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The National Newsmagazine

SPOTLIGHT

Feb 1-7, 2008

Poll Preparation The Shadow Of Violence

Health	:	Child Mortality Rate Improves
Economy	:	Fuel Fiasco
Viewpoint	:	Andrew Hall

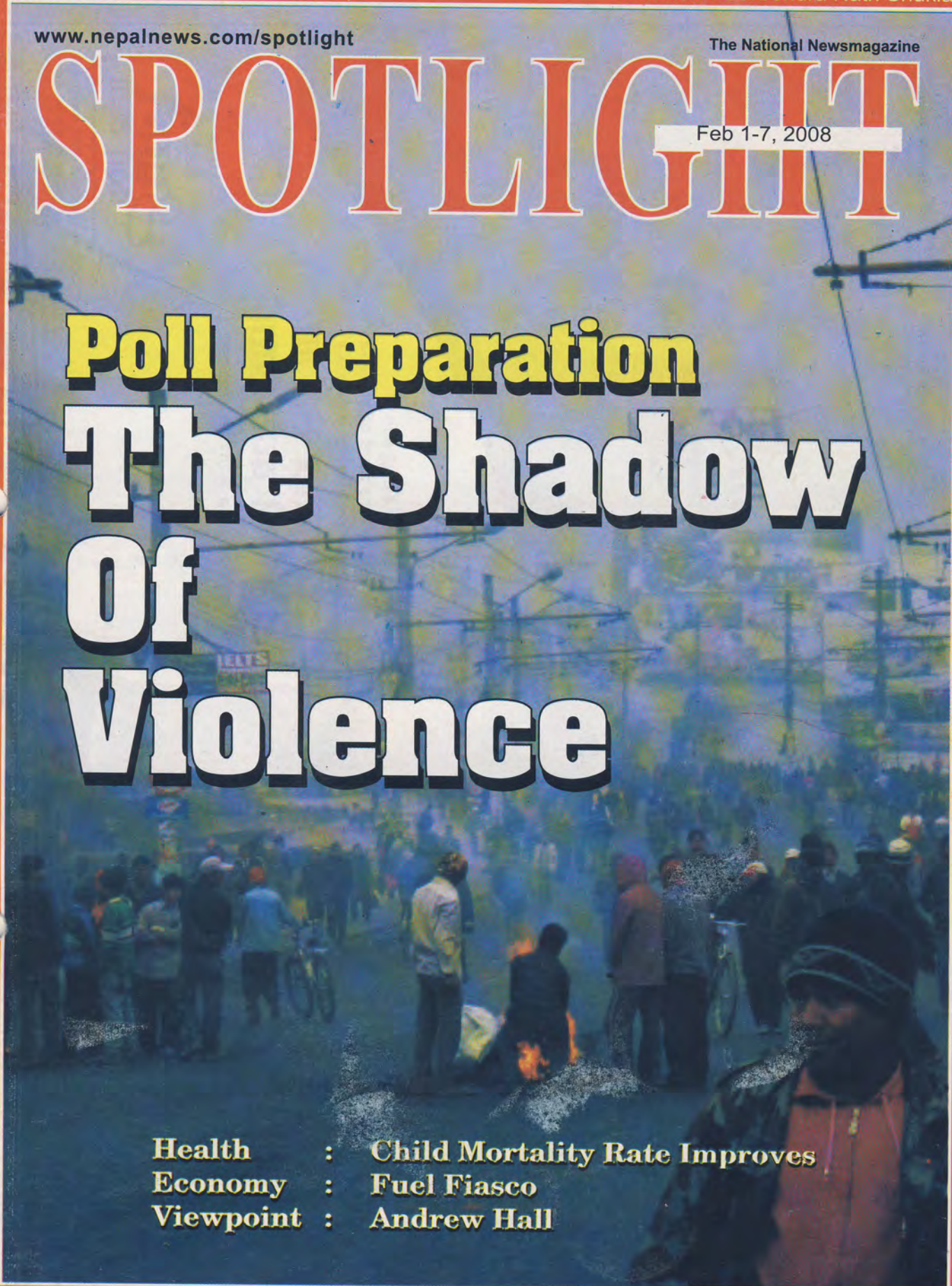
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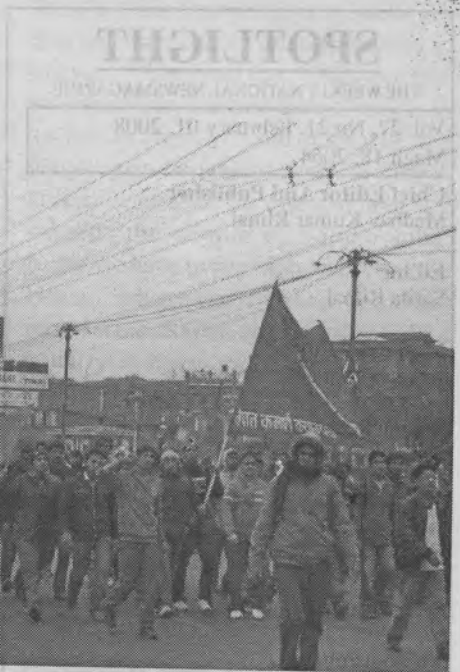
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नागरिकहरूमा बैंकिङ्ग सेवाको पहिलो अनुभव
एवं बानी बरन सकोस भन्नाका लागि सजोरब
प्रस्तुत गर्दछ... **मात्र रु.१ मा**
“**आफ्नै बचत खाता**”
सम्पूर्ण अन्तर्राष्ट्रिय स्तरको सेवा सुविधा सहित ।



जीवनका पहिला पलहरू देखि नै बचतको बानी
सुरक्षित भविष्यको लगानी

CONTENTS

	Page
LETTERS	3
NEWS NOTES	4
BRIEFS	6
OPINION : Dr. Ananda Bahadur Thapa	7
PUBLIC RALLIES: Private Lessons	9
ADB: Melamchi On The Line	10
OIL PRICE: Shocking Spike	11
KU AND KHILTAN GROUP: Productive Collaboration	19
LOKNRITYA SANDHYA: Devotion To Lord Krishna	20
CHINESE TIBETAN LHOSAR: Show from North	21
Book	22
QUOTE UNQUOTE/TRANSITION	23
VIEWPOINT: Andrew Hell	24



COVER STORY: Shadow of violence Amid the charged atmosphere, the April election still appears vulnerable



ECONOMY: Soaring Deficits Government suffers from skyrocketing expenditures triggering deficits in trade and budget
Page 18

INTERVIEW:
Sarvendra Nath Shukla Spokes person of newly formed Terai-Madhes Loktantrik Party, Shukla asserts his party backs sovereignty and integrity of Nepal
Page 16



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Chief Editor And Publisher
Madhav Kumar Rimal

Editor
Sarita Rimal

Managing Editor
Keshab Poudel

Senior Reporter
Sanjaya Dhakal

Design and Layout
Hari Krishna Bastakoti
Jyoti Dangol (Singh)

Photographer
Sandesh Manandhar

Legal Advisor
Advocate Lok Bhakta Rana

Marketing
Navin Kumar Maharjan
Madan Raj Poudel

Editorial Office
GPO Box 7256, Maitidevi, Kathmandu
Tel (977-1) 4423127 Fax: (977-1)
4417845
Chief Editor's : 4435594.
E-mail : spot@mail.com.np
Internet : www.nepalnews.com/spotlight

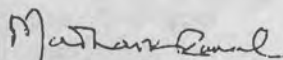
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Tel : 5551251, 5529530
E-mail : degiscan@wlink.com.np

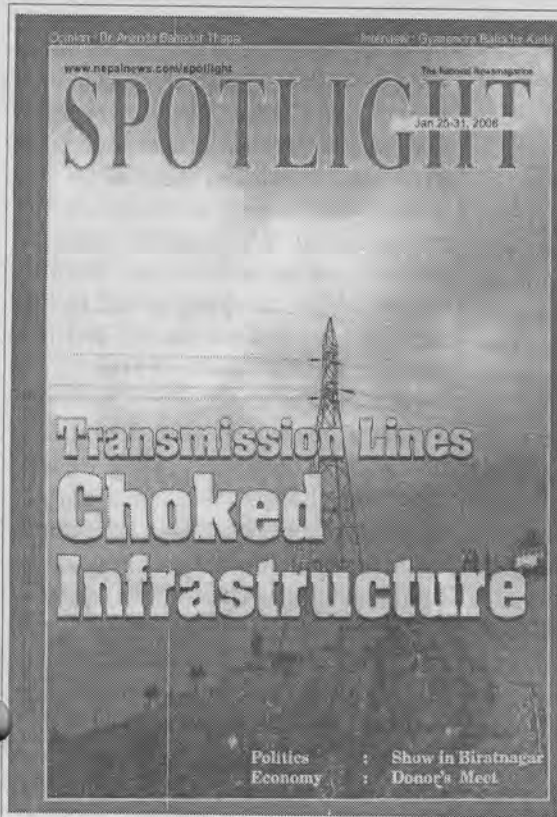
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Early elections, whether to the constituent assembly or to the parliament, have become indispensable in the this poor country. The authoritarian regime of the SPAM is pushing the country to the brink of precipice. We need honest and elected representatives to rule the country. The SPAM politicians may be shouting at the top of their voices that no force on earth can stop the imminent elections. But the misgivings amongst masses that the SPAM are sincere in their protestations is deepening every passing day. Their joint maneuvers in several districts under tight security have failed even to generate an iota of interest amongst the rest of the country. The totally dictatorial behavior of the SPAM and the blatant intolerance against all those who are not with them leaves very little room to believe that their intentions are honest. Moreover, the shameless loot on the treasury of the poor country by the parliamentarians themselves is not only a naked act of corruption perpetrated by politicians who have thrown all sense of morality and honesty to the winds but also the abominable behavior that cannot inspire any sensible people to take them seriously. Moreover, the total absence of security to the life and property of the citizens cannot portend that the polls will be conducted in a peaceful atmosphere. As a matter of fact, if the Madhesi issues are not ironed out, no one can even think of holding any kind of elections. And the Madhesi problem cannot be solved by the SPAM government. The SPAM ministers can only make statements fooling their own simple country men. They are going to give the Nepalese a "New Nepal". Indeed, a Nepal that is going to be embroiled into a vicious civil war. In what shape it will emerge no body knows, but a "New Nepal" without a doubt. That the Madhises have been badly discriminated and to be redressed properly is beyond contention. But the manner they are being used to destabilize politics leading to possible disintegration must be resisted at all costs. The Madhise leaders themselves have to realize that they must not behave like pawns to the detriment of their motherland. They must also not loose sight of the fact that SPAM government has proved unworthy and should not be trusted to hold the sacred elections to the constituent assembly. An incapacitated leader of the government and the most incompetent home minister who has disgracefully failed to provide security to the people should no more be permitted to hold on to their seat of authority. Consequently, the most urgent need of the hour is to dismiss this SPAM government and form a new government of honest and patriotic persons that will conduct the elections in the most free and fair manner and give the country an assembly of dedicated politicians of integrity who will frame the constitution that will direct the destiny of the poor country and its poor people towards a better and happier future. As such, it has become imperative that all patriotic Nepalis, whether they are Madhesis, Dalits the Janjatis or the security forces, come together and defend the integrity of our dear motherland. There is no time for any kind of procrastination.


Madhav K. Rimal
Chief Editor & Publisher



Power Crisis

As the country has been passing through severe power crisis with more than 36 hours of power cuts every week, your cover story on over congestion in transmission lines (January 25-31) shows another very bleak scenario of future power supply in Nepal. All of us are now concentrating our efforts to build new power houses to generate additional electricity but only a few people have paid attention to transmission lines by which we can supply the power. I hope policy makers will take the issue seriously.

*Sangam Rana
Via-email*

Problem Overlooked

I agree with your cover story that we have been overlooking one of the important problems regarding transmission lines. 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 to another. It is very interesting to know that the country needs to pump in over Rs. 15 billion to upgrade the transmission infrastructures. How does Nepal spend such a huge resource remains to be seen.

*Rohit Shrestha
Via-email*

Resource Crunch

After reading your cover story, I came to realize that Nepal needs to spend resources to upgrade the transmission lines. In the last decade, Nepal had very little amount of money to improve and upgrade the transmission lines. Even if we can produce the electricity power, we cannot supply power to the people without effective transmission lines. Along with

SPOTLIGHT/February 01, 2008

developing the power projects, the government needs to carry out the transmission construction works. As the government has been spending its resources to build the power projects, congested transmission lines will create problems in future.

*Subhadra Karki
Via-email*

Doubts Over Polls

When common people have been expressing doubts over the elections for the Constituent Assembly in April, conviction of three emerging leaders of country's major political parties justifies people's calculations. The analysis and arguments given by the writer on CA Polls: Elusive Conviction is very strong. If the leaders of country's major political parties are doubtful, on what ground can common people be confident that the election will be held on time. Spotlight needs to publish such opinions.

*Sushma Khatiwada
Via-email London*

Death Of A Legend

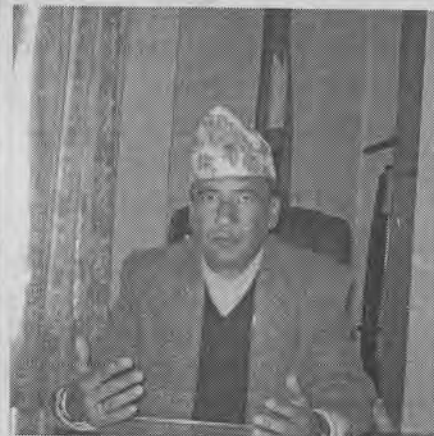
The death of Sir Edmund Hillary, the first man to scale the Mt Everest, is shocking as well as painful as Hillary's contribution to Nepal, in general, and

Solukhumbu, in particular, is immense. Thanks to his personal efforts, backward Sherpa communities got opportunity to prove themselves as greater mountaineers. Despite facing trauma in his family after the death of his wife and daughter in helicopter crash in Nepal, Hillary continued his quest to help and support the people of Solukhumbu. Nepalese have to pay high respect to late Hillary whose contribution helped to popularize Nepal as an independent country in the world. I agree with you that the death of Sir Edmund Hillary is a great loss for Nepal.

*Nima Sherpa
Montreal via-email*

Minister's Conviction

Minister for Water Resources Gyanendra Bahadur Karki rightly pointed out the need to implement West



Seti Hydro Power Project to uplift the economy of poor people living in far western region of Nepal. As it involves many countries and donors including Australia, China, India and Asian Development Bank, this is going to be a first model project to generate hydro power to export India. I don't understand why some so called non-governmental organizations and people with vested interests have been opposing this project. People - who killed Arun III project giving all kinds of false technical data and arguments - are now leading anti-West Seti Drive. I would like to congratulate Minister Karki for his bold stand to back West Seti. This is time to build a model project with an aim to export power to India.

*Sujan Karki
Via e-mail*



Armed And Unarmed Terai Outfits Come Closer

In what could be seen as an all-out effort to dominate the ruling seven party alliance in Terai region ahead of April election, various armed as well as unarmed Madhesi groups have reached an understanding of cooperation. According to a report, the groups, on Friday (Jan 25), reached a 23-point agreement at an undisclosed location. Manoj Mukti, Dhanusha district chief of the Madhes Raksha Bahini – a militant youth wing of Rajendra Mahato-led Nepal Sadbhavana Party – revealed that they have agreed to jointly resist the joint meetings of seven parties. Sources added that they also agreed not to abduct, or demand extortion from people of Madhesi origin. They have also agreed to carry out their agitations jointly. The agreement is said to have been reached among the Madhesi Janadhikar Forum led by Upendra Yadav, Raksha Bahini as well as armed groups such as Jwala Singh's Janatantrik Terai Mukti Morcha, Terai Mukti Morcha and Madhesi Mukti Tigers. Their meeting also concluded the deployment of police in Terai as non-political and unconstitutional move. *Kantipur daily reports*

No Bird Flu Here, Say Officials

At a time when bird flu has hit parts of West Bengal of India, which also borders Nepal, officials here have said that the dreaded disease has not arrived in the country. But they have warned that the disease could enter into the country if

proper precautions are not taken. "Bird flu has not been seen in Nepal. But we cannot be complacent," Dr. Baikuntha Parajuli, director of Livestock Health Directorate, told Kantipur. He said that experts would immediately be dispatched to any area reporting unusually high mortality of birds and chicken. He informed that chicken that recently died in hundreds in Jhapa district had not suffered from bird flu but quite another disease. The government has banned import of live birds, meat and eggs to prevent the disease from entering into the country. *Compiled from reports*

NRB Mulls New Base For Price Index

Nepal Rastra Bank (NRB) is broadening the base of commodities and services it considers for calculating inflation and mulling enforcing a new inflation index in order to capture the recent shift in consumption trend, preference and alteration in the weightage of consumable items in the index. The existing consumer price index (CPI), which the central bank relies on to portray the inflation situation in the country, was developed 11 years ago. NRB analyzes retail prices of 301 commodities and services collected from 21 market centers for calculating the CPI. The change is being worked out

following the realization that there has been a substantial shift in consumption patterns, said bank officials. "There is a need to widen the basket of commodities, broaden the sources from where we gather information and upgrade the methodology we apply in order to calculate more reliable and credible inflation data," said Gopal Prasad Bhatta, deputy director at the pricing division, Nepal Rastra Bank. Making a presentation at a workshop on "Price Statistics", Bhatta stated that the target of the central bank was to enforce a new base from the next fiscal year starting mid-July 2008. "Work is in progress to finalize the report of the household budget survey. On the basis of its findings, we will define a new basket of commodities and how we can incorporate new information centers for making the index more comprehensive and credible," he said. According to NRB data, food and beverage items collectively weigh 53.20 percent and non-food items weigh 46.80 percent in the index. Moreover, NRB data shows that consumer prices in Nepal have soared by 85.9 percent over the last 11 years. The prices of non-food items grew more rapidly - by 94.1 percent - than the prices of food items, which went up by 78.8 percent. Examining inflation by geographical distribution, consumer prices rose the most (by about 90 percent) in the terai, whereas prices in the hills and Kathmandu grew by 88.2 percent and 78 percent respectively over the past 11 years. Given the rise in prices of fuel and factors like a porous border with India, officials said that inflation for this fiscal year would go up by more than 5.5 percent, at which level NRB wants to contain it. *Kantipur reports*

GMR Bags Upper Karnali

GMR Energy Limited of India has bagged the 300 MW strong Upper Karnali hydropower project. The company signed an agreement with the government, on Thursday (Jan 24), to complete the project within four and a half years. The GMR company has agreed to provide 12 percent of free energy and 27 percent of share to the government. According to earlier estimates by Nepal Electricity Authority (NEA), the cost of building Upper Karnali project is around

\$ 468.6 million. The company was selected as it agreed to fulfill the demands said to have been made by the government. A government team led by joint secretary at the Water Resource Ministry Anup Kumar Upadhyaya had negotiated with the company. The same team will soon hold negotiation with another Indian company called Sutlej regarding the construction of Arun III project. Earlier, the cabinet had allowed the Ministry to hold negotiation with specified companies to award the Upper Karnali and Arun III hydropower projects. *Compiled from reports*

Three NC Cadres Killed In Siraha

Police have found bodies of three youths, who were abducted on Sunday night, buried on the bank of Kamala river at Kichana VDC in Siraha district. The bodies of Satya Narayan Yadav, 21, Neem Chandra Thakur, 18, and Ram Ikbaal Yadav, 19, were recovered on Tuesday (Jan 22) night, the District Police Office, Mirchaiya informed. The bodies were recovered on basis of the information provided by the locals. All the bodies had deep wounds from sharp weapons, the police informed. Meanwhile, Nepali Congress (NC) Central Office Chief Secretary Shobhakar Parajuli releasing a press statement today claimed that all the three were NC cadres and accused that a group of the Maoist youth-wing, Young Communist League, cadres led by the area in-charge Dev Sharan Yadav had abducted them when they were returning their homes on Sunday night. The party alleged that the Maoists have continued such activities like abductions, killing and thrashings even after the signing of the Comprehensive Peace Agreement. The party also demanded compensation for the victims' families and action against those involved in the incident. Meanwhile, unidentified persons shot to death two people Surendra Kumar Biswakarma and Hira Singh Karki in Kotwada VDC of Mugu district on Tuesday night. *Compiled from reports*

FM Rues Rollback Decision

Finance Minister Dr Ram Sharan Mahat has said that Wednesday's decision to roll back the fuel price hike has further put pressure on the already

tight budget. Addressing a meeting of a parliamentary committee Thursday, the Finance Minister added that now the government was left with only two options—to revise the tax nets or increase internal lending. When lawmakers asked him on which option was the government mulling over, he did not clarify. He has been repeatedly stating that the fuel price must be hiked to ease the growing pressure on the economy and the mammoth losses incurred by the Nepal Oil Corporation by distributing imported petroleum products on a subsidized rate. The government was forced to withdraw Monday's decision to massively hike the prices of diesel, kerosene and LPG after it sparked angry protests across the country. *Kantipur reports*

Yeti Flies International

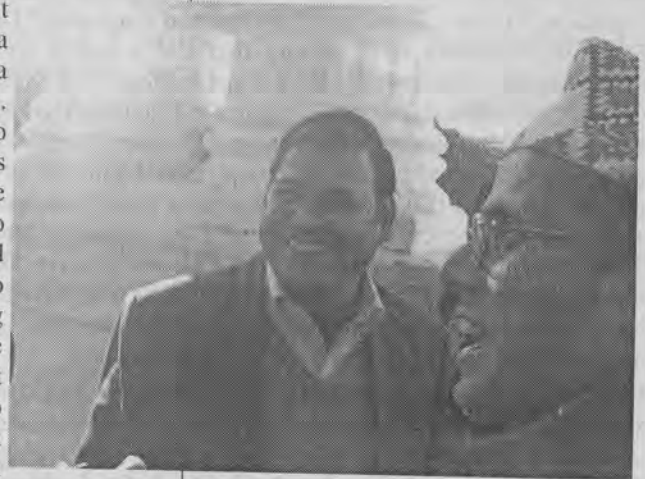
Yeti Airlines International, a joint venture between Yeti Airlines and Air Arabia, began international flights from Wednesday (Jan 23), with its inaugural flight taking off to Kuala Lumpur, Malaysia Wednesday morning. The airline, which is also known as FlyYeti.com, is scheduled to operate three flights a week to Kuala Lumpur and thrice-weekly flights to Sharjah, using a Boeing 737-800 aircraft. It is the first Nepali low-cost carrier and the first to have foreign investment scheduled. Speaking at a

function held to inaugurate its flights, Minister for Culture, Tourism and Civil Aviation Prithivi Subba Gurung said its operation will help to provide easy connections to Nepali working abroad and several more tourists to visit Nepal. Lila Mani Poudel, secretary at the Ministry of Culture, Tourism and Civil Aviation, asked the airline to provide better services to the Nepali workers with good and respectful treatment. "Many airlines which say they provide professional and world class services are treating workers as lowest-grade of people," he said. "If this airline gives good services and does not behave differentially, it would create pressure on

others to upgrade their services," he said. He also asked the airline to work with Nepal Tourism Board to promote Nepal's image in the international market. Ang Tshering Sherpa, chairman of the airline, said that the airline was planning to bring in another aircraft, an Airbus-320, in mid-February and another Boeing 737-800 aircraft in mid-March. "We will expand our services to Bangkok, Hong Kong, Doha, Abu Dhabi, Riyadh and Lhasa," he said. He said Yeti would focus on giving Nepali flavor for Nepalis going abroad. "To help them, we will guide them until the gate of immigration offices," he said. Yeti has received permission from the government to fly to 14 destinations in various Asian countries including India, Malaysia, the UAE, Qatar, Hong Kong, Singapore and South Korea. *Compiled from reports*

YCL To Mobilize 4 Million Youths For Polls

The Maoist-affiliated Young



Communist League (YCL) has announced its program to kick off nationwide election campaign. At a press meet held in Kathmandu on Saturday (Jan 26) to inform about the decisions made by its recent central committee meeting, YCL president Ganesh Man Pun revealed programs regarding public campaigning in favor of CA election. The YCL leaders also vowed to mobilize over four million youths for the election – at least 200 per every polling center. The Election Commission has fixed over 20,000 polling centers. The central committee meeting of YCL had been organized to formulate its strategies for the election. *Compiled from reports*



Vehicles handed over by Indian government to Nepal

PRIME MINISTER GIRIJA PRASAD KOIRALA, who has been ill since Sunday (Jan 20), is gradually getting better, doctors attending on the Prime Minister said on Wednesday (Jan 23). Prime Minister Koirala, on Wednesday, met a few journalists at his official residence, Baluwatar, and informed them about his "improving" health condition. Doctors attending on Prime Minister Koirala expressed disappointment over the rumors concerning the Prime Minister's "deteriorating" health condition. "Those rumors were baseless and fabricated," Dr Bhagawan Koirala said, adding that PM's health was improving. Doctors, however, have suggested that PM Koirala take rest for a few days. According to Dr Arjun Karki, they examined PM Koirala this morning and found "signs of improvement" in his health. A statement issued by the doctors this morning said that the Prime Minister's respiration was also improving; hence, they have decided to gradually reduce the quantity of oxygen given to the PM. Meanwhile, Dr Randeep Guleria, one of the top Indian specialists from AIIMS, New Delhi, examined the PM and endorsed the line of treatment given to the PM by his team of doctors here.

INDIAN AMBASSADOR TO NEPAL Shiv Shankar Mukherjee has said that people and leaders of Nepal themselves are capable of resolving the problems seen in Terai region. Talking to reporters after the function held at Indian Embassy in Kathmandu to mark the 59th Republic Day of India, Saturday (Jan 26), Mukherjee said that Indian government is willing to extend all kinds of help to Nepal government in this regard. "Of the entire problem Nepal is facing as a whole, Terai is a part of it," he said, adding that the problem will be solved by the leaders and people of Nepal as per the "process owned and operated by the people of Nepal." "We are there to help," Mukherjee added, "as per the request of Nepal." He denied reports of Indian hand in Terai unrest. Mukherjee also said that 99 percent of border issues between Nepal and India have already been sorted out. "There is no border conflict across the 1900 km, which is the underpinning of the unique relation of our countries in the world," he said. Meanwhile, on the occasion of the 59th Republic Day of India, the Indian government gifted 30 ambulances, 12 trolley mounted 40 KVA portable diesel generators and 14 sets of books to various organizations in different parts of Nepal.

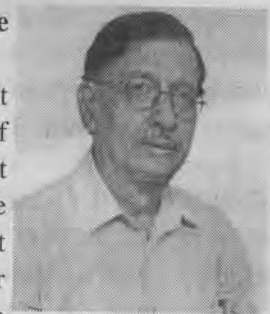
ENTREPRENEURS HAVE URGED government to make customs as trade facilitation points to boost foreign trade in the context of globalization and free market. Citing Nepal's entry into multilateral trading system like the World Trade Organization and other free trade regime, they stressed need of a paradigm shift on its treatment. "The customs points should no more remain a source of revenue rather become trade facilitation points," they said. Speaking at an interaction organized to mark the 56th International Customs Day organized jointly by the Department of Customs, FNCCI and

Nepal Foreign Trade Association, they urged the government to improve infrastructure at the major customs points as well as modernize them. Diwakar Golchha, first vice-president of FNCCI, said that the customs' role is very vital in facilitating foreign trade, particularly for the promotion of exports, which will ultimately help boost the economy. "Our thrust should be at promoting the export-oriented industries, which is essential for both employment generation and gapping ballooning trade deficit," he added. Besides infrastructure development, Golchha stressed the need for improving procedural matters including customs evaluation, inspection, documentation and releasing. "Adoption of modern technology including ICT tools could bring in major changes in customs points." Pradeep Man Vaidya, chairman of Income Tax and VAT Committee at FNCCI, made a presentation on Nepali customs in the context of trade facilitation. "Although Nepal has made a significant progress in customs reforms, it has yet to change itself."

THE UNITED NATIONS SECURITY COUNCIL (UNSC) has extended the tenure of United Nations Mission in Nepal (UNMIN) by another six months, say reports. The extension of the tenure by six months was requested by Nepal government. It had been established in January of 2007 with one-year mandate. However, due to delay in Constituent Assembly election, the tenure of UNMIN, too, had to be extended. "The challenging timelines set out in the agreement will require efforts among all the parties to build mutual confidence," said the British-drafted resolution prolonging the mandate, according to Reuters. "The original hope had been that UNMIN's role in supporting Nepal's peace process ... could be accomplished within the initial mandate of 12 months," UN special envoy for Nepal Ian Martin told reporters. The UNMIN was established to assist with elections as well as to monitor weapons stored at camps for former Maoist rebels and was due to end on Wednesday. It has more than 800 staff, including nearly 200 arms monitors, the Reuters reports. Martin said meeting the grievances of ethnic groups who felt excluded from the political process would be "the central challenge" to holding the elections on time. Martin said: "In order to complete our task and exit we need not only that election to take place, we also need ... there to be a durable long-term solution to the management of arms and armies." ■

Snowy Mountains Engineering Corporation Must Speak WEST SETI HIGH DAM CONTROVERSY

• Dr. AB Thapa



SNOWY MOUNTAINS ENGINEERING CORPORATION (SMEC) of Australia in the past had rendered invaluable service to Nepal by conducting comprehensive studies aimed at determining the potential of our water resources and also recommending the best way to utilize those potential in the genuine interest of the people of our country. Their vast studies including the Gandak basin power study are highly commendable. Recommendations of the SMEC have proven to be very useful in development of our water resources. Engineering community of our country must be very grateful to SMEC.

In recent years the decision of the SMEC to play the role of a private hydropower developer of the West Seti storage dam project has sparked off widespread controversies about the appropriateness of taking the decision to

implement this highly sensitive West Seti High Dam project when still some major problems associated with this project remain unsolved. I am sure

engineering community of our country would like to hear the opinion of the SMEC on this issue not as a private developer of hydropower but as an institution providing since a very long period valuable advise to our Government in the field of water resources development. We hope the SMEC will present its view on this very important matter for our country in subsequent issues of this journal SPOTLIGHT. Similarly, it is urged that the Embassy of Australia in Kathmandu taking a great deal of interest in various works undertaken to improve the economic condition of our people will help to deliver a copy of this article to the SMEC.

Submergence of Nepalese Terai

After completion of the West Seti project the regulated flow of this river is going to flow straight into the reservoir of the Laxmanpur barrage built just across the Indo-Nepal border close to the Banke district. The pond water level of the Laxmanpur reservoir extends deep inside Nepalese territory. The Laxmanpur barrage, few other barrages including the Girjapur barrage across the Karnali river, and the Saryu Canal are the direct extension of the West Seti High Dam Project proposed to be built in Nepal. The year-round operation of the Saryu Canal (drawing regulated flow of the West Seti from the Girjapur barrage) earmarked to irrigate a vast

area of agricultural lands of the north-east UP would be totally dependant on implementation of the West Seti. High Dam Project.

The Saryu Canal has been built too close to our

country's border with India. As a result, people of our Western Terai particularly those living in the Banke district have already started to suffer from submergence. Now, instead of reliving the suffering of the people of the Western Terai by holding dialogue with Indian Government to make, if necessary, adequate modifications in alignment of the Saryu Canal including relocation of the Laxmanpur barrage to avert submergence of Nepalese territory, we are going to greatly worsen the plight of our people by supplying all year round the West Seti regulated flow into the Saryu Canal that would cause widespread submergence and uprooting of people in Banke district in far greater number.

Now, instead of reliving the suffering of the people of the Western Terai by holding dialogue with Indian Government to make, if necessary, adequate modifications in alignment of the Saryu Canal including relocation of the Laxmanpur barrage to avert submergence of Nepalese territory,

We understand the SMEC will not disagree that the issue about the submergence of Western Terai is a very serious environmental problem. This problem must have been properly addressed by private developer of the hydropower before applying to get the final approval to implement the West Seti project. SMEC as an engineering consultant must judge itself and clearly convince people that the operation of Laxmanpur barrage and the Saryu canal will in no way adversely affect Nepalese territory if we like to opt for the decision to implement the West Seti project.

Large Downstream Irrigation Benefit

Based on the study carried out by the SOGREAH of the West Seti project and the feasibility study of the Karnali High Dam Project the total net discounted irrigation benefit of the West Seti Project could be comparable to net power benefit. Nepal must complete all formalities to recover downstream benefits before we take final decision to implement this project unless our country deliberately decides to forego

such benefits.

Sharing West Seti Downstream Benefits

India must be approached to share with Nepal a certain percentage of the downstream benefits

to accrue to that country from the use of the regulated flow of the West Seti. It is a practice followed by the USA and Canada while implementing the Columbia River dams in Canada. At present Canada is receiving 50% of the net downstream benefits from the USA in perpetuity for the use of the regulated flow of the Columbia River in the USA. It should be noted that Canada had declined to take a decision to implement the Columbia River projects until the USA agreed to sign a treaty on downstream benefits sharing.

India Willing to Pay for Water

Few years back important news had appeared in the Indian news media. It was reported that the Government of India had appointed a three-member task force headed by the former power minister Suresh Prabhu. The task force was expected to address the issue to obtain the consent of Nepal (also Bhutan) through a revenue sharing pact to divert water of the major rivers for irrigation

across the India. Until that time India was seen to be somewhat hesitating to accept the idea of buying water stored in the reservoirs proposed to be built in Nepal.

Now it is the duty of SMEC to recommend our Government to hold negotiations with India to reach an understanding about the downstream benefit sharing before deciding to implement the West Seti project. It would be our greatest blunder if the downstream benefit sharing matters remained ignored. Our people will never forgive us if they learnt that we decided to forgo our country's entitlement to downstream benefit at a time when the Government of India has been showing flexibility to accommodate our demand to get a reasonable share of the downstream benefit.

At the Question of Dam Safety

The proposed West Seti Dam is going to be the highest in the World among the CFRDs. Needless to say that there is a need for great caution in

adopting very high CFRD. According to J. Barry Cooks, Consultant USA (Development in High CFRDs, Hydropower & Dams, Issue Four 1997), this type of

dams are of empirical design and based on precedent design and experience. Unfortunately only very recently relatively high CFRDs have been introduced

WECS had recommended the Water Resources Ministry to constitute a panel of few renowned foreign experts to seek their opinion. It was proposed that any further action in the direction of taking the decision to implement the project should be deferred until the panel gives its absolutely positive opinion. Does the SMEC consider unnecessary to constitute a panel of few renowned experts in the field of CFRDs to seek their opinion before taking final decision to implement the West Seti High dam project? It need not be told that the incidences, like that of Malpasse (France) and Vajon (Italy), could devastate the economy of our country.

It was reported that the Government of India had appointed a three-member task force headed by the former power minister Suresh Prabhu.



Political rally: Lessons to learn

PUBLIC RALLIES

Private Lessons

If recent history is any indication, the upbeat mood over the Terai rallies could prove deceptive

By SUSHIL SHARMA

Information minister Krishna Bahadur Mahara called all the chiefs of the state-controlled media to his Singh Durbar office last week.

The purpose of the call, as Mahara would put it, was to give "a rare" instruction to the government media on the coverage of the seven-party rally in Janakpur.

According to him, he wanted to ensure that the state media did "accurate" reporting of the event.

"The instruction," he added, "was given at the request of the leaders of the seven parties who were in Janakpur to address the rally."

The message that the governing seven parties wanted the general people to receive was that the event was a massive success.

The special care for "accurate" reporting in the state media was taken following the threat of a number of armed and unarmed Terai groups to disrupt the rally.

So much for the desperation of the parties who insist that the constituent assembly elections would be held in April, come what may.

Irrespective of what the state media did report under the instruction of the minister, independent media also confirmed that, given the heavy odds

against it, the Janakpur rally went off fairly well

The governing party leaders down in Janakpur had every reason to toast for the replication of the event in future, even as key opposition Terai leaders flew up to Kathmandu to attend a republic day reception, on the 26th of January.

With Mahantha Thakurs and Rajendra Mahatos taking a bite of hot samosas and pakodas just across the royal palace in Kathmandu, Bimalendra Nidhis and Matrika Yadavs warmed the Janakpur masses up for the polls.

True, the turnout in Janakpur was not as big as the organisers claimed it would be.

It was the same story earlier, in Kathmandu, Biratnagar and Dhanagadhi, and later, in Nepalgunj.

But the parties can definitely take consolation that the joint election rallies went off fairly well despite disruption attempts.

"Successful" rallies alone may not suffice, however. They may at times be deceptive.

The parties had better check with the man they believe they have informally and practically dethroned and want to make it formally and technically public after the April elections.

Before his infamous February 1 misadventure expectedly backfired, king Gyanendra had a series of "massive felicitation rallies" organised across the country despite the Maoist-called bandha, threat and intimidation.

The royal euphoria did not last long. The rest is the history.

An eminent political commentator had a piece of advice to the seven parties, "they would do well to look into what went wrong with the king and they will have learnt a hard lesson." ■

ASIAN DEVELOPMENT BANK

Melamchi On The Line

Asian Development Bank (ADB) renews its commitment to Melamchi Drinking water Project

By A CORRESPONDENT

After nearly a year of uncertainty, the fate of Melamchi Water Supply Project (MWSP) seems to be in the pipeline again as the principal donor Asian Development Bank has decided to back the project. The project was delayed a year following the decision of Minister for Housing and Physical Planning Hishila Yami's decision not to sign the agreement with UK's Severn Trent Water International for valley's water management.

Minister Yami's decision delayed the process of contract for 28 km long tunnel. Appointment of private management contractor was a condition set by ADB for releasing fund. The Melamchi project was given go ahead after minister Yami softened her stand.

The ADB Mission, which left Kathmandu on Wednesday (Jan 23), after days of visits and consultations, has finally agreed to extend loan till 2013 for the MWSP.

A decision to this effect will be made during its board meeting, which will be held in Manila on February 8. Earlier, government and some non-governmental organizations had expressed doubts over whether the ADB will extend the loan, following the stand of the Ministry to prohibit Severn Trent Company, the single bidder for the position of management contractor from managing water for the Kathmandu Valley.

Minister Yami said on Wednesday (Jan 23) that the mission has been very positive and flexible towards the ministry's demands and proposes.

"I'm happy to say that the ADB mission has been very positive towards the current development of the project and government's steps. It has promised to extend the loan on February 8, in the bank's board meeting," she said,

project 1) and Kathmandu Valley (Sub-project 2).

According to new cost estimation, \$195 million will be spent on infrastructure development, which will include \$96 million for tunnel and headwork, \$38 million for access road construction and \$61 million for the construction of a water treatment plant. Also, \$9.22 million is allocated for social and environment support programs. This includes \$6.02 million for Social Upliftment Program, while \$45.6 million is allocated for Project Implementation



Melamchi : River of hope

addressing a press conference organized at the ministry.

She said that the project to bring 170 million liters of water per day from the Melamchi will be divided into two sub-projects and locals of the valley will be mobilized to win their cooperation for the smooth commissioning of the project. The Manila-based bank has agreed to extend the loan for revised detail estimated cost for Melamchi Valley (Sub-

Support.

"We have convinced the ADB mission that there will be no hike in water tariff till the constituent assembly polls. It is another victory for the Nepali government," she said.

As population of the valley grew by 6-7 percent in the last one decade, the demand for water has increased drastically and Melamchi has become the sole hope for the smooth supply of drinking water. ■

OIL PRICE

Shocking Spike

The government is inviting full-blown economic crisis by failing to manage the oil price

By SANJAYA DHAKAL

The scenes of violent street protests repeated in the capital last week when the frustrated gangs of people took over the capital roads and forced the all-powerful seven party government into biting the dust.

Less than 36 hours after the government had announced hike in the price of diesel, kerosene and cooking gas, it was compelled to roll them back unable to bear the heat emanating from the streets.

As the prime minister was not in good health, an emergency meeting of cabinet ministers was called on Wednesday (Jan 23), which decided to roll back the decision to hike the fuel price taken by Nepal Oil Corporation (NOC) on Monday night.

In the flip-flop by the government, what became most apparent was its utter weakness. At a time when the government is promising peaceful election in April and has vowed to crush any disruptions, the street violence witnessed in the heart of the capital last week showed otherwise.

"For nearly two full days, the government deserted the streets of the capital and let the mob play out their frustrations. In a short-sighted move, it recoiled from the decision of fuel hike," said an economist.

As usual, the Minister for Industry, Commerce and Supplies became the favorite target. Harassed by violence, Minister Shyam Sundar Gupta said the government decided to roll back the price hike taking into account the problems caused by it to ordinary citizens.

He said that the Finance Ministry would make necessary arrangements for recovering the NOC's losses. Citing its

growing losses and the rise in crude oil prices in the international market, the NOC had on Monday increased the price of diesel to Rs 61 per liter from Rs 56, LP gas Rs 1,250 per cylinder from Rs 1100



Street violence: Dictating the governance

and kerosene to 61 per liter from Rs 51.

Immediately, after its decision to hike the fuel price, the student organizations affiliated to ruling seven parties announced protests and strike.

In the absence of clear leadership, demonstrations continued around the

country and turned violent in the capital where a number of journalists, too, were beaten by the angry mobs.

But amid the chaos, missing were the economic logics behind the whole crisis. A poverty-stricken nation such as Nepal cannot be expected to pump billions of rupees continuously to subsidize fuel – most of which as shown by various reports are used not by the poorest section of the people but the ones living in and around urban areas.

Perhaps that was why Finance Minister Dr. Ram Sharan Mahat conceded that the decision to roll back the fuel price hike was not economically sound one. He said so at a parliamentary

committee meeting a day after the government rolled back the price hike.

Besides, the debate on liberalizing the oil sector by gradually opening it up to the private players has also not gained the momentum it deserves. ■

ELECTION PREPARATIONS

The Shadow Of Violence

Amid the growing violence in Terai and capital Kathmandu, ailing prime minister Girija Prasad Koirala, the government, Election Commission and Seven Party Alliance have kicked off their election preparation but one is not sure whether the preparation will yield fruit this time. The recent indication from the SPA is that they will hold the election at any cost. Prudence says holding the election and constituting the elected parliament alone cannot guarantee political stability and end violence. Whatever one says, the election preparations are going on under the shadow of violence and it indicates its outcome

By KESHAB POUDEL

- Judicial Council has already recommended names of three judges to be appointed at the Constituent Assembly Court. The council also recommended the names for polling officers and assistant polling officers for 240 constituencies.

- Leaders of seven parties have already addressed five joint mass meetings in different places like Biratnagar, Jankpurdham, Kathmandu, Dhanghadi, Bhairawa and Nepalgunj and they will hold the last meeting on January 30 in Birgunj. All these areas

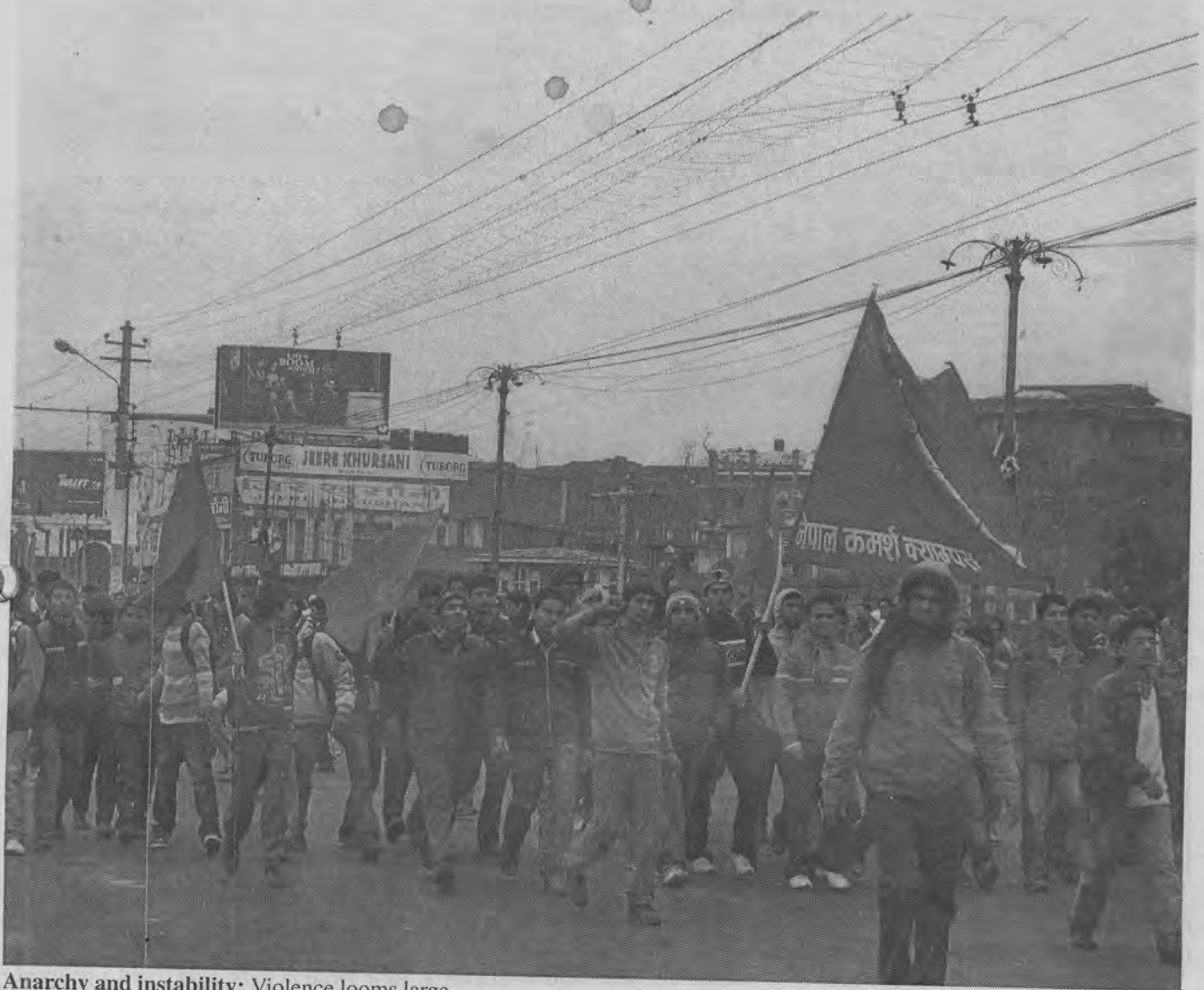
lie in southern plain where various groups have been launching armed and unarmed agitation with demand for right to self declaration and autonomy for Madhesh.

Although political parties pulled large number of crowd from their bases to show their strength, all the mass meetings faced one or the other kind of resistance at local level. The first mass meeting in capital was jolted by a bomb blast and second rally in Biratnagar also faced similar situation. The worst was seen in Janakpurdham where three

regional parties Nepal Sadbhvana Party, Madhesi Janadhikar Forum and Terai Madhesh Loktantrik party called general strikes to prevent the gathering of party workers of seven parties.

As they prepared for election, one of the first major crises the seven parties faced was when their student wings completely paralyzed the life of Kathmandu valley on January 22 and 23 protesting the decision to increase the price of petroleum products.

Similarly, terai-based armed rebel groups have already called a number of



Anarchy and instability: Violence looms large

strikes and threatened to launch more violent agitations against the decision to hold the Constituent Assembly polls on April 10.

Security Plan

As the violence continues to paralyze normal life in southern plain, the government unveiled a new security plan for the election and Election Commission has already made preliminary preparations including sending logistics for the elections.

According to Home minister Krishna Prasad Sitaula; his ministry will mobilize 64,000 police and 69,700 temporary police. The ministry is considering deploying three police and three temporary police personal in each polling booth.

The ministry will also mobilize

mobile police team and helicopters will be deployed in five regions to provide necessary logistic support to all polling booths whenever necessary. In troubled terai, the ministry will implement special security package for the election.

"Election will be held at any situation. If it is necessary, we can use force to quell the violent moves," said Sitaula. "We cannot postpone the election on the ground that there is violence in Terai. All people need the election of Constituent Assembly to fulfill their demands including demands of Madhes. We will maintain law and order for the election but one has to keep in mind that it might not be election like in the past."

On the other hand, the EC has

already been dispatched election materials to district headquarters and is launching various kinds of training at the local level regarding the polling pattern.

Commitment of Seven Parties

By organizing joint mass meetings, leaders of seven parties have already shown that they want election. "There is no alternative other than to hold the election of CA on April 10," said Amik Sherchan, leader of United People's Front.

For the ruling party leaders, it seems that the election for Constituent Assembly is in top priority. These leaders in private conversation express doubt over the election but they speak for election in public. A senior minister of present cabinet, Pradeep Nepal, in his



Banepa city: Unprepared for election

recent article, admitted that it is very difficult to hold the election.

Of course, the violence has been there for the last twelve years and all the election held in those period were held under the shadow of Maoist violence. In this context, there is possibility for both holding the elections on April 10.

Threat From Terai

The opponents from Terai-based regional parties and armed groups have already threatened that they will not allow holding the election in terai. "Violence has been gripping Madhes because leaders of the SPA have been resorting to false and condemnable expressions on problems facing Madhes," said J.P. Ananda, leader of MJF. "It will be difficult to hold the polls if the government does not take the Madhes issues seriously. Our third stage of agitation will begin from February 5 and the nation will land in chaos if the

government does not take the problem seriously."

Leaders of Terai-Madhes Loktatrik Party, too, hold similar views. "There is no question of taking part in election unless the government agrees to our demands and declares whole Madhes as a single unit," said Mahanta Thakur.

Terai leaders' statements indicate that even if SPA holds the election, it will not bring the political stability and address the violent activities going on in the country. Those who boycott the polls will challenge the verdict of polls as in the past.

The most puzzling question at present in Nepal is whether the election would be held on declared schedule or not. Even a cabinet minister Pradeep Nepal has come out with an article questioning whether the election would be held or not.

"A meteorologist can predict a

situation of weather but it is next to impossible to make a correct guess about the election to be held," said a political analyst.

Postponement of Election

The election has been postponed several times since October 2002 after the dissolution of the parliament by then prime minister Sher Bahadur Deuba. Deuba was removed from the power by Royal declaration for his incapability to hold the election.

For subsequent governments, one after another led by Lokendra Bahdur Chand, Surya Bahadur Thapa and again the revival of Sher Bahadur Deuba and in the last under the leadership of the King himself, all of them had failed to hold the election.

It is not due to the postponement of the election that the people suddenly appeared in the streets in a democratic manner in Jana Andolan II. Had that been

the case, there would have been the same threat to the present government and its allies also but nothing of that sort is happening now.

"The people are in panic due to growing violence and instability inside the country but the same is not reflected in the face of politicians in power. People find prime minister in a fine pastime despite his health problem. Leaders of another extreme ally Prachanda also appears in TV screens with pleasant looks while leaders of that alliance also have the same look which need not be explained in detail. Either they don't have a decisive power to hold the election or they are in good spirits because of the prolonged stay in power without facing a trouble of election," said the analyst.

"If we cannot hold the election on April 10, the country will land in a prolonged course of civil war," predicted acting president of Nepali Congress Sushil Koirala who does not give any justification to prove his claim. "What I say will come true."

If one goes through the speeches made by the leaders of the ruling alliance published in newspapers, they echo similar concerns.

History of Political Instability

Political instability and violence is not a new phenomenon. Before the Jana Andolan II also, same thing had occurred time and again. There have been intense conflicts of opinion ever since political change of 1990.

"The present problem is not a new one and it has not originated from the party headquarters or the palace though all have been accusing fingers against each other except on the question of sharing leaves and fishes of power. *Nothing holds them together as they lack both trust and respect to each other,*" said the analyst.

During the last 17 years, all major political parties, one after another, formed governments but none were able to complete full terms. This kind of unstable political problem is not only with Nepal but also in other smaller countries of the region. However, the



PM Koirala: Commitment to election

problem of instability has hardly been debated in public.

"Since last seven years, people have been put into the guess work about their right to franchise. The threat of violence was there all the time in those seven years when elections were postponed because of violence. The root cause of this violence and political instability is known to all the enlightened people and politicians, in particular, but solution of this problem cannot come through the internal forces alone," said the political

analyst.

Despite these kinds of unpleasant situations, Nepal's situation, however, is much different than troubled countries of Asia and Africa.

According to analyst, The secret behind this caution and calculated instability is apparent to all. The force, which is mainly responsible for this trouble, has kept watchful eyes for the entire time on the actions and reactions from the other side of Nepal.

"In such a situation, having an elected government alone, is not going to be a salvation from the prolonged crisis. Even if the election is held, major players will not be changed. The root cause of instability is not the sharing of power among domestic political parties of this country. The main source of trouble of Nepal is due to an unsettled relationship between its two big neighbors," observes the political analyst.

While talking about the election, one has to keep in mind all these internal and external factors. As the country is preparing for the election, there is a great shadow of violence. The violence may erupt any time and may force the postponement of the election for the fourth time. ■



CEC Pokharel and MK Nepal: Discussing challenges?

It Is Natural For Neighbors To Show Their Concern

-Sarvendra Nath Shukla

Spokesperson of the recently formed Terai-Madhes Loktantrik Party (TMLP) **SARVENDRA NATH SHUKLA**, 58, has been in politics for a long time. Having served as a minister and worked under different capacities in the Rastriya Prajatantra Party (RPP), Shukla is known for his stronghold in western terai. Shukla spoke to **KESHAB POUDEL** at his residence, on Tuesday morning, regarding the present political situation of the country and role of his party. Excerpts:

Why did you form a regional-based political party just ahead of election?

When we made decision to form a regional based party under the leadership of Mahanta Thakur, the election date was not announced. After formation of our party, the new election date was announced.

Why the need for a new party?

As you know, the problems of Madhes and Madhesis have been burning and you cannot go ahead without solving them. We have seen adamant positions by mainstream political parties regarding resolving problems of Madhes. To fulfill the vacuum and establish a strong party, we decided to join together. Our party is committed to integrity and sovereignty of Nepal.

It means your party will contest the election of Constituent Assembly?

We are not anti-election party but the election of the CA must be meaningful. If the CA election is held just for the purpose of holding election, it will have no sense. We are not interested to contest such election drama. Our stand is clear. We have already made it clear that the government must fulfill our 11-points demand to make the election for CA fruitful. One of the aims of CA is to give rights to marginalized people including Madhesi, Dalits and Janajatis. At a time when the country's overall law and order situation has already deteriorated further, it will be very difficult to hold free and fair election. The situation in Nepal is such that nobody is in a position to address the mass meetings in interior hinterlands.

But, seven political parties have already organized a number of mass meetings in terai. Doesn't it indicate that people want election?

You cannot claim that the situation is favorable for election just by bringing few thousands of people by mobilizing state's resources and intimidation. The meeting was stage-managed by the state.

Do you mean that if the government does not fulfill your demand, your party will boycott the election?

We have not said that we will boycott the election. Our point is that there is no sense in holding the election without addressing 11-point demand of our party, which are basically related to Madhes and Madhesi community.

Doesn't that mean your party is not sincere towards the election?

Actually, our party favors Constituent Assembly election since Madhesi people require it to ensure equal sharing in the government. Actually, Seven Party Alliance, particularly, three major parties of the alliance, want to postpone the election by blaming us for their failure. If SPA government is sincere towards election, they must fulfill our demands and address the problems of Madhes.

Don't you think that you are also betraying common people by challenging their right to decide about their fate through election?

By postponing election three times in the past, SPA, particularly its three main constituents, have already exposed their faces. So far as our party is concerned, we want constituent assembly election to empower people and settle the long-standing problems. We are not betraying the people. What we are doing is exposing SPA's anti-election motives. The behavior of government itself is anti-people and anti-Madhes.

If your party does not contest the election, how do you visualize the future scenario?

Our party's aim is to maintain national integrity of the country. We are not separatists. At a time when people of Madhes are so frustrated from the rulers of Kathmandu for completely ignoring them, our aim is to raise their concern and voice in peaceful manner. One must be clear that our party is not a separatist party.

But, your party leaders have been demanding One Madhes One Province with its own judiciary, executive and legislature and with right to self-determination. Don't they indicate towards demand for a separate state?

Since the government has already agreed to have federal structure in Nepal and Interim Constitution has already endorsed federalism, in this sense, Terai will have separate legislature, judiciary and executive. This is the basic requirement for federalism. We have been demanding autonomy for federal state. Although SPA is trying to show that our party is a separatist party, we have been demanding our right that is already explicitly declared by the constitution.

Then what about right to self determination. What do you mean by it?

By postponing election three times in the past, SPA, particularly its three main constituents, have already exposed their faces.

We are clear in this regard. We want right to self determination within the limits of United Nations Resolution. That means we want right to rule in terai and complete autonomy as per UN's human rights resolution.

How would you address the issues if terai decides to separate from Nepal under the right to self determination?

All the people living in terai and Madhes understand that they will not benefit by declaring themselves as independent state. Madhesi people will have advantage to be in a federal state under Nepal as it is viable. What we want is end of the oppression and discrimination against the people of Madhes.

There are dozens of parties and groups in Madhes. How do you guarantee that all other parties will accept the demand of your party and participate in the election?

No other parties have put demands like us. Madhesi Janadhikar Forum is waging struggle demanding to fulfill their 22 points agreement signed with the government. Since our 11-point demands have tried to address almost all the major concerns of Madhes, other groups will accept it.

In the past, political leaders from Madhes used to argue that distribution of citizenship certificate to all Madhesis will settle all the problems of Madhes. That has not happened. What is the guarantee that other parties will not come up with new demands even if your party's demands are accepted by the government?

After making certain amendment in the laws, people from all parts of Nepal including terai secured citizenship certificates. But, our demands are related to political rights, which have been accepted in the interim constitution. Once the government addresses our demands, most of the problems of Madhes will be addressed.

Similar demands are also coming from hill and mountain regions bordering with Tibetan Autonomous Region of China. How do you look at it?

Since the interim constitution has accepted Nepal as a federal, republican state, it is natural for them to make demands for federal structures. We must be prepared for federal structure.

You have been talking about the need to bring armed groups to talks. Is it possible?

If the government sincerely shows its commitments, there is possibility to bring these



armed group in negotiating table. We have our own experiences of bringing the armed rebels to the mainstream as Maoists have joined the political mainstream by signing 12-points agreement with seven parties. Same thing is possible in terai but what is required is sincere commitment of three major constituents of seven party alliance.

Do you see any role for UN or third party to start the negotiation?

I don't think there is any need for UN involvement. We have modality and capability to solve the problems on our own. The process of negotiations will depend on how government will respond and how flexible it will be towards the demands of rebel groups.

It is said that your party is dominated by leaders from upper class from terai. How can you claim that you will accommodate all communities in terai?

Our membership is diverse and there are all kinds of people in our party. Our party has accommodated almost all groups like Yadav, Muslims, Dalits and ethnic groups.

But, there are upper class people at leadership?

Since our party is in the formation stage, we will make our party inclusive gradually.

Along with the spurt of violent activities with separatist demands, scholars from Nepal's northern neighbor have started expressing their concerns. How do you look at it?

When a neighboring country is burning, it is natural for other neighbors to show their concern. It is human reaction as everybody wants peace and stability in their neighborhood. Since China is Nepal's another neighbor, it is natural for them to express their concern when there is such disturbances here. ■

Since our 11-point demands have tried to address almost all the major concerns of Madhes, other groups will accept it.

Soaring Deficits

Gradually, the soaring budget and trade deficits are hurting the national economy

By A CORRESPONDENT

Amid escalating imports and stagnant exports even as its expenditures have soared, the government's trade and budget deficits have hit the roof.

As per the report by the Nepal Rastra Bank (NRB), assessing the economic situation in the first five months of the current fiscal year 2007/08, the high government expenditure has pushed the budget to Rs 9.81 billion deficit. It was at the surplus of Rs 4.95 billion in the same period last year.

"Of the sources of deficit financing, the government mobilized Rs 5.08 billion through the fresh issuance of securities and Rs 2.57 billion from central bank in the form of overdraft," states the report released by the central bank.

The amount raised through the issuance of securities is 24.8 percent of the budgeted ceiling of Rs 20.5 billion for 2007-08. "Of the total budget deficit, remaining Rs 2.24 billion was financed through external borrowing," the report states.

The revenue mobilization has also grown by 21 percent to Rs 32.36 billion compared to a rise of 13 percent in the same period last year. In comparison to mid-July 2007, the Nepali currency appreciated by 2.53 percent vis-à-vis US dollar in mid-December 2007, states the report. It had appreciated by 3.71 percent in the same period last year.

Based on the monetary statistics, the overall balance of payments (BoP), which was at deficit for last couple of months, returned to a surplus of Rs 24.1 million. Similarly, total imports grew by 1.5 percent compared to a growth of 10 percent in the last year. While imports

billion in the review period. Last year, such net purchase was \$394.5 million leading to the liquidity injection of Rs 28.9 billion.

The purchase of Indian currency by selling \$550 million amounted to Rs 35.08 billion in the first five months. During the same period in the previous year, the purchase of Indian currency had amounted to \$320 million, an equivalent



Minister Dr. Mahat: Serious fund crunch

from India rose by 2.4 percent in the review period, imports from other countries were at the same level of 9.2 percent. But total exports fell by 6.9 percent as against a rise of 0.2 percent in the corresponding period last year. Of the total exports, export to India plummeted by 9.3 percent compared to a marginal growth of 0.9 percent in the same period of 2006/07.

Exports to other countries also posted a decline of 1.4 percent. The decline in the exports to India was primarily attributed to the decrease in the exports of vegetable ghee, toothpaste, chemicals, textiles and wire. Similarly, exports to other countries also dropped arising from the lower exports of woolen carpet, pashmina, readymade garments, Nepali paper and paper products and tanned skin.

The net purchase of \$464.8 million from the commercial banks resulted in the injection of liquidity of Rs 29.76

of Rs 23.39 billion.

A higher level of payment by NOC to IOC in the review period compared to the previous year and a widening current account deficit with India resulted in the rise of the purchase of IC in the review period.

For managing short-term liquidity, net liquidity amounting to Rs 6.81 billion was absorbed through reverse repo auction of Rs 5.57 billion and outright sale auction of Rs 1.24 billion, states the NRB report.

The year on year inflation moderated to 5.7 per cent in mid-December 2007 from 7.3 percent a year ago. The moderation was on account of the base-effect of hike in prices of petroleum products in March 2006 and the nominal appreciation of the Nepali currency against the US dollar. In mid-December, 2007, the year-on-year core inflation moderated to 4.7 percent from 6.7 percent a year ago. ■



Signing the MoU: Partnership for progress

KU AND KHETAN GROUP

Productive Collaboration

Khetan Group (KG) and Kathmandu University (KU) signed an agreement for establishing collaboration on academic field

By A CORRESPONDENT

Khetan Group (KG) and Kathmandu University (KU) signed an agreement for "establishing collaboration on academic, research and professional matters".

The agreement was signed by chairman of KG Rajendra K. Khetan and Dean of KU- School of Management Prof Subash KC.

Under the agreement KU will use KG as laboratory for its management students and exchange cooperation on management trainee, internship, field visits and training etc.

Addressing the program, VC of KU Dr Suresh Raj Sharma said that Nepal needs to create wealth before distribution and management of the corporate sector and students of the country will help the state to recover from unrest.

On behalf of Khetan group, R K Khetan, Chairman of Khetan Group expressed that the Group has just acquired approval of operating a Life Insurance Business. It soon will be launching Life Insurance Product in the Nepalese Market in the name of "Prime Life Insurance Co Ltd." Company has a capital base of 360 Million and it shall be issuing 30% of shares to public

through stock exchange.

The group is successfully doing business in Non-Life Insurance in the Nepalese Market through "Everest Insurance Co. Ltd." and after the establishment of "Prime Life Insurance Co. Ltd." the group can now be analyzed as the serious and the promising player in the Insurance Industry of Nepal.

The main objective of the collaborative actions is to establish a business-academic partnership framework for contributing to the development and utilization of professional management resources and practices through the use of each other's strengths, experiences and resources that will eventually strengthen management capacity in the country.

In order to promote cooperation, the two institutions have agreed to work together in various areas.

Under the agreement Khetan Group will provide opportunity to KUSOM students to carry out their academic assignments, including corporate projects, in areas of mutual interests and needs and will support them in completing their assignments, including practical guidance. ■

ADB FUNDS EDUCATION REFORM

The Asian Development Bank (ADB) has said preparations are underway to "take Nepal's school system into the next stages of reform and restructuring with new grants that will make the nation's educational programs more responsive to the needs of an expanding economy".

Initially, the bank has pledged a grant assistance of \$8 million for the Education Sector Programme Cluster Subprogram II. This will be jointly financed with other education development partners including the European Commission, which intends to provide 6 million euros (\$8.7 million) as part of its contribution to the school sector.

According to the ADB, Japan Special Fund is also giving a \$600,000 grant to be managed by the ADB for the preparation of the third and final subprogram of the Education Sector Program. The government of Nepal is providing \$110,000 to the technical assistance.

The second sub-program will support the preparation and transition of the country's public education into an integrated 12-year system - eight years of basic education and four years of secondary education, which is prescribed under the country's school sector reform plan.

The final sub-program, which is scheduled to start in 2009, will support the full implementation of the school sector reform plan once it is finalized, financed, and the legal and financing framework is adjusted to a 12-year school system.

The first sub-program, which began in January 2007 and will run until July 2009, supports the Education for All Program and is laying the groundwork for the integration of the current system into the planned 12-year school framework. The ADB provided \$30 million loan and \$2 million grant for this program. ■



LOKNRITYA SANDHYA

Devotion To Lord Krishna

Indian dance performers and musicians showed how Nepal and India share so many cultural and religious things

By A CORRESPONDENT

As soon as the soft sound of flute echoed the auditorium of Birendra International Convention Center (BICC), music lovers felt a wave of relief sweeping through them as the devotional songs dedicated to Lord Krishna had unique taste.

Having a long tradition of worshipping Lord Krishna, for the people of Kathmandu valley, the program dedicated to Krishna was something very important.

As a country with Hindu dominant culture, most of the people of Nepal have grown up listening to and watching

various performances of Krishna. Loknritya Sandhya reminded the cultural and religious similarities between Nepal and India. Despite living in different geographical areas, the religion and culture strongly binds the people of both the countries together.

Organized on the occasion of 59th Republic Day of India, the program included the performance by a troupe led by Murari Lal Sharma hailing from Brij, India. During the whole performance, Sharma made every efforts to charm the audience.

Starting with a bhajan (devotional song) by the troupe, two hours long devotional program also included songs and dances of various forms. The dancers wore colorful dress with glittering yellow and green attires while performing their dances.

One of the interesting part of the presentation was Mayur Dance (Peacock dance) whereby a group of four showed the love of Radha Krishna. When Krishna appeared with the flute in his hand and Radha stood in his front, the atmosphere was charming. Based on the love of Radha and Krishna where Krishna expresses his love by taking the form of peacock and dancing like it.

When Bhajan Govinda jaya was chanted, the people seemed to be lost with the sound of devotion. When they suddenly saw Krishna coming and started to sing and dance, the atmosphere became filled with excitement.

Chakula Dance was another attraction of the program where a woman balanced on her head 108 lighted oil lamps kept on wooden blocks in the shape of a pyramid. As Holi dance is one of the important aspects of Krishna Lila, Nepalese audience also enjoyed the holi dance.

Inaugurated by Indian Ambassador to Nepal Shiv Shankar Mukherjee, the whole program kept the audience spellbound.

As they evolved from the same religion and culture, Nepalese and Indians share many commonalities. These long religious and cultural similarities of the two countries will always guide relations between Nepal and India.

The program was organized by Indian Council of Cultural Relations, Indian Embassy and B. Koirala India-Nepal Foundation. ■



CHINESE TIBETAN LHOSAR

Show from North

Tibetan artists present cultural dance celebrating Lhosar, the new year of Tibet

By A CORRESPONDENT

As Nepal's geo-graphical regions, its culture and religions, too, have distinct features.

Majority of southern population as well as some mid hill population who follow Hindu religion share their cultural and religious identity with Nepal's southern neighbor India. However, overwhelming majority of ethnic groups from northern part and mid hills of Nepal have their cultural and religious similarities with the the people of Tibetan Autonomous Region of China.

Like Nepalese ethnic groups from northern mountains and mid hills, the residents of Tibetan Autonomous Region of China also celebrate the Lhosar as a new year. Tibetans celebrated this year's New Year as an earth hare year 2008.

Just a day after the performance of Devotion to Lord Krishna by Indian artists in the capital, Tibetan artists performed the Devotion to Buddha and other gods commonly worshipped by residents of northern Nepal and mid-hills. The two programs reminded the

importance of Nepal as a melting pot of culture and religions from the world's two great civilizations.

Organized by Chinese Embassy in Nepal, China Association for Preservation and Development of Tibetan Culture and China Tibet Information Center, the Lhosar Cultural show was the first of its kind organized in Kathmandu.

Although Chinese Embassy has been organizing Tibetan New Year Lhosar since 2003 in Nepal, this year the Embassy brought a cultural troupe all the way from Tibet to show how they celebrate new year.

In the two-hours-long program at Birender International Convention Center (BICC), dance troupe from Tibet performed 13 different programs including dances of various parts of Tibet.

The cultural show began with Great Dance expressing the Auspicious Wish. Performed by Lordo and Sumchok, the dance expressed the feeling of joy and

happiness in the life of human beings.

In her beautiful songs, Tibetan singer, Nyima presented a female solo with colorful Khatak: a happy cradle.

Dancer Lordo and his group performed A Piece of Tibetan Opera: Auspicious Dance from Tashishol Village.

Chungala and Tenzin Chordon along with their other group members performed dance from Monyul. The dance is very much similar to that of the dance performed by Nepal's Sherpa community.

Singer Sonam Chordan and her colleague played the female chorus with Happy Sun and Kalsang Zigzag. The drum dance from Lhoka, southern part of Tibet, too, has many similarities with dances of Tamang communities of northern Nepal.

Tibetan people mostly celebrate their New Year by dancing and singing wishing happy life. Artists try to please gods and sprits for their own prosperity.

Produced by Yarlung Artistic Performing Troupe of Lhoka, Tibet, the dance group presented the performance from various parts of Tibet.

For the majority of audience, the cultural show helped understand many similarities between Nepal's northern region and Tibet.

The presentation of cultural show revealed how common culture and religion bring people of Nepal and China together. Lhosar is one of the common events that bring the people of two countries together. ■



BOOK

Everest Narrative

From the first climber late Sir Edmund Hillary to present ones, the book provides a broad picture of Everest and its mountaineers

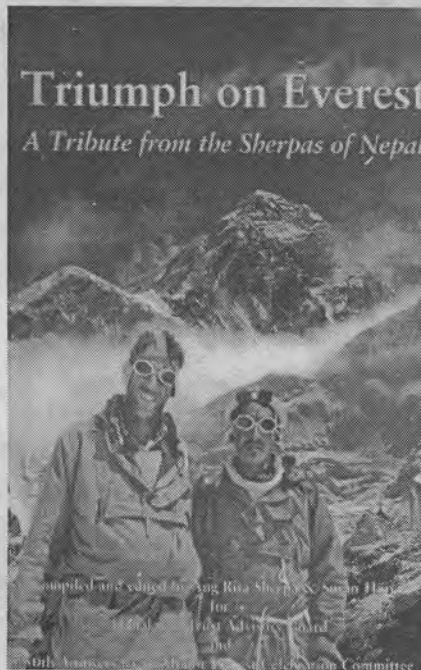
By A CORRESPONDENT

After the first climb of the roof of the world by late Sir Edmund Hillary to present ones, hundreds of mountaineers have already set their feet atop the Mount Everest but the contributions made by late Hillary to uphold the cause of Mt. Everest and people living around the mountain are unparalleled.

On 29 May 1953 – Mt. Everest was finally scaled when late Hillary and Tenzing Norgay Sherpa stood on the summit; this marked the culmination of decades of reconnaissance and climbing attempts. As many people aspired to climb the Mt. Everest, it was certain that the world of mountaineering would never be the same again.

“It was not only mountaineering that was transformed by the events of that day. The Sherpa people and their Himalayan heart-land of Solukhumbu in Nepal became the focus of global attention. Their world would never be the same again either.”

With climbing expeditions and trekkers following into the Everest region, changes were inevitable—both positive and negative. “It is largely thanks to the vision and devotion of one man, Sir Edmund Hillary, that so many positive



Triumph On Everest
A Tribute from the
Sherpas of Nepal
Compiled and Edited by:
Ang Rita Sherpa, The
Mountain Institute, Susan
Hoivik, and Eco-Himal
Published by: Mandala Book
Point, Kantipath G.P.O Box
525 Kathmandu, Phone
4227711, 4245570
Price: Undisclosed
Pages: 151

transformations have been possible in health and education, environment and conservation,” writes author duo.

Although it was published in 2002 to celebrate the 50th anniversary of the triumph of Mount Everest, it is very interesting to read this book at this moment to understand the contribution made by late Edmund Hillary.

“The Himalayan Trust Advisory Committee takes pride in presenting this volume, a tribute to Sir Edmund Hillary from the Sherpa people of Nepal,” write the authors.

This book is a compilation of various articles written by mountaineers and people with experiences in the travel and mountain writing.

There are experiences of various climbers from late Hillary and Tenzing Sherpa to those who have worked in different areas in Khumbu region. After reading this book one can easily understand what transformations have taken place in the area.

From one of the most backward and remote areas of Nepal, Khumbu region is now one of the highly upward areas with close contacts with the capital. Khumbu area has seen a drastic change in the last fifty three years getting recognition from the world over.

From schools to health facilities and from airport to hydropower, people living in Khumbu region have everything nearby their home.

Along with the pride and personal recollections of Sherpas, the book also includes the articles written by various authors regarding the development and environmental challenges faced by the region. ■

“As the whole nation is looking at Janakpur to see how the mass meeting will proceed, this gathering has proven that Nepali people want election.”

Ram Chandra Poudel, Minister for Peace and Reconstruction, addressing seven parties' joint assembly in Janakpur, in Annapurna Post.

“They make highly republican statements but also go around knocking the doors of royalist elements.”

KP Sharma Oli, standing committee member of Unified Marxist Leninist (UML), accusing the Maoists of double standard.

“Of the entire problem Nepal is facing as a whole, Terai is a part of it. The problem will be solved by the leaders and people of Nepal as per the process owned and operated by the people of Nepal. We are there to help.”

Shiv Shankar Mukherjee, Indian ambassador to Nepal, talking to journalists.

“In order to complete our task and exit we need not only that election to take place, we also need ... there to be a durable long-term solution to the management of arms and armies.”

Ian Martin, Special Representative



of Secretary General of United Nations, talking to reporters in New York.

“The YCL will resort to agitation if the election does not happen on April 10.”

Sonam, central member of the Maoists and in-charge of Young Communist League (YCL), at a press meet.

“Bird flu has not been seen in Nepal.

But we cannot be complacent.”

Dr. Baikuntha Parajuli, Director of Livestock Health Directorate, in Kantipur.

“Those rumors were baseless and fabricated.”

Dr Bhagawan Koirala, cardiologist attending to Prime Minister Girija Prasad Koirala, stating that the PM's health had improved.

TRANSITION

APPOINTED:

Industrialist
Chandra
Prakash
Khetan, as the
Honorary
Consul
General of



Turkey by Republic of Turkey

CP is also Honorary Secretary of Nepal India Chamber of Commerce (Nicci) and executive Member of

Nepal Chamber of Commerce. Born in 1976 CP has been active in business field since more than 15 years now. CP is younger son of then Honorary Consul General Late Mohan Gopal Khetan.

BAGGED: GMR Energy Limited of India has bagged the 300 MW strong Upper Karnali hydropower project.

KILLED: Nepali Congress workers Satya Narayan Yadav, 21, Neem Chandra Thakur, 18, and Ram Ikbaal Yadav, 19, in Sarlahi district.

Surendra Kumar Biswakarma and Hira Singh Karki, in Kotwada VDC of Mugu district.

FLIES: Yeti Airlines International, a joint venture between Yeti Airlines and Air Arabia, began international flights from Wednesday (Jan 23), with its inaugural flight taking off to Kuala Lumpur, Malaysia.

FIXED: The Free Students Union (FSU) election in Tribhuvan University and affiliate campuses, for February 28.

'Nepal should do its utmost to leverage the locational advantage'

- By ANDREW HALL, British Ambassador to Nepal

A year ago, the peace process was still at a very uncertain stage. We did not know if the ceasefire and the just-signed Comprehensive Peace Agreement would hold firm. We were not sure that the UN would send a Mission to help Nepal establish the peace. We did not know if Seven Party unity would be maintained, nor whether a parliament and a government containing members of the CPN (Maoist) would be formed. All those things have, however, happened – building confidence that Nepal is firmly set on the road to peace.

Of course, it has not been plain sailing. The Nepalese people were promised elections – twice – but were let down. Now a third promise has been made, that the polls will take place on the 10 April. This time there can be no question of failing to meet the deadline.

Also in the past year we have seen new conflicts arise, above all in the Terai, but not only in the Terai. Marginalised groups in society are determined to secure fairer representation and equal access to their rights. It is vital that everything possible is done to convince them that the Constituent Assembly is the proper forum in which to consider these issues and it is overwhelmingly in their own interests do everything possible to enable credible elections to go ahead.

An essential component of the peace process must be the building of a more prosperous Nepal, in which all its citizens are able to exercise their rights to work and to support themselves. But when we turn from the political scene to the economic one, I think the record of the past year has been a mixed one.

We have seen no let-up in the pressures on business. Extortion demands, abductions and intimidation continue unabated. Organisations affiliated with political parties, criminal gangs and armed groups are all getting in on the act. Clearly this is an unacceptable situation. Above all, it requires a response from the Government and from the political

parties – both to make it clear that action will be taken to prevent any of their organisations from undertaking this illegal behaviour, and that the police will have full support in cracking down on criminal and armed gangs. Failure to do so will not only damage confidence in Nepal's business environment but directly damage the interests of employees if their jobs disappear.

I believe some union leaders also need to re-think their tactics. Time and again we hear of businesses being forced to close because they have come under union pressure. Unions of course have the right to campaign in the interests of their members but I would urge them to have recourse to legitimate peaceful methods – labour courts and arbitration tribunals. Pressure tactics will only be counter-productive, driving away investment and forcing existing businesses to close or re-locate.

I was recently looking at an index compiled by the World Bank on Doing Business – it compares countries across the world on a number of indicators, such as ease of starting a business, acquiring licenses, hiring and firing workers, protecting investors and enforcing contracts. I was sorry to see that Nepal has slipped down that index by 7 places in the last year – it now stands at only 111 out of 178 countries.

One of the most important challenges is ensuring that Nepal has a strong and stable financial sector. In this context I would like to note the ongoing case against the suspended Governor of the Nepal Rastra Bank. To avoid continuing uncertainty I would urge that this be resolved speedily and in a just way. I also think it is important that the Nepal Rastra Bank is strengthened, quickly, so that it can properly supervise the banking sector and all of the new, recent activity. It is also important that the Nepal stock market is managed responsibly – recent reports of deliberate stock price inflation on the back of loans are concerning – I know that the government has started to

address
this issue
– I
welcome
that and
would
urge them
to take
this
quickly to
a conclusion.



I will not end on a gloomy note. Despite the challenges the outlook contains some very considerable opportunities which Nepal can take advantage of. The increase in tourist flows is one immediate and striking example. And, as many of you will know, the United Kingdom provides the second highest number of Nepal's tourist arrivals. I believe there is still a large and barely tapped UK market there. But it will not just fall into Nepal's lap – work needs to begin, and begin soon, on improving the necessary infrastructure to support higher tourist flows: everything from airport improvements to roads and traffic management, to waste disposal, to reliable power and fuel supplies.

In the medium term I believe Nepal has another great natural advantage – and that is your neighbourhood. It will not have escaped your notice that Nepal lies between two enormous Asian economies, India and China, each growing at rates which make our eyes water in Europe. Such is the importance we attach to them that British Prime Minister Gordon Brown visited China last week and is in India this week. Nepal should, I believe, do its utmost to leverage the locational advantage it has so that it too is a beneficiary of Asian growth.

(Excerpts of the statement delivered at the Annual General Meeting of Nepal Britain Chamber of Commerce and Industry)

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Fax: 9771 4225228
casanna@mos.com.np



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Hotel Everest
New Baneshwor, Kathmandu
Tel: 4780925
Fax: 9771 4782284
everest@mos.com.np



CASINO ROYALE
Hotel Yak & Yeti
Durbarmarg, Kathmandu
Tel: 4438619
Fax: 9771 4223933
royal_royale@hotmail.com



CASINO RAD
Radisson Hotel
Lazimpat, Kathmandu
Tel: 4420311
Fax: 9771 4445525
casinorad@mail.com.np



CASINO TARA
Hyatt Regency
Boudha, Kathmandu
Tel: 4482517
Fax: 9771 4470722
casinotara@mos.com.np