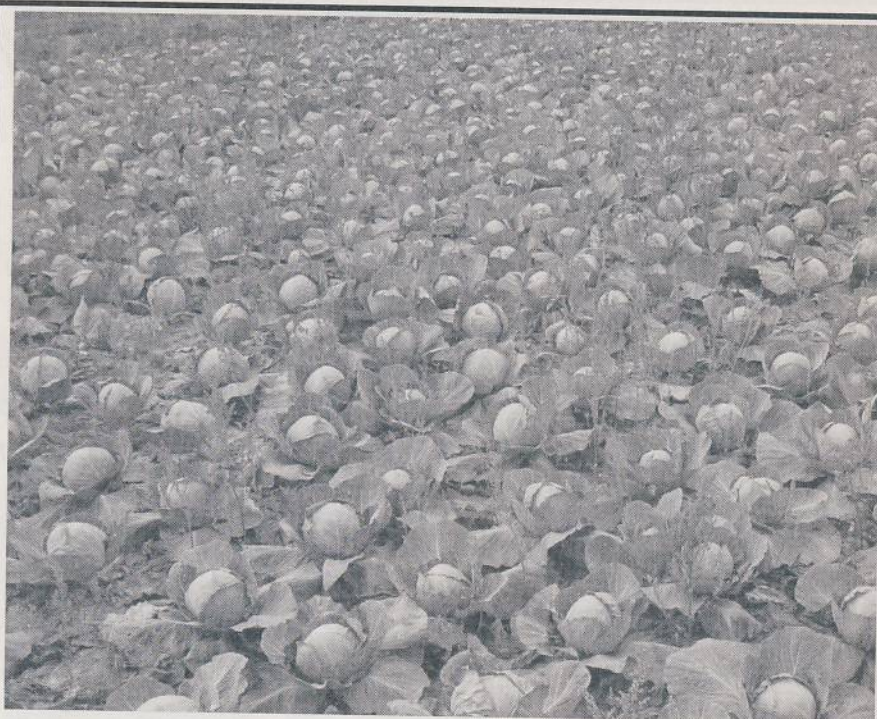
The first-ever census carried by the Centre for Nepal Studies (CNS) UK, a think-tank, showed that the number of Nepalese residing in the United Kingdom stood at over 72,000 by the end of 2008. The number is now estimated to have reached around 100,000. It is not clear how many of them are eligible to vote. But it is estimated that thousands of Gurkha veterans as well as other expat Nepalese – who have acquired UK citizenship—will be exercising their right during the forthcoming elections.

Dr Krishna Adhikari, executive director of CNS UK, recalls that during the last parliamentary elections Labour candidate from Park Ward Reading would have lost the election if he had not secured support from the newly settled Nepalese voters. "Even in the forthcoming parliamentary election, I believe Nepalese voters will make difference in some constituencies in Farnborough, Berkshire, Kent, Wiltshire and London. We will be closely watching the outcome in Rushmoor where substantial numbers of ex-Gurkhas reside," he added.

Compared to Indian, Pakistani or Bangladeshi immigrant communities, expat Nepali community in UK is still small and new. They are, however, gradually proliferating into business and taking up white-collar profession. They not only own restaurants or grocery shops, they are running colleges, security companies and are also engaged in other business activities. Hundreds of Nepali doctors, engineers, nurses and accountants are also working in the UK many of whom have got voting rights.

Dr Adhikari feels that the influence Nepali voters make in the forthcoming election, among others, will have knock-on effect on the role and recognition the community will receive in the coming days. "However, for the few years, they will primarily be seen as swingers (marginal voters) to be targeted during the elections. It is primarily because political engagement does not seem to be immediate priority for the Nepali community because as new settlers they are still struggling to sort out basic issues of work, housing, education, and so on."

Unlike in the USA, expat Nepali community in the UK is yet to emerge as an influential group of voters. They are also least likely to vote as a bloc to any particular party. But, as things stand now, they will continue to receive knocks in their doors from candidates belonging to various political parties over the next few weeks seeking their support. The forthcoming election may also result into a 'turning point' for a community that continues to explore its role in a diverse British society. ■



AGRICULTURE

Worried Farmers

The weather condition now is unfavourable to the farmers of the east

UMA KANTAKHANAL in Jhapa

It has not rained for a long time, and given the lack of irrigation opportunities, they are facing the problems of drought.

For the last six months, the eastern terai has seen no rainfall. The land prepared for cultivation of crops has mostly dried. The atmosphere is full of dust. The crops and the vegetables, have turned into straws, while they awaited harvesting.

Yet, farmers have some thin hope that there will be rainfall to rescue them from the drought.

This is a period of cultivating maize and paddy, which will be harvested in June. Vegetables like cauliflower, cabbage and tomatoes are also grown during the same period. In the absence of rainfall since September, the farmers are sure to face much loss in their production.

A farmer from Garamani 6, Jhapa – Sahadev Thapaliya, who has now more than 50 quintals of cabbage to sell in the market, used to have more than 100 quintals of cabbage in the past years. He notices that the production of the vegetables and other crops is declining.

It is not sudden but is happening gradually, yearly. He says unfavourable weather has not only affected agriculture but also the environment.

“No one emphasizes in doing something for the loss of agricultural products even the government.”

Thapaliya expresses his anger towards the government saying that it is only focused on saving itself.

Farmers want subsidies and facilities for irrigation because they have no other options left, he says.

As the source of underground water yields less in this season, he says, not all farmers can afford expensive diesel water pumps.

“Load shedding has worsened our situation.”

Jhapa, Morang and Sunsari are the principal districts for the production of agricultural goods. The agricultural products which are produced in these districts are consumed in most parts of the country and even exported to foreign countries.

Although the weather condition has not favoured farming of the crops, the number of farmers has been increasing so that the amount of the agricultural products has not decreased in the market yet. The president of Agricultural Products Market, Birtamode, Mohan Siwakoti says, “The amount of vegetables and other agricultural products has not decreased yet. This is because the number of farmers has increased.”

This unfavourable condition has even worried the agro-technicians. Shalik Ram Bhattarai, a technician of District Agriculture Office, Jhapa, says, “Rainfall is the main factor that improves agriculture. The situation today is not in our control as we cannot do anything which improves farming. The situation has become very challenging even for technicians like us.”

He says that an individual farmer is likely to run a loss of up to 35 percent. ■

NEW SPOTLIGHT

NEWSMAGAZINE

Available at the following stands

1. Bhatbhateni Supermarket: Bhatbhateni
2. Bhatbhateni Store: Maharajgunj
3. Mandala Book Point: Kantipath, Ph: 4227711
4. Vajra Book Store, Jyatha Ph.:4220562
6. Book Paradise, Jamal
7. Namaste Supermarket, Narayani Complex Pulchwok
8. Namaste Supermarket, Maharjgunj (Opposite to American Embassy.
9. Himalayan Book, Bagbazar.
10. Bhaktapur Stationery, Nytapaul
11. Utsav Books and Stationers, Putalisada Telephone:4220882

GIRIJA PRASAD KOIRALA

The Man

People Loved To Hate

Vilified all his life as an ever-mischievous villain he has been glorified after the death as a never-wrong super hero. In reality, Girija Prasad Koirala was neither a devil nor a god. He was simply an ordinary man with extra-ordinary history. A unparralled action man without an iota of statesmanship. A compassionate person, a ruthless political animal.

By SUSHIL SHARMA

TIME magazine once described in its cover story John McEnroe as a man people loved to hate.

The American tennis legend stole the headline for dethroning the long reigning Bjorn Borg through a superlative show on court.

But the fullmouthed teenager of the late Seventies grabbed as much attention for his antics and tantrum.

People loved the American man's game, but hated the absence of gamesmanship in him.

Person

Girija Prasad Koirala had a similar fate. The people loved the man of action. 'There were no parallel to him.'

But the people hated the man all his life. Except the faithful party cadres people enjoyed in condemning the man. They would not stop at criticism.

The six-time prime minister was indeed a dual personality. Personally too humane, politically very ruthless.

He swallowed humiliation with grace and dignity, when it came from within the party.

Few leaders are endowed with guts and tolerance the-then prime minister displayed in the face of innuendoes junior leaders hurled at him, at a central committee meeting at supremo Ganesh Man Singh's Chaksibari residence 17 years ago.

He did not let civility lose even when the supremo Singh and the party president Krishna Prasad Bhattarai made his first innings at Baluwatar impossible. Nor did he return the countless unprintable words to his seniors.

Political walls notwithstanding he would go to their doors to pay personal respects and enquire about their health.

Condemned for corruption and

scandals he died a homeless man.

Accused of amassing billions, he would end up — once out of Baluwatar — at a small ordinary room at nephew Shashank's typical middle class two-storey house.

Accused of nepotism specially in favour of daughter in his last days, Koirala once denied Sujata ticket to the parliament and once to the powerful central committee.

Politician

Koirala's political career, spanning over 60 years, was no different. It too had two different shades.

He was an organization man. Always on the move. Ever restless, he would travel across the country to take care of the party and the cadres.

Without him, the Nepali Congress could not have withstood the heavy



Koirala: Brickbats in life, bouquets after death

odds. As he left the scene, the party organization struggles to find its feet. The organization is in a shambles.

He engineered the exit of founder leaders Ganesh Man Singh and Krishna Prasad Bhattarai but kept the country's

oldest and largest surviving democratic party's flag fluttering.

As he bid adieu, Koirala left behind



Prime Minister Koirala : The ultimate power

no credible and reliable hands to bear the four-star standard.

Hero as an individual leader he was zero as an institution-builder.

He followed BP Koirala as a loyal and obedient '*havaladar*' - to borrow the word from the elder brother statesman.

He had a key role in the making of BP himself. Without the younger brother's organizational skill, strength and energy to bank on, BP would not have had the luxury of engaging in thought discourses that elevated him to rare status of a thinking politician.

BP rose to prominence as a leader who would draw comparisons with the likes of Nehru, Sukarno and Nasser and who would get the invite of Khrushchev to a dinner for the select world leaders at the peak of cold war.

Later he evolved into THE only statesman of modern Nepali politics to date. Without the lanky and bald younger brother on his side, he would have found the feat unthinkable.

Once he wielded the party's baton himself, GP dropped BP's politics as a hot potato. "I can't be BP," he angrily retorted to a family friend and mentor when reminded of the deviation he was heading to.

GP gave up the principle his elder brother had risked his life for - the national unity and reconciliation.

He negotiated the release of BP from the king's prison after eight years. But fell to a trap of other wily actors who provoked him into persuading his elder brother to go into exile in India.

"History would have taken a different course, had GP persuaded BP to stay in the country", say knowledgeable insiders.

After another eight years in exile, BP returned home. He said, 'nation first, democracy second and power the third'.

GP seemed to agree. But subsequently reversed the order.

To him, power became the only mantra.

He refused to give prime minister Krishna Prasad Bhattarai a few days in government to let him make a historic visit to France.

Hitting out at his compatriot from the floor of the parliament Bhattarai left the office in tears. GP showed no remorse.

He also joined hands with the communists who he always saw as anathema, having been a witness to how the Indian communists had "betrayed" the fight for the independence against the British imperialists.

He first flirted with the breakaway faction of the UML and later the UML itself to lead himself to the seat of power. After overseeing the fall of another government - led by Sher Bahadur Deuba,

A few years later, GP converted the personal animosity with the authoritarian monarch into an alliance with a Stalinistic outfit that borrowed Maoist name.

With out-of-touch-with-the-mass

king Gyanendra helping his cause by no small means GP rode the republican bandwagon, even as he kept nursing the idea of keeping the monarchy in one or other form.

He was a lifelong democrat. He fought for it, went to jail and exile for it. Suffered for it.

Fundamental human rights, freedom of expression and press freedom were dear to his heart.

In power or out of power, the champion leader did never make compromises on these values.

At his death, he left a party that had a totally different view on those values in the driver's seat in Nepali politics.

The democratic party that he was associated with all his life is today at the mercy of a radical communist party that eulogises Lenin, Stalin and Mao – not Lincoln, Churchill and Gandhi.

GP was a man of action. He got done what he wanted. He did not care for the results.

But towards the end of his career – and, as it turned out, of his life – the action-man failed to retain the image of a man who would keep his words.

After leading the 2062-62 movement he got done what was unthinkable just a few days ago – the reinstatement of parliament.

But he could not keep the elected body going. Under the pressure of the new-found alliance partners, the Maoists, he became a helpless spectator to its dissolution soon.

He wanted to retain the 2047 constitution and effect some fundamental changes in it instead of going for an interim constitution, according to a close aide and nephew Shekhar Koirala.

The reason: he was worried about perpetual instability in the critical political transition. He had serious apprehensions about federalism and secularism.

His worst fears are coming true. But he could not prevent it.

The centrist politician succumbed to pressure of the extremists, fearing a loss of hot seat of power.

GP's is a life of struggle to empower people. But never before in history have the Nepalese people felt powerless.

GP was a nationalist, no doubt. A true brother of BP, he stood tall against many foreign designs. Took many tough



Avoiding A Void

In GPK's death the nation runs into a political vacuum that could be ominous

By A CORRESPONDENT

At his death, Girija Prasad Koirala leaves a void. In Nepali Congress. In national politics. And in Nepal's international dealings.

It will be difficult, if not impossible, to be filled in the foreseeable future.

Today, his party is groping in the dark. Unsure of a future without him.

It is not for nothing that few dared to challenge founder leader, Krishna Prasad Bhattarai, when he called to revive the 1991 constitution.

Such a revival would effectively eliminate "the achievements" of the movement GP led.

But there has been no major public outcry.

To the contrary, instead of getting buried in the little-noticed inside pages, KP's statement found prominence in the front-page of most newspapers

Other parties are clueless about what lies ahead, without a man who made impossible possible at one stroke of action – by signing the 12 point deal in Delhi.

Republic, secularism and federalism. None would have been possible without this man. It is a different matter altogether if he really believed in them.

His bête noire, Gyanendra Shah, chose to speak out, less than a week after he went out of the universe speaks volume for the difference GP's absence made.

For all his wrongs, weaknesses and shortcomings, he still stood tall.

Few match the dynamism and determination of the defiant GPK. For right or wrong.

The vacuum that he has left could be ominously dangerous.

decisions.

But ultimately, the lust for power got the better of him. The result: never before the foreign powers have been so dominant in Nepali politics.

As he left the scene the Nepalese politicians find themselves as a Puppet on a Chain, to borrow from the Alastair MacLain's famous thriller.

A born-politician, GP died a politician. Aberrations apart, he had no fascination in other activities. Sports,

music, literature, painting were luxuries he never fancied about.

He gave everything in life to politics. The dedication was complete.

But as the 87-year-old breathed his last, he left the Nepali politics in a cesspool, like Amitabh Bachchan discovered in his country 25 years ago before swimming out of it to emerge as the star of the millennium.

GP was not as lucky. Nor were the people he led and cared for. ■

POLITICS AFTER GP KOIRALA

As Before

After the death of GP Koirala, many expect that Nepal's political scenario will go from bad to worse. If history is any lesson, Nepal's political course will remain on its own track

By KESHAB POUDEL

Just a couple of days after the death of Girija Prasad Koirala, whose funeral in the capital drew a massive participation of the people, former King Gyanendra visited Janakpurdham as a private citizen where he was greeted by large crowds.

These two incidents had some common characters. Former King Gyanendra, who was projected as a most hated person by broadsheet Nepalese media, walked freely in the heart land of Madhes, where federal Madheshi agitation originated.

Former prime minister Koirala received a grand support in his departure in a land where he was also hated much.

At the surface, if the presence of people shows anything, it is that both had the power to dictate political course. Both of them also faced humiliation when they were in power and failed to bring any political change in their favor.

Nepal's politics is full of contradictions and unreal dramas where seen players do little to dictate the politics. It is often the unseen players who emerge decisive with the capability to impose the terms and conditions.

As eminent constitutional lawyer Ganesh Raj Sharma writes in his article Monarchy and the Democratic Development in Contemporary Nepal, published in 1988, "the country and its problems have to be viewed in correct perspectives in which outsiders often fail. Nepal is in a very precarious position geographically as well as politically. On both sides of the country, there are irreconcilable political systems. Coexisting between the two powerful political systems, it becomes very difficult to resist pressure..... A situation in which even a god might fail....."

Sandwiched between two major powers India and China, the dynamic of Nepal's political process is very difficult to predict where internal politics is often dictated and influenced by exter-

nal situation. Whoever may come and go, they have little to do with greater political dynamics of Nepal.

"We have lost the guardian of peace and our party. The peace process is under a threat," said UCPN-M leader Pushpa Kamal Dahal. "There is no leader to take the position of Koirala."

CPN-UML too made similar statements. "We have lost a great leader when we needed his guidance and support to bring out the constitution at the stipulated time," said Prime Minister Madhav Kumar Nepal.

Congress leaders naturally lauded

their leader Girija Prasad Koirala's role. From Koirala's arch critic Pradip Giri to his supporter like Sushil Koirala, they all used welcome adjectives to hail Koirala's natural death as a

salvation.

International reactions were similar. Even former UNMIN chief Ian Martin, who had faced tricky issues about Nepal's hard reality, expressed that Nepal's peace process is under a threat following the death of Koirala.

Whatever it seems at the surface, Koirala's survival and death would not have tangible effects in current political instability and chaos in Nepal. If Koirala had such kinds of influence and power, Nepal's new constitution would have been promulgated long time back under

his own leadership.

Had Koirala such power and aptitude, high level committee under his leadership would have settled all the on going disputes in his life time. When Koirala was at the hospital, Maoists announced their protest programs terming the High Level Political Committee as a chat club.

Although Koirala was credited for bringing Maoists to the mainstream, it was only possible under the India-mediated 12 point agreement signed in New Delhi. Koirala remained as a prime minister till the abolition of monarchy by the first meeting of the Constituent Assembly in April 2008 but Nepal did not see any respite in terms of political stability.

As a political analyst said, Nepal's stability is determined by its own geostrategic location. The decision taken by wise and patriotic leadership of B.P. Koirala and King late Birendra, who even sacrificed all his family members in a mysterious massacre, preempted the immediate dangers of political insatiability and chaos but they too could not completely divert the course as their wish.

Current level of political stability will continue with controlled anarchy for



Late Koirala (Centre): Man of action

ethnic issues created for the purpose of making Nepal unstable will have a long term implications with possibility to spill over to Nepal's neighbors.

"Because of Nepal's geopolitical situation, bring any kind of constitution; it is not going to last long. Despite continuous instability, Nepal will not face an Afghanistan like turmoil. Instability will continue but it will not go to an extreme violent phase as Nepal is situated between most sensitive parts of its two neighbors," said a political analyst. ■



NRB: Tough challenge

LIQUIDITY CRUNCH

Money Travails

Bankers say the banking system lacks between Rs 40 to 50 billion rupees to maintain normal liquidity

By **SANJAYADHAKAL**

In the last four months, the central bank has already pumped up to Rs 25 billion in the forms of 28-days repos but the liquidity crunch is yet to loosen its grip.

The crunch is so severe in the banking systems that their frantic efforts to bolster deposits have not borne fruit yet.

During this period, the rate of interest for deposits has been doubled from around 5 percent to over 10 percent.

“But the deposit collection has not increased,” said Suman Joshi, chief executive of Laxmi Bank and an executive member of Nepal Bankers’ Association (NBA).

Joshi added that the crunch, strangely, is only in the banking system.

So where have the money gone?

There are many theories that have been forwarded to explain the disappearance of such a huge stash of cash.

But the strongest ones have been the capital flight.

Even the central bank officials, speaking anonymously, confide that they have noticed a strange pattern of capital flight.

They say that foreign currency earned through remittances, instead of entering into the country, have been turned into gold, then sold in India and the money taken out to the third countries.

How much credence there is to this theory remains to be seen.

Crunch Hits Investment

The crunch has severely restricted

the banks from investing in loans.

The banking system currently has invested about Rs 500 billion of which Rs 100 billion is in the real estate sector alone.

Alarmed by the increasing trend of investing in unproductive housing and realty by some banks, the Nepal Rastra Bank (NRB) had announced regulations asking the banks to bring down the level of investment in real estate.

“But this has ceased to be an immediate challenge for the banks since they are suffering from liquidity crunch and are, hence, unable to invest in anything for that matter,” said Joshi.

The bankers have asked the central bank to provide longer-term solutions to the liquidity crisis.

The repo, they say, are only of short-term nature. “Where can we invest money obtained through repos that generally have 28-days maturity period?” asked one banker.

Some bankers have also asked for refinancing schemes to help them tide over this crisis.

Policy Reevaluation

The newly appointed governor of NRB, Dr Yubaraj Khatiwada, has hinted that the issue of liquidity crunch and its possible solutions will be considered when they reevaluate the monetary policy in few days.

“I think the liquidity crisis is already easing. But we may need more liquidity to flow loans especially in the productive sectors,” he said.

He also rejected that the banking system lacked liquidity to the tune of Rs 40 to 50 billion.

“The banks can actually adjust their problems in deposit collection and loan management through the window of 28-days repo. If they cannot, they can also seek extension of the repo period,” he said.

The central bank, analysts say, needs to walk a tightrope especially as it is facing two contradictory problems – the double digit inflation and the liquidity crunch in banks.

Any slip in this walk could only spell disaster to macroeconomic stability. ■

“There Is No Shortage Of Indian Currency”

-DR. YUBARAJ KHATIWADA

Newly appointed central bank governor of Nepal DR. YUBARAJ KHATIWADA has many challenges before him. Dr. Khatiwada, former vice-chairman of the National Planning Commission, took the helm of Nepal Rastra Bank as a well-known monetary expert. Debates surrounding the vacant post of governor delayed his appointment. Dr. Khatiwada spoke to KESHAB POUDEL at his residence in Dhumbarahi showing his simple manners and tough stands on implementation of policy matters:

So far as trade with India is concerned, we have not established industries with long run interest. We allowed opening industries in border areas like vegetable ghee.

Excerpts of the half-an-hour interview with the soft-spoken NRB governor, Dr. Khatiwada.

You are appointed as the governor of Nepal's central bank when the country's economy is facing difficult times? How will you get started?

Some problems are there in the financial sector. Institutional problems of Nepalese economy are not new and they remain. We are unable to create a conducive environment for industrialization and the energy crisis is added now. The labor relations are deteriorating. When the opportunity for investment in other sectors is limited, a little more investment has gone to housing and land. Along with the opening of a number of new banks, the investment in real estate sector has increased. There surfaced some problems. We are now concentrating to solve these problems. By making financial system clean, competitive and transparent, we can preempt the financial crisis but this cannot be the only basis for economic growth. We need to increase our investment in productive sectors where the risk is minimal. Nepal Rastra Bank will encourage the banking sector as well as the government's investment in this sector. If all the institutions related to financial policy making come together, we can achieve 5 percent growth rate. Nepal Rastra Bank is just one of the bodies. We can achieve this growth.

What is the state of balance of payment?

The state of balance of payment is in bad shape with Rs.20 billion rupees in deficit. This is the result of the previous policy of allowing imports of unnecessary products. We allowed the imports of some products not to fulfill the demands of our people but that of the other people. We should not import products to fulfill demands of others. Even if we restricted certain items; we cannot turn the balance of payment in our favor. As long as we cannot increase our

exports, it is very difficult to have the balance of payment in our favor. We are yet to develop our basis for exportable items. We followed two commodities to countries model. We produced two products and exported them to two markets. We are unable to diversify our trade. So far as trade with India is concerned, we have not established industries with long run interest. We allowed opening industries in border areas like vegetable ghee. After the removal of internal taxes in India, our export was drastically reduced. We have to identify where our comparative advantages are? We cannot make the balance of payment by allowing the industry which can increase exports playing defenses of taxes as well as fluctuation in the rate of foreign currency.

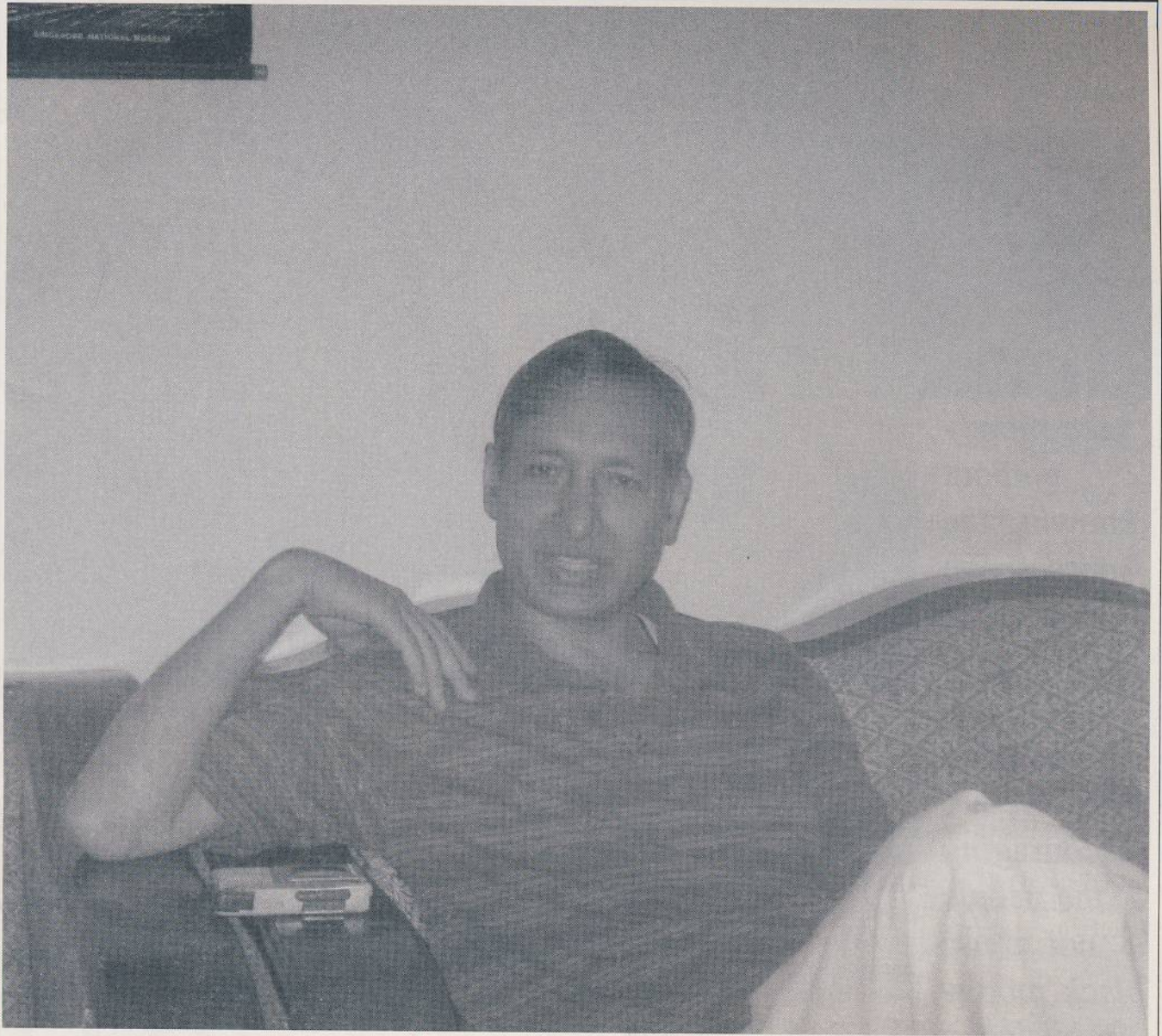
At a time when the level of remittances is on decline, a high level delegation of International Monetary Fund (IMF) has recommended not to rely on remittances, what options does Nepal have?

They have not said: don't depend on remittances. It is well known that depending on certain things is always vulnerable. In the past, we depended more on the export of garments and carpets. Our export business badly suffered when we solely depended on these two products. We will have to face a similar situation if we are too dependent on remittances. We cannot find alternative of remittances overnight. We need to switch gradually. For instance, we can increase foreign currency through tourism. There are other sectors like service sector or the one related to IT. Health and education sectors may be other areas. We can increase our income through high level health and education institutions. We have comparative advantages in agriculture sector. At a time when we are importing agriculture products worth of billions of rupees, we can substitute them by producing it domestically.

Do you have any plan to introduce refinancing schemes to some banks which are in bad shape?

I have not seen any banks which are on the verge of collapse. There is liquidity crunch with some banks. Some banks may not be in a position to invest further money but that is just a temporary phenomenon. Banks need to go to collect the deposits from people. The time has gone to collect deposit money by paying 3 or 4 percent interest rate. The country does not have money. The banks need to go massively to house to house to increase their deposits. The banks need to compete with cooperatives for deposit.

You are a renowned monetary expert. Do you



have any plan to review the monetary policy?

I am now looking at whether we are following the monetary policy or not. There is the need to tighten the monetary policy. There is the need to fine tune our monetary policy looking at our economic indicators. We are not in a mood to make drastic changes in the monetary policy since we are close to completing the fiscal year. We will go for slight improvement or corrections on the policy. We will announce something within a week.

Inflation is above 12 percent and there is liquidity crunch also. How are you prepared to handle this?

When there is an excess in liquidity, there is the effect in inflation. In the last two years, a lot of money was injected in the economy. The money increased at the rate of 25 to 30 percent. Actually, that was not necessary. Due to the increase in money, the banks started to invest rampantly. This

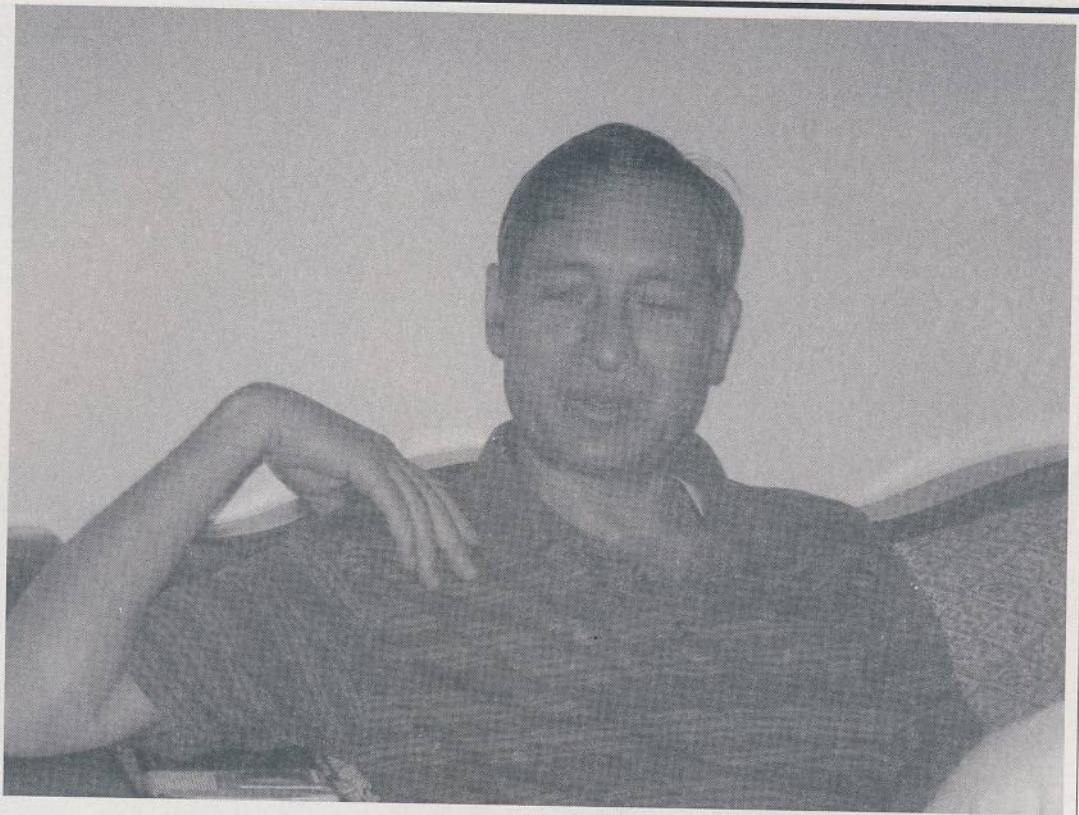
has affected the share market as well as real estates. Since purchasing power of the people has increased, there is the increase in the price of real estate and shares. By selling one *ana* of land, you can buy a car. Similarly, you can buy everything when you sell four *anas* of land. Real estate bubble has increased the purchasing power in such a way that the demands of all products go up. The prices of non-food items are somehow stable but the price of food items is out of control due to increase of per capita. Our role will be now to see how we can control the market price which has gone up due to high purchasing power.

It is said that the Nepalese capital flies through the gold and people blame this phenomenon on liquidity crisis. What do you say on this?

Imports of gold are one of the reasons but it

The prices of non-food items are somehow stable but the price of food items is out of control due to increase of per capita.

We cannot take money without knowing the sources. We need to follow anti-money laundering net. We are discouraging the people not to use black money in business.



is not the sole reason for this. Nepal imported gold worth Rs.30 billion last year and we cannot say now where the money has gone. In totality, the banks have invested more money than the deposits they have got. In the context of low deposit of money, one can suspect that money may fly. There are also discussions that some people took the money through drafts. In other words, people want to invest money in non-financial sectors than the financial sector. This is a basic thing. When you maximize your money by double digits by investing in the real estate, why do you deposit money in the banks? The people need to show income sources in case they have to deposit huge money. We cannot take money without knowing the sources. We need to follow anti-money laundering net. We are discouraging the people not to use black money in business. People are not bringing the money in banking net because of the provision to show sources of money. We are in a deadlock. As a signatory, we cannot compromise anything like to seek disclosure of sources of money. People are reluctant to deposit money.

For the last few months, there has been a crisis in relation to Indian currency, what steps are you taking to end the crisis?

I don't have straight reply to the crisis of Indian currency. There is no crisis of Indian currency when someone does business through the banking system. We have adequate amount

of money in Indian bank's account. When some business community asks cash to purchase the goods, we need to be cautious. When they need cash? They need cash because they don't want to import the goods or they need cash to bring illegal goods. There is the need of some cash for day to day petty business. The crisis of Indian currency is somehow genuine but it is mostly exaggerated.

This means we don't need to worry on the foreign currency reserves?

We have adequate foreign currency reserve to sustain our import for seven to eight months. We are not giving unlimited cash of Indian currency. Nobody can do business through handling of the cash of millions of rupees. You can use debit card, credit card or draft. You have all options to go to India. I don't understand the reason behind seeking cash.

What role can you play in the context of looming economic crisis?

As a central bank, our role is very limited. We can support the government by bringing stability in financial sector and monetary policy. We can support the government by making balance of payment favorable and increasing the foreign currency reserve. We can also work to increase the access of people in the banking sector. We can run the monetary policy to support the government. But, we are not the savior of economy since we are just an Iceland. I don't want to raise the expectation by giving tall remarks.

Using Natural Resources

By Rajendra Kumar Khetan, CA member

The Constituent Assembly Committee on Resources, Economic Rights and Revenue Sharing worked very hard, taking almost 11 months of over 93 meetings, to come up with its final report. Differences among parties, within parties and among CA members were there but the committee sorted them out. With a group of technocrats, economists, environmentalists, development experts, administrators and a strong secretariat to help them, the committee did a good job in preparing the 203-page-report, starting discussion on 16th December 2008 and concluding it on 29th November 2009. It submitted the report to CA Chairman on the same day.

The CA was summoned and it held deliberations for 5 days at its full house on the report. The committee of CA member Agni Kharel presented final directs to be given by the CA full house to the Constitutional Committee, which was duly endorsed by the CA full house on 4th February 2010.

Issues of freedom of economy and compensation on land acquired under land reform were not resolved. However, political differences were sorted before submitting the report which is under consideration by the Constitutional Committee. There are certain overlappings and contradictions that have come to the notice of the constitutional committee.

But there are clear provisions regarding the sharing of revenues. We have suggested the way to financial sustainability between all regions mutually. There are also mechanisms to share the revenues between the center and federal states and among states. The report also includes provisions for inter-state trade and services to be extended without barriers. As Nepal's forest cover is gradually shrinking, the committee report recommends that 40 percent of the land will be protected for forestry. Along with the matter, there is also a provision to protect investment and industry of the nation. The committee also suggested the need to include the economic issues in Direction of the State Policies. To build prosperous, justifiable, balanced and inclusive economic growth, the report suggested building independent, progressive industrial economy to eradicate economic inequalities.

The natural resources and economic resources should not be centralized and the local people should be given the ownership over the use of the local resources. Recognizing the primary need of local community, the natural resources will be protected and conserved for sustainable use by sharing the revenue of the state in proportion to equal justice to all. The inherited sources and cultural related traditional knowledge, skills and experiences of people from all tribes, lower castes and local communities will be conserved, promoted and protected for sharing benefits from the sources in justified way.

From paying tax to collection of taxes, the report also includes various things. As per law, it will be the duty of the citizen to pay tax. There are also provisions regarding the protection and conservation of public property. While receiving self-right, no one can violate another's right. At a time when there are many regions where the private sector is yet to reach, the report recommends for state's role in the geographic area where market and private sector are not present. There is also the need to generate massive employment by investing the money and by promoting industry, trade and export. The state policy should be to open and execute trade business in competitive environment by generating profit without monopolizing, protecting the right of the concerned. As the world is facing serious consequences of climate change, we recommend the need to narrow down the impact of climate change. On the question of food security, there is the need to establish a long term protection of farmer's interest and state to protect food right by means of food sovereignty.

At a time when there is growing debate over the use of foreign aid, the report states that the foreign aid shall go in the interest of poor people, regional development and status of infrastructures. So far as the issue of land is concerned, the committee recommends that feudal land ownership needs to be converted into scientific land reform. In the context of social justice to exploited population, the report also suggested land, economic and social security's alternative for landless Sukumbasi, Kamaiya, Haliya,



Harwa, Charuwa, Kamalahari. For the first time, we have also decided to give women economic rights.

Nepal is going to have three tiers of government, center, federal and local. There is the need to have a chain of command based on hierarchy. Also, there is the need for freedom of profession, business, employment, industry, trade and investment. Although there were three major views on land reform, we agreed on land reform paying due compensations. There is no human trade, forced labor and child labor.

The committee report also suggests for annual budget and its implementation to each federal government. The report recommended that without law no tax will be imposed. We also recommended two constitutional commissions to settle the disputes on the use of natural resources and fiscal matters between center and federal states. The center is given the right to generate revenue through customs, VAT, institutional income tax, individual income tax, casino and carbon trade. There will be equal sharing between center, federal state and local on service charge, revenue and royalties from natural resources and fines- penalty. Federal state and local bodies have the right to collect tax on entertainment and house and land registration. Local bodies will have the right to collect taxes on house and local land revenue, wealth tax and trade tax.

The center will bear the cost of national security and army and control currency, monetary policy, banking and insurance, international border and security. There will be federal policy and provincial police and land management and consumption policy.

(Excerpts of the statement delivered by CA member Rajendra Khetan at an interaction program organized by Center for Constitutional Dialogue)

Inflation Report

Summary:

- The Year-on-Year (Y-o-Y) inflation rate as of mid-January 2010, according to Nepal Rastra Bank's (NRB) latest macroeconomic report, is 11.8%.
- The Wholesale Price Inflation as of mid-January 2010 is 16%.
- Price index of food and beverage group up 18.1% while price index of non-food and service group up 4.5 % as of Mid-January 2010.
- The annual budget of the Ministry of Finance and the Monetary Policy report of the NRB has projected an inflation target of 7% for FY 2009/10
- After remaining in negative territory for over 3 months, Wholesale Price Index (WPI) based inflation in India as of Feb end is 9.89%.
- As economic activities improve in major global economies, inflation numbers are climbing steadily globally.

Inflation in Nepal

According to the latest macroeconomic report from Nepal Rastra Bank (NRB), the year-on-year (y-o-y) Consumer Price Inflation (CPI) moderated to 11.8% in mid January 2010. Though still high compared to international standards, after reaching the highs of above 14% on mid Jan 2009, inflation growth moderated gradually during the last few months (see figure 1). The annual budget of the Ministry of Finance (MOF) of Nepal for 2009/10 and the monetary policy of the NRB has projected an inflation target of 7% for Fiscal Year (FY) 2009/10.

The annual average inflation in FY 2008/09 was 13.2% which was higher than the target of 7%. In its annual monetary policy report, the NRB has identified supply side constraints as the primary cause of the high inflation. The implication of the high inflation rate for the financial sector is that it deters savings and encourages consumption. Inflation constantly erodes the value of wealth. It makes economic sense for the consumer to consume rather than to save.

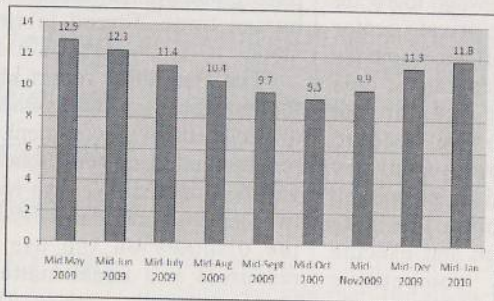


Figure 1: The Year-on Year (y-o-y) inflation figure (Source: NRB)

Inflationary pressure, according to the NRB macroeconomic report, has been driven primarily by significant price rise of 18.1% in **food and beverages group** and a moderate rise of 4.5% in **non food and services group**. Despite a recent decline in inflation figures, the high price increment in food and beverage group is making the average consumer worse as their consumption basket is predominantly tilted towards food and beverages side.

The CPI has been consistently high over the last 3 years growing on average at more than 10%, remaining at 11.8 percent as of mid December statistics, however the real estimate is significantly biased downwards as the Basket of Goods taken into consideration while calculating the CPI is irrelevant for today's economy, furthermore, the data collection over the economy is not as fully comprehensive.

Product-wise break down of Inflation figure	CPI
Food and Beverage Group Index	18.1
Sugar and Sugar Related Products	77.5
Pulses	36.7
Grains and Cereal Products	11.7
Meat, Fish and Eggs	22.8
Vegetables and Fruits	29.2
Spices	34.8
Non-Food and Services Group Index	4.5
Tobacco and Related Products	18.1
Transport and Communication	7.5
Geographic breakdown of Inflation figure	
Kathmandu Valley	10.6
Hills	11.8
Terai	12.5

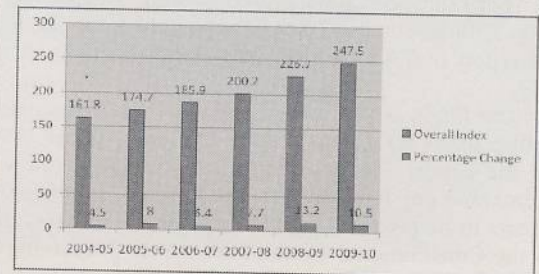
Products-wise break down	WPI
Agricultural Commodities	30.2
Domestic Manufactured Commodities	10.4
Imported Commodities	1.8
Cash Crops	64.7
Spices	50.3
Pulses	34.0
Livestock	33.8
Food Related Products	15.1
Chemical Fertilizers	11.9

Figure 2: Breakdown of January 2010 Inflation numbers

National Urban Consumer Price Index for past five years

Year	Overall Index	Percentage Change
2004-2005	161.8	4.5
2005-2006	174.7	8.0
2006-2007	185.9	6.4
2007-2008	200.2	7.7
2008-2009	226.7	13.2
2009-2010*	247.5	10.5

* Till Mid-Jan 2010.



Graph of National Urban CPI for last five years

National Wholesale Price Index for past five years

Year	Overall Index	Percentage Change
2004-2005	123.3	7.3
2005-2006	134.3	8.9
2006-2007	146.4	9.0
2007-2008	159.7	9.1
2008-2009	180.1	12.8
2009-2010*	203.8	15.6

* Till Mid-Jan 2010

Global inflation

Recently the Indian government has come out with new guidelines on disclosing inflation statistics to the public. According to the new guideline, Wholesale Price Index (WPI) based inflation figure will now be released on a monthly basis compared previously to weekly releases. As per the new guideline, the monthly WPI based inflation for February 2010 is 9.89%. The inflation rate is expected to remain firm in the medium term mainly due to last year's low base effect and other driving factors such as high food price inflation, recovery in the global economy and high liquidity. Some of the major factors that are expected to influence inflation rate movements in the short to medium term include food articles inflation, commodity prices and liquidity.

In March 2009, the CPI based, US inflation turned negative for the first time in 54 years reaching negative 0.38%. At the end of January 2010, the Y-o-Y inflation in US is at 2.6% (see figure 3 for details). Low inflation in major advanced economies is largely due to the economic recession from the fallout of the financial crisis of 2008 and remarkably low oil and other commodity prices. Experts however are divided over expectations of inflation in the United States. With the fed funds rate at the lowest bound possible, there is abundant liquidity in the US

which could push up price levels. And because of the high unemployment rate in the US, the Federal Reserve is not in the position to raise the fed funds rate any time soon as a rate hike could kill the nascent US economic recovery.

Japan is fighting another deflationary spiral as inflation had turned negative for last eight months. According to Bank of Japan, Y-o-Y inflation is at 1.30% for January 2010. In China, however, inflation has reached a 16- month high, industrial output climbed and new loans exceeded forecasts, adding to the case for the government to pare back stimulus measures.

Inflation in China rose to 2.70% for February 2010, Seasonal factors could have boosted prices, production rose 20.7 percent in the first two months of 2010, the most in more than five years. Prime Minister of China has mentioned in his speech about a target of holding 2010 inflation to about 3 %, he also pledged to keep monetary policy "moderately loose" to support China's economic recovery. Due to price increases in international commodities such as copper, zinc, nickel and oil, such which will gradually be imported into China in the future, as when the economy recovers, there is increasing demand for commodities. According to a report by the Financial News, a central bank-published newspaper, the consumer price index may continue to rise in the first quarter.

Similarly, inflation in Euro Zone has maintained positive trend for January 2010 at 1%

Countries/Economic Zone	Inflation rate	Data
United States	-2.6%	January 2010
India*	9.89%	Feb 2010
Euro zone	1%	January 2010
Japan	1.3%	January 2010
China	2.70%	Feb 2010

*WPI Based

Figure 3: Global Inflation numbers

Reasons for high inflation in Nepal

While the inflation rate is falling all over the globe, why the inflation rate has been skyrocketing in Nepal is still a conundrum, and worrisome for policymakers and public in general. During the first half of 2008/09, global food crisis and huge increase in commodity prices were significant drivers of high inflation. However, despite the sharp fall in commodity prices, we have not seen commensurate decrease in domestic inflation level. Officials at the Nepal Rastra Bank (NRB) and the Ministry of Finance (MOF) have attributed higher inflation to supply constraints emanating from energy crisis, constant strikes, bandhs, carteling and economic uncertainty

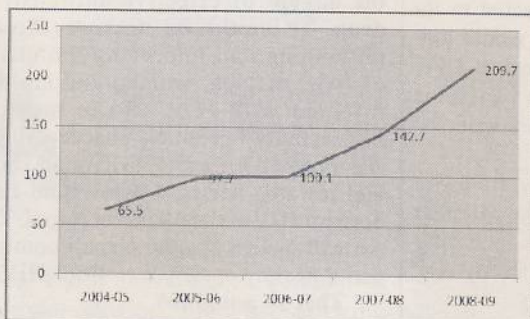


Figure 4: Annual Remittance for last 5 years (amount in Rs. Billion)

Year	Remittance amount in billion	Growth Rate
2004-05	65.5	
2005-06	97.7	49%
2006-07	100.1	2%
2007-08	142.7	43%
2008-09	209.7	47%
2009-10	308.2*	

* Assuming same growth rate in 2009-10 as the previous year

These supply-side factors have played major role in pushing the prices up, however, if the NRB is not able to soak up excess liquidity in the market then inflation might further creep up especially with larger government expenditure programs, but with massive liquidity crisis on hand, this will be impossible. The domestic economy has been inundated with record remittance inflow – Rs 210 billion in FY 2008/09 (See figure 4 for details). Though there is little research on the uses of remittance inflows in Nepal, anecdotal evidence shows that most of the remittance income has been used up for consumption purpose, therefore remittance and wage driven inflation is also present but is very difficult to calculate. Even if the remittance incomes are used predominantly in consumption, they can be productive provided that it was spent on higher domestic consumption, which would lead to expansion of domestic production. However, imports have been increasing, and the domestic manufacturing sector has not been able to pick up in Nepal and capitalize on increasing remittance flows (In FY 2008/09, the manufacturing sector witnessed a decline of 0.5%). Given the above scenario with elevating remittance inflows and a stagnant domestic production sector and increased imports, one can argue that remittance has also been driving up the price levels and imports.

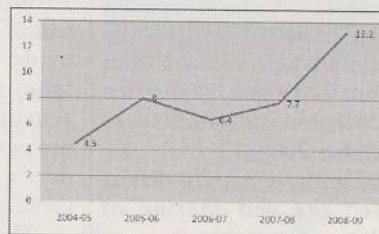


Figure 5: Annual average CPI based inflation for last 5 years

In this context, the inflation target of 7% in FY 09/10 will be difficult. On the monetary side, the NRB, with the view of containing inflation, has put a lower projection on the growth of M2 – broad money- of 17% in 2009/10 compared to 21% in 2008/10 which should help. We will have to carefully analyze the new Monetary Policy implemented by the new NRB governor. Increasing wages and growing remittance volumes are fueling an already high consumption rate, which in turn means more imports as we produce very little domestically. The impact of increasing wages and of new found remittance wealth has been translated into inflationary pressure on goods, commodities and real estate.

Year	Narrow Money (M1)	Broad Money (M2)	Inflation Rate
2003-04	12.3	12.8	2.0
2004-05	6.5	8.3	4.5
2005-06	15.6	14.2	8.0
2006-07	14.3	15.6	6.4
2007-08	11.3	13.4	7.7
2008-09	11.9	13.6	13.2

Fig 6: Percentage Change in Money Supply

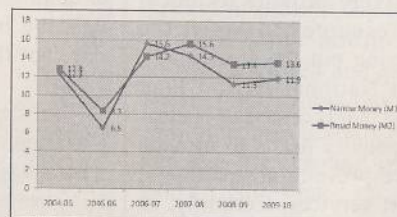


Figure 7: Growth Rates of Money Supply

Prepared by:

Shivanth Pande' shivanth@nibl.com.np
 Kanchan Pandey kanchan@nibl.com.np
 Nepal Investment Bank Limited
 Research and Development Department

“AIDS could be Prevented”

Dr. María Elena Filio-Borromeo:

The UNAIDS Country Coordinator for Nepal and Buthan, Dr. MARIA ELENA FILIO-BORROMEO spoke to ALVARO CASTRILLO on the situation of HIV/AIDS in Nepal and its implications. Excerpts:

What is the statement of AIDS in Nepal?

Nepal is currently experiencing a dual type of epidemic. In one hand, it stands “low” at 0.49% among adult population, and on the other hand it is characterized as “concentrated” among certain subset of the population. As of 2007, the estimated number of Nepalis living with HIV was about 70,000. However, the reported cases at the Ministry of Health and Population, National Center for AIDS and STD Control is over 14,000 as of end of December 2009.

Nepal’s epidemic is mainly driven by unprotected sex and sharing of unclean needles and syringes.

The Joint United Nations Program on HIV and AIDS or shortly called UNAIDS, is here in Nepal to support accelerate an effective multisectoral response on AIDS before it could be overtaken by the toll of this devastating epidemic.

What are the main strategies to fight AIDS in Nepal?

Nepal has a National Strategy on HIV/AIDS 2006-2011 that provides the priority strategies and direction to mount a multisectoral response on HIV and AIDS. From this strategy, national action plans have been developed. The UN and other external development partners collectively provide technical and financial resources to assist the country in carrying out the strategies.

The current National Action Plan 2008-2011 is one that is costed. It is clear how much the country needs to provide a comprehensive prevention, treatment, care and support services. Certainly, as Nepal is experiencing a concentrated epidemic, the major strategy is on targeted intervention for those identified to be practicing high-risk behaviours like sex workers, injecting drug users, men having sex with men, and the clients and sexual partners of these groups. A subset of migrant workers particularly those who avail of the services of sex workers, are also now emerging. Likewise, a core

strategy is to provide continued, effective treatment, care and support services to those already infected with HIV.

What is the place of condoms in these programs?

Correct and consistent use of condom is key in preventing HIV and other sexually transmitted infections. Hence this is being continuously promoted particularly among those perceived to be practicing high-risk behaviours.

And is it accepted by people?

In Nepal it is accepted. Condom is part of the commodities being promoted by the Family Planning program for so long now, so Nepalis have been sensitized to it already. Its dual protection- as an infection-prevention device, and as a pregnancy-prevention commodity is widely promoted.

Do you think SW in Nepal are more vulnerable to STDs due to migration from Nepal to India?

Migration for better economic opportunities, is a reality in Nepal particularly in the Far and Mid West. The situation makes young Nepalis working in adjoining border areas vulnerable to HIV infection. This is further compounded by the fact that most of them lacks education and are in dire poverty.

One of the places that continue to attract young Nepali men, is Mumbai India. And as it is a metropolitan place, Nepalis could easily got attracted to its lights and glitters. However I would like to emphasize that in the context of HIV, it is the behaviour that puts people at risk, not the places where they work or go to.

But certainly because they are away from home, works in places like Mumbai which has high rates of STIs including HIV, has some excess money to buy sex, then they become vulnerable.

Those who have been exposed and have been infected when they return to their homes have high chances of infecting his spouse or wife.

What is the relationship between AIDS and poverty?

It is a double edged-blade. Because of poverty you are pushed into vulnerable situations including selling



sex, but also, and this is the other blade, when you are poor and you are infected with HIV and progressed into AIDS, it will push you more to poverty because you need to buy expensive medicine to prolong your life and pay laboratory services to monitor your HIV status. All the theses call for huge amount of money. Plus of course, when one is already on the terminal stage, he or she can’t work anymore. And somebody in the family might also stop working to provide the day-to-day care and support.

What is your plans for the next 5 years for fighting AIDS in Nepal?

Well, we hope the target set by Nepal towards universal access to prevention, treatment, care and support could be achieved- that is what we are all working for. This will be midway in achieving MDG 6 target 7 for Nepal. We must understand that AIDS is a preventable disease. Unlike in the past, now it could be treated. Although until now there is still no vaccine or a total cure, but with the advent of effective antiretroviral drug, it could be treated already prolonging and improving the quality of lives of men, women and children infected with HIV. So to me, it is increasingly becoming unacceptable to see a baby born with HIV. We all should aim towards having a zero- child being born off HIV in the future for Nepal. Then we will have a healthy Nepali community and a healthy society free from HIV.

That is possible?

Yes, it is possible. It is being done in others countries and it can be done here. But a lot of commitment and leadership actions have to be done, at the national, regional and community level. This is where we are supporting Nepal speed up its action, while there is still a golden window of opportunity to act- so we will not be overtaken by the epidemic. ■

Book

On People's War

Executive editor of Janadesh weekly Manarishi Dhital discusses various aspects of Maoist's People's War

By A CORRESPONDENT

Many books have already been published over the last four years about the Maoist People's War but Manarishi Dhital's book is the first of its kind which talks about the inner side of Maoist war. Covering the Maoist war as a reporter affiliated with the Maoists, Dhital has the first hand information on much of the war that took place in different parts of Nepal.

"This book is a collection of my reporting during the war. As a war reporter, I had been with the People's Liberation Army during the decade-long People's war in the country. Probably, I concentrated my efforts in Gandak region during the last phase," said author Dhital.

As a Maoist journalist, he was all over the battle field to collect the news and views of various areas. "As I was always with them during the battle, I have all information of all the happenings and attacking strategies of the People's war," said Dhital. I captured the picture of Sunwal attack, Palpa attack and Taulihawa attack."

Although this is a one sided book which tells about the Maoist views and its perception, there are so many interesting things about the Maoist movement and their guerilla activities. This is the first book written in English by a Maoist cadre who covered the entire incident taking part in the deadly war.

From his journey to the Jungles, Dhital concluded his book with the



The Final Days of the People's War
(A Journey with the People's Liberation Army)
By Manarishi Dhital
Pages:64

Price:Rs. 100 and US\$ 5

remarks on the declaration of the Republic. This is a narration of an eyewitness journalist. He described horror and destruction of other incidents too.

On Politics of Identity

Having written a number of books on decentralization and general administration, Dr.Tulsi Narayan Shrestha now comes up with a new book on federalism

By A CORRESPONDENT

As Nepal is finally preparing to transform from a unitary to a federal structure, the debate is going on regarding the formation and modality of such states. From structures to boundaries to power sharing, there are growing disputes.

Known for his expertise on decentralization, Dr. Shrestha has written the new book in a very interesting manner basing his arguments on historical and cultural facts. Although the topic of the book is related to identity of Newar community - which has national character as well as being the



Nepal ka Newarharu: Pahichan ra Pristhabhumi
(Newars of Nepal: Identity and Background)

By Dr.Tulsi Narayan Shrestha
Published by Institute for Research and Development (IFRD)
Price Rs 335.00

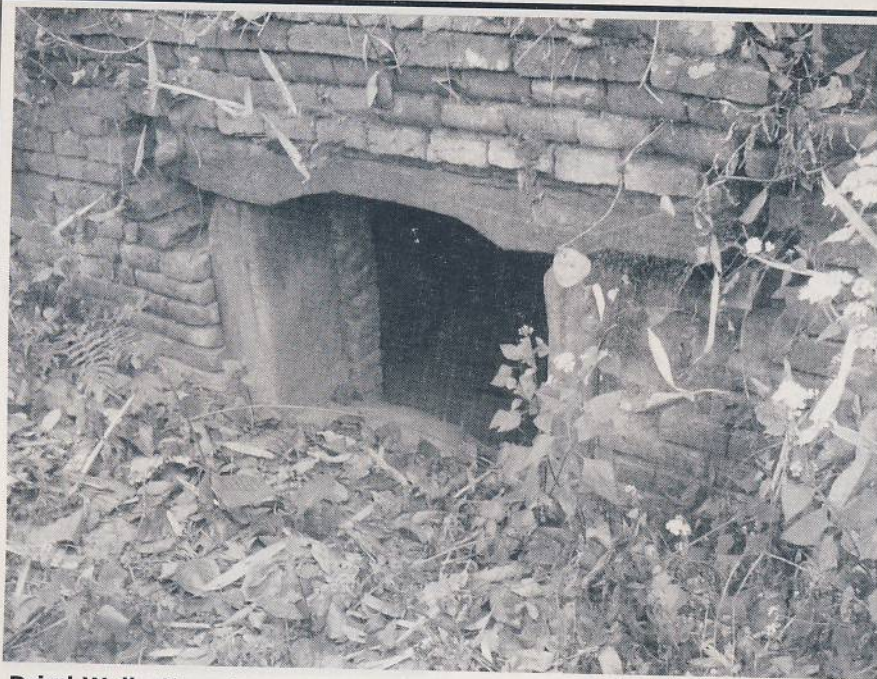
soil of the son- the book also deals with the process of power sharing and importance of federal states in the context of Nepal.

Unlike other books currently available in the market, Dr. Shrestha's book cites historical documents and other evidences to look at Newar's background and their identity in the context of present day Nepal.

"Not only indigenous people, particular castes and sons of the soil, Newars are synonymous to a country. This book tries to study Newar's identity and the background of the country," said Dr. Shrestha.

Having written a number of books on decentralization and administration, Dr. Shrestha is a well known scholar of Nepal. "Before Prithivi Narayan Shah, Newars had their own sovereign state around Kathmandu valley and its surrounding," said Dr. Shrestha.

He argued that there are no alternatives to the federal state now.



Dried Well : No water

Climate Change Pressure On Panchkhal

As world leaders mull measures to tackle adverse impacts of climate change, few have paid heed to far flung places like Panchkhal that are feeling the real pinch

By ABIJIT SHARMA in Panchkhal

Dum Bahadur Karki is a farmer of Panchkhal, which is about 40 km west of Kathmandu. He is acutely aware that climate is changing in his village.

“The vegetation situation is worsening and causing heavy losses for us,” said Karki, a potato farmer. “This is the main season for harvesting potatoes but you can see hardly any field, except three or four, with potatoes in them.”

After the ‘not-so-fruitful’ Copenhagen summit, there is now a question on everyone’s mind; how should this problem be confronted? How can climate change be tackled effectively for a better future?

Very few, however, have paid attention to severe impacts the change is already having in many places of the globe.

Like Dum Bahadur, there are many

victims of the ongoing change in climate in Panchkhal.

Many have been witnessing strange changes in the weather patterns. Their main problem is the low amount of rainfall and several dry months.

“Last year was a disaster for us. Vegetables like cauliflower blossomed before the scheduled time period and one of our main crops — potatoes — was badly affected,” recalled Karki.

Apart from this, the rising temperature rise is posing new threats. The month of January recorded temperatures at more than 2 to 3 degrees Celsius higher than in 2008, indicating a grave danger ahead for the village.

People like Karki do not have much knowledge on the global climate change issue. They do not understand what exactly is causing the extreme weather conditions.

“We do not know what is causing

this, but people like us are very much affected due to this ongoing phenomenon,” he expressed.

Panchkhal used to be a source of two-thirds of vegetables that came into Kathmandu. It has not been able to supply as much in the last few years and the people are now struggling to manage vegetables for their own houses. Last year, they had to bear a huge loss owing to the strange vegetation situation. Cauliflower and cabbage bloomed before their normal time period. Fruits which were to grow in the summer blossomed in the winter. Consequently, consumers in Kathmandu had to suffer, with the prices of vegetables soaring high. The prices of potatoes, normally about 20 rupees per kg, went up as high as 52 rupees.

Water Crisis

Thanks to the on-going change in climate, along with the problems in their fields, villagers in Panchkhal have started to face problems also in their homes with the shortage of drinking water. The village, which is naturally disadvantaged due to the rain shadow phenomenon, has always recorded minimum rainfall. Add to that, the changing weather pattern has now started to create acute shortage of water.

“All the water sources in the village, the ‘kuwas’ ‘kal’ and ‘kulos’ have dried up” said Nirmala Pariyar, one of the villagers pointing to an old dried up water source, ‘kuwa’, believed to be built during the Rana regime. “Although we have always received minimum rainfall, we never had to face this kind of shortage of water which we have been facing in the last few years.”

Due to the lack of water, villagers have been compelled to take an extreme step; they have dug up a dried river in order to provide the underground water for their fields. “This was the last option available for us,” said one farmer, adding, “Since the rivers had no water, we had to dig up the rivers, so that we could provide water for our fields.”

But this water has only facilitated farmers whose land is besides the newly dug-up water source. The others have no option but to wait for rainfall.

As for household purposes, villagers rely on a well, one of the very

few sources of water left in the village. They are allowed to take not more than two 'Gagris' (traditional water bucket) to their home which they have to use for cooking, drinking and even washing. As a preventive measure, the villagers have locked up the well with a tin cover over it and it is famously referred to as the 'well with a lock'. Similarly, rain water harvesting system has been installed in many of the houses. But very few have hopes that their system will come of use; they hardly have any hopes for rainfall.

During a field trip organized by the Ministry of Environment for media to see the climate change situation in Panchkhal VDC, women claimed that they are the worst hit by the water crisis. They complained that they had to queue up to fetch water for up to three to four hours.

"With this taking most of our time, we are unable to devote time to our home," said one of the female staff of the Panchkhal VDC office. She complained that it is difficult for the women to even manage to send their children to school.

Villagers said that even their social life was affected due to the water crisis "We have been forced to sell our cattle simply for the fact that we can provide enough water for them," one villager said.

Experts believe that climate change alone is not entirely responsible for the problem. Rather, they argue that there are other 'triggering forces' responsible. One of the main reasons of lack of rainfall is believed to be caused due to the Pine trees. The trees were planted by the government as part of the reforestation program. Unfortunately, the government, it seems, had done inadequate research.

"Pine trees are one of trees which use huge amount of underground water and this can act as a cause for drying up of the underground water," revealed Madhukar Upadhyay of ISET. "It was not suitable for pine trees to be planted here. This has turned out to become a huge disadvantage for Panchkhal."

Experts also believe that the growing population has also contributed to the current problem. Naturally, a rise in the

population leads to more usage of water. Hence, water sources which provided enough water for the population five or ten years back have dried up due to extensive usage.

In all this, one thing is certain: Panchkhal's future remains uncertain. Although Nepal contributes only 0.025% to the global carbon emission,

its temperature is rising by 0.6 degree Celsius which is much higher compared to the global rise of 0.01 degree Celsius. Similarly, temperature has risen by 1.8 degree Celsius in the last 32 years which is much higher than the average rise. This data spells more doom for villages like Panchkhal where villagers rely heavily on agriculture for their living. ■

INDRAWATI SUB BASIN PROJECT

Community First

A partnership between the Water and Energy Commission and the WWF has kicked off the Indrawati Sub-Basin Project

By A CORRESPONDENT

At a time when debates are going on over how to mobilize the community for a broader sharing of water resources, the Water and Energy Commission and WWF-Nepal, a global conservation organization, have launched the Indrawati Sub Basin Project.

Minister for Energy Dr. Prakash Sharan Mahat inaugurated the program which was chaired by Kishore Thapa, secretary of WECS. In his statement, Minister Dr. Mahat highlighted the need to exploit the rivers for the broader benefits of the people.

Counselor of Embassy of Finland Kari Leppanen expressed that this is the right project where Finnish



Indrawati River Basin is located in the middle-hills of the central region of Nepal, in the Bagmati Zone, which originates from the higher snowy range of the Himalayas and joins downstream with Sunkosi. This sub basin consists of three districts, Sindhupalchowk, Kathmandu and Kavre. Considering river basin as a single unit, this project focuses on those areas failing within the sub basin.

The length of the main course of the Indrawati River is about 59 km, covering 124,000 hectares of land. Some of the major tributaries of the Indrawati River Basin are Larke Khola, Yangri Khola, Melamchi Khola, Chaa Khola, and Handi Khola.

government works with the local community. Jon Miceler, managing Director of Eastern Himalayas-Regional director-Mainland Asia, WWF-USA, said that this is the project where a large number of people will benefit.

Secretary at WECS Kishore Thapa held the view that this is a model project where one can see how integrated water management strategy is going to work.

In his welcome speech, Dr. Ravi Sharma Aryal stressed the need to make this project a success.

Presenting a concept paper, Neera Shrestha Pradhan, manager of Fresh Water Project WWF, highlighted the project's importance in Nepal. ■

NEW NEPAL From Young Lenses

A Danish photographer gets his young trainees to envision New Nepal in photos

by PRADIPTIBHATTA

In the midst of 'New Nepal' talks everywhere, young students have put up a photo exhibition portraying Nepal, its people and society with a visionary perspective of camera lenses.

The exhibition, being held at the Nepal Art Council, was inaugurated by Danish photographer Stephen Freiheit on March 13th. More than 50 photographs by students, age group of 15-20, are on the exhibit. All these students were trained by Stephen Freiheit in a workshop conducted on April, 2009 by Today's Youth Asia. The 40 participants are also the members of TYA.

While taking the photographs, the students had focused on seven topics: religion, women's condition in Nepal, new democracy, my city, my dream, new generation, and my neighborhood. All these aspects have been beautifully captured in various kinds of photographs. From an old woman worshipping to young children playing in the streets to garbage being dumped at the river banks, the photos speak a language that clearly describes the situation of 'New Nepal'.

Marissa Taylor, a student of Journalism at St Xavier's College, when asked about her views on the exhibit says, "Being a student of photography myself, I think all the photos were wonderfully taken. The photographers were students roughly

my own age so I connected with the views they have tried to show through their photographs."

Another student of photography Linda Moktan says, "The exhibition does show the Nepal we live in. The photos are very artistic and all of them have some kind of message in them."

Above all, the contributors have



been able to successfully showcase their talents and views in this exhibition. The event has given a rare opportunity for people to know how a generation of youth, who will run the country in a few years, think about their country and its situation. ■

अतुलनिय प्रतिफल, खुशी हरपल...

प्रिमियर
सुपर बचत खाता



दैनिक मौज्दातमा

९.५०%*
ब्याजदर

* शर्तहरू लागू हुनेछन् ।



प्रिमियर फिनान्स कम्पनी लिमिटेड
मानभवन, ललितपुर

पोस्ट बक्स नं: १३४७१, फोन नं: ९-९२१४०२, ९-९२१२२३,
फ्याक्स नं: ९-९९०४१२, www.premierfinance.com.np



AN ISO 9001:2000
लाभ्यता प्राप्त कम्पनी

Your City, Your Airline

Our Jetstream-41 aircraft conveniently connects you on-time to your destination with frequent flights.



We operate 7 Jetstream aircrafts to the following sectors on time, every day

Kathmandu - Pokhara - Kathmandu	Daily 8 Flights
Kathmandu - Biratnagar - Kathmandu	Daily 7 Flights
Kathmandu - Bhadrapur - Kathmandu	Daily 3 Flights
Kathmandu - Bhairahawa - Kathmandu	Daily 2 Flights
Kathmandu - Nepalgunj - Kathmandu	Daily 2 Flights
Kathmandu - Janakpur - Kathmandu	Daily 2 Flights
Kathmandu - Dhangadhi - Kathmandu	Daily 1 Flight

Booking tickets are now easier with our hunting line:

4464 878

Clients of Everest Bank Ltd. and Nepal Investment Bank Ltd. can now book their flight-tickets online, just log on to <http://www.yetiairlines.com>

Please contact your nearest travel agents for your tickets.

Corporate Office: Tilganga, Kathmandu
Tel. 4465888 Fax 4465115 Reservations 4464878 (Hunting Line)
Kathmandu Airport 4493901
E-mail reservations@yetiairlines.com

Nepalgunj 081 526556 Bhairahawa 071 527527 Janakpur 041 693360
Pokhara 061 464888 Biratnagar 021 536612 Bhadrapur 023 455232 Dhangadhi 091-523045



Yeti Airlines
a great flying experience

www.yetiairlines.com

max. legence/10

Read

NEW

SPOTLIGHT

News Magazine

Packaged

with

Up-to-Date

News, Views and

Analyses



Every Alternate Friday

**Now with Ncell
no worries for
your SIM lifetime
No more recharge condition**

Just perform any payable action and get an unconditional validity for the next 6 months.



Ncell

