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The National Newsmagazine

# SPOTLIGHT

Jan 25-31, 2008

## Transmission Lines Choked Infrastructure

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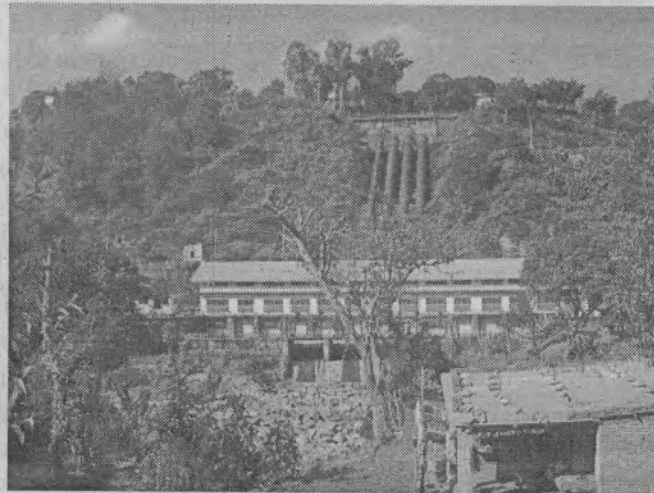
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**COVER STORY: Choked Infrastructure** The lines have become urgent not only to realize the potential of exporting power but even to transmit power from one place of the country to another Page 12



**CA POLLS: Elusive Conviction** Despite rhetoric leaders of major parties fail to convince the doubting masses Page 9

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Gyanendra Bahadur Karki Minister of Water Resources Gyanendra Bahdur Karki talks about various issues regarding the state of power generation vPage Page 16



**SPOTLIGHT**

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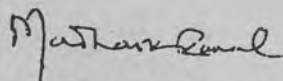
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**T**he vicious uncertainties enveloping the poor tiny nation, even on the eve of the historic elections to the constituent assembly, are creating great misgivings about where the country is heading. The drama being enacted by the eight ruling parties have so far totally failed to convince the poor masses about the sincerity of the government to hold the elections. Moreover, the failing health of prime minister Girija Prasad Koirala which has incapacitated him to exercise firm authority on the administration has turned the whole regime into a bedlam. A reliable source close to the doctors attending on the ailing prime minister revealed to this scribe that chances of Girija Prasad being restored to normal health are remote. Consequently, the situation will continue to worsen. Absence of total law and order, officials and businessmen being robbed and shot dead, police stations being looted are ominous happenings warning us about the greater dangers lurking round the corner. Except the SPAM and their handful of supporters, there is absolutely no one who wants this government to continue. Even the international community is looking at the SPAM government with increasing distrust and disdain. But in the absence of alternative political power, it is willy-nilly, forced to deal with them and support the corrupt, ineffective and anti-people government. But, it is high time they must think twice to continue their support to this government. The one neighboring country that could have arrested the rot in Nepal, that could have nipped the Maoists problem in the bud, that could have avoided the decade long violent insurrection that totally devastated the poor country, is not only not interested in helping to restore peace and normalcy but actively aggravating the political turmoil. And the ruling parties in Nepal neither have the guts nor the political acumen to deal with her. If Nepal's real friends are sincere to help poor Nepal, they must twist India's arms in real earnest, and stop her from fishing in Nepal's troubled waters. If the international community is really concerned about the situation in Nepal and wants to help the millions of poor Nepalis, they must help them find honest and patriotic Nepalis to come to the fore, hold elections to the constituent assembly and install a really democratic government. If the SPAM government is to continue its authoritarian rule with impunity, the country will be waiting for the spark that will ignite the fire that will not only consume the SPAM but also embroil the poor nation in a disastrous civil war. In such a precarious situation, the only ray of light is in Nepal's security forces. And it is needless to emphasize that Nepal's patriotic army realizes its responsibility and is fully prepared to shoulder it.

  
**Madhav K. Rimal**  
Chief Editor & Publisher



## Balance Lost

Your cover story CA Polls Fuzzy Picture (January 18-24) seems to have lost balance as you portrayed negatively that the CA election will not take place this time also. I don't agree with your conclusion. At a time when all the political parties have expressed their willingness to hold the election for CA, it will be definitely be held this time but what is required is positive response from magazine like yours.

**Jeetu Lama**  
Via-email

the political views of our third class leaders, you have covered a well deserved issue of sanitation this time. I would like to recommend you that your magazine needs to focus on similar issues.

**Jeevan Sherchan**  
Paris Via-email

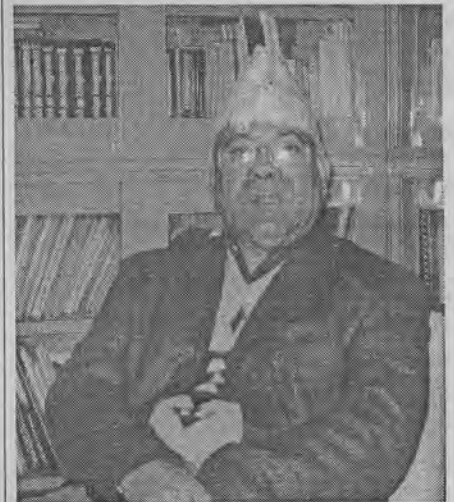
## Fund Crunch

At a time when country's unelected members of parliament have received one million rupees in the name of development fund, Nepal's sanitation sector does not have adequate budget to carry out real programs to help poor community of Nepal. I don't see any justification for such a big money for each members of parliament. How can one justify the distribution of such a huge amount money to an unelected MP when children are dying because of lack of access to simple latrines.

**Subdoh Rana**  
Pokhara

## Double Character

As is his behavior, CPN-UML general secretary Madhav Kumar Nepal



showed his double face in the interview. I don't understand how Nepal is defending Nepali Army now as he is the person who was stressing the need to integrate Maoist insurgents in the national army before. His interview was also one sided where he exploited Spotlight to portray his own image. I didn't find anything new in his interview.

**Bikram Rana**  
Maharjgunj

## Bad Design

Although you have written very comprehensive analysis on coming CA polls (Spotlight January 18-24), you have also made many mistakes. It is very unfortunate to say that Spotlight's design was very bad and there were many errors including headline of cover story. I don't understand what Fozzy means. I hope you will not repeat such mistake in coming issues.

**Ramhari Shrestha**  
London, Via-email

## India's Intention

As Nepal's southern neighbor India, which has high security stakes in Nepal, is harboring extremists and terrorists directing them to destabilize Nepal. After giving shelter and supplying arms to Maoists, India is now providing similar kinds of support to Nepal's regional-based terrorist groups to kill innocent Nepalese. Such news have been appearing almost in all daily newspapers published from Nepal but no one has paid any attention to them. It seems that no one can accuse a big country like India even for openly allowing terrorists to roam in its country. I agree with you that Nepal cannot hold the election for

CA without genuine cooperation from our two neighbors, particularly India.

**Dharmendra Singh**  
Birgunj Via e-mail

## Stop Blaming Others

At a time when our own leaders have failed to hold the election for the CA, there is no reason to blame our neighbor like India. If our political leaders are genuinely serious to hold the election, I don't think anybody can stop them. However, the problem with our leaders is that they don't want to face the people and get the mandate to rule the country. Don't blame our neighbors all the time to cover our own weaknesses. It is a completely wrong presumption that India is a big country and it can control the whole state affairs of Nepal.

**Sunita Jha**  
Via e-mail

## Save Children

It was very interesting to read that Nepal can save more than 15,000 children just by providing sanitation to all. However, our political leaders are not listing it. Instead of talking about the need of public health and other such issues, they seem to be more interested in politics. Although you often highlight





## NC Dissidents Cry Foul

Nepali Congress (NC) dissidents have criticized the party leadership for its 'leaning' towards what they call communist agendas. Holding a meeting Thursday (Jan 17), the NC dissident leaders, who had opposed the declaration of federal republic from the parliament recently, came down heavily against the party leadership, saying it had uncharacteristically, and increasingly, become close to communists. Govinda Raj Joshi, one of the vocal NC dissidents, said that the meeting decided to remind the party leadership not to be swayed by the communist agendas. "That said, we [dissident leaders] are not against the party's decision to go for republican order after the constituent assembly polls," he said. The meeting held at central leader Bijay Gachhedar's residence in Satdobato, Lalitpur, also arrived at the conclusion that CA polls are not possible without first addressing the grievances of Madhesi groups. Some 40 central working committee members and parliamentarians including party general secretary K.B Gurung, Binay Dhoj Chand, Dr Narayan Khadka and Palden Gurung attended the meeting. Some reports add that the dissidents warned of "Terai's disintegration" if the government held the CA election in two phases by deploying security forces. "Holding CA polls in two phases by deploying a maximum number of security personnel can be disastrous," said Joshi. The meeting decided to draw the attention of Prime Minister Girija Prasad Koirala towards 'untowards incidents' if the government ever did a mistake by 'imposing meaningless' election in Terai by deploying security personnel.

*Compiled from reports*

## Air Arabia establishes first low-cost carrier in Nepal

Aiming to gain access to new destinations in India and South Asia, Sharjah-based Air Arabia has started a joint venture with a Nepalese airline to launch the Himalayan nation's first low-cost carrier.

FlyYeti.com's inaugural flight took off from Kathmandu Airport yesterday to Sharjah Airport. The low-cost carrier is a joint venture between Air Arabia and Nepal's Yeti Airlines.

Air Arabia, a major shareholder in the new company, will apply its successful low-cost business model to the management and operation of FlyYeti.com.

"This newest hub will give air travellers, who use Air Arabia access to new destinations in India and wider south Asia, as well as the Far East and central Asia," said Mr Adel Ali, Board Member and Chief Executive of Air Arabia. *Compiled from reports*

## Blaze In Passenger Bus, Seven Killed

At least seven people have been killed and two dozen others injured, on Friday (Jan 18), when a passenger bus was engulfed in fire near Pathlaiya along the East-west highway in Bara district. Those killed include five men, one woman and one kid. The fire engulfed the bus when it was crossing a bridge over Pasaha River at around 5:15 p.m. The bus was heading from Birgunj from Janakpur. Police teams have reached the incident to carry out rescue operations. Injured passengers have been taken to Narayani Sub-regional hospital. Many of them are undergoing treatment in critical condition. The fire started from back seats due to which many passengers sitting in front could escape the incident it is said.

Some reports suggest that there was arson involved in the incident. Meanwhile, some reports have said that Terai Army has owned up responsibility for the incident saying they resorted to the attack against the bus for flouting local bandh. *Compiled from reports*

## Police Nab Two In Connection With Bhotahity Blast

Police have arrested two persons said to be involved in the bomb blast in Bhotahity, Kathmandu early this week. The Metropolitan Police Office organized a press meet, Friday (Jan 18), to make public the two persons – Santosh Kumar Basnet and Megh Bahadur Khattry - whom it said were involved in carrying out the attack. Police said they also seized a detonator from their possession. The persons are said to have belonged to an organization called National Defense Army. A third person also involved in the incident, however, is still at large, the police said. A bomb had exploded in a minibus carrying Maoist workers after the joint mass meeting of seven parties ended in Khula Manch on Monday. Half a dozen persons were injured in that incident.

*Compiled from reports*

## Dr. Bhattarai Fears 'Democratic Coup'

A senior Maoist leader has said that there is a fear of what he called as 'democratic coup.'

The Maoist number two Dr. Baburam Bhattarai said that his party would resort



to resistance if such coup occurred. Without taking her name, Dr. Bhattarai accused that newly appointed minister without portfolio Sujata Koirala could be advanced by some elements in the army to stage such a coup. He was speaking at a program in the capital, on Thursday (Jan 17). "There is a lady who still sings praises of the monarchy," he said referring to the daughter of Prime

Minister Girija Prasad Koirala. Sujata had recently said that monarchy as an institution is necessary for the country. She had also indicated that 1990 constitution could be revived if the Constituent Assembly (CA) election did not take place for the third time. Dr. Bhattarai added that some generals of the Nepali Army could also be dreaming of such regression. *Nepalnews.com sd Jan 17 08*

### Poudel Assures Strong TRC

Minister for Peace and Reconstruction Ram Chandra Poudel Thursday (Jan 17) said that the government is going to introduce a bill for the establishment of the Truth and Reconciliation Commission to take strong action against those involved in crime against humanity during the armed conflict. He said that the proposed TRC would not exonerate those involved in crime against humanity and serious human rights abuses during the decade-long armed conflict in the country. Addressing a consultative workshop on the TRC bill at Nepalgunj on Thursday, Minister Poudel further said that the upcoming bill should ensure that such crimes do not recur and the culture of impunity would end for good. *Compiled from reports*

### Vandalism In Apex Court

Police have arrested over two dozen persons after they resorted to vandalism and sloganeering inside the Supreme Court (SC) where a hearing was underway on a land integration project. People said to be favoring the Chamati land integration project shouted slogans against presiding judges Balram KC and Tapa Bahadur Magar during the hearing process. According to Supreme Court (SC) spokesperson Ram Krishna Timalsena, the interruptions at the hearing were of 'criminal nature.' "If someone files petition on contempt of court on this issue, the court will entertain the issue. Otherwise, we will also take notice of this event and take necessary action ourselves," he said.

The vandalism in the court occurred a day after authorities had set in place the special security in court following the concerns over insecurity made by judges a few days ago.

*Compiled from reports*

### Govt Calls Madhesi Groups For Dialogue

Following the directive by the seven party taskforce, Minister for Peace and Reconstruction Ram Chandra Poudel, renewed the government's call for dialogue to all the armed and unarmed Madhesi groups. Poudel said that long-term solution of all the problems can be found through the Constituent Assembly (CA) election. Therefore, he urged, the agitated groups to come forward for talks to resolve any grievance they have, at present. He said that the government had resolved citizenship issue, ensured population-based proportional seats for the Madhes region, accepted autonomous federal structures, provided a million rupees each as compensation to those killed during Madhes agitation, amended laws for ensuring proportional participation of Madhesis in all organs of state and so on. He said remaining issues could be sorted out through talks. He said that the government had also written letters to two factions of JTMM but received no reply. He reiterated the call for dialogue with them. "This is a big opportunity for dialogue. If this opportunity is missed, regressive elements will get space and even the rights that have been received may disappear," Poudel said. Earlier, the meeting of taskforce chaired by Maoist chairman Prachanda had decided to ask the government to hold talks with all disgruntled groups. The parties also agreed to strengthen seven party unity. *Nepal Samacharpatra daily reports*

### Sujata's Remarks Draws Flak

At the meeting of the Seven Party Steering Committee held on Tuesday (Jan 15), leaders demanded that Nepali Congress (NC) should provide explanations for what they called as "anti-constitutional remarks" made by its new minister Sujata Koirala. An outspoken central member of NC, Sujata, who is also the daughter of Prime Minister Girija Prasad Koirala, had last Saturday said that though an individual King could be wrong, the monarchy as an institution cannot be. At the same time, she had raised many eyebrows by saying that the Constitution 1990 could be revived if the Constituent Assembly



(CA) election is not held in April also. In the steering committee meeting held at the Maoist central office in Buddhanagar, the seven-party leaders also raised their objection to NC's decision to appoint the first daughter as cabinet minister without consulting with other alliance partners. In response, the NC representatives in the meeting only said that the party had "taken note" of Sujata's remarks, but refused to say anything further on the matter, according to sources. There was discussion on nine different important topics in the meeting of the steering committee formed to look after the implementation of the recent 23-pt agreement signed by the seven parties. As per previous understanding, Maoists put forth the draft of the committee's work procedures for perusal at the meeting. The alliance partners have agreed to come to a decision on this after further discussion. The taskforce also decided to request the Election Commission (EC) to postpone by 15 days the date for implementation of election code of conduct. Earlier, the EC had unveiled its poll schedule and stated that it would start enforcing the election code of conduct from January 16. For the government and the non-government organizations, the election code of conduct will be effective from January 16; for parties following the submission of the closed list of candidacies for proportional voting system while, for election candidates, it will come into effect after the registration of candidacy, the EC had said. Similarly, there has also been an agreement to form a taskforce to decide on the formation of local bodies. The steering committee meet would again take place Wednesday at the same venue. *Compiled from reports* ■





SPA leader addressing an election rally

Photo: Kantipur

**THE WINTER SESSION OF THE INTERIM PARLIAMENT** ended from Wednesday (Jan 16) evening after nearly three months in business. Speaker Subas Nemwang told the House that the winter session had concluded. He made the announcement after discussions with Prime Minister Girija Prasad Koirala and the chief whips of the parties in the parliament. Nemwang described the winter session as being historic in that it passed a number of important legislations, including the 3rd amendment in the interim constitution declaring Nepal a federal democratic republic, subject to endorsement by the first meeting of the constituent assembly. Altogether 13 bills including the bill related to constituent assembly election were passed during the winter session. The winter session had gone into prolonged recess several times as the parties engaged in deliberations to iron out their differences over the constitution amendment proposal. Compiled from reports

**THE SUPREME COURT ON FRIDAY** (Jan 18) directed Nepal Telecom to appear before it on Monday to discuss whether a stay order on the share announcement case should be issued. A single bench of Justice Min Bahadur Rayamajhi issued the order acting on a writ petition filed by advocates Jyoti Baniya and Ram Chandra Simkhada yesterday. They demanded that the telephone customers' deposits be converted to their shares and the remaining shares be then announced publicly. The lawyers filed the PIL after NTC turned down their demand. Advocate Laxman Thapaliya recently filed another petition challenging the share announcement.

**THE CONSTRUCTION OF INTEGRATED CHECK POST** to better manage Indo-Nepal border trade and security will begin within six months. According to a report in Kantipur daily, the meeting of the project mobilization committee on border custom infrastructure held in New Delhi decided, on Friday (Jan 18), to develop the project on fast-track basis. The meeting is said to have prepared a detailed project report on the Birgunj-Raxaul border point. "It has been agreed to start

construction within six months," said Pradhuma Shah, chief of SAARC Desk at the Foreign Ministry, who had participated in the meeting. Similar infrastructure would also be constructed at Jogbani-Biratnagar, Sunauli-Bhairahawa, and Rupediya-Nepalgunj points.

**NEPAL RASTRA BANK (NRB)** has decided to contract out Nepal Bank's

management to a team of Nepali professionals, initially for a period of two years. The central bank, on Tuesday (Jan 15), called for bids with technical and financial proposals by February 22. Interested Nepali individuals, firms, companies having qualifications, eligibility and adhering to the terms and conditions can submit their bids, according to the bank. "The management team should include chief executive officer, chief credit officer, treasury manager, chief operating officer," said K B Manandhar, acting governor. The bidders may form their teams by optionally including one foreign consultant with hands-on international experience. "The initial contract will be for two years, but it may be extended mutually," Manandhar said. The bidders must also submit tax clearance certificates and individual self-declaration of proposed candidates for being eligible and qualified to participate legally and work full time. It will take another one month to completely hand over the contract as it will take time for verification process and for obtaining no-objection from the World Bank, which has been assisting the financial sector reform program, Manandhar said. "The NBL management contract is part of the financial sector reform program that started in 2002." The troubled Nepal Bank Ltd is being managed by a team headed by Dr Binod Atreya under the supervision of the central bank. NRB appointed Dr Atreya's team about six months ago, when the foreign management team of the Bank of Scotland (Ireland) Ltd, ICC Consulting decided to walk out suddenly, unhappy over NRB's decision to extend the contract for another three months. An unaudited report proves that Nepali management team is capable of handling the bank as its financial health has been improving, Dr Atreya said. The foreign management team has downsized staff, computerized 44 branches, prepared operational and HR manual. Reform has also helped modernize the ailing bank and made it more professional and reduced non-performing assets from a whopping 59 percent to 13 percent. The bank, apart from injecting fresh blood, has also started reinstating its branches that were displaced due to the armed conflict. ■



# *Water Resources Ministry's Horrifying Decision*

## DEVASTATION OF KOSI PROJECT POTENTIAL

• Dr. AB Thapa

**T**wo prime-ministers, one of them the present Prime Minister of Nepal Mr. G. P. Koirala, had signed an agreement to conduct detailed feasibility study of the Kosi dam project which is expected to be one of the largest multipurpose water resources projects in the whole world. The project is considered indispensable to save the life and property of millions in Nepal, India and also Bangladesh. It is also proposed to provide as a component of this giant project a navigation canal linking Nepal with the Ganges waterway. Such canal will help to connect our country with the seaport. The project is expected to provide enormously large irrigation and power benefits also.

Unfortunately our Ministry of Water Resources does not seem to realize the extent of the damage to entire nation if the Kosi dam project is not handled with great care. At present one wing of the Ministry of Water Resources and Indian experts have started to conduct jointly the detailed study of the Kosi project. At this very time to the great horror of everybody another wing of the same Water Resources Ministry without the slightest hesitation is busy to devastate the proposed Kosi dam project by allowing a private developer to conduct detailed feasibility study to implement the Lower Arun Project. Ministry of Water Resources knows perfectly well that the Kosi Dam Project and the Lower Arun Project are mutually exclusive.

### **Lower Arun Construction will begin from This Year**

It is reported in "kantipur" daily dated January 6, 2008 that a Brazilian Company BRASS POWER is going to start within this year the construction of the Lower Arun Project. The news has stunned everybody genuinely concerned for the development of our country's water resources in the interest of our people. It is a well established fact that after the construction of the Lower Arun Project it would not be possible to implement the Kosi High Dam project which is considered indispensable to save the life and property of millions living in Nepal, India and Bangladesh. The Lower Arun Project hydropower will be completely submerged in the storage reservoir if we decide to implement the Kosi dam project based on the original concept of this project developed by India with the assistance of British experts more than half century ago. Moreover, it now appears based on detailed studies of other Himalayan mega-hydropower projects such as the Karnali and Panchesgwor high dam projects that the scale of the Kosi high dam project would be far bigger than the one proposed by India a long time ago. The ultimate size of the Kosi high dam project is yet to be decided. So it is going to be an insane decision if we plan to implement the Lower Arun Project before finalizing

the ultimate scope of the Kosi dam project.

### **Why Kosi Dam Project Needed?**

The generation of abundant and cheap electricity for domestic use and export, provision of year round irrigation in eleven out of 18 Terai districts and opening a canal waterway to link Nepal with the seaport are the benefits from the Kosi development. These benefits are very significant for Nepal yet the overriding factor in placing the Kosi development at the top on the list of priorities is the flood control.

The Kosi flood problem requires immediate attention. It is explained here why this problem has become so critical.

### **South Asia in Grave Danger of Devastating Kosi Floods**

The Kosi river known as the river of sorrow of the Bihar shifted from east to west over 120 km in the last 200 years. In the past about 10,000 sq. km. of lands have been laid waste as a result of the sand deposit. In course of shifting, many towns and villages were wiped out, and heavy losses of property, cattle, and human life were inflicted. Fortunately the embankments built few decades ago temporarily helped to check the lateral shifting of the Kosi. But at present the detention basin upstream of the barrage at Hanumannagar is almost full of sediments. Soon the embankments would be ineffective to control the Kosi floods.

The Kosi river is now on the verge of shifting to the east far away from its present course. The peoples of Nepal, India and Bangladesh are heading for a natural disaster of an unprecedented scale. It would be unfortunate if the Kosi swing to the east takes the life and property of millions in South Asia by surprise while the rest of the world will merely be silent spectator.

### **Solution to Kosi Flood Problem**

Solutions to the Kosi floods problem should be quickly found. All the works needed for the flood protection should be completed in time.

Provision of dams in the drainage area with very big storage volume is the only lasting solution to the Kosi flood problem. It is the opinion of the renowned experts and scientists involved on the Kosi study in the past. We can draw such lesson from the past experience of China also. It can be concluded that there are not any substitutes for the large storage dams to control the Kosi floods. Thus our only recourse is storage dam. The storage dams should be provided in time. Unfortunately some peoples in Nepal and India have misgivings about the Kosi dams. Such misgivings are unfounded and they are often the result of present global disenchantment with the high dams particularly for the generation of hydroelectricity. In case of the Kosi dams this



type of notion is completely misplaced. The life and property of too many peoples in Nepal and India would be at great risk if the Kosi dams are not built in time. Those who have in their mind other ideas should come forward and offer their own solution to resolve the Kosi flood problem.

**The Kosi Dam Highest in the World**

A study of the Kosi dam was taken up by India in 1946. The concrete dam proposed at that time with a height of 269 m was to be the highest in the world. The great Hoover dam in the United States with a height of mere 221 m was then the highest. Even to this date there is only one concrete dam higher than 269 m. This is the 285 m high Grand Dixene dam in Switzerland.

At present abundant information are available on planning storage reservoirs in Himalayan region for flood control. The most suitable example for the Kosi planning could be the Karnali feasibility study. If the Karnali reservoir planning criterion is applied then the height of the Kosi dam would be almost close to the height of the Rogun dam presently under construction in the former Soviet Union. At present the 335 m high Rogun dam is the highest in the world. A comparison of the Karnali and the Kosi dams could be as given below:

River	Dam Height (m)	Total Storage (billion cm)	Flood Storage (billion cm)	Dead Storage (billion cm)
Karnali	270	39	11	12
Kosi	~ 335	36	7	9

The Kosi high dam project is going to be one of the largest projects undertaken so far in the world. So it will be a very big engineering challenge. We should beware of unintentional give-away in Kosi development. The optimum Kosi development should not be compromised. A less than optimum dam could preclude optimum development of the Kosi river for all time. It could deprive the peoples in India and Nepal long lasting flood relief.

**Kosi Navigation Canal will link Nepal with Seaport**

Nepal is a landlocked country. The Kosi navigation canal linking Nepal with the seaport, needless to say, is the most important project for landlocked Nepal. The Kosi waterway could provide an immense opportunity for speedy economic development of our country as a whole.

India and Nepal have agreed to carry out feasibility study of the Kosi navigation canal linking Nepal with the Ganges. It is understood that such navigation canal will be close to Class 1 waterway of Europe in size (Kosi navigation canal, WECS - AB Thapa). In future detailed study we should not compromise on size of the canal. If the canal size is diminished then the inland water transportation will not have advantage over other modes of the transportation

**Inland Water Transportation is the Cheapest**

The coefficient of friction on water is very small. One horse power can pull 4,000 kg on water while on road and rail, it can move only 150 kg and 500 kg respectively. In the countries in Europe and America the inland water transport has established itself as the cheapest mode of transportation. In the USA, where various modes of transportation freely competing with one another are equally developed the inland

water transport has been found to be 5 times cheaper than the railway transportation and 21 times cheaper than the road transportation.

The USA had about 25000 miles of internal commercial navigable channels in 1968, of which 15000 miles provided operating depths of nine feet or more. The nine-foot draft is considered standard for barge and towing industry operations in the USA. In 1966 about 490 million tons of freight was carried by all kinds of river ships in the USA.

An Unified European Network was agreed with regard to the whole of Europe that category IV waterways should be the standard link between river basins. This category should be able to accommodate 1350-1500 ton vessels. The locks should have a minimum depth of 3.5 m over the sill. At present Government of India has also adopted the European standard in planning the locks and navigation channels of the Faracca barrage.

A comparative study of inland water transport cost for small rivers vis-à-vis road transportation cost on region-wise basis made in the former USSR shows that by comparison with inland water transportation the road transportation was almost 10 times costly in Kuibshev region. It is about 4 times expensive in Moscow region.

In 1967 some 450 million tons of the cargoes were carried by all kinds of river-ships in the former Soviet Union.

It is presented in a report published very recently by the Government of Bangladesh that the volume of freight carried by water in Bangladesh stands at approximately 56 million ton/year. The water transportation charges are said to be less than 10% of the corresponding charges by road or railway.

According to a study conducted on behalf of the German State Railway to move one ton of goods in Germany one kilometer, it costs 14 pfenings by rail and 29 pfenings by road, but just 4 pfenings by inland waterway. It shows that the inland water transportation is the cheapest by comparison with other modes of transportation.

**In Conclusion**

It is unfortunate that at present our Government appears to be completely ignorant of the vast potential of the Kosi dam projects. However, we should hope that the Water Resources Ministry will immediately decide to drop the plan to implement the Lower Arun Project.

There is a need for various governmental and nongovernmental agencies, academic institutions, and research organizations to take part in solving different technical, economical, social and other problems expected to arise in course of planning and execution of the Kosi projects. There should be country wide debates on Kosi problems to reach consensus on various important issues. Whenever the need arises, noted scientists from any other part of the world should be invited to give their opinion on problems that concern the Kosi projects. Some time consuming research works particularly in the technical field should be taken up in advance in anticipation of the future problems. In developed countries such research works are usually done by universities and other academic institutions. They are very important source of funding for the educational institutions. ■





Dr. Mahat, Khanal and Yemi (from left): Elusive conviction

## CA POLLS

# Elusive Conviction

*Despite rhetoric leaders of major parties fail to convince the doubting masses*

By SUSHIL SHARMA

**R**am Sharan Mahat, Jhalnath Khanal and Hisila Yami are senior leaders of the country's three biggest parties.

Apart from being senior figures, the stalwarts of the Nepali Congress, the UML and the NCP (Maoist) share nothing in common.

But a rare commonality surfaced last week.

At a programme on what many think to be still-uncertain constituent assembly election, the three leaders laboured hard to brush aside doubts about the polls.

After they sought to assure the audience that "the election has to take place, it will take place, we will hold it at any cost," a joint question was hurled at them.

"If they are so sure about the polls can they publicly declare that they will quit politics if the polls do not take place?"

None of the firebrand leaders dared make such a declaration.

"Let's not talk negative at this stage," was all the UML's Khanal had to say.

The NC's Mahat thought the question to be "too hypothetical" to warrant a straight answer. "The question is like what happens if all hell breaks loose."

Maoist leader Yami flatly dismissed the idea altogether. "Why should we quit? We will fight instead."

So, none of the firebrand leaders of bigger potential dared to risk their future at something they publicly say they believe in.

Normally, political leaders use public declaration to quit as a powerful weapon to counter criticism and allegations.

"If proved, I will give up politics for good," is a popular refrain to challenge the allegations of corruption.

On the question of the proposed April elections, none of the top leaders have dared yet to resort to that refrain.

In mass meetings, at press conferences, in seminars, they are seen taking extra pains to assure the people about the certainty of the elections. They also quickly label the doubters regressive and royalist rogues.

But they have not mustered courage to rely on the traditional quitting-the-politics weapon.

"If they are so sure of the polls taking place as scheduled in April, what is stopping the leaders from making the doubting masses believe in their assertions," asked an audience after listening to the evasive leaders in Bhaktapur.

"They should have no hesitation in declaring that if they are proved wrong (on the election assertion) they will quit politics for good", added another ■



# Nepal

## In A Zone of Conflict Or Peace?

The progress made during Indian prime minister Dr. Man Mohan Singh's visit to China will have certain impacts in the countries of the region particularly Nepal

By KESHAB POUDEL

Sooner India and China harmonize their whole gamut of relationship, better would be for the world in general and countries adjoining to both of the countries particular. As Nepal has its unique position between India and China, this is a matter of its great concern.

Indian prime minister Dr. Singh's recent visit to China, which has made limited progress in their bilateral relations, will have significant impacts in the internal political situation of Nepal. Although Asia's two major powers are yet to agree on the terms to settle their border disputes and other issues related to their strategic and security interest, their indication to follow the path of rapprochement and reconciliation is significant.

"The prime minister's China visit is yet another step in stabilizing and consolidating relations with this important neighbor. That is went well and opened fresh avenues augurs well for the future," India's former foreign secretary Salman Haidar in his article PM in China: A Milestone in A Slow Advancing, incremental process. "The formal state occasions are not being seen in terms of any sort of leap forward on the border, or the UN, or nuclear cooperation, important all these subjects are, but as an affirmation of friendship and a willingness to develop closer."

After the visit, India and China,



Indian prime minister Dr. Manmohan Singh in Beijing: Warm welcome

despite differences on number of issues, agreed to go ahead in the areas like in trade. The countries' like Nepal - which shares border with both of them - have reason to optimistic that the process will help to stabilize their internal political process also.

"Nepal has been passing through a great upheaval in which external forces are much more prominent than the internal forces. It was natural for traditional society like Nepal's to see eruption of dissensions and conflicts in the process for its transformation into modern one. However, Nepal is facing the most serious challenging resulting in from the crisis of readjustment of too big neighbors," said the analyst, "As of its rectangular size between India and China, Nepal is connected with vital security areas

of both the countries. China has its sensitive Tibetan Autonomous Region connected with Nepal and India has its most vulnerable Ganges plain adjoining to it."

Regional conflicts have major influences in the internal politics of Nepal. "To be sure, regional bipolarity more strongly influence Nepal's policy context than does global multiplicity. As long as India and China remain

stable, no third country can possibly dare to threaten Nepal's survival," writes professor Dev Raj Dahal in his article Geo-politics of Nepal. The geo-strategic location of Nepal renders it impossible either to escape from or to halt Sino-Indian contest and cooperation."

Indian prime minister Dr. Singh's visit neither generated euphoria in Indian media nor pessimism as leaders of both the countries have made some progress in their bilateral relations but their differences remain on border disputes.

"The major problem between India and China is regarding their border settlement which had been made complicated by the memory of 1962 war. The other issue is their relationship with the countries

adjoining countries like Nepal, Bhutan, Pakistan and Myanmar - which both the countries have bigger security stakes," said the analyst.

According John Feffer in his article India, China Vying For Clout in Burma (The Himalayan Times January 21) writes, "Burma is not as significant a throne in the side of the emerging alliance as Tibet or territorial claims. India's provision to the safe heaven to the Tibetan resistance movement and China's territorial claims over parts of India both figure more prominently in cross-border tension."

Both the countries have matter of worries and concerns. "China worries about Tibetan dissenters having their base in India. Similarly, India has its Marxist influence politics not only in West Bengal state but a Maoist insurgency growing up in the area popularly known as red corridor from border of Nepal to south of Vindyanchal up to Hyderabad," said the analyst.

Other strategic analyst too agree that the world's two most populous countries India and China are leading trading partner but they see eye to eye on several key geo-political issues.

"Tibet and Burma are going to stay pivotal to Indian security. India cannot afford to shut itself out of Burma, or else- with an increasingly assertive China to the north, a China-allied Pakistan on the west, a Chinese-influenced Burma to the east, and growing Chinese naval interest in the Indian Ocean - it will get encircled. Just as India has not abandoned the Tibetan cause and indeed remains the seat of the Tibetan government-in-exile despite doing business with China," writes Brama Chellaney, India's renowned strategic analyst in The Times of India.

The countries of the region particularly Nepal has to suffer sever

course of uncertainty in case of hostility. "If these two Asian powers maintain their hostility against each other, politics of the countries like Nepal would go on with instability and thus be a problem to both. One is reminder of a title of a book China Meets India in Nepal written by Girilal Jain long ago, before 1962 war, that the worries in the decision makers of India increased many folds then but this is not only India's problems. China has also been equally expressing its concern explicitly or implicitly regarding its security in the sensitive areas," said the analyst.

"Any hostile activities or gestures close to its security zones and tracking out the security zone are very much difficult and complicated. Bigger the power, greater is its security zone as it in the case of Afghanistan and Iraq problems to USA," said the analyst.

"Some months back, there have been concerns expressed from Chinese sources regarding the situation in countries like Bangladesh and Sri Lanka. Even though these two countries have no common border, any third country's interest in this area has caused serious concern in Beijing. Politically as well as economically, China has its amazing leap forward and therefore its concern in these areas cannot be ignored while discussing the problems of Nepal which linked between two emerging military power of the world. The past has a very unpleasant situation for Nepal to survive between two big neighbors who were all the time concentrated on military superiority," said the analyst.

According to analyst, now, India has a defensive capability whereas China does not have extra territorial ambitions except to guards its own recently. China, though in both militarily and economically, has advanced much



Indian PM Dr. Singh and Chinese PM: Warm Ties

causing alert among U.S. strategists. In such a situation, continuing the trend of confrontation is neither desirable to China nor to India.

As the optimism stimulates the process of life, as well as development, enlighten persons in Nepal have a watchful eyes for a positive development relations between these two countries.

"World survives in optimism and there is a ray of hope that the day will come when both India and China would need a peaceful stable and cooperating Nepal. It may sound utopian but for any serious thinking person of this region, this is a hard reality and there is conflict, chaos and devastation in adverse to this. Let's not enquire about Nepalese wisdom as they are of a very small capability and dimension. The question now is to our big neighbors China and India and let us not be knives to ignore that they know their national interest much better than us. One guesses, the present meeting between two PM is a sign of that," said the analyst.

The state of relations between Nepal's two neighbors -India and China - determines whether Nepal is going to be a zone of conflict or peace. One can hope that the process of limited rapprochement and reconciliation between India and China will yield peaceful process. ■



## TRANSMISSION LINES

## Choked

## Infrastructure

Even as the country is in the grip of acute power shortage due to lack of hydropower projects, there is yet another problem, which is often overlooked but which is equally important if the country is to see the back of the crippling load shedding. The existing transmission lines are said to have been fully used up leaving very little space for any more power to pass through them. The lines have become urgent not only to realize the potential of exporting power but even to transmit power from one place of the country to another. There is a regional imbalance in current transmission infrastructure. While big hydropower projects lie in the western region, the major demand is in the eastern region. The country needs to pump in over Rs 15 billion to upgrade the transmission infrastructure

By SANJAYA DHAKAL

*Despite acute power shortage and assurances by the officials that new hydropower projects would take care of the problem, the non-existent transmission infrastructure is likely to thwart any attempts to resolve this issue.*

The state-owned Nepal Electricity Authority (NEA) has been clamping six hours of load shedding every day. For a country regarded as rich in water resources, such a situation can be considered nothing but an ironical – a result of misplaced priorities and lack of long term vision.

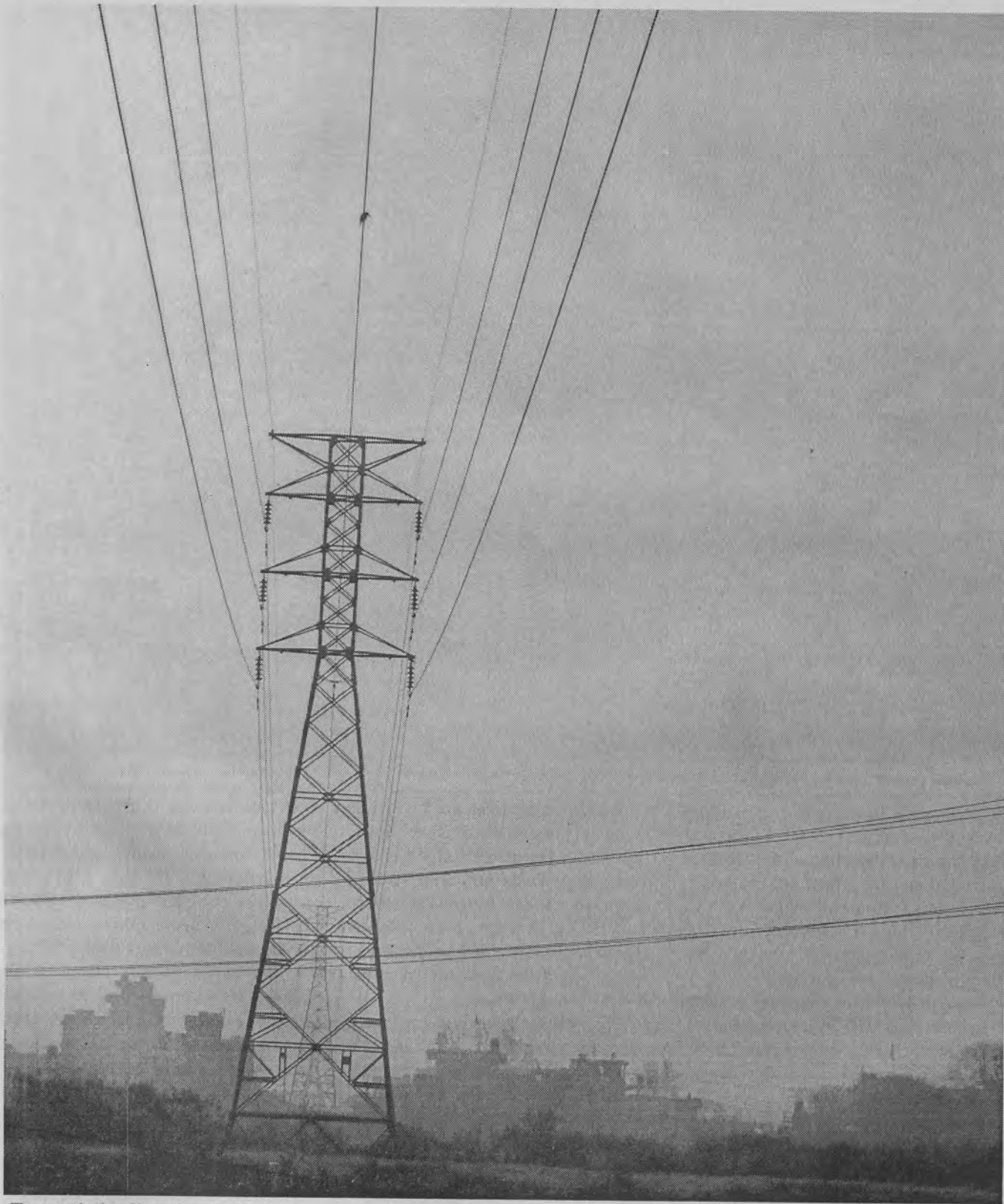
“Nepal is currently the country with most hours of load shedding,” said Gyanendra Lal Pradhan, a private sector hydropower entrepreneur.

“And this is all due to the total failure of the country’s policies and plans,” he added.

The NEA officials have said that due to the lack of new projects in the last one decade, the country is now facing acute shortage of power. They have warned that in coming one month, the situation could become worse before the onset of spring, which will trigger

melting of snow that feeds most of the rivers in the country where the hydropower projects are located.

The country currently has the installed capacity of just over 600 MW and the demand is rising 10 percent every year. Practically, a project the size of Middle Marsyangdi (70MW) should be added every year to meet the demands. In dry winter season, the situation worsens as people start consuming more power while the supply shrinks by up to 30 percent as rivers dry up. The only storage-type project of Kulekhani has to



**Transmission line:** Overloaded

work overtime during this dry season. And the efficiency of Kulekhani also depends on the volume of water collected at its reservoir during monsoon.

**Transmission Bottleneck**

At a time when the country is said to be suffering from load shedding due to lack of hydropower projects, experts

have revealed that there is a similarly huge problem in transmission infrastructure.

Without upgrading existing





**Trishuli power house: No Electricity**

transmission lines and/or expanding them, even if projects are built, the power they generate cannot be transmitted. Most big hydropower projects are situated in the western region while demand is high in eastern region – necessitating the powerful cross-country transmission lines to evacuate the energy.

Recently, big hydropower projects like Arun III (402 MW), Upper Karnali (300 MW), Budhi Gandaki (600 MW) and Upper Tamakosi (309 MW) are being mulled for construction. Except for Upper Tamakosi, the government is seeking foreign investment to build the three projects.

But conspicuously absent is the debate on the existence of transmission. It is quite clear that without constructing powerful transmission lines, the country can neither export power to India nor transport it from one place of the country to another.

Transmission lines are known as ‘highway’ through which power flows. Currently, in Nepal, these highways are already choked with traffic jam. Without expanding these highways, mere construction of hydropower projects will not suffice, according to Sher Singh Bhat, chief of the Systems Operation Department of NEA.

“East to Dhalkebar, we don’t have any project. And the demand is quite higher in eastern region. The existing transmission lines are already fully used up. Without building new lines or expanding the existing one, power cannot be evacuated from the projects,” said Bhat.

#### **Chicken-Egg Story**

Private entrepreneur Gyanendra Lal Pradhan believes that 90 percent of the license holders are not building hydropower projects because of the absence of proper transmission lines.

“I do not see the possibility of building 30/40 MW strong projects without the expansion in the transmission infrastructure,” he said citing the examples of Kabeli and Upper Marsyangdi, which he said could not be constructed for this very reason.

“We have not only failed in the planning of hydropower projects but also totally failed in transmission line planning,” he said.

Pradhan points out the need of constructing high-powered transmission lines with capacity of 400 Kv or more if the country wants to export power to India in future. At present, there are only 132 Kv power transmission lines in operation in the country while a few 220 Kv lines are being planned.

“A transmission line with the capacity of 220 Kv if not 400 Kv should be built parallel to the east west highway,” Pradhan said.



**Jungle of electricity lines: High lackage**

NEA's Bhat, however, thinks that the story of 'chicken first or egg first' has repeated in transmission sector in the country.

"While the project developers point out that they cannot build a project without transmission infrastructure in place. On the other hand, no one is coming forward to build transmission lines without being fully convinced about the full usage of the facility in the absence of projects," he said.

#### **Plans Of Infrastructure**

Pradhan says that since transmission lines are like 'highways,' they should be built by the government with priority.

"If you want to take your car from Kathmandu to Pokhara, do you build the highway or do you use the common highway built by the state. That is the same problem, private sector is facing now," he said.

Bhat also believes that while constructing transmission lines, the government should not consider only the financial cost. "It should be constructed like roads and hospitals. They do not give you immediate return, but they are vitally important in the long term," he said.

It is said that in order to build and upgrade the existing transmission infrastructure in the country, investment worth Rs 15 billion would be required. The World Bank has also shown interest in helping in this sector. On

the other hand, NEA is working with Indian company Indian Leasing and Financial Services Company to build cross-border transmission lines.

At present, the government is upgrading transmission lines in Bardaghat-Bharatpur-Hetauda. "To exchange power between Nepal and India, we are constructing transmission lines in three areas now. The process of construction of 400 KV transmission line between Dhalkebar- Mujaffarpur (Bihar), Butwal- Anadanagar, and Duhabi-Purnia (India) have already started," said Minister for Water Resources Gyanendra Bahadur Karki.

Dr. Jagadish Chandra Pokharel, vice chairman of National Planning Commission (NPC), also said that the government will be acting with priority basis to develop transmission infrastructure. "We are aware there is a need to develop transmission line. There is the lack of transmission line to evacuate power from west to east," he said.

The people of country, meanwhile, who are suffering from crippling load-shedding cannot escape the blues without addressing the problem of shortage of power as well as transmission lines with long-term perspective. ■



**Street lamps: Free consumption**



# “Next Generation Will Not Have To Suffer Load Shedding”

-Gyanendra Bahadur Karki

Minister of Water Resources **GYANENDRA BAHADUR KARKI** has been heading the portfolio of water resources for almost one and a half year. Although he always keeps himself in low profile, Congress Central Committee member Karki remains an important player within Nepali Congress. At a time when country has been passing through a severe power crisis with six hours of daily load shedding, Minister for Water Resources, Karki spoke to **KESHAB POUDEL** on various issues of power sector at his office on Thursday morning. Excerpts:

## When will the situation improve?

As you know, we are compelled to cut down the power supply since our power generation capacity has gawn down drastically because of reduction of water in snow fed rivers. Since we have been making efforts to import about 40 MW power from India, load shedding hours will be reduced soon.

## How long will that take?

We are in the process of negotiations. It will be settled within shortest period of time.

## Don't you think the present power crisis has already sent wrong signal to investors?

There is no doubt that current load shedding has sent a bad signal. But, nobody can do anything to change the present power situation without adding power in our national grid. This is not a result of one or two years of mismanagement but a gap of the projects in the last one decade.

## Since there was a severe load shedding last year also, why did you not make any effort to preempt the present situation?

It is not in the capacity of anybody to bring the change. I have already made efforts to preempt such situation in future. After the completion of Kali Gandki A project, we have not constructed any major project to meet the growing annual demand of power. We have added just few MW of power. Had Middle Marsyangdi project completed on time, the situation would have been little better. I will assure you that country's next generation will not have to see the load shedding like present one.

## On what basis are you saying that there will be no power cut in future?

After my appointment 18 months ago as a minister of water resources, I took initiative to build new project for domestic consumption as well as for export. To cope with the present load shedding, I have proposed Upper Tamakoshi project with Nepalese investment. I am very proud to say that Employment Provident Fund has already agreed to invest in the 302 MW Upper Tamakosi Project. This

is a major breakthrough. NEA board has already decided to move forward.

## Do you have other projects in mind?

We are also working to develop 111 MW Upper Seti storage project. NEA has already forwarded the project. NEA is also negotiating for soft loan from China to start Trishuli A project.

## At a time when you have been talking about the need to invite the foreign investors, there are number of news that local people are creating disruption in the projects, the recent example being Chamelia in far west and Chilime in central region?

These are very unfortunate incidents. It is natural that people have high expectations but they have to support the project management to complete such projects which benefit them. If local people do not cooperate, the situation will arise when private sector will quietly walk out from the project.

## What is the status of West Seti?

West Seti is now moving towards positive direction. Parliament's Natural Resources Committee had directed the government to get 10 percent free power from the West Seti. Our ministry is now negotiating this with SMEC. We will get about 75 MW of free power for the local consumption.

## Do you believe that the West Seti Project will begin?

I am optimistic that West Seti Project will commence on its schedule. This is going to be a major project to export power to India. Many international financial institutions including Asian Development Bank, Chinese Bank and India's financial institutions led by Australia SMEC are involved in this project.

## Maoists and other parties have already raised the question why only Indian companies took part in the bidding for Arun III and Upper Karnali? How do you look at it?

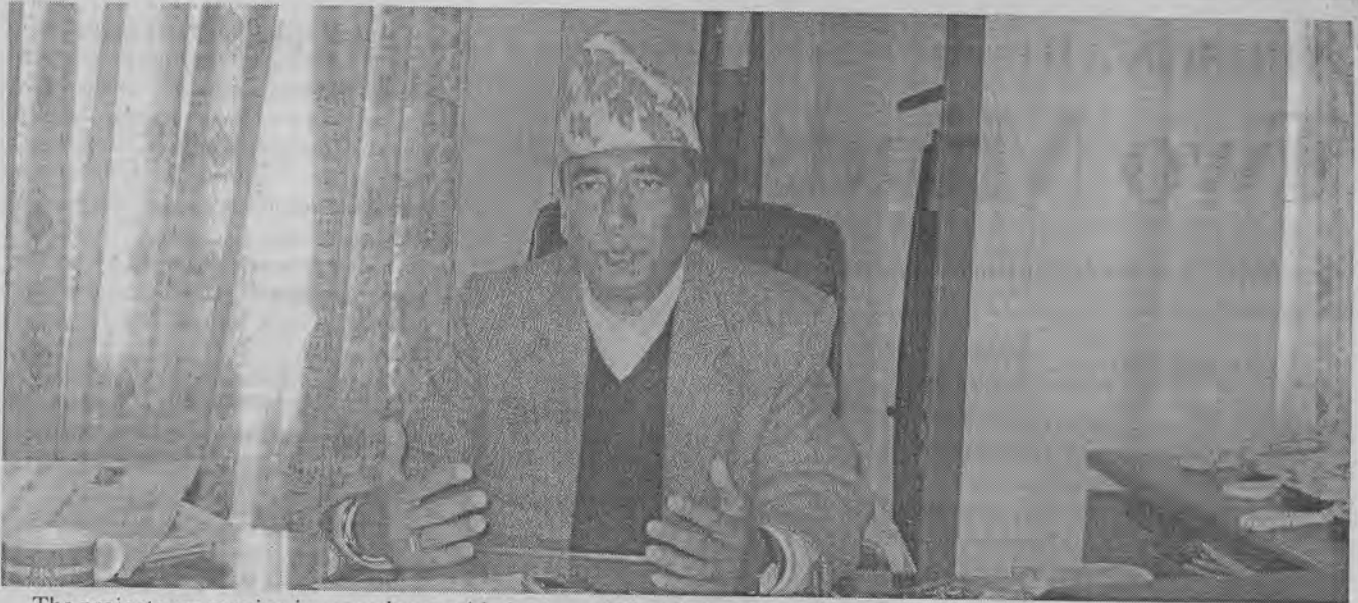
All companies were selected through open bidding and only those companies were invited for final round of negotiations, which met our requirements. They got it through bidding.

## This is just an interim government but you have been taking decision of long term implications. How do you look at it?

This is an interim government but you cannot have interim plan in water resources. Power is a sector for long term investment and a long term planning. Personally, I believe that we must not stop the construction of the projects.

## It is also said that ministry is violating the constitutional obligation as well as legal precedent by not presenting them in debate?

*Power is a sector for long term investment and a long term planning. Personally, I believe that we must not stop the construction of the projects.*



The projects are moving in accordance with the consent and support of all the political parties and support from the parliament. Since most of the projects are now awarded to private sectors, they do not require parliamentary sanctions. Interim constitution has not said anything about this arrangement. Nepal government's current policy is to generate 5000 MW power in one decade.

**How many companies took part in bidding for Arun III and Upper Karnali?**

Fourteen prestigious companies had participated in the bid for Arun III and Upper Karnali.

**How much power will Nepal get from these projects?**

Upper Karnali and Arun III will provide 120 MW energy free of cost to national grid. They are going to be milestones in the history of power sector.

**How will you exchange power with India?**

To exchange power between Nepal and India, we are constructing transmission lines in three areas now. The process of construction of 400 KV transmission line between Dhalkebar- Mujaffarpur (Bihar), Butwal- Anadanagar, and Duhabi-Purnia (India) have already started.

**What about the improvement of national transmission line?**

We are also upgrading our transmission lines of Bardaghat-Bharatpur-Hetauda.

**What is the status of proposed unbundling of Nepal Electricity Authority?**

There are many ways for reform and reform should be for betterment of any organization. We need unbundling but we don't have any plan to do it now. It will create problems in the management.

**Do you have any plan to unbundle the NEA?**

NEA is a very small organization. Breaking it into smaller organization will make the situation more complicated. This is the reason why we don't have immediate plan to unbundle it. Our priority now is to make NEA's management more efficient.

**What is the target for coming decade?**

Within one decade, we will complete projects with the capacity to produce 1000 MW. Then the country will not have to face the situation like the present one. Middle Marsyangdi 70 MW will be the first project, which is going to complete by October 2008 and commence the power by December 2008. After that more projects will come in line.

**How do you see the involvement of private sector?**

Private sectors are also constructing numbers of projects in the country. NEA has signed PPA with a joint venture company to buy 50 MW power from Upper Marsyangdi. Chinese private sectors are investing 90 percent and 10 percent is being invested by Nepalese company. This project will be complete within four years. The Korean government-owned company has shown interest to build 40 MW Upper Modi project. Norwegian company is working in Tamakoishi II and III with the capacity of 500 MW. There are many projects with capacity of 1 to 5 MW. NEA will sign PPA with these projects.

**There is a tendency in the power sector to hold the hydro power licenses. How many licenses have you issued recently?**

In the past, it was easy to get the license and many license holders renewed by giving various reasons. Now, one has to pay annually royalty of Rs.10,000 per MW and one has to fulfill the commitments. Now you are reading the news regarding the allocation of license. The time will come when you will get the news of cancellation of license.

**Have you started any new irrigation projects?**

Construction of Sikta Irrigation project has already begun and initial work has already completed. Along with this, we have recently signed a loan agreement with Saudi Fund to expand Bagmati Irrigation Project. The World Bank has also provided fund to expand irrigation. ■

*NEA is a very small organization. Breaking it into smaller organization will make the situation more complicated. This is the reason why we don't have immediate plan to unbundle it*



FOREIGN AID

# Two Minds

*Are Nepal's donors mulling options amidst uncertain political situation?*

By SUSHIL SHARMA

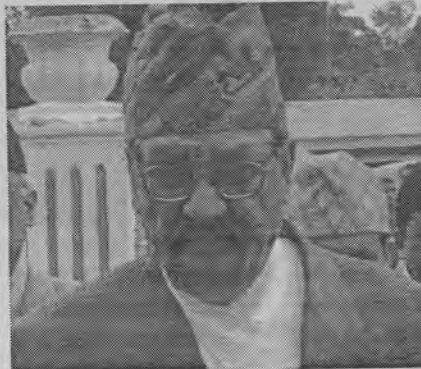
**W**ith deep uncertainty still hanging around the proposed constituent assembly elections, the governing seven-party alliance has decided to call a donors' conference ahead of the polls.

The meeting is due to take place in the third week of February, less than two months before the polls.

The event is aimed at seeking the donor commitment of 3000 million dollars for the next three years of the just-out interim plan.

The amount is almost a third of the total plan outlay.

Given the fluid political situation, the authorities have decided to make the bi-



**Finance minister Dr. Mahat :** Aid hopes annual event, better known as the Nepal Development Forum, a low-key affair.

Such a decision is also said to have been influenced by the lack of enthusiasm of some of the key donors.

Interestingly, less enthusiastic donors were those who used to be upbeat about the Maoist agenda in the past.

Sources said that some Nordic countries, who had soft corner towards the former communist rebels, had expressed reservations over the donors' meeting.

They reluctantly agreed to the idea after many others including the biggest donors gave a nod to the Nepalese government.

Some contributors to the funding of the UN mission in Nepal (UNMIN) are also reportedly having second thought over continuing their financial contribution.

Considered crucial to the constituent assembly elections the UN mission in Nepal (UNMIN) has got its term extended for another six months.

But said a Kathmandu-based diplomat of a key European donor, "we will no way fund the UNMIN beyond its extended term."

Said an analyst, "with doubts still persisting over the April polls, the donors appear to be readying themselves for an alternative." ■

PRICEHIKE IN PETROLIUM PRODUCT

# Politics On Oil

*As usually, the student wings of ruling seven party alliance call general strikes demanding to withdraw price hike on petroleum products*

By A CORRESPONDENT

**A**s in the past practices, student wings of ruling party alliance fired the tire at the main corners of Kathmandu valley protesting the decision of the government to hike the prices on petroleum products.

Price hike in petroleum products always draws political attention. As price hike is an unpopular decision, no political parties loses any chance to denounce decision and gain the mileage through public support.

Last time the government hiked the price during the long government holiday to avoid the agitations. As the price of crude oil continues to steeply rise in the international market crossing US\$ 100 mark per barrel, NOC has very few options.



**Agitation against price hike:** Paralyzing life

"The considerable price hike of major petroleum products is aimed at the

government's ongoing efforts to aid repayment of IOC dues and fuel shortage in the country," said spokesman of NOC Ichha Bikram Thapa.

In its bid to bail out a loss making Nepal Oil Corporation (NOC), the government announced a steep price hike in diesel, kerosene and liquefied petroleum gas (LPG) effective from Monday midnight (21 January). The

government increased the price of petrol a month ago.

As per the new rate, diesel will now cost Rs.61.30 per liter, kerosene Rs.61.00 a liter and cooking gas Rs. 1,250.00 per cylinder from Rs.1100.00 for Kathmandu valley and hilly area. However, the price for terai belt is lower than hill.

Despite steep hike in the price, the state-run petroleum supply monopoly also stated that it is still incurring a loss of

Rs. 230 per cylinder and Rs.6.08 a litter of diesel. ■

# ‘Economic Growth Starts Now’

-By Nancy J. Powell, U.S. Ambassador to Nepal

## Introduction

I have had the pleasure of spending the last two days in Kaski District, mostly right in Pokhara, a place I first visited more than 25 years ago. I confess the city is considerably larger now than it was then, but it is still as charming as ever.

I have come to Pokhara in order to get a sense of how “Pokhreli” see the situation in Nepal moving forward and to hear your hopes and concerns for your country. I wanted to take this opportunity to talk to you this afternoon about the U.S. agenda for Nepal, particularly the economic and development agenda. I have entitled my remarks: “Economic Growth Starts Now.” I intend to close by launching a book that addresses free market economic principles in more detail in a creative way.

## A Few Political Comments

We meet at an exciting moment in Nepal’s history. The country is emerging from a decade of violence and strife. The Interim Government has announced that an election will be held on April 10, in 83 days, to select an assembly to draft a new constitution. For the first time in more than eight years, the Nepali people will have an opportunity to choose their representatives. You will have a say in shaping a new democracy for this wonderfully diverse nation. The United States strongly supports the upcoming polls and is committed to doing its part to help them become a reality. From our perspective, the election is a key step in the peace process, but, in important ways, the real work will begin after the election is over. Many of the commitments made in the Comprehensive Peace Agreement and the other peace accords have yet to be implemented. True and lasting peace will require more than an election. It will require a national commitment to transform this country’s government and its institutions into bodies that reflect and serve the needs and aspirations of all Nepalis, regardless of gender, ethnicity, caste, religion or economic status.

## The Need for Economic Growth

As political parties begin their campaigns for elections, I hope they are beginning, let me suggest that discussions also focus on Nepal’s economic challenges and the options for policy responses by a newly elected government. The overarching challenge is to restore robust economic growth that is inclusive and equitable. Peace will always be at risk as long as Nepal lacks a robust rate of economic growth. Without the opportunities brought about by economic growth, Nepalis will not find the jobs they need to improve their quality of life and to be full participants in society. Without economic growth, your businesses will not have the means to stay afloat, let alone earn the profits with which to offer your sons and daughters the opportunities you wish for them. Without economic growth, the Government of Nepal will not have the tax revenues to provide the services, including the infrastructure that Nepalis and Nepal desperately need.

Let me also suggest that the experience of the last forty years shows that the most successful nations in terms of economic development have been the ones in which the private sector has been the engine of growth.

## Ending Donor Dependency

Let me now add another, somewhat controversial, reason why economic growth is so important. Without economic growth, Nepal will continue to be dependent on the generosity of donor countries to meet its expenditures. Over the past half century, since the United States first began its assistance program to Nepal, our principal aid agency, the U.S. Agency for International Development, has granted nearly \$1 billion to this country. In 2007 alone, our total assistance program was in excess of \$70 million. We are committed to continuing our assistance going forward. However, it is my hope and my strong conviction that in the coming

decade Nepal can end its dependency on foreign assistance. And to see the way to do this, we don’t have to look beyond the beautiful, snow-capped mountains I saw on my flight to Pokhara.

## Hydropower As An Answer

I am talking, of course, about hydropower. Nepal has the potential to become economically self-supporting if it utilizes the huge water resources with which it is blessed as the source of many of the region’s great rivers. Water is a renewable resource and Nepal has only scratched the surface of its potential as a contributor to the country’s economy. As you all know from frequent load-shedding, Nepal does not generate enough electricity to meet current demand. Experts estimate that Nepal has the potential to generate at least 43,000 MW of hydroelectricity. The main challenge is to find ways to develop Nepal’s immense hydropower potential in an environmentally and socially sustainable manner. This will provide affordable energy to the population and provide additional revenue through large-scale export. There is already a Government Of Nepal policy in place - the Hydropower Development Policy (HDP 2001) mandating a focused and accelerated approach to hydropower development to meet domestic needs and for large scale exports, a better and stronger regulatory regime, unbundling of the government-owned NEA, and streamlining of promotional and licensing procedures to increase private sector investment in competitive hydropower development at affordable prices. Progress on implementing this policy should be one of the priorities for





a newly elected government. I know already of at least one major U.S. energy company that is looking very seriously at working in this sector.

### **Tourism**

I would also like to mention three other areas that merit attention in the pursuit of sustainable and equitable economic growth. The first is tourism. As residents of Pokhara, I don't need to talk to you about the importance of tourism. I know it is one of the mainstays of the local economy. It is also a key pillar of the national economy but so much more can be done. The country's potential again has yet to be fully realized. In spite of the difficult political and security environment, you had a banner year for tourism. I am pleased that among the rising numbers of visitors was a significant increase in American tourists, whom I am told, are at the high end when it comes to tourism value, and I hope that continues. If Nepal is to take advantage of its potential, it will, however, have to address well-known bottlenecks, such as the difficulty of obtaining flights in and out of Kathmandu and an overstretched international airport. It will also need to figure out ways to route tourists to other, less-traveled areas of the country, and to take advantage of the market in developed countries for eco and adventure tourism.

### **Technology**

Technology is the second area I would like to draw to your attention. I am glad that there are a large number of professors and other academics present from the nearby schools, colleges, and university. I note that Nepal has already shown the ability to provide high-end information technology services to a small but growing IT business community currently based largely, in Kathmandu. This area also has potential to grow and could help spark innovation and productivity gains in other sectors. This will require, however, improvements in the quality and relevance of education. It will also require the appropriate government regulatory environment. India has already achieved great success in this area and Nepal is well-positioned to build on India's success.

### **Cultural Diversity**

Finally, I would like to mention one other area of comparative advantage: Nepal's cultural diversity. In the current political environment, there may be some of you in the audience who are wondering where I am headed with this idea. Some of you may be wondering if Nepal's cultural diversity is a strength. Isn't it leading to all sorts of divisions. My answer to those questions is that diversity can be a source of division, but it does not have to be. I speak as the Ambassador of a country which prides itself on its diversity. With all its problems, America's diversity has proven itself to be a tremendous boon to my country in dealing with the challenges of the 21st Century. The same can be true of Nepal. Specifically, in the economic area, cultural diversity enriches the appeal of Nepal to tourists. But it can also do much more. Nepal's more than 100 ethnic groups have their own traditions and cultural imagery which can provide a welcome antidote to the cultural uniformity which has so often accompanied the positive benefits of globalization and modernization. People in the U.S. and other countries long for customized, niche products whether textiles or handicrafts, that impart a uniqueness to the buyer. Nepal can meet take advantage of those niche markets.

### **Promise Already There**

Much will depend on establishing the policy framework that will provide the incentive for Nepalis to pursue their dreams. You have the entrepreneurial spirit. I am always struck when driving around Kathmandu by the way commercial activities frequently seem to be bursting out all over. Just look at the hardy vendors who throng the sidewalks downtown. No one can question their desire to provide goods and services that people need. But, on a larger scale, for many of the measures that promote economic growth to work, desire is far from enough. You need one more thing: popular understanding of basic economic principles and the benefits of open markets. People who do not understand the challenges and benefits of business may portray entrepreneurs and the

business community as obstacles to economic development. Nothing could be further from the truth. By providing jobs, products, and investment capital, the business community is the very engine of economic growth and development. But certainly, you, and all of us, could do a better job of explaining to the communities in which we work how what we are doing is contributing to a stronger, more peaceful, more prosperous Nepal.

### **Book Dedication**

I am going to close with a modest contribution to helping inform Nepalis about how a market economy works. You saw on your invitation that we are launching a book today. It is my pleasure to announce that the U.S. Embassy has recently translated into Nepali and published a primer on basic economic principles. "The Adventures of Jonathan Gullible...A Free Market Odyssey" by Ken Schooland has been translated into 33 different languages, from Albanian to Urdu....with Nepali, make that 34 different languages. The book has won countless awards. Nobel prize winner Milton Friedman said that "The Adventures of Jonathan Gullible presents basic economic principles in a very simple and intelligible form. It is an imaginative and very useful piece of work." It is my pleasure to offer each one of you a personal copy. "The Adventures of Jonathan Gullible" will soon be found in most libraries in Nepal, not least of which will be the Samudaik Sambandha Kendra, our very own American Corner right here in your Pokhara Public Library.

### **Conclusion**

I hope you will share this book with your friends and family. As I said early on, Nepal is at an exciting moment in its history. You have the opportunity and the privilege to shape your future, not just politically, but also economically. You have the potential through wise use of your hydropower resources and other areas of competitive advantage to begin to establish economic independence. The challenge and the opportunities are yours. (Excerpts of speech given by U.S. ambassador Powell addressing Pokhara Chamber of Commerce/American Corner in Pokhara on January 18.)■



NBCCI AGM: Agenda for prosperity

## NBCCI AGM

# Call for High Growth

Nepal Britain Chamber of Commerce and Industry's (NBCCI) 12<sup>th</sup> Annual General Meeting calls for peaceful environment

By A CORRESPONDENT

Although it was a small gathering of industrialists, businessmen, government officials and foreign diplomats, the 12<sup>th</sup> Annual General Meeting of Nepal Britain Chamber of Commerce and Industry concluded with an important message calling to restore peace and stability in the industrial sector.

Despite signing the peace agreement with Maoists more than a year ago, Nepal is yet to see complete peace and stability and there is growing unrest, extortion and close down of industries by trade union workers. As the country has been passing through a transitional phase preparing for the elections to Constituent Assembly,

the meeting of the bilateral industrial group is meaningful

"Past one year has been one of great hope and limited deliverance but hope nevertheless. We cannot just sit back and hope that everything will fall into place and the country will see new heights of growth all on its own," said Mahendra Shrestha, president of NBCCI. "We the business community consider ourselves to be the prime movers of change, specially on the economic front, then we must also stand up to the occasion and put in our two bits."

At a time when the country has been passing through a very critical time with determination of law and order situation

and industrial unrest, the long term investment for industrialization has hampered. "There needs a national consensus to take the country forward. Sustainable peace is a pre-requisite for economic development and that targeted growth rates are too modest," said industrialist and immediate past president of NBCCI Rajendra Kumar Khetan. "We must utilize skills and strength of tens of thousands of SLC drops out to bring the economic change in the country."

Although political instability continues, planners argue that the country can achieve a modest economic growth. "Despite all instability, Nepal achieved a growth of 4.5 percent in the last year and there would be an average of 5.5 growths in the coming three years. We are coming up with a 3 year plan to achieve such targets," said Dr. Jagdish Chandra Pokharel, vice chairman of National Planning Commission.

There was big progress in last year particularly in tourism sector when record number of tourists visited Nepal. "There was a good deal to celebrate the last. Activities have taken place which helped build confidence that Nepal is firmly set on the road to peace," said British ambassador to Nepal and patron of NBCCI Dr. Andrew Hall. "Upcoming polls need to be held this time."

Industrialists too have their own complains against the government procedures. If the government wants to achieve high economic growth, it must create conducive environment in the country.

"The government is ready to provide all necessary support to business and industrial sector," said Rameshwar Khanal, fiancé secretary (Revenue). "Only through the private participation, we can achieve high economic growth."

The AGM, among others, endorsed its annual programs and discussed the programs launched by its. The discussion also highlighted the country's overall situation and necessary steps to improve the present situation. ■



## BOOK

# Sex In Literature

The book brings various interesting plots of the story writer about sex and sexual taboos of Nepalese society

By A CORRESPONDENT

**D**espite the process of modernization and openness, Nepali society is yet to tackle issues like sex as it is regarded as a taboo subject. Even many book stores do not display stories regarding sex and other human affairs publicly.

Of late, the situation has been gradually changing. Although Nepali literature has some very finest stories written in the past analyzing human psychology on the human relations, many people don't understand it. Writing stories describing human relations and love affairs require study as well as dedication. Even some books which are available in the market are not as per the standard of other literatures.

There is a misconception that pornography and sexual literature have similar standard. Sex related literature explains the complicated human relations and inner desire with its complex phenomenon.

Nepali literature has a long history but literature on love affairs, human relations on the basis of sexual relation is very rare. Although some prominent authors have contributed to sexual related literature, they are still very few.

Thanks to the efforts of Vani Publication, some very interesting short stories books are now available in the market. "Many stories based on sexual relations of people have already been written in Nepali society but most of those stories are either too much vulgar or of low quality," said editor Vaukaji.

The book consists of 27 stories written by various prominent story



**Nepali Youn Katha  
(volume 3)  
A Collection of Nepali  
Sexual Stories  
Edited by:  
Bimal Bhowkaji  
Published by: V  
ani Prakashan,  
Biratnagar  
Price: Rs.160.00  
Pages: 166**

writers. Divided into two parts, there are stories related to erotic and motivational under non-pornographic sections. All the stories are quite interesting as well as

situational in their expressions.

As stories are written by explaining human nature and human relations, which are full of romance, tragedy, pain and suffering, no writer can ignore the part of love affairs in human society. Nepal's sexual literature has a very long history but most of the past stories are either completely pornographic or vulgar or just motivational.

This is the first kind of book, which includes all kinds of stories. Story writer Lava Gaunle has a very interesting plot about how suddenly two human beings of opposite sex are involved in affairs. In his story Achanak (Sudden) Gaunle has carefully described the situation of human affairs.

Vijaya Chalise's Draupadi Ko Niyati elaborates events showing the motivational non-pornographic way of story telling. In his story Chalise has carefully drawn human desire and affections related to sex. The words and craftsmanship are interesting.

In another story, U Testo Po Rahechha (he is like that), writer Elya Bhattarai described the nature of man and his uncontrolled desire to have a relation with women. Her episode shows how one is attracted unknowingly to opposite sex. Trishna Rajya Shree Kunwar has her own way of writing story on motivational basis. In her story Swikriti (Permission), she explains how compromise on human affairs is made when the relations reach at climax.

Story writers like Raj Kumar Thapa, Banmali Nirakar, Mandira Koirala, Abiral Staphit, Dhruva Madhukarmi, Ratna Prajapati and Rajesh Babu Shrestha have written very interesting plots explaining the sexual desire of human beings. In his story titled Double Bed, writer Aviral Staphit draws a very interesting psychological plot to show inner desire of human being.

Based in eastern town of Biratnagar, Vani Publication has made enormous contribution to support Nepalese literature. This is what one can see in this book. ■

**“T**here are chances of Bangladesh-style regime here. There are also possibilities of political assassinations.”

*Prachanda, Maoist chairman, addressing a press meet in the capital.*

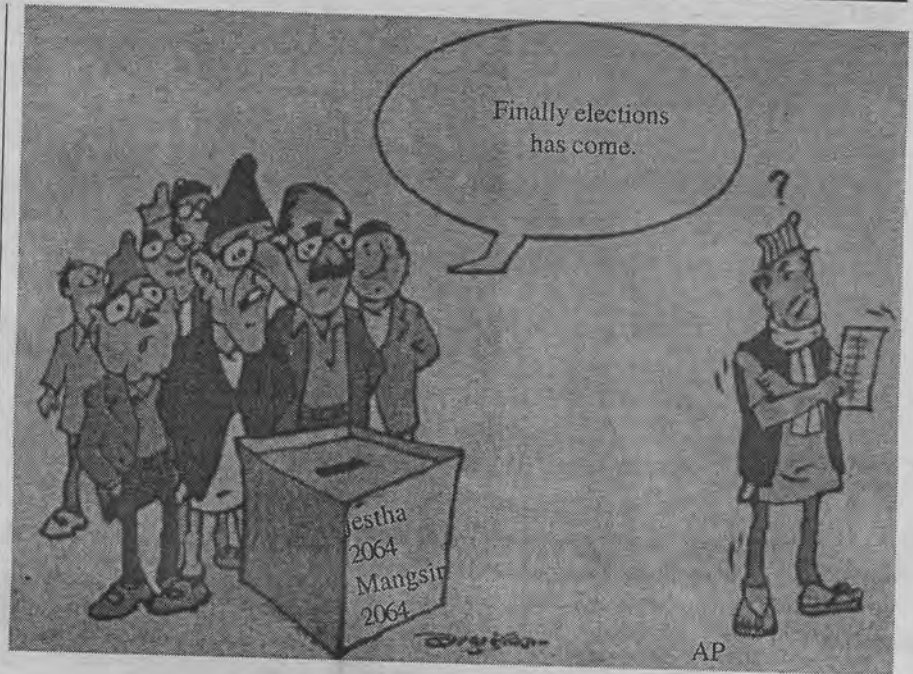
**“T**here is a lady who still sings praises of the monarchy.”

*Dr. Baburam Bhattarai, Maoist leader, expressing fears of a democratic coup, referring to the daughter of Prime Minister Girija Prasad Koirala, Sujata Koirala, who had recently said that monarchy as an institution is necessary for the nation.*

**“T**his is a big opportunity for dialogue. If this opportunity is missed, regressive elements will get space and even the rights that have been received may disappear.”

*Ram Chandra Poudel, Minister for Peace and Reconstruction, calling all disgruntled groups for talks, in the parliament.*

**“O**nly the NA is the national army in the country. Endangering nationality by raising unnecessary controversy on army integration could be a ploy to derail election.”



*Madhav Kumar Nepal, general secretary of Unified Marxist Leninist (UML).*

**“H**olding CA polls in two phases by deploying a maximum number of security personnel can be disastrous.”

*Govinda Raj Joshi, a central leader of Nepali Congress, in The Himalayan Times.*

**“I**t is a mere coincidence that the funds for MPs are being released now.”

*Dr. Ram Sharan Mahat, Finance*

*Minister, defending the government move to release a million rupees each for MPs for developing their constituencies just ahead of election.*

**“I**t is our hope that in 2008 more than 13,000 refugees will be resettled from Nepal. By the end of 2009, we hope that an additional 20,000 or more refugees who have chosen resettlement will be starting new lives in the United States, Australia, Canada, and elsewhere.”

*Nancy J Powell, US ambassador to Nepal.*

## TRANSITION

**ENDED:** The winter session of the interim parliament, from 9 pm, Wednesday (Jan 16), after nearly three months in business.

**LEFT:** Ramesh Lekhak, Minister for Labor and Transport Management, for Doha, Qatar, to sign a labor pact.

**KILLED:** A worker of Rastriya Prajatantra Party (RPP)

Dharmadish Mandal, by cadres of Janatantrik Terai Mukti Morcha (JTMM-Jwala Singh) in Saptari district.

**NABBED:** Police have arrested two persons said to be involved in the bomb blast in Bhotahity, Kathmandu early this week. The two persons – Santosh Kumar Basnet and Megh Bahadur Khatri - are said to have belonged to an organization called National Defense Army.

**ELECTED:** Upendra Keshari Neupane as a president of Nepal Democratic Lawyers Association

Sasin Joshi, chief executive officer of NIC Bank, as a vice president of Nepal Bankers Association

Shreeram Lamichane as a president of Nepal Scout Executive Committee



# Exposition

## Power of Expression

Artist Asha Dangol experiments with animal expressions in relation to humans

By A CORRESPONDENT

**F**or writers, poets and artists, they don't need any particular theme but they experiment with what they think is better. As it is said, artist Asha Dangol has made her efforts to mix animal expressions in relation to humans.

Entitled Lines and Motif, the solo exhibition of Dangol has clear meaning as she tries to project various moods of human mind as human beings have various ways of expressing their feelings and inner views.

Drawn mostly on ink and acrylic, Dangol uses various kinds of colors mixing them to express her theme. From birds to animals, she tries to link the human imagination with animal kingdom.



She makes a painting of half animal and half human showing a different

theme than the contemporary Nepalese arts. She has a vary good imagination where one can find an entirely different way of life and portrayal of different human perceptions.

Displayed at the Park Gallery Lazimpat, the painting exhibition consists of art not only of man and animal but also of birds.

In one of her paintings, artist Dangol plants the head of rhino to the human body and attaches legs of elephant to it. This combination of three different creatures creates a unique nature.

Along with rhino, Dangol also creates heavy image of other animals. In another painting, she planted elephant heads in human body.

"I prefer animal because their movement is slow, lazy and motionless. I want to connect how man's face is related to that of an elephant," said artist Dangol, whose painting exhibition will continue till January 30.

Dangol's experiment of mixing human and animal has started a new kind of paintings in Nepal. ■

## Mithila Fusion

From its traditional ways, the Mithila paintings have entered into modernity with fusion

By A CORRESPONDENT

**F**rom its traditional ways, Mithila Painting, which has its own historic and cultural roots, has entered now into a new field. Known as a painting will full of color and stories of life and religion, Mithila has dominated for centuries in the south-eastern plain. Even it had a great influence in Malla period Kathmandu.

In recent years, Mithila paintings have revived again. Thanks to the efforts of local population and contribution made by international non-governmental organization, this art is gradually

entering into mainstream art works.

As Mithila paintings have theme, legend and combination of color, they can make a lot of difference in the contemporary Nepali arts. The Mithila art has made a big journey. From the walls of houses to acrylic and canvas, now it is also available in fusion.

Thanks to the effort of Prateek Rayamajhi, many Mithila paintings are

now available in fusion. In his solo art exhibition, Rayamajhi has painted a number of Mithila paintings based on the stories related to religion and culture.

Inaugurated by Gopal Bagley, councilor of India Embassy, the Mithila art exhibition will be displayed till next week at Nepal Fine Art Gallery, Naxal.



The prices of paintings range from Rs. 25,000 to 65,000. ■



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