

The National Magazine

# SPOTLIGHT

5-11 Oct, 2001

## ECONOMY Gloomy Days Ahead

- WHITHER JUDICIARY
- NEPAL-INDIA TRADE TALKS
- ENCOUNTER WITH JAI DEWAN
- HEART DISEASE: A NEW THREAT

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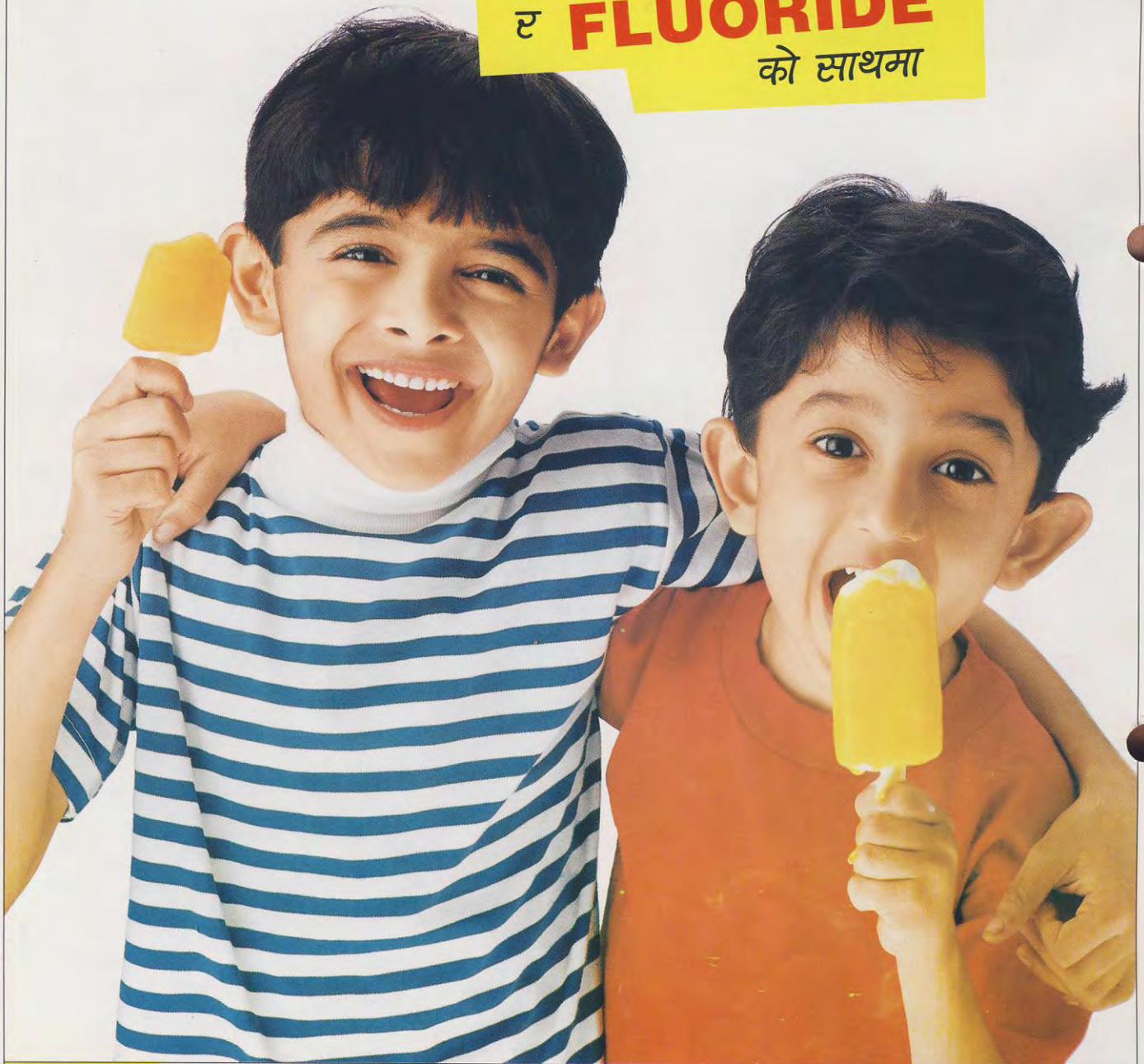
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# CONTENTS

	Page
Letters	3
News Notes	4
Briefs	6
Quote Unquote	7
Off The Record	8
NEW DELHI'S NEW STAND : Maoists On The Defensive	9
NEPAL-INDIA TRADE TALKS : Going Nowhere	12
HEART DISEASE : Alarming Increase	13
TOURISM : Feasting In Mustang	14
AVIATION INDUSTRY: Struggle For Survival	15
EDUCATION : Learning Again	21
ENCOUNTER : Jai Dewan	24
BOOK REVIEW	26
THE BOTTOMLINE	27
MUSIC : Truth Be Told	28
PASTIME	29
VIEW POINT : Hulas Chand Golchha	30
FORUM : Ronald P. Nash	32



## COVER STORY : Gloomy Days Ahead

Prospects are not encouraging for Nepalese economy as the terrorist attacks on the US triggers world wide slowdown.

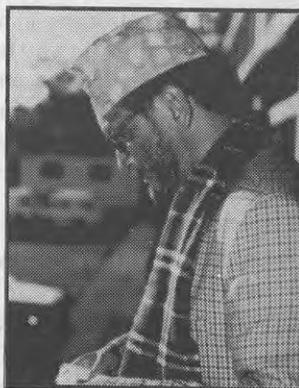
Page 16



## SUPREME COURT : Fresh Controversy

The two branches of the state trade charges following the apex court's decision on the fund allocated to MPs.

Page 10



## INTERVIEW :

### Dr. Ram Sharan Mahat

Finance Minister Dr. Mahat talks on wide range of economic issues facing the country.

Page 22

# SPOTLIGHT

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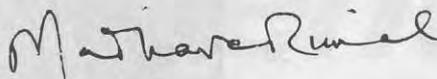
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## EDITOR'S NOTE

It is being reported that the third round of talks between the Maoists and the Sher Bahadur Deuba government is being scheduled soon. They should have met and thrashed out their differences much earlier. Delaying the talks and thus the uncertain situation is sure to become counterproductive for them who resort to such tactics. If political scenario is becoming more unfavorable for the Maoists, the Deuba government too has started facing dissensions from his own party members. If situation does not improve in the country before the festive season starts, King Gyanendra may be forced to take unpalatable decisions. Difficult times are apt to bring out the best in men. Leadership always demands that leaders rise up to the occasion and prove their mettle. Our political leaders have proved their imbecility. Babu Ram Bhattarai and Prachanda have not been tested yet. And neither has been King Gyanendra. The Maoist duo have to come forward and establish their bona fide that, unlike the immoral and unpatriotic political leaders, they do love their country and their poor countrymen and would do anything to defend and preserve their interest. Maoist leaders have to prove beyond any doubt whatsoever that there is no place for self-aggrandizement in their lexicon. They must never forget that no system howsoever effective, competent, adequate or even grandiose can deliver the goods by itself. It is the men behind the system, their character, their impeccable integrity, their dedication, their love and affection for their brethren and above all, their patriotism that always take the country forward. It is most unfortunate that in the last twelve years the country has not been able to produce one political leader that could stand his ground. They have proved themselves to be all spineless satellites willing to lick native or foreign boots to stay in power to fill their and their henchmen's pockets. Recent events in the neighborhood have shown that such men have to be kicked out, tried and punished. Any leader who is endowed with patriotism and integrity is sure to get the whole-hearted support of his overwhelming people. And it is the only crying need of the hour. We have already exhorted the Maoist leaders to jump into the mainstream politics and give dedicated leadership to the nation.

In these difficult times, King Gyanendra's role has assumed even greater importance. If destiny has pushed him into the vortex of Nepalese politics, there is overwhelming belief that he will come out unscathed. At a time when loud voices are being heard about the redundancy of the institution of monarchy, it is upto King Gyanendra to prove to the world that the institution is as indispensable today as it was two hundred years ago. The Nepalese monarch is not only the defender of the Nepalese constitution, he is also the defender of the religion practised by more than eight hundred million peoples of the world. And they do look upto him to preserve its pristine glory and sanctity. He also cannot lose sight of the fact that the institution he heads is the only unifying force in the country filled with heterogeneous sects and ethnicity. And it is the only institution that can rise above all petty personal interests and work for the overall well-being of the people. Moreover, King Gyanendra, at the moment, is shouldering even a much heavier responsibility of preserving the system that the country has won after a lot of supreme sacrifices. Not only monarchy is at stake, not only the unity of the country is at stake, the very sovereignty, the very existence of the nation is at stake. King Gyanendra cannot afford to prevaricate at this juncture. In the interest of his own country and his own people, he has to act. If the politicians do no mend their manners, King Gyanendra must not hesitate, even for a moment, to do what he must do. He need not be guided by what others say. His only concern, repeat his only concern should be his people and his country. His country's friends, far and near are sure to stand by him and his twenty three million people will rally round him. Time is running out. And the most important thing in the life of a nation as well as the men is time. So, we have to act and act now because as the English bard has said, procrastination is the thief of time. ■



**Madhav Kumar Rimal**  
Chief Editor & Publisher



## Lessons Indeed

The solidarity and unity exhibited by American leaders in the aftermath of the September 11 terror attacks should come as a wake-up call to our own leaders who never lose a second in demanding the resignations of their opponents whenever a crisis hits the country ("Lessons For Nepal", SPOTLIGHT, September 26). The way the American people and their leaders stood shoulder to shoulder in this moment of crisis is truly exemplary. Your cover story was correct in pointing out that had a similar crisis befallen this region, there would have been an outcry demanding the resignations of those in power.

*Shanta Shrestha*  
Sinamangal

balance of power. Everybody should oppose such a move.

*Balram Jaisi*  
Maitighar

## Delaying Tactics

After the second round, the government-Maoist talks seems to be heading nowhere ("See You Again", SPOTLIGHT, September 21). With both sides steadfastly sticking to their guns, it appears that the talks would fail to deliver. In fact, the onus really lies with the Maoists. They cannot expect to set up a republic through talks. It is absurd that should be pursuing a cause that few Nepalis support. It is high time the Maoists realized the gravity of the situation and came within the fold of the democratic constitution. If they really are committed to help the people, they can do so by trying to win a majority in the election and coming to power. Or are they sticking to the bullet for fear of being swept aside by the voters in the ballot?

*Nischal Shrestha*  
Jamal

## Strengthen Institutions

Unless our country has strong institutions, it would be hard to cope with national crises ("Lessons For Nepal", SPOTLIGHT, September 26). On the other hand, Nepal's perennial political instability has stood in the way of strengthening our constitutional institutions. Added to this is the Maoist insurgency, which threatens to eat up whatever is left of the country's frail institutions. The people and the leaders must sit together and chalk out ways to overcome the current crisis. The dialogue between the government and the Maoists should conclude successfully. The rebels must shed their rigidity. They should understand that their dogmatic pur-

suit will not take the country anywhere except to the brink of collapse.

*Dinesh KC*  
Balaju

## Will They Learn?

The cover story "Lessons For Nepal" (SPOTLIGHT, September 26) raised a very pertinent point on the political culture in our country. Indeed, the leaders of South Asia, in general, and Nepal, in particular, have many things to learn from the conduct of their western counterparts in the aftermath of ghastly terrorist attacks in the United States. Although we are a young democracy fraught with many complexities, we have the luxury of looking around and seeking guidance from established democracies in the world. It is

not bad to emulate good things.

*Shankar Parajuli*  
Chandol

## What Is The Intention?

Apropos the article "Threat To Judicial Independence" (SPOTLIGHT, September 21), it seems efforts are under way to destroy the judiciary by bringing it under the purview of the Commission of Investigation of Abuse of Authority (CIAA). Such a move could prove counterproductive, as it would bring the judiciary under the control of executive. The danger is particularly stark because the prevailing practice is to make political appointments to head the CIAA. The proposed bill to amend the CIAA act will, therefore, strike at the basic principles of democracy such as separation of power and

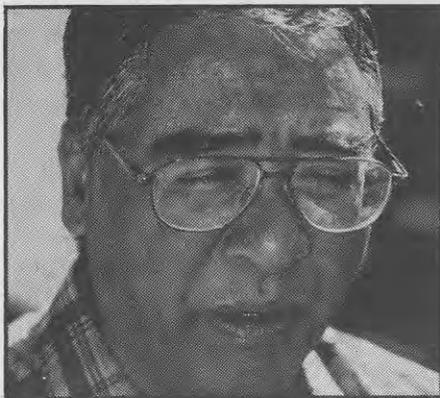
## Spoilsport

Nepalese athletes are going through a series of bad luck ("Shadow Of Uncertainty", SPOTLIGHT, September 21). The June 1 royal killings led to the cancellation of the fifth national games at the last minute. Now the September 11 terrorist attacks in the United States have resulted in the postponement of the 9th SAF Games set to be held in Islamabad, Pakistan. These two incidents are sure to hit the morale of Nepalese athletes. In fact, our sports authorities would do well by organizing some sort of tournament within the country to keep players' spirits from sagging.

*Sailesh Karmacharya*  
Ason

## PM Reiterates Support For US

Despite serious concerns raised by the left opposition members, Prime Minister Sher Bahadur Deuba reiterated his government's commitment against ter-



Deuba

rorism. Replying to queries from lawmakers in the House of Representatives Tuesday, Premier Deuba said the government would provide full support to the US government in its campaign against terrorism. Nepal is part of the global coalition against terrorism, he declared. Premier Deuba's response came after 10 left parties accused the government of deviating from Nepal's traditional foreign policy by offering Nepalese airspace and refueling facilities to the United States in its planned attacks against Afghanistan. Compiled from reports Sep. 26.

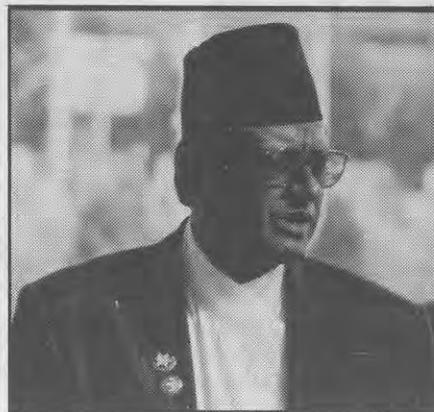
## Nepal Wins Travel Award

Amid widespread gloom in the aftermath of the terrorist attacks in the United States last month, Nepal's travel trade industry got good news in the form of a prestigious award. Nepal has been voted second in the top country category out of the 180 countries in the Wanderlust Travel Award 2001. The award is based on a survey carried out by Wanderlust Publications, a UK-based prestigious travel magazine, in which nearly 1,600 Wanderlust readers submitted responses. The survey was based on travels from January 2000 and the respondents had visited 180 countries, 557 cities, traveled with 342

airlines and used over 500 tour operators. "Nepal has been a traveler's favorite for a long time and still fascinates visitors," said the magazine in its September 2001 issue. In the readers' survey, Nepal scored 96.1 per cent while New Zealand topped the list by securing 97.1 percent. *Compiled from reports Sep. 28.*

## Maoists Are Terrorists: Ranabhat

A senior government official has described Maoist activities as purely terrorist in nature. Addressing an interaction program organized in Lalitpur by the Samata Samaj Sunday, House of Representatives Speaker Taranath Ranabhat said if the Maoists were a political force, they



Ranabhat

would not have been engaged in destroying the very foundation of development. He warned that the country could take a critical turn if the Maoists did not behave seriously. *Gorkhapatra Oct. 1.*

## Pro-Maoist Farmers Issue Ultimatum

All Nepal Farmers' Organization (Revolutionary), a front organization of the underground Maoist party, has submitted a 27-point demand to Prime Minister Sher Bahadur Deuba Wednesday, saying it would launch an armed struggle if its demands were not met by one month. The demands include establishing tillers' ownership of land, fixing upper and lower ceilings on land holdings, promoting collective farming, modernizing agriculture and controlling import of agro-products.

According to Chitra Bahadur Shrestha, general secretary of the organization, Deuba said he viewed the delay in talks between the government and Maoist rebels seriously. He also expressed dissatisfaction over the Maoists' activities. "We have advised him (Mr. Deuba) to directly take part in the talks in order to find a political solution," said Shrestha. *Kantipur Sep. 27.*

## Khadka Welcomes Singh's Statement

A day after Indian Foreign and Defense Minister Jaswant Singh denounced Maoists in Nepal as terrorists and offered the Nepalese government New Delhi's cooperation, a senior Nepalese official has welcomed the Indian decision. In an interview with AFP news agency Wednesday, Home Minister Khum Bahadur

## Scindia Dies In Plane Crash

One of the most prominent leaders of the Indian National Congress (INC) Madhavrao Scindia died in a plane crash in northern India on September 30. The former Maharajah of Gwalior, a princely state in Madhya Pradesh, was on his way to Kanpur city where he was to address a political rally ahead of assembly elections in the Uttar Pradesh early next year. Scindia was the deputy leader of INC in the Lok Sabha and was seen as one of the fastest rising star of the beleaguered party. He has been uninterruptedly representing the constituency in Gwalior in the Lok Sabha for the last one and a half decade. He had served as a union cabinet minister during the Congress rule in 1980s and 1990s. Scindia, 56, is survived by his wife, one son and one daughter. Along with Scindia, seven others including four journalists died in the crash when the private Cessna, they were flying in, suddenly caught fire and nose-dived in the fields of Manipur district, 300 kilometers southeast of New Delhi.



**Khadka**

Khadka welcomed Mr. Singh's statement, saying it would help in curbing cross-border terrorism and other criminal activities. Nepal and India share a more than 1,750-km common, open border. In an interview with the official Doordarshan television, Singh said India supported Nepal's King and the government of Sher Bahadur Deuba in their fight against the Maoist rebels. *Space Time Sep. 27.*

yarn exported to India from Nepal was being sold below its normal value and that Indian industries had suffered material injury. *Compiled from reports Sep. 28.*

### Govt. Not Serious About Talks: Prachanda

Chairman of the underground CPN (Maoist), Comrade Prachanda has alleged that the government is not serious about talks. "We are not holding any peace talks with the government. It's being manifested in the form of political struggle to institutionalize the victory achieved by the people in the battlefield," said the underground leader. The talks between our party and the government are taking place at a very critical situation. If the government doesn't take it lightly, the then country will move toward an interim government, election to the constituent assembly and the process will ultimately institutionalize the republic. If anybody is dreaming of ignoring the seriousness of the issue and protect oneself with the help of army personnel only it might not be more than a terrible nightmare, he warned. Prachanda said efforts to link his party with the Indian rulers were nothing but propaganda. "In fact, we want to develop good neighborly relations with China and strengthen and balance our relations with India by scrapping all the unequal treaties of the past," he added. *Jana Disha, Sep. 24.* ■

### Ghimire In Accident

The editor of the Kantipur daily Yubraj Ghimire was injured on Saturday when a car he was driving collided with a truck at Sinamangal that afternoon. Ghimire was immediately rushed to B&B hospital where the doctors said he sustained a fracture on his right thigh and dislocated his spinal disc. He is now reported to be in a stable condition. Police have apprehended the driver of the truck. Meanwhile, a number of prominent personalities including leaders of various political parties visited the hospital and wished Ghimire a speedy recovery.



**Ghimire**

### India To Impose Anti-Dumping Duty

The Commerce Department of the Indian government has recommended imposition of provisional anti-dumping duty on acrylic yarn imported from Nepal. The Economic Times, a leading Indian business daily, reported Wednesday. Acrylic yarn manufactured by all companies from Nepal would be subject to a higher duty of \$0.84 per kg (as against the levy on shipments from Reliance Spinning Mills, an Indian company, of \$0.64 per kg). The department took the decision after complaints from four Indian companies saying that the market share of imports from Nepal had increased from 8.36 percent in 1998-99 to 27.37 percent in 2000-01. The directorate of anti-dumping and allied duties of the Indian government claimed that acrylic

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**King Gyanendra grants audience to Helmut Kutin, President of SOS International Children's Village**

**THE UNITED NATIONS SECURITY COUNCIL HAS** approved a resolution requiring all 189 member nations to deny money, support and sanctuary to terrorists. The legally binding resolution adopted unanimously Friday night is a significant international response to the terrorist attacks on the World Trade Center in New York City and the Pentagon in Washington DC. The resolution was introduced and approved in just over 24 hours, a pace that reflected Washington's wide support as it leads a global campaign to pursue those responsible for the attacks, and any nation that harbors terrorists.

**A MAN IN HIS MID-FORTIES KILLED FIVE FAMILY MEMBERS** in cold blood in eastern Nepal before committing suicide, reports said. Nanda Bahadur Rai, 47, a resident of Buipa village development committee in Khotang district, killed his wife, three daughters and a son with a khukuri while they were sleeping early Sunday and later hanged himself from a tree, police said. He also attacked and injured his eldest son and a neighbor. Rai was reportedly suffering from mental disorder for some time.

**THE UNSETTLED ACCOUNTS OF GOVERNMENT AGENCIES** by the end of last fiscal year had reached a whopping Rs 26.4 billion, up from Rs 18.28 billion last year. If unsettled accounts of other government agencies and committees are included, the amount reaches up to Rs 38.42 billion, reports said. This year's Auditor-General's report said 10 major ministries — including Finance, Water Resources and Local Development — accounted for nearly 94 percent of the total unsettled accounts.

**HELP TO THE HELPLESS COUNCIL, AN NGO BASED IN** Dharan, is planning to build buildings for giving accommodations to helpless children, imparting skills to women and providing medical facilities. The NGO, which has the objectives of educating needy children, providing skills to women and providing free medical services to the poor, requests all philanthropists, national and international affluent corporations, government units and donor agencies to contribute liberally to help it achieve its objectives. The council has been working in the social service sector since 1994.

**A TOTAL OF 1,620 NEWSPAPERS HAVE BEEN REGISTERED** in Nepal for publication as of mid-July this year. According to joint records maintained by the Press Council of Nepal and the Department of Information, 230 are daily newspapers, 13 are bi-weekly, 1,153 weekly and 224 fortnightly. There are still 19 out of 75 districts in the

country where no newspaper has been registered, the report said.

**THE GOVERNMENT OF SWITZERLAND HAS AGREED TO** provide the Nepalese government a grant assistance of Swiss franc 3.28 million (approximately Rs 156.35 million) for the implementation of the third phase of the rural health development project in Dolakha and Ramechhap districts. The project is expected to help upgrade the knowledge and skills of the health workers in the periphery and project staff, and make them capable of providing quality health services to the local people. An agreement to this effect was signed by joint secretary at the Ministry of Finance Dr. Madhav P. Ghimire and deputy resident coordinator of the Swiss Agency for Development and Cooperation on behalf of their respective governments.

**THE MAIN OPPOSITION UNIFIED MARXIST-LENINIST** party has criticized the government's offer to provide Nepal's air space and 'refueling' facilities to US aircraft in its fight against terrorism. In a statement signed by Jhal Nath Khanal, chief of party's foreign affairs department, the UML has also urged the prime minister to pursue the country's foreign policy on the basis of national consensus.

**PRIME MINISTER SHER BAHADUR DEUBA HAS SAID THE** problem of unemployment is more serious than that of poverty in the country. Addressing a program organized by the National Planning Commission (NPC) to discuss the concept paper of the Tenth Five Year plan here Wednesday, Premier Deuba said the NPC should pay special attention to resolving the problem of unemployment within the next 10 years. He added that controlling population growth and resolving unemployment and other socio-economic problems alone would help resolve the Maoist problem. Despite the prime minister's insistence, officials said the main thrust of the Tenth Plan is poverty alleviation.

**NEPALESE TRAVEL TRADE ENTREPRENEURS HAVE DEMANDED** that the government exempt visa fee on all the tourists visiting the country. According to the Pacific Asia Travel Association (PATA) Nepal chapter, the tourism entrepreneurs have also demanded 50 percent concession in all air service charges and 50 percent exemption in tourist entry fee in tourist places and national parks. Similarly, the entrepreneurs have suggested that mountaineers climbing up to 6,500 meters should be charged a minimum fee to lure them to Nepal. The entrepreneurs have also expressed worry about the ripple effects of the terrorist attacks in the United States on Nepalese tourism, one of the major foreign exchange earning sectors.

**THE JAPANESE EMBASSY IN KATHMANDU HAS AGREED** to provide around US\$ 80,000 to the Indigenous Development Foundation of Nepal, a non-government organization, for the construction of a Community Development Center in the eastern district of Jhapa. According to the embassy, the grant provided under the Grant Assistance for Grassroots Project of the embassy will be used for the construction of a two-storey well-equipped building, with a training hall, at Charpane village development committee in the district. The center aims to preserve traditional arts and crafts in which they have culturally specialized to satisfy consumers' demands.

**THE HOUSE OF REPRESENTATIVES ON SEPTEMBER 25** approved the Appropriations Bill, 2001 proposed by Finance Minister Dr. Ram Sharan Mahat. Earlier, the House with majority vote rejected all 39 proposals seeking cuts in the public expenditure in different appropriation heads. The approval of the bill has cleared the way for the implementation of the budget estimates for fiscal year 2001/02. ■

**“I** am confident and hopeful that the talks will be successful.”

*Prime Minister Sher Bahadur Deuba, on the government-Maoist talks, in Himalaya Times.*

\* \* \*

**“H**ow can there be talk of new election when there is a clear mandate for us? This smacks of conspiracy as well as foolishness on our part.”

*Krishna Prasad Bhattarai, former prime minister and senior leader of ruling Nepali Congress, in Gorkhapatra.*

\* \* \*

**“T**he Maoists want to disintegrate the country by raising communal and regional slogans. They consider the country's destruction as their success.”

*Madhav Kumar Nepal, leader of the main opposition and general secretary of Unified Marxist-Leninist, in Spacetime Daily.*

\* \* \*

**“I**t is meaningless to call for republic in a country where there is monarchy.”

*Girija Prasad Koirala, former prime minister and president of ruling Nepali Congress, in Himalaya Times.*

\* \* \*



Himalaya Times

**“B**y inviting a faction that stays in jungles and kills 10 people in the interim government, we would be triggering anarchy. What is the guarantee that tomorrow another faction will not follow suit?”

*Taranath Rana Bhat, speaker of the House of Representatives, in Jana Bhawana.*

\* \* \*

**“T**he Nepali Congress party has never concealed information. Rather, we feel the party has been way too open.”

*Arjun Narsingh KC, newly appointed spokesman of Nepali Congress, saying his party would always work in a transparent manner, in Bimarsha.*

\* \* \*

**“T**here is no guarantee that the new constitution will set up republic. Therefore the demand for the constitutional assembly is unnecessary.”

*Bamdev Gautam, general secretary of Marxist Leninist, cautioning against the danger of losing the rights restored after 1990 by demanding for constitutional assembly election, while addressing a program at his party office.*

\* \* \*

**“M**aintaining internal stability is the most important thing for Nepal. I hope and believe that under the leadership of His Majesty King Gyanendra and the government, Nepal can overcome all the difficulties, secure stability and concentrate on economic development.”

*Wu Congyong, Chinese Ambassador to Nepal, in Jana Bhawana.*

\* \* \*



Drishya

## Intellectual Distraction

National Assembly Chairman Mohammed Mohsin is one of the well-known intellectuals of the opposition Rastriya Prajatantra Party (RPP). Following his election as the chief of the upper chamber of parliament, Dr Mohsin has found himself thrust to the center of national politics. Although Dr Mohsin has cast himself as a "rational" thinker over the decades, his actions sometimes indicate otherwise.

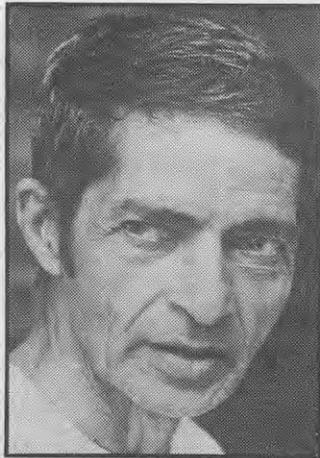


**Dr. Mohsin** : Digressive

When he started to talk on the issue of Afghanistan and Osama bin Laden with a foreign ambassador recently, those around Dr Mohsin were forced to take a second look at one of Nepal's most prominent Muslims. During the conversation, Dr Mohsin expressed greater concern about religion when the focus of discussion was on ways of countering terrorism. A well-read man like Dr Mohsin should be the last person to mix up the two issues.

## Equal Opportunity

What happens when a short man finds himself dis-



**Devkota**: Heightened sense of talk

cussing a burning national issue in the middle of two prominent six footers? When former prime minister Girija Prasad Koirala and CPN-ML general secretary Bamdev Gautam found the diminutive Rajeshwor Devkota in their midst, the two lanky men felt a little uncomfortable. But Devkota, whose sharp insights fire up political discussions, was not about to let the tall guys dwarf him. Koirala and Gautam pulled three chairs to include Devkota in their discussions. They could have sat while allowing Devkota to express himself standing. One doesn't know how Devkota would have felt, but that would certainly have leveled the debating field.

## Boycott's Downside

If you want some advice on making wads of money without working, go and ask members of parliament. During the last session, members of the CPN-UML and other parties got their salaries and allowances by boycotting the house. Now Nepal Sadbhvana Party (NSP) is doing the same thing. Party chief Gajendra Narayan Singh has given standing orders to his MPs in the lower house to boycott

proceedings after chanting slogans against the Land Reform Amendment Bill in front of the speaker. Singh, a member of the upper house, does the same thing before walking out of the chamber. This tactic is certainly not trouble-free. Since they are the only ones boycotting parliament these days, NSP MPs are finding it difficult to kill time.

## Positive Thinking

Prime Minister Sher Bahadur Deuba is extremely busy inaugurating public events in different parts of the valley. At this rate, one of the milestones of Deuba's first 100 days in office is going to be the number of programs he has inaugurated. From book launches to dance programs and from seminars on the drainage system to talks on martyrs, Deuba seems to be enjoying the opportunity to make a beginning. Deuba's followers are right, the prime minister doesn't know how to say no. But

think about it this way. When saying yes doesn't hurt things, why should the prime minister even think in the negative?

## Words Of Power

Nepalese communists seem to have a problem trying to prove that they are different from other parties. While one communist faction is waging war against the system from the jungle and other smaller factions are busy raising radical slogans from the streets, what options are left for the CPN-UML? During the winter session of parliament, the UML demonstrated its sturdiness by refusing to allow the house to convene for a single day of business. However, such tactics cannot be a permanent way of proving one's communist credentials. Until they come out with something more imaginative, UML leaders Madhav Kumar Nepal and K.P. Sharma Oli seem to be depending on the power of their words.

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## NEW DELHI'S NEW STAND

## Maoists On The Defensive

Indian Foreign and Defense Minister Jaswant Singh has labeled Nepal's Maoists as terrorists, raising hopes for peace

By A CORRESPONDENT

If Indian Foreign and Defense Minister Jaswant Singh's recent statement is any indication, New Delhi's has hardened its policy towards the Maoist insurgency in Nepal. Indian police are said to have been alerted against Nepalese Maoist leaders and activists believed to be residing in the bordering Indian city of Silguri.

Interestingly, a few days before declaring the Maoists as terrorists, the Indian government deployed 10,000 troops of the federally controlled Special Security Force along the Nepal-India border. "The government of India would continue its policy of extending cooperation to the government of Nepal and of having close cooperation between the authorities concerned on both sides to ensure peace and security along the border and to control activities of terrorists, criminals and other undesirable elements across the border," said a statement issued by the Indian Embassy in Kathmandu.

These two Indian steps have brought a ray of hope to Nepalis who are yearning for peace in the midst of a six-year-old insurgency launched by the Maoist rebels. "We have to welcome the Indian stand on the Maoist insurgency and on the posting of security forces along India-Nepal border to contain terrorism and criminals," said Sushil Koirala, general secretary of the Nepali Congress.

It is still too early to jump to any conclusions on India's policy toward Nepal, but one can nevertheless see signs of hope that Nepal will move toward achieving lasting peace. The agreement of the Nepalese government and Maoists to sit for a third round of talks must be seen as a step in this direction.

India's policy toward Nepal started to change following the goodwill visit to Nepal by Indian Foreign Minister Singh earlier

this year. During his visit, Singh had welcomed the government-Maoist negotiations aimed at finding a peaceful solution to the insurgency.

Some Nepalese foreign policy experts are still skeptical about change in India's policy. "We cannot draw conclusions on Indian policy on the basis of a single event. They may back the insurgency in Nepal from behind and take some harsh actions to show the world that India is against terror-



Jaswant Singh : Meaningful statement

ism," said a former Nepalese ambassador to India on condition of anonymity. "Nepal's policy toward India was never unfriendly, but Indian policy makers have left no stone unturned in order to destabilize Nepal. Unless India realizes that a prosperous and stable Nepal is a guarantor of Indian security, Nepal may not be able to achieve durable peace."

The century-old policy adopted by the British colonial rulers toward Nepal showed how a stable and prosperous Nepal could

safeguard the security of British India. Unfortunately, Nepal has not received similar treatment from independent India. More than a dozen insurgencies have been launched against Nepal over the last five decades.

If India had a clear stand on the insurgency, it would not have ignored the earlier statements made by two Nepalese leaders. During his last tenure as prime minister, Krishna Prasad Bhattarai raised the issue of India giving shelter to Nepalese Maoists, a concern also voiced by Dr Mahat, who was foreign minister. However, New Delhi ignored the statements. Following the recent remarks of Nepali Congress president and former prime minister Girija Prasad Koirala and CPN-UML general secretary Madhav Kumar Nepal accusing India of backing the Maoists, Indian officialdom was compelled to clarify its stand.

Although Koirala and Nepal have tried to soften the content of their statements, neither has retracted them. Interestingly, Nepal was among several communist leaders who visited Silguri last month to meet CPN-Maoist leaders, including Prachanda.

Following the terrorist attacks in the United States, the global approach to terrorism and violent insurgency has drastically changed. The US government has called for international solidarity to fight against international terrorism. As Western powers have realized the possibility of even a small insurgency ballooning into a major crisis, they have demanded clear-cut policies from governments on terrorism.

India, which has been fighting insurgency and terrorism from its northeastern states to Bihar in the center to Jammu and Kashmir in the west, may have realized the danger of a possible network of all the insurgents under a single command and control. Unlike the insurgencies of Nepal in the 1960s and 1970s, when it was virtually impossible to develop links among insurgents, one cannot rule out growing cooperation among rebel groups.

Whatever the circumstances that may have led to the shift in India's policy, it has certainly raised hopes for peace in the Himalayan kingdom, which has been passing through various stages of political instability, violence and uncertainty. ■

# SUPREME COURT Fresh Controversy

The apex court's decision on the constituency fund allocated to MPs triggers a new dispute between the two branches of the state

By KESHAB POUDEL

If the Supreme Court's decisions are influenced by populism, the possibility of justices being dragged into controversy can only grow. A decision should be based on the merits of the case and should be made within the purview of the law. In the last few years, however, some of the apex court's key decisions seem to have been guided more by populism than by legal conviction.

The judiciary appears to have been influenced by trial by the media than by legal prosecution. If newspaper headlines and populist slogans become the basis of justice, the very essence of fairness and impartiality that underpins an independent judiciary would wither away.

In its recent decision on the legality of the expenditure of the constituency development fund, the court issued an order to the government not to allow money to be spent on the basis of the expenditure manual. A three-member bench comprising justices Laxman Aryal, Kedar Nath Upadhyaya and Krishna Kumar Verma issued a directive calling for money to be spent under an act.

Although the court is yet to come out with its full judgement, the justices in their short order directed the government to draw up a law before disbursing the money in order to regularize the fund in the future.

Each member of the House of Representatives and the National Assembly is allowed to spend Rs1 million under Constituencies Development Program. The court questioned the validity of the manual governing the fund. MPs were angered by the court's decision. The day after the ruling, UML MPs even called for the impeachment of the justices who

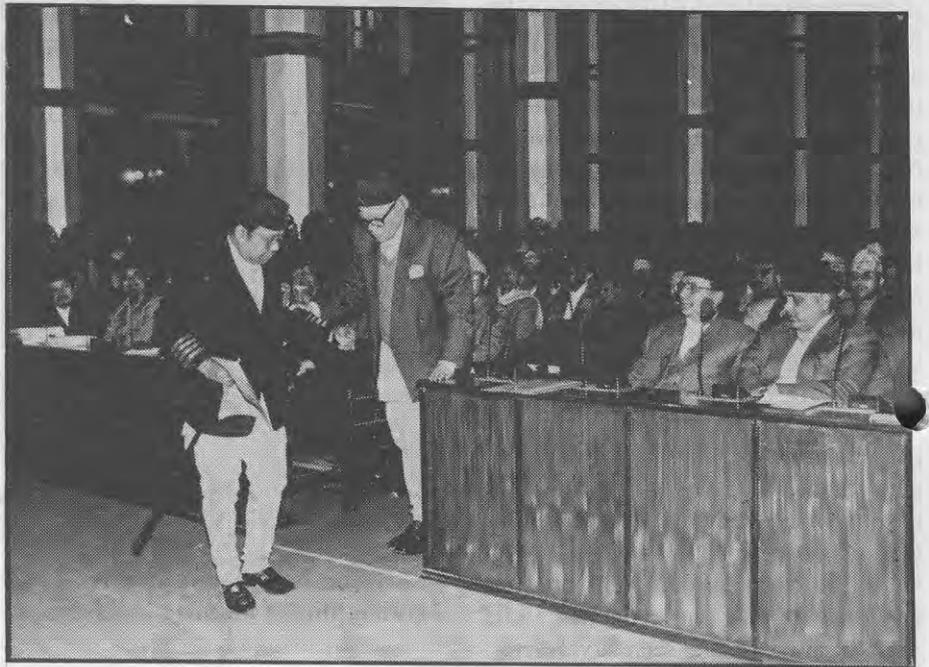
delivered the verdict, on grounds of inefficiency.

According to the UML MPs, the court's decision is faulty in declaring the manual illegal. They say money allocated through the national budget cannot be declared as illegal. "If judges and justices can draw money from the annual budget because the budget is itself an act passed by the parliament, how can money allocated through the Constituencies

But the petitioner maintained that the fund was inherently illegal. "To give money to the MPs is completely illegal and is against the spirit of the Local Bodies Act and Financial Administration Regulations," said advocate Bal Ram K.C. who pleaded on behalf of petitioner.

There was growing criticism that the fund was grossly misused by the MPs. "The court's decision will also help discourage corruption committed by MPs under this program," said K.C. "Despite the opposition [from the lawmakers], this is the right decision taken in the right time."

Others don't see merit in the argument advanced by the petitioner. "It is not the duty of the court to see whether money is being used rightly or not. The Commission of Investigation of Abuse of Authority exists to look into allega-



MPs in parliament : Delivering on development?

Development Program be declared illegal?" asked MP Lalbabu Pandit, addressing the House of Representatives. "If justices cannot understand the legal value of an act, what is the justification of putting them in the court?"

The spontaneous anger of the MPs is understandable, as they enjoy special privileges under the program to spend money on projects in their constituency.

tions of misuse of public funds," said a political analyst.

The timing of the decision was hardly propitious for the court, as a large number of MPs, particularly those belonging to the main opposition CPN-UML, are pressing the need to bring the justices and judges under the scrutiny of the police organization. After this ruling, the number of MPs wanting to bring the

judiciary into that net can be expected to rise.

"We must introduce an act in parliament to bring justices and judges under the purview of the CIAA," said UML MP Pandit. Although all opposition MPs, and some from the ruling Nepali Congress, are infuriated by the court decision, they seem to be asking junior MPs to step up the pressure.

Responding to a public interest litigation petition filed by an individual, the court issued a directive, not any kind of decision. "Like the court, which is so much influenced by populist headlines, MPs, too, have started to criticize the judgment without reading the full content," said a lawyer. "This bankruptcy of knowledge on the part of our MPs is very unfortunate."

The controversy is also related to the stand of the apex court on the question of locus standi. The court has often intervened in all kinds of petitions filed by unconcerned or unaffected individuals. In some cases, the court has been found to interpret the question of locus standi very liberally, while in others it has been stricter. For instance, the court dismissed a petition against the decision to grant licence to the private sector to operate mobile phones, citing that the Employee Association of Nepal Telecommunication Corporation did not have locus standi. Now the court accepted the locus standi of an individual with no relation with parliament in this case is being avidly questioned.

In issues related to parliament and other public matters, the court has entertained petitions from individuals who were not even remotely related or concerned with the issue in question. Because of the court's liberal attitude, public interest litigation is often misused to gain publicity. Very often, the liberal interpretations of the court have encouraged some people to file such petitions.

Such intervention that is prone to be controversial on account of its very nature sometimes might lead to conflict between top branches of the government or the principal departments of the states, which should be wisely avoided.

"In exercise of its enormous power,

the court should not be called upon to undertake governmental duties or functions, said A.S. Anand, Chief Justice of the Indian Supreme Court, in an article on public litigation. "The courts cannot run the government nor permit the administration to indulge in abuse or non-use of power and get away with it. It is necessary and essential for the courts to ensure that public interest litigation, which is taken recourse to for reaching justice to those who are for a variety of reasons unable to approach, the court to protect their fundamental rights should develop on a consistent and firm path. The court must be careful to see that by there over zealously they do not cause



**Justice Aryal : Judiciary in controversy**

any uncertainty or confusion. The exercise of this jurisdiction has often been described by critics of judiciary as judicial activism."

According to Article 88.2 of the Constitution of the Kingdom of Nepal 1990, the Supreme Court shall, for the enforcement of the fundamental rights conferred by the constitution, for the enforcement of any other legal rights for which no other remedy has been though provided or for which the remedy even though provided appears to be inadequate or ineffective, or for the settlement of any constitutional or legal question involved in any dispute or public interest or concern, have the extraordinary power to issue necessary and appropriate orders to enforce such rights or settle the dispute. For these purposes, the Supreme Court

may, with a view of imparting full justice and providing the appropriate remedy, issues appropriate orders and writs including these habeas corpus, mandamus, certiorari, prohibition and quo warrant.

MPs have been spending money from the fund on the basis of financial manual. The apex court wants it to be replaced by either government regulations or parliamentary act. The justices seem to have no problem with the allocation of funds. They want to ensure that expenditure should be based on some formal rules.

In Nepal, it is time for the apex court to refrain from or be careful to avoid the direct conflict and confrontation with parliament or the executive over matters in their jurisdiction. Opposition parties say the judiciary, by issuing directives to the administration, is usurping the functions of the legislature and the executive and is attempting to run the country. Finding a delicate balance between ensuring justice in society and maintaining institutional legitimacy is a continuing challenge for the judiciary.

A decision should have a jurisprudential base with clearly discernible principles. Courts have to be careful to see that they do not overstep their limits because to them is assigned the sacred duty of guarding the constitution. We must, however, remember that while exercising jurisdiction in public interest litigation cases, courts do not forsake their duty and role as a court of law dispensing justice in accordance with law.

It is only where there has been a failure on the part of any authority in acting according to law or in non-action or acting in violation of the law that the court needs to step in. In cases where the executive refuses to carry out the legislative will or ignores or thwarts it, it is surely legitimate for courts to step in and ensure compliance with the legislative mandate.

For their part, MPs and the executive should avoid any action that could infringe upon the independence of the judiciary. Lawmakers should work toward making their expenditure more transparent rather than going for an all-out conflict with the judicial branch. ■

# NEPAL-INDIA TRADE TALKS Going Nowhere

With the trade treaty coming up for renewal in weeks, Nepalese and Indian officials remain divided on a number of issues

By SANJAYA DHAKAL

Nepalese trade officials are hinting at the need for political intervention to smooth the tangled talks with their Indian counterparts, which ended without conclusion in New Delhi last week.

The issue of "export surge" remained the stumbling block yet again. Indian and Nepalese officials failed to reach an agreement addressing India's concerns on the matter it before the renewal of Nepal-India Trade Treaty 1996, set for December.

The officials from the two countries failed to unzip the contention after the Indian side stuck to the demand it put forth during the August 1-5 bilateral meeting in Kathmandu. India had notified that it wants to review certain provisions of the treaty, while Nepal has been maintaining that, though it is open for negotiations, it is unwilling to kill the spirit of the accord.

Although the two sides had agreed to follow the issue of "export surge" in the August meeting, Indian officials could not come up with a concrete proposal last week, raising doubts over the future of the treaty.

Purushottam Ojha, joint secretary at the Ministry of Industry, Commerce and Supplies (MoICS), who led the Nepalese delegation, said the Indian side would be delivering its written proposal on the issue of "export surge" as well as "rules of origin".

"The Indian delegation has told us that it would submit the proposal soon and has agreed to hold commerce secretary-level talks within a month," Ojha was

quoted as saying in a daily newspaper. "We listened to them. We will make our comments after we receive the written proposal and know what provisions they want to add on rules of origin and export surge."

The Indian side has promised to make available the proposal before the secretary-level meeting, but it still unclear how the future talks would unfold. There is special urgency to the matter, since the treaty has to be renewed within the next two months.



**Indo-Nepal border : Flourishing trade**

India has been expressing its reservations on the "surge" of some five items, including polyester yarn, vegetable ghee, copper wire rod, zinc oxide and G.I. pipe that are exported from Nepal. These five items are among the largest Nepalese exports to India.

During the first 11 months of fiscal year 2000/01, polyester yarn exports increased by 38 percent (worth NRs 1460 million), vegetable ghee by 27 percent (NRs 3070 million), copper wire rod by 382 percent (NRs 1930 million), zinc oxide by 17 percent (NRs 245 million) and G.I. pipe by 400 percent (NRs 280 mil-

lion) compared to the same period the previous year.

Immediately after the August meeting, the Indian side unilaterally imposed anti-dumping duty on the exports of zinc oxide from Nepal, choking off its exports. The Nepalese government has formally requested the Indian government to withdraw the decision, saying it was against the treaty that allows duty-free access to Nepalese-manufactured products into the Indian market.

Nepal maintains that its exports are meager (only 2 to 2.5 percent of the total Indian imports of the items are said to have fallen on the surge net) in the huge Indian market. Nepalese officials argue that curtailing the exports of these items would widen the trade deficit Nepal is currently facing with its single-largest trading partner, India.

Imports from India amounted to a whopping Rs 40.92 billion, while exports stood at Rs 22.62 billion in the year 1999/2000, with a net trade deficit of a staggering Rs 18 billion. "It is not appropriate to check the growth of Nepalese exports to India in the name of export surge. In the wake of the huge trade deficit, we need to increase our exports to India further," Ravi Bhakta Shrestha, President of Federation of Nepalese Chamber of Commerce and Industry, told SPOTLIGHT.

Because of the 1996 trade treaty, Nepalese exports to India have been able to grow gradually and the trade deficit declined at an annual rate of 5 percent. At present, more than 40 percent of Nepal's exports is headed towards India and 35 percent of its imports come from its southern neighbor. Almost 40 percent of Nepal's total exports to India come from Indian joint-venture companies like Dabur Nepal, Nepal Lever and Colgate-Palmolive Nepal.

With so much at stake, any needless delay in the renewal of the trade treaty would be counterproductive to both sides. As the date of renewal nears, it would be wise for politicians to take up and expedite the matter for the economic well-being of both countries. ■

## HEART DISEASES

# Alarming Increase

## Despite growing health awareness, heart diseases are growing in urban and rural areas

By A CORRESPONDENT

**T**he number of patients with rheumatic heart disease continues to increase among the rural poor, imposing an additional economic burden on an already vulnerable segment of the population. Although health awareness in urban areas has increased over the years, the rural people continue to lack basic information on the methods of preventing heart diseases.

According to an unofficial estimate, there are more than 100,000 patients with rheumatic heart disease who are in dire need of surgery. A patient needs to spend at least Rs.20,000 to Rs.30,000 on surgery. Similar operations in hospitals in India may cost four times as much. The cost in private nursing homes can exceed Rs.100,000.

The Tribhuvan University Teaching Hospital started offering surgery for rheumatic heart patients nearly four years ago. Now Ganga Lal National Heart Center has come out with facilities to a limited number of patients. "We can provide all kinds of facilities to heart patients. With a capacity of 60 beds, our hospital also has well-equipped facilities to perform surgery," says Dr. Bhagwan Koirala, director of the center. "We are offering our service targeting the poorest citizens."

Heart diseases are no longer confined to prosperous urban communities. They are gradually turning into a major burden for poor rural families. Since curative methods are so expensive, experts have long stressed the need to go for prevention. Rheumatic heart disease is preventable in the early period with relatively inexpensive medicine. Because of lack of knowledge, however, a large number of rural children have the disease.

Although some facilities for patients with rheumatic heart disease have been added in the country, treatment is still not affordable for the poor community. Most

would have to spend their lifelong savings on treatment.

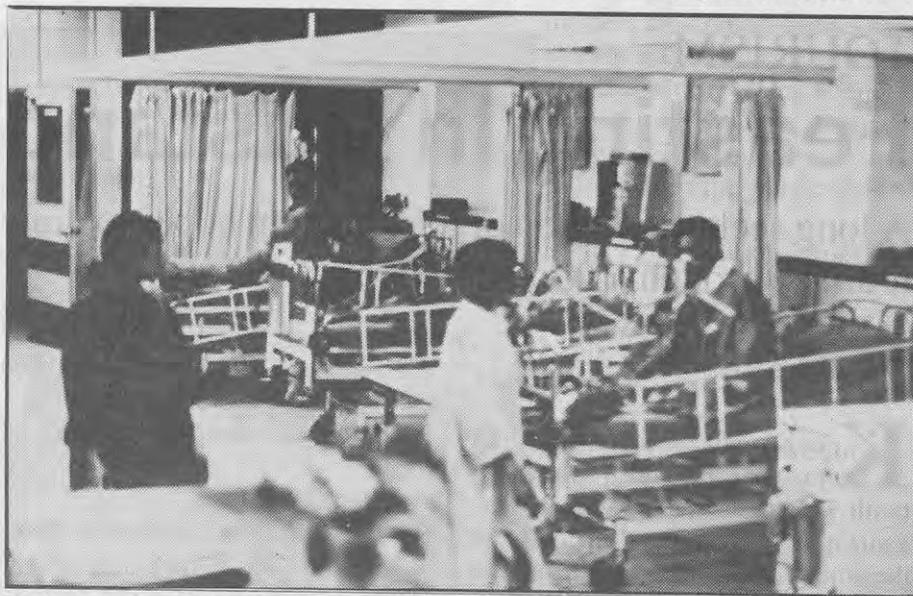
The high prevalence of cardiovascular diseases (CVD) risk factors in older people, particularly raised blood pressure and raised serum cholesterol, suggests the need for widespread treatment. It can be achieved through slight changes in lifestyle, especially through physical exercise and adjustments in dietary patterns.

There are many risk factors for coronary heart disease, stemming from the changing lifestyles in the urban areas. Increasing

factor levels throughout life and may have an even greater impact in older people. Relatively modest reductions in saturated fat and salt intake, which would reduce blood pressure and cholesterol concentrations, could have a substantial effect on reducing the risk of cardiovascular disease. Increasing consumption of fruit and vegetables daily could cut cardiovascular risk by 30 percent, according to the World Health Report of 1998, put out by the World Health Organization.

Smoking is the most important modifiable risk factor for CVD in the young and old alike. The decline in smoking may reduce the number of disease. Reductions in stroke and CVD rates from smoking cessation increase with the time since quitting the habit.

Although the number of heart-related ailments could be reduced simply taking some precautionary measures, the number of patients with these problems continues to



**Patients in hospital :** Hoping for the best

number of smokers, the popularity of junk food, lack of sufficient exercise, among other factors, have led to a rise in the number patients with heart diseases.

Experiments have shown that reduction of blood pressure by 6 mm Hg reduces the risk of stroke by 40 percent and that of heart attack by 15 percent. A 10 percent reduction in blood cholesterol concentration would reduce the risk of coronary heart disease by 30 percent.

Dietary changes seem to affect risk

rise at alarming levels. "As a country like Nepal, where a large number of the people cannot afford the treatment related to heart diseases, it is better to start prevention and awareness programs," says Dr. R.P. Shrestha, former director of Bir Hospital.

Even if the country were to develop more treatment facilities, a large segment of the population would not be able to afford the cost of consultation and medication. Greater awareness of ways of preventing the disease may be a more potent antidote. ■



Mules carrying goods in Mustang : A hidden land

## TOURISM

# Feasting In Mustang

A long secluded region of the kingdom hopes to draw tourists through a three-day festival

By AKSHAY SHARMA

**K**nown until a decade ago as "The Lost and Forbidden Kingdom", north-western district of Mustang is organizing a festival that coincides with the annual pilgrimage to Muktinath. The shrine, revered by Hindus and Buddhists alike, is located where, according to legend, Lord Shiva sought solace after the loss of his first wife.

The road to Mustang, which is one of Nepal's trans-Himalayan districts, goes through Pokhara. It is a three-day pleasant walk from Beni to Jomsom. Airlines offer direct flights to Jomsom and tickets can be bought through travel agencies.

The Nepal Tourism Board and Muktinath village development are or-

ganizing three days of activities called the "Mustang Festival" from October 1 to 3 to draw domestic and international tourists.

There are 23 hotels in Jomsom, with 660 beds and 185 attached bathrooms. There are also 103 rooms available without these facilities. Operators of these accommodations are providing a 25-percent discount during the festival.

Horses can be hired to see such local sites as Marpha, Tukche, Kowang Lete, Kagbeni and Muktinath. The organizers will give a prize of one kilogram of apples for every tourist visiting the festival. They will also offer one free meal and free accommodation to people from the Tourist Guide Association and invited guests.

Also known as the Muktinath Fes-

tival, the event has a plethora of activities that are to be held in Jomsom, the district headquarters. Having captured the imagination of people around the world as a quaint and out-of-this-world locale, Mustang was opened to foreign tourists in 1991.

The organizers have planned food and agriculture festivals highlighting the region's traditions. Handicraft and cottage industries in and around in Mustang will hold an exhibition where items will be on sale.

A fashion show will carry first prize of Rs 3,000, while the first and second runners-up will take Rs 2,500 and Rs 2,000 respectively. A cultural show will be held as part of the festival. Cash prizes of Rs 10,000, Rs 7,500 and Rs 5,000 will be awarded to the top three participants. A consolation prize of Rs 2,500 has also been set.

A football match will be held in which the winner will take away Rs 5,000. Those in second and third places will get Rs 2,500 and Rs 2,000. A bow-and-arrow shooting competition carries prizes of Rs 3,000, Rs 2,500 and Rs 2,000 for the top three contestants. Shooting with bow and arrow is an old "Thakali" custom.

A horse-riding contest carrying cash prizes of Rs 1,500 and Rs 1,000 each for the top two winners will be part of the festivities. The "Dumla Tal" marathon race will carry Rs 3,000 and Rs 2,500 in first and second prizes. The organizers pledge to give health and education special priority during the events.

A special tree-plantation program for tourists and photography and art competitions are also to be organized. The top three winners in the photo contest will receive Rs 2,000, Rs 1,500 and Rs 1,000 in prizes. The painting competition carries the same amount in prizes.

A long secluded region of Nepal is opening its arms to visitors from Nepal and abroad, showcasing another facet of the rich heritage of the kingdom. ■

## AVIATION INDUSTRY

# Struggle For Survival

Domestic airlines are in disarray following the increase in insurance costs

By A CORRESPONDENT

If everything goes well, private airline operators will increase their fare by an equivalent of US\$ 4 in Nepalese rupees per passenger. After the terrorist attacks in the United States on September 11, insurance companies around the world have increased their surcharges by several folds, forcing carriers to pass on part of the rise to the passengers.

Although international airlines, including Royal Nepal Airlines, have already added the surcharge, depending upon the number of aircraft in their fleet, domestic private airlines are doing so now. "We have already requested the government to take the necessary decisions to share our burden," says Birendra Basnet, managing director of Buddha Air. "The airlines have to start imposing additional surcharges very soon."

With relatively low tourist arrivals over the last two years, Nepal's private airlines were already in the doldrums. They responded by, among other things, lowering the frequency of flights. Because of the strong competition among the private airline operators generated by the government's open-skies policy in the early 1990s, fares could not be increased. Now, with the cost of risk insurance increasing by several folds, private airlines have been forced to add a surcharge on passengers' tickets.

Unlike the previous two months, Nepal's airlines industry has gradually moved on the path

to recovery. However, the nature of the impact the increased fare will bring remains to be seen. "If the situation goes unchanged, obviously, we won't have to be worried. Despite the cancellations [of tourist bookings in the aftermath of the US attacks], the trend of tourist arrivals is encouraging," says Basnet.

The increase in the insurance surcharge will continue to affect the fares of international flights. According to

aviation experts, the costs may go higher if the United States, as anticipated, leads a Western attack on Afghanistan in pursuit of terrorism suspect Osama bin Laden.

In South Asia, the highest insurance surcharges are on Sri Lanka-bound flights. After Tamil rebels launched a daring attack on the country's main international airport in June, destroying about a third of the national carrier's fleet, insurance companies have put Colombo in the high-risk category.

Frequent accidents of domestic aircraft in Nepal, too, have sent wrong signals in the international insurance market. After a rise in the number of domestic accident in 1998 and 1999, insurance companies started to charge more premiums in Nepal.

To survive in what has become an increasingly tight business environment, most private airlines have already started to reduce the frequencies of their flights, hoping to save tens of thousands of rupees. Some airlines are planning to share codes while others are considering merger plans.

For most private airlines, survival itself has become one of their major concerns. With tourist arrivals declining and insurance prices, fuel prices and airport taxes soaring, by a cumulative 500 percent, according to some estimates, carriers are finding it virtually impossible to go alone.

If tourists continue to cancel their booking at this rate, some airlines may simply be forced out of business. Others would have to merge to reduce costs. Airline managers have already begun studying various ways of reducing operating and overhead expenses.

The recent terrorist attacks in New York City and Washington DC have compounded the woes of the Nepalese aviation sector, which was already battered by the six-year-old Maoist insurgency and a series of adverse events. ■



Private airlines : Feeling the heat

## NEPALESE ECONOMY

# Victim Of Global Uncertainty

The political and economic shock waves of the September 11 terrorist attacks on the United States continue to reverberate across the world. Thanks to its efforts toward liberalization and openness over the last decade, Nepal can't remain isolated from the latest developments. As the government is still assessing the situation and the private sector already feeling the heat, concerted efforts need to be launched to cope with the aftermath and the enduring challenges

By BHAGIRATH YOGI

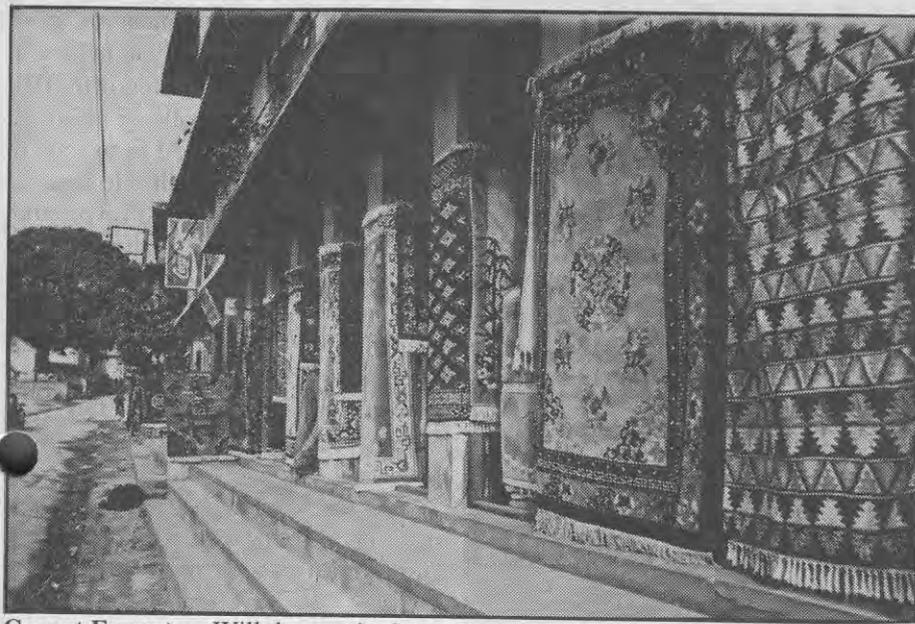
**W**hat could be a more fitting symbol of solidarity and nationalism for a grief-stricken country than its national flag? As the demand for the national flag soared in the United States after the terrorist attacks at the centers of the country's economic and military might last month, a little-known company in

Shanghai ran its factory round the clock to supply Americans with the emblem of their patriotism.

For Ranbaxy, a leading pharmaceutical company in India, demand for its broad-spectrum antibiotic medicine—ciprofloxacin—also soared as the United States and other countries feared a chemical or biological attack by terrorists. Ironically, the September 11 terror attacks in the United States presented both economic

opportunities and challenges across the globe.

For a small, impoverished economy at the foothills of the Himalayas thousands of miles away, the tremors came in the form of faxes reaching travel agency offices and hoteliers announcing the cancellations of guests. Industry sources estimated that some 15 to 40 percent of the bookings in the hotels have been canceled over the last three weeks. "Initial esti-



**Carpet Exports : Will they revive?**

mates put the losses likely to be incurred by the hoteliers at around Rs 300 million," said Narendra Bajracharya, President of Hotel Association of Nepal (HAN).

The terrorist attacks in the United States, which killed more than 6,000 people and injured thousands of others, could not have come a worse time for Nepal's travel trade sector. As entrepreneurs and officials were anticipating good sales after the sustained disturbances over the last two years, international travel was hampered, striking a big blow at the aviation and tourism industry. Insurance premiums went up and there have been delays in cargo shipments.

Naturally, the first victim of the worst terrorist attacks in history was the movement of people and goods. Though the cost of freight has declined marginally for the time being, exporters are worried about the slump in demand in the US market and failure to deliver products on time, among other things. Suffering from a number of problems for the last few months, the readymade garment industry --one of the highest foreign exchange earners for Nepal — had to bear a body blow after the attacks (See Box). From tourism to garment and from handicrafts to foreign direct investment, everything is going to be affected in the aftermath of the disturbances in the biggest economy in the world.

"Even foreign aid to Nepal might decline if the full-scale war starts in the near future," said Dr. Govinda Bahadur Thapa, an economist at the Nepal Rastra Bank (See Box). Considered as the engine of world growth during the 1990s, the slowdown in the US economy had already started since late 2000. According to The Economist magazine, business investment in the United States had fallen sharply and industrial production shrank by 4.8 percent by August. Unemployment crept up only slowly to begin with, but the rise had recently begun to accelerate, going from 4.5 percent to 4.9 percent between July and August this year.

As the most lavish consumers in the world would be tightening their purse strings, fearing a full-scale war to break out any time soon in the inhospitable terrain of Afghanistan, exports from all over the world are likely to shrink. The slowing of the economy in the United States and Japan would have an impact in the markets worldwide. For Nepal, the escalation of the conflict in the Middle East could result in the return of Nepalese laborers, leading to a significant reduction in the flow of remittances.

The latest crisis showed that unlike until a few years back, Nepal could no longer sit back when serious disruptions emerge in the world economy. Thanks to

its growing integration into the global economy, the country is affected by turmoil in the international economic system.

Unfortunately, the latest disturbances have come at a time when business confidence is said to be at one of its lowest ebbs. No new investment is coming, consumer demand has not gone up and trade has not expanded within and outside the country because of the Maoist insurgency over the last few years. The recent spree of extortion, strikes and disturbances unleashed by the Maoists in different parts of the country, including the capital, had robbed whatever confidence Nepalese businessmen had in the country's law-and-order situation. Moreover, irresponsible remarks and demands by some opposition parties, including the Nepal Sadbhavana Party and Rastriya Prajatantra Party, for the imposition of ceilings on private property resulted in a massive capital flight from the country. Up to Rs 6 billion, mostly in Indian and convertible currency, may have left the country in the past few weeks, said sources. Though the outflow of money did not have any significant impact because of strong foreign currency reserves in the country, it showed how vulnerable the Nepalese economy was.

Recent reports say the Nepalese economy was not doing that bad over the last few years. According to a report published by the International Monetary Fund (IMF), the macroeconomic performance of the Nepalese economy has been satisfactory during the past two years. Overall real GDP growth (at market prices) surged from 4 percent in 1998/99 to 6 percent in 1999/2000, led by improved agricultural performance and strong exports. Growth is estimated to have eased to 5 percent in 2000/01, owing to the dampening effects of higher oil prices and a marked decline in tourism due to domestic disturbances. Consumer price inflation fell to under 1 percent in the 12 months to mid-2000 and remained below 4 percent during the following year, with abundant food supplies offsetting the effects of higher energy prices.

The external position was generally favorable in 1999/2000 and 2000/01, with the current account close to balance and a

# War or No War, Nepalese Economy Will Suffer

■ NARENDRA K. BASNYAT

*As President of Nepal-USA Chamber of Commerce and Industry (NUSACCI), NARENDRA KUMAR BASNYAT, is trying his best to promote trade and investment between the two countries. He spoke to SPOTLIGHT on the likely impact of recent terrorist attacks in the US on the Nepalese economy. Excerpts:*



## What are the major areas that are likely to be hit?

Definitely, tourism is one of the prominent sectors that will be hit due to recent attacks in the US. It is because large number of tourists visit Nepal every year. Now we should look to Europe and other countries as well. Once the tourism sector is hit, it will have impact on the entire economy including employment, foreign exchange earning and even sales of agricultural produces. Hotels may be forced to lay off their employees. In the export front, readymade garments were facing problems on the US front due to other reasons. Now the problem may aggravate. It will have cumulative impact especially on a country like us.

## What will happen if the war breaks out?

Now we have seen people suffering from fear psychosis. Once the war breaks out people would try to avoid international travel as much as possible. There have been reports that the premium on insurance have gone up. It will have direct bearing on Nepalese airlines as well. It will also affect domestic flights. Whether war or no war, Nepalese economy will certainly suffer.

## How do you see the prospects of minimizing such impact?

It will depend largely on how the international community responds to the menace of terrorism. Individually, there is very little that Nepal could do.

## Amid recent crisis, what needs to be done to make our economy competitive?

For quite sometime now, our economy has failed to take a definite direction due to internal political problems. The recent disturbances in the US will further aggravate the problem. Internally, the security issue has had very bad impact on the process of industrialization in Nepal. The government needs to take steps to boost the level of confidence among the business community. There should be reinforcement in the economic activities within the country. Financial Sector Reforms should be pushed further and domestic investors should be assured that the government will provide every support to them. The government must play a pro-active role to boost the confidence of the private sector.

## US Investment in Nepal (as of Aug. 2001)

Type of Industries	No. of Industry	Total Project Cost	Foreign Investment (in million Rs)
1. Agriculture and Forestry	1	334.0	7.00
2. Manufacturing	23	2624.32	1280.29
3. Electricity, Water, Gas	2	4868.99	1088.54
4. Hotel & Resort	20	1759.94	313.28
5. Transport & Communication	5	1292.66	535.31
6. Service Industries	21	728.27	214.38
<b>Total</b>	<b>72</b>	<b>11608.19</b>	<b>3438.79</b>

(Source: Dept. of Industry)

steady increase in reserves. Aided by strong exports and increased remittances, gross official reserves reached \$946 million in 1999/2000. Executive directors of the IMF noted that the primary challenge facing the Nepalese authorities would be to achieve strong growth on a sustainable basis to reduce the continued high level of poverty.

"This will require comprehensive structural reform and substantial foreign aid, together with political stability and internal security." With the Maoist rebels agreeing to observe 'cease fire' with the government forces since July this year, Nepalese economy was expecting a per dividend.

As the negotiations are yet to show signs of a lasting peace and stability, businessmen are adopting a posture of wait and see. "We have put on hold all the decisions regarding new investments," said a leading industrialist, on condition of anonymity. "I don't see the bright prospects for the Nepalese economy at least for the next couple of years."

Officials on their part are still trying to become optimistic. "The government is assessing latest developments within the country and abroad and will take measures, as necessary," said Finance Minister Dr. Ram Sharan Mahat. (See Interview).

Businessmen, too, agree. "Reviving the business confidence should be the priority of the government," said Narendra K. Basnyat, President of the Nepal-USA Chamber of Commerce and Industry. Added Narendra Bajracharya, the HAN President, "The government should introduce a package program without further delay. If the tourism is hit, it will have a snowball effect on all sectors of the economy."

Diversifying market, both for exports and tourism, would go a long way in promoting Nepal's interests, say entrepreneurs. If tapped properly, the latest tragedy could also come as a blessing in disguise for Nepal, they say. For example, some 20 million Japanese go on holidays around the world, most of them to the United States, every year. "As they will be diverting to Asian destinations this year due to disturbances in the United States, Nepal could benefit a lot only if we could tap only 0.5

percent of that number (that is, around 100,000 tourists)," said Hari Man Lama, managing director of Incentive Tours and Travels. "Both the government and private sector should launch aggressive marketing campaign in Japan and other East Asian countries to tap this opportunity."

Officials have been talking about diversifying the Nepalese export market (also known as the two country-two product syndrome) to reduce excessive dependence of the readymade garment sector on the United States and that of hand-woven carpet on Germany for quite sometime now, but nothing concrete has emerged so far. This means that we should be focusing on long-term planning and management rather than resorting to knee-jerk reactions. Obviously, the long-term planning would require close assessment of the changing world scenario and positioning Nepal in a fitting manner.

Officials as well as the business community are worried about the timing and intensity of the conflict as well as the response from the Taliban regime in Afghanistan and other Muslim countries. The fluctuation in the oil price and disturbances in the markets where Nepalese laborers are working, especially in the Middle East, could have a far-reaching impact on Nepal. Nepal had to rescue its workers from the Arabian countries during the Gulf War in 1991. With an estimated 200,000 Nepalese working in Gulf countries today, the impact could be more severe, say analysts.

"An all-out war would have a serious impact on Nepal's working abroad as well as on the supply and price of oil," said Dr. Govinda Thapa. "We might even have to face a oil shock as was the case in the late eighties."

With the growing integration of Nepal into the world economy, the country can no longer afford to remain an idle spectator in the world scenario. Whether it is foreign relations, strategic matters or economic issues, Nepal needs to carefully formulate policies and strategies to deal with emerging crises. Of course, there will be a need for close public-private partnership to address such problems by bridging the crisis of confidence that currently seems to exist between the two. ■

## 'It Could Have A Far-Reaching And Serious Impact On The Nepalese Economy'

— Dr. GOVINDA B. THAPA

*Vice Principal at the Bankers Training Center of Nepal Rastra Bank, DR. GOVINDA BAHADUR THAPA keeps himself abreast of latest developments around the world and their likely impact on the Nepalese economy. He spoke to SPOTLIGHT on related issues. Excerpts:*



### **What do you think would be the impact of recent terrorist attacks in the US on the Nepalese economy?**

As the shock waves have spread around the world after the terrorist attacks in the US, I visualize a far-reaching and serious impact on the Nepalese economy as well. If the US decided to execute war it can have more serious and long reaching impact. One of the major sectors being affected by the recent development will be the readymade garments that had established itself as the top export product from Nepal. Second, there are indications of significant reduction in the number of tourists coming from the US and Europe. Third, multilateral agencies like the World Bank and IMF and other organizations have canceled all their international meetings in the aftermath of the attacks. It will have adverse impact on the tourism. Fourth, as the US and European governments will be diverting their resources for rescuing sectors like airlines affected after the attacks and towards financing the war, there might be substantial reduction in the foreign grants that we were receiving. The long-term impact on our economy will also depend on magnitude, focus and center of the war, among others.

### **Could it have some impact on the flow of remittance to Nepal?**

We don't have much remittance coming from the US and other European countries as the cost of living is high there and number of Nepalese working is also relatively small. The main source of remittance (other than India) is the Middle East and South East Asian countries. If war escalates in Afghanistan, Nepalese workers from the Middle East could return out of insecurity. If the supply of oil is disturbed we could also face a situation of 'oil shock' as was the case in 1974 and 1979.

### **So, what could be done to mitigate such impact?**

In terms of tourism, we should focus on countries like India, Japan, Korea etc. and launch aggressive marketing campaigns there. We should immediately go for market diversification in case of the readymade garments. We should explore if we can send Nepalese garments to countries like Australia, Korea, Japan, South East Asian and European countries. As we will not be getting more grants, the government should go on trimming its expenditure. We should be more conscious on the fiscal management. Though we don't need to worry on the front of foreign exchange reserves, export and inflation, import has failed to increase thus having impact on the revenue collection, industrial production and other activities in the market. As our market is focused in urban areas only recent disturbances like extortion, strike etc. have had impact on the industrial production. There haven't been additional economic activities due to global economic slowdown, deteriorating law and order and political instability. So far as the war is concerned, we are helpless. But in order to insulate the economy from the problems created within the country there should be attempts to end the on-going government-Maoist talks in a positive way. Otherwise, our economy could hit the rock bottom.

### **Do you mean that the domestic factors are more crucial?**

Of course. Deciding factor in the Nepalese economy is domestic factors though inflation and interest rates here are very much affected by the same in India. This year the agriculture production is good. In order to create an environment for investment, the government could bring out a crisis management package. It should focus on increasing production, increase both import and exports and create employment opportunities. There will not be long term investment from the private sector now as it is adopting the policy of wait and see. The investment will not come unless the current political controversy is settled. ■

## GARMENT INDUSTRY

# Terror Fallout

The collapse of the twin towers seven seas away is having an adverse affect on Nepal's economy, particularly garment exports

By SANJAYA DHAKAL

Udaya Raj Pandey is an unhappy man today. Having pumped in millions of rupees into his new garment factory in Kapan just last year, Pandey is now lamenting that investment decision. His factory has no work at least until December.

The general secretary of the Garment Association of Nepal (GAN) and proprietor of Serene Garment Industries, Pandey says he and other members of his trade have been literally "pushed to the wall" by the series of national and international events over the last six months.

The latest event to hit them is none other than the terrorist attacks in the United States. America being the single largest importer of Nepalese garments, any change in the economy there is likely to have a cascading effect here.

It is especially strange to see Pandey in such depressed mood at this time of year. This is the season when spring bookings start in the United States. "This is the time when 75 percent of the total demands used to come by. But now with the recession setting in the United States, we are left in the lurch," said Pandey.

In fact, the worries of Nepalese garment producers did not start with the September 11 terrorist attacks. They were already feeling pressure after the US Congress passed the African bill last year, making it easier for developing countries in that continent to export garments to US markets. As the Nepalese garment producers are

at a disadvantage because of their high transportation costs (the added cost of delivering the products to the nearest seaport), they were taken aback by the decision.

Compounded by the attitude of indifference exhibited by government officials, garment producers were pushed closer to the brink of collapse by insecurity and labor disgruntlement related to Maoist activities. Just as they were hoping to make a comeback, the final kick, it seems, has arrived.

Already 80 percent of the garment factories have closed down and 40,000 people have lost their jobs. Last year, garments worth Rs 14 billion to 15 billion were exported. "We expect that will come

down by half this year," Pandey said. He added that if the situation does not improve, all the garment industries would close by the end of the year. "There has to be an urgent move by the government to help us sail through this period of uncertainty," Pandey added, complaining that the authorities were too preoccupied in their dialogue with the Maoists to take any notice of the country's economy.

Agrees Shyam Agrawal, managing director of Worldlink Communication. "It seems our leaders have no time to address the bleak economic situation. They are always busy in politics." Agrawal says that the fallout of terrorist attacks in United States may not be very bad for the information technology sector in Nepal, "since we are not doing much business with the US". Even then, companies providing IT-enabled services like medical transcription and call centers would suffer if the recession in the United States continues for too long.

Finance Minister Ram Sharan Mahat, too, seems worried at the negative consequences of the terror attacks. "In the aftermath of the terrorist attacks in New York and Washington DC on September 11, things have worsened further. Tourist arrivals have gone down suddenly when it was in the process of recovery. Hotels and travel agencies are receiving cancellations. Tourism revenue is down. Last month's overall revenue collection was lower than the same period last year," Dr. Mahat told SPOTLIGHT (See Interview).

"Tourism has already been affected. Now our exports will be affected, as you know the United States is the largest buyer in the global marketplace. Particularly, our garment industry will be badly hit. We are having problems in competing with products from Africa and other countries in the US market. It would be more difficult as confidence among consumers is very low at this moment. When consumer spending goes down, it will affect the whole economy," said the finance minister. ■



Ready-made garments : On the wane

## EDUCATION

## Learning Again

Nepalis educated abroad have not been able to unleash their full potential for the progress of the country

By AKSHAY SHARMA

Over the decades, thousands of Nepalis have returned to the country after completing their education abroad. Their destinations are as diverse as their disciplines. These people have been exposed to and immersed in diverse ethos and settings. Then you pause to ponder: how has this fusion of international experience affected the country?

"Nepalis have been going abroad for education for a long time and they have been exposed to different models of the teaching-learning experience," says Sayeed Nabeed Shah, who has a bachelors degree in engineering from Karachi, Pakistan. "Nepalis have studied in capitalist and communist countries. Instead of using their education for the country, however, many seem to find their outlook and ideologies more important than the nation's interest."

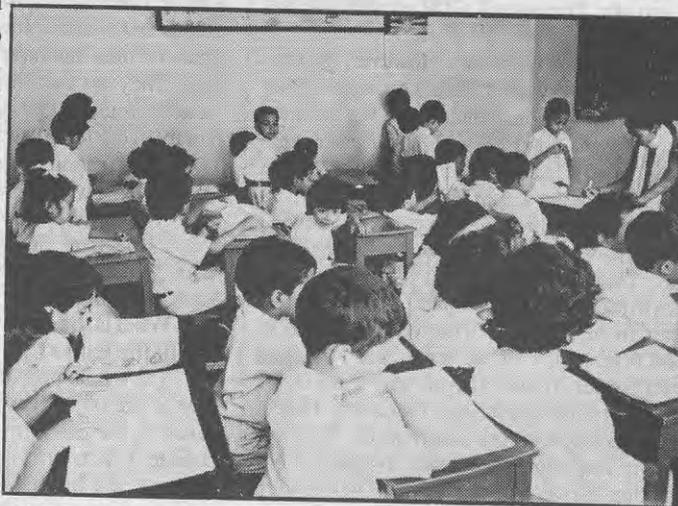
Statistics indicate that people educated in the former Soviet Union, Eastern Europe, China and Pakistan, among other countries, have come back in greater numbers. On the other hand, a large number of those who have studied in West have chosen to stay back in hopes of a better life.

A sizeable pool of Nepali professionals is familiar with diverse socio-economic and political models and cultures of the world. "Nepalis that have gone for studies in the West have lived together with the work ethics and the ethos. This builds a social concept in human beings," an expert says.

But what good have they done to the

country? "The problem for many of these people is to unlearn whatever they have learned abroad," says another expert. "They have to re-educate themselves and change their outlook toward the state and the world."

Those who studied in former communist countries had to secure a pass mark in courses on Marxist-Leninist political ideology and philosophy, which have left a lasting impact on them. Such orientation was not particularly valued



**Children in a class-room :** Better education, better future

in the political environment before 1990.

Nepalis have been going abroad for studies for several decades. The current trend started in 1958, when the first Nepalis began arriving in the Soviet Union, Eastern Europe states and, later, China under government and cultural exchange programs. As admissions to Indian institutions became harder to get, many Nepalis opted for higher education in a wide range of subjects in socialist countries.

Many Nepalis also had the opportunity to study in places like Egypt and Thailand, where the education system

was more attuned to the development thrust of the Nepalese government. "The main quality that differentiates Nepalis from citizens of so many of our neighboring countries is that we have the ability to adapt to any culture," an expert says.

"Most of our bigger neighbors maintained links with the British empire that Nepalis fought hard to stay out of. Our young citizens have had contacts with continental Europe as well as with the British Isles," the expert adds.

Nepali students abroad have been witnesses to major moments of history, such as the decline and fall of the Soviet Union and the economic upsurge in China. Many Nepalis educated in these countries have lived through the process of rapid transformation and are well acquainted with the challenges and opportunities change brings," another expert says.

"People familiar with Western liberal societies can understand the dynamics of democratic pluralism in Nepal, but they will be perplexed to see the King of Nepal neither as powerful as the British monarch nor as decisive as the president of the United States because of the peculiarities of our constitution," the expert adds.

"The core of democracy is freedom of speech. In the West, public opinion and popular pressure are catalysts of change. In developing countries like Nepal, people are free to express themselves, but the leadership is not under tremendous pressure to follow the public voice," says another expert.

This difference breeds a sense of despair that is manifested in the division of foreign-educated Nepalis on the basis of the ethos and culture of the country they were trained in. "At a time when Nepalis should have been united in the cause of development, these differences stand in the way of progress," the expert adds. Nepal has an abundant pool of human talent molded in diverse settings, but there is no melting pot. We still have to learn how to make best use of this resource.

# 'Despite The Gloom, The Fundamentals Of The Economy Are Still Sound'

— Dr. RAM SHARAN MAHAT

*Finance Minister Dr. RAM SHARAN MAHAT is one of the prominent second-generation leaders of the ruling Nepali Congress. Dr. Mahat, who is also a member of the party's central committee, spoke to KESHAB POUDEL on critical economic and political issues of the day. Excerpts:*

## **How do you assess the overall economic performance of the country?**

The economic picture at this particular moment is not good. But the fundamentals of the economy are still sound. If you look at the performance over the last two years, all indicators including the growth of Gross Domestic Product, export and inflation rate have been favorable. The inflation rate this year has been the lowest in many years. In recent years, exports have also made a phenomenal growth. The overall GDP growth rate has been around 6 percent.

These are quite good indicators. However, the situation at this time is not very good. This is because of both internal and external reasons. Internally, the security situation has not been good because of the problems created by the Maoist activities and because of the unfortunate incident at the Royal Palace on June 1. The Maoists are extorting money. They have burned down a liquor factory and are provoking workers with unnecessary demands. Threats, extortion and intimidation are creating chaos in the investment climate. That is the most worrisome part. In the aftermath of the terrorist attacks in New York and Washington DC on September 11, things have worsened further. Tourist arrivals have gone down suddenly when it was in the process of recovery. Hotels and travel agencies are receiving cancellations. Tourism revenue is down. Last month's overall revenue collection was lower than the same period last year. At the same time, expenditure for security and other purposes is increasing.

**The tourism industry has suffered badly and exports have declined. It is reported that billions of rupees have been withdrawn and flown out of the country. In such a situation, how do you hope to meet your budget proposals?**

Definitely, the situation is bad. If the present trend continues, it would be difficult to meet the budget proposals and we would have to revise our estimates. I hope that the situation will improve.

I am optimistic that things will return to normal. If the pressure on security expenditure increases and the decline of revenue collection continues, then we would need to review our budgetary expenditure. We may come out with something different. It is, however, too early to come to conclusions now.

**In such a dismal economic situation, isn't it paradoxical that new banks are being opened in Nepal? There is justifiable curiosity in the minds of the people as to why they are coming. What do you**

**say?**

The fact that new banks are coming indicates hope for the future. Nobody is going to waste their money if there is no hope and confidence for future. Opening a bank means a minimum capital investment of Rs 500 million. The central bank has new statutory norms and regulations on capital cover, capital adequacy ratio and so many things. The banks may not be as profitable as they have been in the past. Even in the present situation, people are coming up with big amounts of money in the banking sector. This means the present phase is perceived as temporary. The economy has a better future.

**What is the state of programs initiated to improve the two largest commercial banks? Isn't the pace too slow?**

It has been slow for technical and other reasons. Earlier there were problems with management, trade unions and boards. Now we have a problem because the financial bids that have been opened look outrageously high. They are two times higher than the original estimate. It would not be easy for us to take such amount of money in the form of loan to provide expatriate service. The cost of technical service is outrageously high. These are problems we have with respect to management contract of Rastriya Banijya Bank and Nepal Bank Limited. Other aspects of financial reform have taken place already. Prudential norms have been applied. Other measures are being implemented.

**What is the government doing to use money lying idle in the banks?**

The whole problem is confidence in the economy. One of the objectives of my budget is to revive confidence in the economy and create a proper investment climate, which will encourage investors to borrow from the bank and start investing. Again, recent events have put a damper on our efforts. We are nevertheless making efforts to bring about improvement and I am sure that there will be revival of business confidence very soon.

**How do you see the problem of unsettled accounts? Why isn't the government making efforts to recover the money?**

The government has been doing its best to reduce unsettled accounts. If you look at the Auditor-General's report, you can see certain improvements in the pattern.

**How do you see Nepal's foreign debt, which has been increasing every year. Doesn't the government need to do something serious about it?**

The national debt has increased, but it is a natural phenomenon of any developing country. Our capacity to repay debt has also increased. We will repay approximately 15 billion rupees in debt this year. We have been paying on time, including interest and service. We are a good client. Our debt servicing as a percentage of our export earnings is still low compared to those of other developing countries. The settled figures this year as a ratio of total outstanding unsettled figures has gone

*In the aftermath of the terrorist attacks in New York and Washington DC on September 11, things have worsened further. Tourist arrivals have gone down suddenly when it was in the process of recovery.*

increased. It is at a manageable level.

**Which sector of economy will be affected the most by the recent terrorist attacks in the United States?**

Tourism has already been affected. Now our exports will be affected, as you know the United States is the largest buyer in the global marketplace. Particularly, our garment industry will be badly hit. We are having problems in competing with products from Africa and other countries in the US market. It would be more difficult as confidence among consumers is very low at this moment. When consumer spending goes down, it will affect the whole economy. Both consumer and investment confidence have suffered. It will affect most aspects of our modern sector.

**Does this mean the government is fully aware of the situation and is taking steps to safeguard the public interest?**

Of course, we have been taking every step possible to prevent any unusual or catastrophic situation in the economic sector. The government is aware of the risks and we are taking necessary precautionary measures.

**After the terrorist attacks in the United States, security has been stepped up all over the world. It is strange that the Nepalese government has not come out with specific programs. How can you assure the people about their security?**

Immediately after the incidents in the United States, the cabinet issued instructions to strengthen security agencies. This was an important precautionary decision to prevent untoward incidents. The Home Ministry has taken necessary measures and security forces have been mobilized. The Ministry has not made public the details of what they are doing. This is understandable because of security reasons.

**Don't you think it is necessary to inform the people about such measures?**

Certain matters are confidential. All security details cannot be made public. They are kept secret in the interest of the people. I am confident the country is in a position to prevent any untoward incident.

**The Deuba government is accused of being too soft in dealing with the Maoists. What is the reason?**

As you know, Prime Minister Sher Bahadur Deuba came to power on a pledge of reconciliation with the Maoists and he promised he would bring the Maoists to the negotiating table which could lead to peaceful solution to the problems. It is, therefore, natural for the government to show a soft attitude toward the Maoists. However, this does not mean the government is really soft in dealing with the Maoist problem. It may have been seen as soft and conciliatory. Maybe people think that the government is soft because the Maoist has come overgrown in the open and are holding rallies and meetings. On the fundamental issues, Prime Minister Deuba and the government cannot be soft.

**You have also served as foreign minister. Don't you think our relations with India are not up to the mark? The Indians have already stationed thousands of troops along the border. What impact will this have on Nepal? Why hasn't the government come out with a strong reaction on some of the negative policies of India toward Nepal?**

Let me clarify certain things. First, I don't agree with your contention that relations with India are bad. There have been many positive developments in the relations between the two countries. For the first time, the government of India has come out openly against the



Maoists. This is one issue Nepal has raised with India for sometime. The Maoists were enjoying sanctuary in India. They were being trained there and there were meetings and conference held on Indian soil. Many Maoist leaders stay in India. I had alerted the Indian foreign minister to this situation two years back. This is the first time the Indian foreign minister has publicly spoken about Maoist terrorism in Nepal. I take this in a very positive sense.

As far as the stationing of Indian troops along the border is concerned, I am sure the prime minister, who is also holding the defense and foreign portfolio, must have been briefed on the matter. If the whole purpose of this deployment is to prevent criminal activities and stop infiltration of terrorists and transfer of arms, it has a positive side. It must be seen in the right perspective. Since I am not fully knowledgeable in the subject, I don't want to comment more on it.

**If the Maoists are getting sanctuary in India as well as permission to hold rallies and conferences, doesn't this mean they are receiving Indian support?**

India is a big democracy and, therefore, could not prevent rallies and meetings. Pro-Maoist organizations organized demonstrations in front of the Royal Nepalese Embassy in New Delhi. At that time Maoists were launching terrorist acts inside Nepal, killing a large number of people and looting arms from police and destroying their posts, extorting money and creating havoc in Nepal. It would appear that there is now increasing realization that Maoists are taking undue advantage from the Indian soil. This is the reason why measures are being taken to stop them. I was told that there were some arrests in West Bengal state recently.

**There is a growing feeling that the Nepali Congress with its weak leadership is incapable of ruling. Don't you think your party can produce honest and strong leadership?**

The Nepali Congress has many capable and honest leaders. I don't subscribe to the view [that it is incapable of governing]. Maybe we have not been able to perform in accordance with the expectations of the people. We have succeeded and also failed. Compared to other political parties, Nepali Congress is still the best.

**Will you be able to provide strong and capable leadership in the Nepali Congress?**

Of course. Why not. It is, however, for others to judge. But I am not in a hurry for the leadership race right now. I have time and can wait. ■

*If the whole purpose of this deployment is to prevent criminal activities and stop infiltration of terrorists and transfer of arms, it has a positive side.*

# 'We Must Work Shoulder To Shoulder To Save The Tourism Industry'

— JAI DEWAN

*JAI DEWAN is the managing director of the Zenith Travels, which is the General Sales Agent (GSA) of Qatar Airways, among others. A young and dynamic entrepreneur, Dewan was recently elected president of Nepal Association of Travel Agents (NATA). He spoke to KESHAB POUDEL and SANJAYA DHAKAL on the issues confronting the tourism sector. Excerpts:*

**In the aftermath of the terrorist attacks in the United States, how do you see the future of tourism in Nepal?**

Not only the incident in the United States, but also events that occurred here, such as the June 1 royal massacre, will hamper tourist arrivals here. The peak season this year has just started and I am in constant touch with my colleagues in the travel trade. They are receiving many cancellations. I am not in a position to provide you with specific percentages, maybe the tourism board will come up with the figures. Some say they are receiving 20 percent cancellations, others say 15 percent. We need to sit together to arrive at definite figures.

**You have just been elected president of NATA, indeed, at difficult time. What will be your priorities?**

The election at NATA coincided with these incidents. So I will have to face whatever comes.

**How would you describe the situation of tourism in Nepal?**

At the moment, because of these series of incidents, we are going through difficult times. There are a lot of people involved in the travel trade directly or indirectly. Be it hotels or small tea-stalls, all will be affected if the tourism sector suffers. We are all sailing in the same ship. If it sinks, we will all be drowned. So, to quote American President George Bush, we have to work shoulder to shoulder. This is the time to work shoulder to should-

er in order to save the tourism industry.

**Do you have any plan to cope with the situation?**

In fact, we have already started working. There are lot of incidents that are beyond our control. But that does not mean we should keep quiet. We have to take initiatives together whereby we can be successful. We cannot afford to sit idle. We, at the association, sat together last time and we are working with the government to negotiate some sort of package,



especially for the aviation sector. Nepal being a land-locked country, air access is of vital importance to tourism sector. We discussed at length and have come up with a proposal requesting the government to give some kind of concession to aviation in fields like navigation, landing fee and other charges. These will be for the time being, say, for five-six months. This was what the government of Sri Lanka did few months ago when a number of their planes were blown off by terrorists. They waived the landing and navigation fees in order to help the airlines sail through the troubling times. Now, the insurance surcharge for

airplanes has gone up, resulting in an increase in operating cost for airlines. In order to ease their pain, this is what we are planning. We have already drafted the proposal and submitted it to the Ministry of Tourism, Culture and Civil Aviation. We are also trying to encourage the minister to persuade the government to offer such package. I am confident that this will bring about positive change to a certain extent.

**You must have made some promises to colleagues who elected you as president of NATA. What are you plans to revitalize this sector?**

I would not say that the previous executive body of the NATA did not perform. They have performed since the beginning. But there is room to do more. The agenda we have is to continue with what the previous executive body did. We may add one or two points but the overall objective remains the same. So far, we have not been able to meet our objectives. We will work in that direction. Presently, the most pressing problem confronting us is that all travel agencies are finding it difficult to sustain in the market because they have not been able to retain commission they get from airlines. Travel agencies are being exploited. Legally it is not wise to share commission with clients. A similar situation existed in Sri Lanka a couple of years back, which they later resolved with the help of the government. We would also like to do that here. Once we get together and stop sharing commissions, all the travel agencies will operate comfortably. The second challenge before us is to strengthen the NATA. There are 600 travel agencies registered in the country but only 177 are the members of NATA. We would like to expand our membership so that our voice will become stronger.

**What form of government intervention is necessary to pull the industry**

**out of its problems?**

The government cannot afford to keep quiet. That is why we are submitting the proposal. I would like to cite an example of Sri Lanka again. After the incident, they offered concessions to tourists also. Every tourist arriving was given 15 to 20 percent discounts on everything—hotel stay, shopping and so on. These things attract visitors. When Thailand was in recession, things became very cheap. Consequently, a number of tourists flocked there at that time because they thought it was a good time to visit the country. That is why the government should be active. The private sector should come up with ideas through which we can revive the industry.

**The governments of the United States and other western countries are advising their citizens against traveling in this region for security reasons. In this situation, how should travel entrepreneurs here work to lure tourists?**

This is the main problem because tourists, at the end of the day, check their own government, their own embassies before visiting a country. Anyway, I would not go so far as to say that the western governments are discouraging their people from traveling. Just the other day, I saw on CNN President George Bush urging Americans to fly and travel. That was quite encouraging. We just hope they come out and travel.

**The government and the private sector have been talking about attracting Chinese tourists for quite a long time. There is also talk of a formal agreement with the Chinese in this regard. Could you elaborate on this?**

In fact, we are trying to expedite this process. We were not so active to attract the Chinese tourists because of the absence of a formal agreement. Once the signing is completed, we can start promoting Nepal in China. The Chinese market, indeed, looks very promising for us. The signing ceremony was delayed because of one thing or the other. Now there is going to be a trade show in late October in Kunming where we expect the formal agreement will be signed.

**You are also the secretary-general of the Board of Airlines. Do you have any plan to promote Nepal in the**

**international sector?**

The Board of Airlines does not do that but the individual carriers operating into Nepal are already doing it. We are all aware that marketing is very expensive. The government and the private sector cannot afford it. But airlines have significant contribution in selling Nepal through their network all over the world to take, for example, Thai, which is selling Thai's Nepal and PIA as PIA's Nepal. They are the ones who can do the extensive marketing for our industry and the nation.

**What role has Qatar Airways been playing to contribute to the tourism sector in Nepal?**

Although I would not like to blow my own trumpet, I have to say that Qatar Airways has been playing a significant role in promoting the tourism sector since Visit Nepal Year 1998. The year coincided with Lufthansa pulling out of Nepal. So there was a gap between Europe and Nepal, which we bridged. Qatar Airways has been gradually increasing the frequency of its flights to Nepal. Now we

operate daily flights. We would very much like to increase the frequency even further. But that is subject to the approval from the government. We were supposed to increase flights since last June but were unable to get permission. The situation, now, is different, but even in season like this we will be operating extra flights in October. That is already in our schedule. If you ask me the question how the airlines are doing, I would reply they are doing very well. But if you ask hoteliers how they are doing, they will say it is disappointing. People are bound to get confused by such conflicting claims. But the simple reason why this is a reality is because our hotel-room capacity far exceeds our air-seat capacity. We have a smaller air-seat capacity than the hotel-rooms we are offering. In fact, my message to the government is that Nepal being a land-locked country, our only access is through the air and we have to encourage more airlines to operate here. This would also help strike a balance in the air-seat and hotel-room capacity levels. ■

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# BOOK

## Critical Thinking

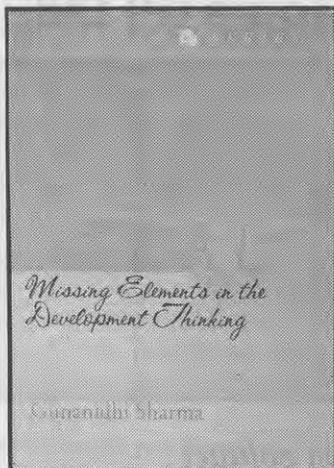
Dr. Sharma discusses the constraints Nepal faces in its quest for economic development

By KESHAB POUDEL

If the ongoing intellectual debates are any indication of the Nepalese mindset, outsiders would be forced to think that agents of change have given up hope on development. Of course, not everything is right. But this does not mean that progress is non-existent, either.

In the last decade, many books have analyzed the core issues of economic and political development of Nepal, but only a few have made exhaustive efforts to bring together all aspects of the debate. According to the publisher, Professor Gunanidhi Sharma's new book "Missing Elements" sheds light on the development thinking required for the realization of greater democracy accompanied by a sense of stronger nationhood and self sufficiency.

Dr Sharma's book is based on his experiences, insights and observations of the Nepalese



Nepal: *Missing Elements in the Development Thinking*

Written by Gunanidhi Sharma

Edited by Navraj Kanel and Neelam Kumar Sharma

Published by Nirala Publications, New Delhi, India  
Distributed in Nepal by White Lotus Book Shop,

Hanumansthan, Kupondole,

Price: IC Rs. 295

Pages: 232

economy and world economy over the decades. From historical perspectives to geographical realities, Dr Sharma tries to weave together

various aspects of the constraints and limitations the country faces in the course of development.

Dr Sharma, a prominent economist, tries to explain development in historical and political contexts as well. Some of his views are politically too extreme against the process of liberalization and he seems to be supportive of the concept of protectionism. One cannot dispute that smaller nations like Nepal have to be very careful before choosing their path. The kind of informed debate Dr Sharma fosters would be conducive to making such choices.

Like most Nepalese intellectuals, Dr Sharma is critical of the current pace of economic development. He criticizes economic policies introduced in the name of development and cautions that haphazard choices may eventually weaken the national fabric. Dr Sharma discusses such issues as corruption and exploitation and criticizes politicians for their role and attitudes toward these ills.

At a time when every nation is preparing to enter a heavily competitive global market, Dr Sharma seems cautious about this approach to the future. According to Dr Sharma, Nepal needs to follow a policy that would bring prosperity at home and would build an independent personality in the international front. He discusses the concepts of liberalization, privatization and globalization in the Nepalese context where the rural-urban gap continues to widen.

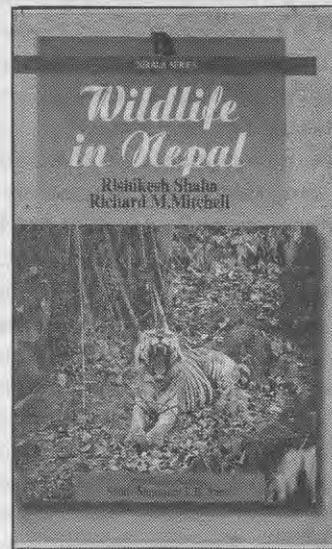
Nepal has achieved some progress in the areas of education, industrialization, agriculture development and infrastructure sectors. Dr Sharma does not suggest how the country could exploit this development to transform society.

"Nepal's current state of economic affairs is exogenously determined. Very little room is left for the enogenisation of economic activities geared towards self-sustained process of economic growth. The inability of the nation to keep political house in order, to make effective efforts for neutralizing natural setbacks, to promote competitive market structure and to insulate the economy from disturbances originating across the international frontier has forced the economy to remain under low equilibrium-population trap," say editors Navaraj Kanel and

Neelam Kumar Sharma.

With intellectuals who are at the forefront of the development debate always holding critical views, sometimes it is difficult for the people to even hope for progress. ■

*Wildlife in Nepal*  
Written by Rishikesh Shaha and Richard M. Mitchell with color plates by Nanda Sumsher J.B. Rana  
Published by Nirala Publications, New Delhi  
Prices: Not disclosed  
Pages: 142



## Nature's Bounty

A small country in terms of territory, Nepal is rich in biological diversity. Enclosed in this small area is a wide variety of temperature zones, flora and fauna. This is what Rishikesh Shaha and Richard M. Mitchell try to explore in their book.

Although Shaha writes on history and politics, his effort to explain Nepal's vast wealth of forest and wildlife is commendable. In a small book, the authors explain the various climatic zones of the country and the natural and biological resources available in each area.

The book, among other things, contains brief descriptions and anecdotes on wildlife along with current efforts being made to preserve this precious resource. Much of the information is based on field observations made by the authors. The color photos taken by Nanda Sumsher J.B. Rana beautifully depict many aspects of animal life. The authors have also described the history of hunting in Nepal and the challenges the sport poses to wildlife preservation. ■



**TRANSITION**

**APPOINTED:** Raghunath Prasad Sapkota, as executive director of the Nepal Agricultural Research Council.

**ELECTED:** Bachaspati Devkota (UML), as chairperson of the Delegated Legislation Committee of the National Assembly, Gaura Koirala (UML), as chairperson of the Remote Area Committee of the National Assembly, Ambika Panta Chapagain (NC), as

chairperson of the Social Justice Committee of the National Assembly and Janardan Acharya (nominated MP), as chairperson of the Government Assurances Committee, of the National Assembly.

**HOSPITALIZED:** Yubaraj Ghimire, editor of Kantipur daily, after being injured in a road accident.

**SELECTED:** Nil Krishna Tamrakar, as chairman of Bhaktapur Tourism Development

Committee, by the committee's second general convention.

**LEFT:** Bal Bahadur KC, Minister for Tourism, Culture and Civil Aviation, leading a five-member delegation, for Osaka, Japan, to take part in the meeting of World Tourism Organization.

**DIED:** Father Charlie A. Law S.J., former principal of St. Xavier's College, at the age of 70.

**Murari Thakur**, senior film cameraman.

**APPOINTED:** Nepali Congress activists Baldev Bohara and Gyanendra Karki and economist Dr. Prakash Sharan Mahat (minister of state level) and journalist Shri Krishna Aniruddha Gautam (assistant minister level), as advisers to the prime minister, by Premier Sher Bahadur Deuba.

**ELECTED:** Nepal, along with the Maldives, as vice-president for South Asia, unanimously by the World Tourism Organization.

## MUSIC

## Truth Be Told

A young trio sets out to help people share their experiences through music

By AKSHAY SHARMA

“**T**his is not a commercial album, but rather a conceptual one. It is based on real stories of Nepalis here and abroad. Before the song starts, there is a narration by the person who is the story teller,” says Dipesh Shrestha, one of the originators of Yathartha (The Truth). “Some of the songs are old and have hit the charts before.”

Asked what concept drives Yathartha, Dipesh adds, “The people’s love for a song varies. One doesn’t understand the same song in the same way another person does.”

Naresh Dev Pant, who has been writing songs for Navin Bhattarai, has penned the lyrics in the album. “All the songs are of real lives of the people and friends I have met,” Naresh told SPOTLIGHT. “What I have tried to do is observe their feelings and put them into words.”

“We chose this as the right time to launch the album. It took us nearly seven years to compile all the little details,” Naresh says.

“We traveled to so many places around Nepal, from the east to the west,” says Bipin Sthapit. “Mostly places like Chitwan, Pokhara, Dharan, Dhankuta and most parts of eastern Nepal.”

Dipesh, a radio-jockey with Hits FM, provides the narration in the album and Bipin gives the background music.

This is the first venture of the trio. Dinesh says they had to cross several hurdles, “We were trying to find out what happens in real life and it’s hard to categorize people’s lives because everybody is different. And we definitely had problems

in putting them in the album. We spent sleepless nights, got caught by the police during the time we were focused on the project.”

“We were painting on the walls for publicity of the album at night in Kathmandu. Perhaps because of security reasons we were caught. But they let us out after understanding what we were doing,” Naresh says.

“We were confused at first when we first finished recording the album. And



the dilemma of whether to release it or not, whether it was the right time and things like these badgered down,” Naresh says. “Music can make a person laugh, cry and we have to come to the reality that music plays an integral part in a person’s emotions. We tried to take this element to its peak and we rehearsed for it.”

“This album is not for people with weak hearts,” Dipesh says. “We interviewed people from the ages between 15 and 50 before beginning the project.”

“The response we received was of immense value to us,” Naresh says. “We took some people to listen to our music. It was strange to see a 28-year-old man cry.

One girl tried to slash her wrist and nearly committed suicide. We found out later that her boyfriend was a married man. And she hadn’t known it for so long.”

“When the girl listened to our album she turned to me and said, ‘There are so many people like me in this world.’ She realized that she was not alone,” Naresh says.

“We have a website (www.Yathartha.com) for people to share their real-life experiences with us. And we will share it with the world through our songs, be it through music or words,” Dipesh says.

“This is not a type of music to listen, it is for people to feel,” Dipesh adds. “We tried to put the feelings into painting by well-known artists like Ashok Man Singh. And people can see the form and characteristics of what we mean to say.”

“It was in Baisakh 2050 that we met and started on the project because our thought harmonized,” Bipin says. “We wanted to give something to society. We wanted to present through music and used it as a medium to what society has given to us.”

“Society was the inspiration and the world was the theme,” says Naresh, explaining the motivation that drove the Yathartha team.

“Listen to Yathartha, because it might be your own story,” Bipin says. “We are planning to print T-shirts and give them to beggars, street children and other people who cannot afford to buy clothes.”

The album features singers Navin Bhattarai, Chering Bhutia, Sukmeet Gurung, Promod Upadhaya, Saroj Dutta, Gunu Rajbhandari and a new artiste, Jitendra Maharjan.

“It is a well-known fact that if you share joy, it will increase. But try sharing sorrow,” Naresh adds. “Laugh, and the world will laugh with you. And cry, you cry alone. But we want to keep on sharing people’s real-life experiences. Reality can never be hidden. By sharing the thoughts, we have put forth something we hope people will be learn from.” ■

**Now In Town**

**BOOK**

- Brian Hodgson at the Kathmandu Residency 1825-1843**  
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- WTO Regional Cooperation and Nepal**  
Horst Mund/1999 Rs. 160.00

(Source : Himalayan Book Center, Bagh Bazar, Kathmandu, Ph : 242085)

**Video (English)**

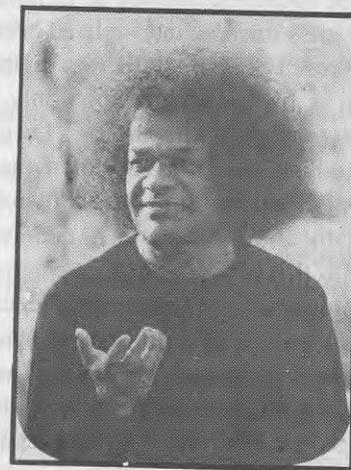
- Jeepers Geeperis  
The Others  
Rush Hour 2  
Rat Race  
American Pie 2  
The Glass House  
American Outlaws  
The Princess Diaries  
Octopus II  
Osmosis Jones



**Hindi**

- Ajnabee  
Kyo Ki Mai Juth Nahin Bolta  
Dil Chahta Hai  
Lajja  
Aks  
Hum Ho Gaye Aap Ke  
Dil Ne Yaad Kiya  
Lagaan  
Nayak  
Tum Bin

(Source : Super Star Video, New Road)



*“Laziness is  
rust and dust,  
Realization is  
rest and best”*

**- SATHYA SAI BABA**



# Non-Violence: Humanity's Path To Harmony

By HULASCHAND GOLCHHA

At the outset, let me examine the word 'himsa', which cannot be described by a single word in English, like in the case of 'dharma' (spiritual upliftment) and religion (sect professing/promoting dharma). The nearest equivalent of himsa in English is 'violence'. But by 'violence', we normally understand killing. Himsa has much more meaning to it. Its antonym is 'ahimsa', which is described as 'non-violence' in English.

So is the problem with 'non-violence'. Ahimsa is so very different from non-violence, because it can be defined as physical and mental and also macro and micro. However, henceforth, I will be using the word himsa for violence and ahimsa for non-violence. I hope the ongoing will justify my choice of words.

Himsa can be broadly classified as physical and purely emotional. They are somehow inter-related because physical himsa is also the result of emotion. However, the micro form of himsa, which is limited to emotions only, without any physical action, is termed emotional himsa. Let us first discuss the macro form, which is the most common one, the physical form of himsa, which can be termed as following three non-avoidable, avoidable and intentional. The non-avoidable or the compulsory means that every life gets its energy for its existence from food produced by the life forms. Hence, for our very existence and necessities, we cannot refrain from necessary killing. Please note with emphasis, the word 'necessary'.

Necessary himsa done for our livelihood is non-avoidable, but if we exceed the necessary limit, it becomes avoidable. The avoidable or provocative/defensive himsa means we tend to kill minor or major life forms for our livelihood, safety or defense of our own, our family, society, the country or the humanity/life form at large. We should first try to find alternative like dialogue or others in minimizing such violence. We should use our conscience for maximizing restraint so that we leave sufficient room for other living beings to find their share of nature.

Intentional means perpetrating unnecessary killing for satisfaction of ego, taste, entertainment, fashion, jealousy, cruelty, indulgence in dogmatic rituals, faulty and meaningless traditions.

Perhaps for maintaining ecological balance, nature has classified the animals as himsak and ahimsak, and they obey the rules of nature quite strictly. Despite our having the power of conscience and thereby being much superior to animals

and other living beings, we tend to forget to obey the rules of Mother Nature. Often, we do not use our conscience in segregating what is good and what is bad for us. Having the myth of our being super beings, we interfere with the nature in a dangerous way. People tried to turn a vegetarian animal like the cow by serving meat with the feed, which resulted in a dangerous disease like the 'mad cow' epidemic. Now we are trying to clone human genes. The question is, when shall we stop playing with the nature dangerously?

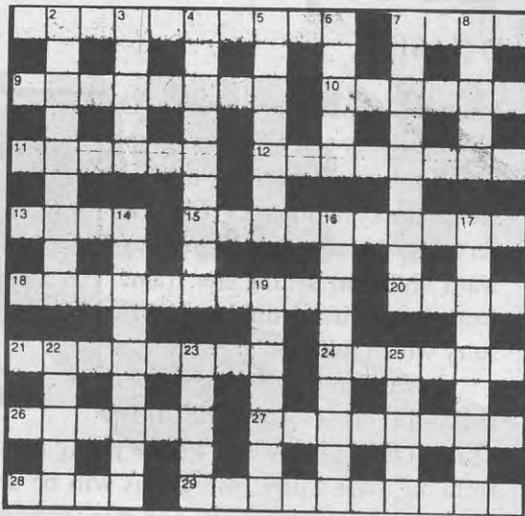
Are we carnivorous by nature? The very structure of our teeth says we are not. Then why do we eat meat? Is it for strength? Is it for taste? If it is for taste, it is a matter of habit. It is up to us that we form the habit or not. There might be many other things tastier. But is it also the right thing to be slave of the taste? Do we hanker for slavery or freedom? If it is for strength, we can find many beings in the animal kingdom, who are not the least lacking in the strength. Take the example of elephant and rhino. Speed? Yes take the example of horse or stag. One thing everybody will agree to is that the non-carnivorous animals are less aggressive and less violent than the carnivorous ones. Have we thought about it? Do we want to be fierce like the predators or steady and powerful like elephants and horses?

Humans have the immense power of conscience. We have the choice to be non-vegetarian or vegetarian, himsak or ahimsak. Even if we choose to be himsak, a major part of life, the most of it, will be definitely ahimsak. One cannot always think or act like himsak, or otherwise his brain nerves will burst and blast. Thus we are ahimsak by nature and we can't be himsak unless provoked or prompted by circumstances emanating from requirements or passions like anger, ego, deceitfulness or greed.

The foregoing gives, without saying, ample stress on avoiding unnecessary himsa. Whether or not we agree that ahimsa is a principle to reckon with, let us delve deep into our hearts and examine whatever we are doing. Is it the right thing? Is it fair to other fellow humans or to other living beings? Does it help the justified distribution (equitable is absurd) or usurp the availability of the limited resources? Are we doing our job to save the ecology? Are we helping to bring harmony to our own self (mentally or bodily), to our family, to our society or the humanity at large? ■

*Golchha is leading industrialist*

# CROSSWORD



## ACROSS

1. Make critical comment, with publicity, on a game (10)
7. Robin Hood, for one, was more cunning than this (4)
9. German — like Berlin, for example (8)
10. Unhealthy state? Certainly (3,3)
11. Odd turn of phrase for form master? (6)
12. Food store? True, in a manner of speaking (8)
13. Recommendation to strike (4)
15. Popular protest about despicable person in charge (10)
18. With code reversed, letters misdirected to NY address (4,6)
21. I'd heard, but not seen? On the contrary (4)
24. A vessel out on its own? That's a joke (3-5)
26. Fruit couples initially collected from town market together (6)
27. WWI leader misidentified in terms of nationality? (6)
28. Extremely fine transport organization led by Henry (8)
29. For sound, sensible reasons (4)

## DOWN

2. Sort of love that can never last for long? (9)
3. Finally clear away part of litter after short time (3,2)
4. Cast doubt on record run? Correct (9)
5. It could make me a lord (7)
6. Test pilot (5)
7. Make light of everything I have taken up and consumed (9)
8. Support for one behind university's position (5)
14. Beat up with chain, of course, by the seaside (4-5)
16. Have little spare time to make fettuccini? (3,2,4)
17. Written in Latin, at full length — No. 16 possibly? (2,7)
19. Within which, we hear, corn's heated (7)
22. Statesman, former of a novel partnership (5)
23. Expertise in speaking? Certainly not! (5)
25. Chap as good as misses, it's said (5)

## SOLUTION

**Across :** 1. Animadvert 7. Arch 9. Composer 10. Ill say 11. Shaper 12. Delivery 13. Plug 15. Democratic 18. Wall street 20. Eyed 21. One-liner 24. Tomato 26. French 27. Hairline 28. Whys 29. Witness box

**Down :** 2. Neophilia 3. Mop up 4. Discredit 5. Earldom 6. Trial 7. Alleviate 8. Chair 14. Golf-links 16. Cut it fines 17. In extenso 19. Earshot 22. North 23. Nohow 25. Miles

# BRIDGE

3-16

**NORTH**  
 ♠ J 9 4  
 ♥ J 10 6 5 3  
 ♦ 10  
 ♣ A 9 5 3

**WEST**  
 ♠ A Q 3 2  
 ♥ 9 4 2  
 ♦ Q J 8 5 4  
 ♣ 10

**EAST**  
 ♠ 6 5  
 ♥ Q 8 7  
 ♦ 9 7 3  
 ♣ Q 8 7 4 2

**SOUTH**  
 ♠ K 10 8 7  
 ♥ A K  
 ♦ A K 6 2  
 ♣ K J 6

Vulnerable: Both  
 Dealer: South

The bidding:  
 South: 2 NT\* Pass  
 West: Pass  
 North: 3 ♦\*\* Pass  
 East: 3 NT All pass

\*20-21 HCP  
 \*\*Transfer

Opening lead: Diamond queen

## "I hate it in friends when they come too late to help."

— EURIPIDES

"We beat him if you continue diamonds at trick two," observed East.

"I could have used a little help at trick one," replied West. "Why didn't you encourage me to continue?" With declarer marked with most of the honor cards, West did well to lead his diamond queen. Had he led fourth-best, dummy's 10 would have won, and South would have had an easy time.

Unfortunately, East played his diamond trey at trick one, signaling an odd number of diamonds. Fearing South had the nine, West switched meekly to his club 10, and the defense collapsed. South won his club jack and switched to spades, willing to lose two spade tricks. West won his queen, but the defense could no longer prevail. With his two diamond stopper intact, South developed two spade winners to make his game.

Against no-trump contracts, third-hand play requires partnership agreement. In today's example, most signal attitude, others play second-highest card (Foster Echo), and a few give count. However, given West's lead of the queen, East's nine was an enormous card when the 10 appeared in dummy. Clearly, regardless of partnership agreement, it was time for an encouraging signal at trick one, and East's contribution of his trey was a futile gesture.

After East encourages with his seven (even the nine would work here), West can lead another diamond without risk, and the defenders win the race for five tricks.

# Books For Everyman

By RONALD NASH

Books are vital to personal development. They can start students on the lifelong path to learning. They can provide the latest, most accurate information and thinking to help build knowledge and lay the foundations for a successful career. They can provide updating to young professionals keen to stay ahead of the game. And they can provide pleasure. Books open up a world beyond our everyday lives. They can teach us, challenge us, amuse us, make us laugh or cry.

The British Council in Kathmandu has been providing access to books and information to Nepalese people from all walks of life for over 40 years. Last week saw a major event continuing in that long tradition.

The Everyman Millennium Library Project was set up in the United Kingdom with charitable funding two years ago. It sought to provide for a wider audience a unique collection of 250 outstanding examples of world literature from the classics to European works in translation, Commonwealth authors as well as mainstream English literature of all periods. The books have been presented not only to every high schools in Britain - itself a vast undertaking - but also to 77 countries overseas. This was an enormous contribution in the service of literature and education.

The British Council in Kathmandu was successful in securing 30 sets of these books for educational institutions in Nepal, at a total value of NR 9,900,000 - in UK terms, nearly a tenth of million pounds - a staggering sum. We officially presented the collections in a small ceremony at the new Council offices in Lainchaur last week.

Those receiving the library sets represented the majority of institutions in the country which are currently engaged in teaching English Literature at bachelor degree level and above. They went to colleges, schools and libraries from places as far afield as Chitwan, Jhapa, Kavre and Sunsari. In those various institutions the collections will make an invaluable addition to the resources available to staff and students alike. The books have been built for durability, being printed on special paper and stitched not glued so they should last for generations.

As I was leaving for the British Council ceremony I looked on my own bookshelves to see which of the editions from the set I myself owned. My eye lighted on a Russian novel. In the first line of his book Anna Karenina, Tolstoy tells us: "Every happy family is alike: but an unhappy family is unhappy in its own way."

What a tantalizing invitation to get interested in a story.

Is it true? Is he talking about us? Or is it somebody else? The paragraph which follows details the trials of the Oblousky family with rebellious servants, absentee parents and wayward children, setting the framework for the irresistible and tragic story which follows.

Anna Karenina is just one of the world classics which the British Council gifted last week. I hope young people and students from all those thirty institutions will be able to enjoy the books they have been given, and gain entry into all those other worlds the books represent, for very many years to come. ■

(The author is British Ambassador to Nepal)



## Picturesque and Peaceful a Pilgrimage with Pleasure



### Nepal's Only Cable Car

Since centuries, Manakamana Devi has been widely believed to fulfil the wishes of her devotees. Nepal's first cable car service, combined with this widespread respect and superb natural surroundings, has transformed the Manakamana region to a popular pilgrimage and holiday destination. Installed by the world renowned Doppelmayr of Austria, our cable cars are at par with the best in the world as are our services.

#### Other Attractions:

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