

Speech by Hon. Mr. Ishwar Pokhrel, Deputy Prime Minister and Minister for Defence to business community in Dubai on 18 November 2019

Distinguished members of the business community,
Ambassador Dhakal and members of diplomatic community,
Nepali Brothers and Sisters,
Friends from Media,
Ladies and Gentlemen,

Good Evening and Namaste!

It is a great pleasure for me to meet with prominent business leaders from the UAE and Nepal here in this beautiful city of Dubai today. At the outset, I wish to commend the Embassy of Nepal and Nepali Business Council, Dubai for organizing this important programme.

Distinguished Guests,

Ever since we formally established diplomatic relations in 1977, relations between Nepal and the UAE have been growing to the satisfaction of our two countries.

Relations between the two countries are characterized by mutual trust, goodwill, understanding and cooperation. The relations in the political arena have always remained cordial and friendly.

On the economic front, our two countries have maintained close and continuous engagements which are growing steadily over the years. More than 250,000 Nepali people are living and working in the UAE and contributing to the development and prosperity of the both countries.

Despite UAE being the third largest trading partner of Nepal, we are yet to harness optimum benefit through cooperation in trade, tourism, agriculture, hydropower, and other sectors. The low volume of trade, small size of investment and business ties call for deeper engagement between the two sides to enhance and further deepen the bilateral cooperation.

In this regard, both sides should emphasize to exert our full efforts to expand the volume of trade and increase investment through enhancing partnership, collaboration and mutual cooperation.

Nepal and the UAE have potentials to expand trade, tourism and investment. Cooperation in agriculture could equally be beneficial to both countries.

I would like to congratulate the UAE for preparing to host the prestigious Expo 2020 in Dubai next year. Nepal looks forward to its effective participation in the Expo and appreciates UAE's support and facilitation in this connection.

Distinguished Guests,

Air link between the two countries has opened up avenues for promoting tourism, trade and people-to-people contacts. The number of tourists visiting Nepal from the UAE is currently insignificant; however, tourism is a promising sector where Nepal and the UAE could co-operate with each other.

The air connectivity between Kathmandu and different cities in the UAE has facilitated the movement of the people from both sides. Several airlines including the Nepal Airlines and Himalaya Airlines of Nepal operate daily flight between Kathmandu, Dubai and Abu Dhabi.

Recently, the Minister for Culture, Tourism and Civil Aviation of Nepal and the Minister of Economy of the UAE signed the Air Services Agreement on the sideline of the 40th session of the ICAO in Montreal, Canada on 28 September 2019. This will further facilitate the movement of people and goods in both directions.

I would like to urge travel and tour operators of both countries to utilize the available business opportunities to the fullest extent possible.

Distinguished Guests,

We appreciate impressive strides the UAE has made on the socio-economic fronts. Being a good friend, it is quite natural for Nepal to aspire to deeply engage in partnership with UAE for mutual benefit.

The recent political transformation and consequent political stability in Nepal as well as an investment-friendly atmosphere in the country will certainly provide us an opportune time to elevate our economic relations to a new height, particularly in the domains that have comparative advantages.

While we greatly admire success story of the UAE, I do have something to share with you about the momentous change that our country has undergone in its political history. Having witnessed a long period of conflict and instability, we have been able to successfully promulgate a highly progressive, inclusive and democratic constitution in 2015.

Following the successful holding of the three-tier elections under the federal setup, governments at all levels have been formed with strong majority. At the centre, the Government enjoys two third support of the parliament.

Having settled long standing political issues, our focus has now been shifted to socio-economic transformation. We have already taken a decisive journey towards development and prosperity. Our development efforts are geared towards realizing the national aspiration 'Prosperous Nepal, Happy Nepali'. We aspire to graduate from LDC status at an early date and become a middle-income country by 2030 and achieve the SDGs by the same timeframe.

To reach these aspirational goals, we require massive investment in infrastructure development as well as induction of appropriate technology. It is our expectation that UAE's investors can make contribution in bridging our development finance and technological deficits as well as get benefits from the immense business opportunities available in Nepal. We expect more foreign direct investment (FDI) from UAE's investors and business community.

Investing in Nepal is really a lucrative business. The Government is determined to maintain an investment-friendly environment, not by word but by deeds; and not by process but by results.

Nepal is a virgin land for investment. A land of immense potentials for investment in the areas of hydropower, agriculture, tourism, services, manufacturing industries, among others. In so far as investors always look for market, it is not a problem for foreign investors in Nepal either. As you all know, Nepal is located between two vibrant markets of the world, India and China with a combined population of over 2.7 billion. In facilitating easy access to these big markets, connectivity with neighboring countries in all modes—roadway, railway, waterway and airway—is being advanced within the bilateral cooperation frameworks. We wish to bring about changes in the existing situation and create success stories. To this endeavour, the UAE, with its significant financial capability and modern technology, can assist us in our objective of achieving transformation in the development landscape of our country.

Distinguished Guests,

We have been pursuing liberal economic policy framework with the private sector as a key partner. We want to assure you that we cannot go against it. Stability in policy regime is a prerequisite for foreign investment. The Government assures you that there will be policy stability and continuity.

We have established a sound regulatory framework to attract foreign investment. We have thoroughly revised and updated Foreign Investment and Technology Transfer Act and promulgated Public Private Partnership and Investment Act and other Acts are also being revised. To ease the process and facilitate time-bound decision on investment proposals, the Government has established One Stop Service facility.

We are committed to further improving business climate in the country. We are ready to do everything that enhances your confidence; that facilitates your engagement; and that helps you to make investment decision. The Government remains fully committed to protecting your investment.

Almost every sector including manufacturing, hydropower, IT, services, tourism, mining, and agro-based industries are open for foreign investment. Our negative list is very short.

There is an enabling fiscal environment for foreign investment in Nepal. We have low tax slabs; no income tax on earnings of industry established in Special Economic Zones exporting its products for certain period of time; exemption of tax and tax holidays for certain industries; and exemption of duty and fees on key inputs used by an export industry.

Our law permits full repatriation of income earned from investment and reinvestment. Foreign companies registered in Nepal can purchase, own and sell land. No discrimination is made between national and foreign investors. There is no policy of nationalization of private industry.

The other factor that makes your investment venture competitive in Nepal is availability of cheaper labour force and improved labor law and industrial relations. You are quite familiar with the dedication, honesty and professionalism of our labor force.

As topographic diversity is unique in our country, there is huge opportunity for organic farming. The land of Nepal is very fertile for growing organic vegetables, fruits, spices and other valuable crops. We invite investors from the UAE to consider investment in organic agriculture as well.

We are planning to build new international airports targeting the flow of international flights. Nijgadh international airport is being developed as a regional hub. Major cities of Asia are not far from this airport and are expected to be connected to it.

As we are gifted with beautiful bounty of nature as well as culture, the Himalayas as well as heritages, wildlife as well as spiritual sites, tourism sector bears a potential to be a key mover of our economy. The Government of Nepal is committed to the safety and security of tourists. Special provisions are being made for the security and emergency rescue of mountaineers and trekkers.

The Government has announced to observe 2020 as “Visit Nepal Year” with the goal of welcoming two million tourists. I would like to encourage UAE ’s tourists as well as travel/tour agencies to make the best use of Nepal's incredible nature. I would also like to encourage UAE’s investors to invest in tourism infrastructure of Nepal.

Distinguished Guests,

This gathering here today will give you yet another opportunity to forge partnership for meaningful business initiatives in Nepal. But for me, it is an opportunity to listen to you and understand your perspective.

My Government is committed to extending all kinds of support that you need in order to facilitate your business venture in Nepal. Let’s match excellent political relationship with an equally sound economic and business partnership. Let’s work towards creating a win-win situation for both of our countries and people.

I assure you all, that your venture in Nepal will be profitable and secure. With these words, let me once again thank the organizers for this wonderful programme.

Thank you for your kind attention.