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### **April 2023**

# **Consultation Meeting** with IT-Outsourcing Companies



Nepal-USA Chamber of Commerce and Industry (NUSACCI) organized a brief familiarization meeting and consultations on IT Outsourcing from Nepal on 30th December 2022. NUSACCI discussed and sought a way forward in promoting Nepal as an out-sourcing destination in the US market, specifically relating to the capacity building in Nepal for IT outsourcing in select services; and promoting Nepalese IT Companies and their services in USA.

In Nepal, IT sector skilled manpower retention is a major challenge. The training and capacity building is essential elements for development of IT companies. It would help to compete with other countries in USA. The meeting also discussed on promotional activities and export of IT services in USA. The consultation is also discussed on USAID Trade and Competitiveness (a multi-year activity) that aims to increase Nepali

private sector participation in global value chain, where one of the targeted sector is digital services sector.

The representatives of Young Minds Creation, Logica Beans, Soft Nep, Deerwalk Campware, Greentick Nepal, True Mark and Softech Park attended the consultation meeting. On behalf of NUSACCI, Mr. Kiran P. Saakha, President; Mr. Birendra Rajkarnicar, Vice President and Ms. Rajani Rana, Executive Member attended the consultations meeting.

# **Consultation Meeting with Educational Consultancies**

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Nepal-USA of Commerce and Industry familiarization meeting and consultations on the present status of student recruitment for US Higher Education on 30<sup>th</sup> December 2022. NUSACCI discussed and sought a way forward on the following issues: i. Facilitation and prioritization of F-1 and J-1 visa services for new enrollments in US Colleges and Universities:

Chamber recruitment in Nepal (NUSACCI) organized a brief NUSACCI delivered opening and devising code of conduct on a Education, Axis International, Boston remarks. He highlighted, how NUSACCI can play a mediator role for facilitating the problem faced by educational consultancies. Mr. Birendra Rajkarnicar, Vice President remarked that we have neverseenthestudyabroadactivities as an economic activity. At present, students are having difficulty in getting timely interview dates. NUSACCI can take up this matter and aware this issue to concerned agency in Nepal and US. How do we promote more recruitment to USA is a major challenges for educational consultancies. This can be done through organizing

conference, transparency in Mr. Kiran P. Saakha, President, educational consultancies working Beta, Dolphin Education, Seven voluntarily basis.

The representatives from Alpha Abroad, Pradhan International, Education and Migration Corner, Mentor Institute and Saralink attended the consultation meeting. On behalf of NUSACCI, Mr. Kiran P. Saakha, President; Mr. Birendra Rajkarnicar, Vice President and Ms. Rajani Rana, Executive Board Member attended the consultations meeting.

ii. Facilitation of financial support by Nepal Government for study abroad;

iii. Promotion of Nepal as source of student enrollment to US colleges and universities; and

iv. Code of conduct in student

Regarding the type of support that educational consultancies expecting is facilitation through US universities and promotion of community colleges. It is a PR process how to influence is a matter of great concern by means of organizing a joint meeting or conference.

# Consultation Meetings

NUSACCI organized backto-back two consultations meeting with Educational Consultancies and IT-

Outsourcing Companies on 30<sup>th</sup> December 2022 at Indreyani Suites Hotel. Indreyani Complex. Kathmandu



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# Courtesy call to Hon'ble Deputy Prime Minister / Minister for Energy, Water Resources and Irrigation

On January 25<sup>th</sup>, 2023 Nepal-USA Chamber of Commerce and Industry (NUSACCI) Hydropower and Renewable Energy Committee delegation paid a courtesy call to the then Hon'ble Deputy Prime Minister and Minister for Energy, Water Resources and Irrigation, Rajendra Prashad Lingden at his office Singhadurbar.

The delegation extended best wishes and congratulations to Hon. Lingden for his appointment as Deputy Prime Minister and Minister for Energy, Water Resources and Irrigation. The delegation briefed to Hon. Deputy Prime Minister on NUSACCI hydro



power sub-committee also emphasized that hydro power is one of potential areas for US investment. The legal regime and enabling environment plays a crucial role for attracting US investment in Nepal. The emerging issues on the private sector investment in the hydro power sector and private sector possible collaborations with Government of Nepal in bringing the foreign investment in hydro power sector were also discussed during the meeting.

On behalf of Nepal-USA Chamber of Commerce and Industry (NUSACCI) and its Hydropower and Renewable Energy sub-committee, Prof Dr. Gandhi Pandit, General Secretary; Mr. Brindaban Man Pradhanang, Chairperson, Executive Board Member and Chairperson, hydro-power sub-committee; Mr. Moti Lal Dugar, Member and Mr. Bikram Sthapit, Member were present in the courtesy visit.

# Interaction Meeting with US Deputy Assistant Secretary Ms. Afreen Akhter





February 14<sup>th</sup>, Tuesday. On 2023 Nepal-USA Chamber and Industry of Commerce (NUSACCI) organized back-toback two programs: Interaction Meeting with Ms. Afreen Akhter. US Deputy Assistant Secretary and "Exporter Awards Gala Valentine Dinner" at Hotel Radisson, Lazimpat, Kathmandu.

A brief interaction meeting with the chief guest of the event Ms. Afreen Akhter, Deputy Assistant Secretary was organized by NUSACCI. The meeting covered three themes i) Key challenges Nepali business

facing in Nepal-US trade; ii) Nepal-USA Trade: Opportunities, major issues and constraints and iii) How can the US government help? The meeting discussed on Nepal's tourism sector for boosting Nepalese economy, capacity building in the IT sector and student visa issues, IPR, Hydro power/MCC, export of readymade garments and pashmina, high duty levied by USG on export of gold start shoes from Nepal, increasing duty of imports of TESLA cars from USA and virtual seminar on environmental technologies being developed in USA. Mostly, Nepal is

exporting value added products to USA and it would help to strengthen Nepal's economy. The meeting also drew attention to Ms. Akhter on the Nepal trade preferential program currently applies to a total of 77 tariff lines, including 56 textiles tariff lines, 10 leather and footwear tariff lines. However, 10 leather and footwear tariff lines are not included in the list of 77 items tariff lines.

From US Government sides Ms. Afreen Akhter led the team comprising Ms. Charlotte Volpe, Economic Officer, Ms. Jennifer VanDever, Control Officer, Mr. Raphael Sambou, Economic Officer and Mr. Abhishek Basnyat, Economic Specialist. On behalf of NUSACCI, the team is led by Mr. Kiran P. Saakha, President and other members attended in the meeting are: Mr. Birendra Rajkarnicar, Vice President; Prof. Dr. Gandhi Pandit, General Secretary; Mr. Sanjaya Agrawal, Treasurer; Mr. Rakesh Adukia, Executive Board Member; Mr. Prasidha B. Panday, Past President; Ms. Jolly (Mridula) Rajbhandhari, Member; Mr. Subrat Dhital, Member; and Ms. Vidushi Rana, member.

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# **Exporter Awards Valentine Gala Dinner**

In the welcome address by Mr. Kiran P. Saakha highlighted the main objective of this event. The main objective of the "Exporter Awards Gala Valentine Dinner" event was to set the trend and motivate Nepali exporters for boosting more exports from Nepal to USA.

The program marked as the first ever program held in Nepal organized by NUSACCI. He also thanked Ms. Akhter for her gracious presence at the event as to USA in FY 2021/22.

The companies received the awards are: i) Mr. Nimesh Pradhan, MD, Pulse Fashion Solution Pvt. Ltd-Readymade Garments, ii) Shangrila Carpet and Handicraft Pvt. Ltd-Carpet iii) Everest Pashmina Knitting and Weaving Industries Pvt. Ltd-Pashmina, iv) Everest Fashion-Handicraft and v) Felt and Yarn Pvt. Ltd.-Wool felt.

In her closing remarks, Ms. Akhter expressed thanks to

She highlighted MCC compact US\$ 500 million grants to Nepal for over five year's period to build access to hydro power and to improve the regional connectivity. So that it can export hydro power to regional market bringing tremendous revenue to Nepal and creating tens of thousands of jobs in Nepal for Nepalis. MCC will give a huge benefits to Nepal. She also thanked NUSACCI for lobbying and advocating for MCC.

forward to hear some ideas/ views and how things shape for moving forward. She urged to advocate reforms to make doing business easier in Nepal to attract foreign investment. To that it includes reducing corruption, introducing tax and investment policy that incentivize foreign direct investment. All these are essential for foreign investment and growth

The event was sponsored by TESLA motors (platinum



a chief guest and also extended congratulations to all awardee companies in five categories garment, pashmina, (carpet, wool handicraft and felt) for receiving the awards based on the nomination of respective associations on the basis of highest export to USA in FY 2021/22. He further said, NUSACCI will try to organize this kind event every year on a regular basis. Mr. Saakha remarked Nepal Trade Preferences Program (NTTP) currently applies to a total 77 tariff lines but Nepal has not been able to take advantage of the facility fully and find the significant market for those items. He also urged Ms Akhter possibilities for the extension of NTPP beyond 2025 as it will be expiring in December 2025. The chief guest of the program Ms. Afreen Akhter, US Deputy Assistant Secretary handed over awards to the five companies for exporting highest value of goods NUSACCI for a very warm welcome and inviting her to speak in this event. She said USA economic partnership with Nepal is foremost priority. She appreciated that the Nepalese company are exporting high quality unique goods to USA. She highlighted USA and Nepal have had a flourishing 75 years of bilateral relations and for the next 75 years it will be even more flourishing and grow further. She said organization like Nepal-USA Chamber of Commerce and Industry is vital to our partnership and will continue to play a huge role for growing our business ties and growing economic partnership and really taking it up to the next level. Supporting Nepal's sustainable economic development, entrepreneurship, innovation and attractiveness as investment destinations are key priorities for USA and have been since the inception of the relationships.

In addition to this, US Development Finance Corporation incredibly interested growing its portfolio in Nepal. It has already invested more than 160 million US\$ supporting lending to Small and Medium Enterprises (SMEs) for critically growth happen to Nepali technology, health care and renewable energy companies and wants to expand portfolio years to come. USAID has supported Nepal's Economic Development from the beginning. They are programming extensively to support entrepreneurships, trade, Agriculture, Nepalese Women in Business. She encouraged all companies to take full advantage of Trade Preference Program introduced after the Nepal's earthquake to support from disaster recovery which is very specific to Nepal for the export of 77 products. As it will be expiring in couple of years and will be interested for looking

sponsor), Cathay Pacific (gold sponsor), **SMIRNOFF** and Himalayan Bank Limited (gold sponsor), Carlsberg, Penasol, Thai Smile and Coca-cola (silver sponsor). More than 20 door prizes also distributed in the lucky draw event sponsored as door prizes from Club Himalaya, Manakamana Darshan, Aloft Hotel, ARKO, Pure Clothing, Fashion Mantra, Mandala Silk Design Pvt. Ltd, Orient Cafe, Opium Restaurant, French Nails, Aranya Boutique Hotel, Akama Hotel, IMS Group-Samsung, Juju, Nepali Kathmandu Ghar, Thamel House, Khumbu Carpet, Euro Pashmina and Tara Oriental, The executive board members and members, guests from the US Embassy, renowned business personalities, journalists, awardees, and sponsors and their representatives and well-wishers of NUSACCI attended the Valentine Gala Dinner program.



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# Interview: Ms. Latika Golyan, Chairperson and Managing Director, Lekali Corp. Pvt. Ltd

Latika Golyan is an entrepreneur with first-hand experience 3. in various businesses such as Manufacturing, Retail, Hospitality, Construction, Agriculture and FMCG. She was Director, Golyan Group, for over 15 years. She founded Brand Mato which has been procuring and selling organic fresh produce from farmers across Nepal.She is Chairman and MD of "Lekali Corp Pvt Ltd "where she has tied up with farmers and small scale entrepreneurs across the country. Her vision is to reduce the country's trade deficit and to make Nepal's unique products known and available globally.

#### 1. Please provide a brief profile of the company/industry ?

*Lekali Corp. Pvt. Ltd* was established in 2022. Previously, exporting dog chews and other Nepali product through its sister company—Made in Nepal. The authorized capital of the company is approximately USD 380,000.

The journey as a manufacturer started after the company bought Godawari International, whichis one of the oldest and largest facilities and has been manufacturing & exporting dog chews for the last 10+ years. This is the only USFDA Certified & COSTCO audited and certified facility in Nepal. This decision was made as we discovered the growth potential of the dog chew market while we were exporting them through Made In Nepal ona small scale. It focuses specifically on the export of pet products from Nepal. Currently exporting Himalayan dog chews and felt products for pets.

The company has been providing direct employment to 15 full-time employees (10 Male, 5 Female) and around 5/6 parttime employees (All women). Also supporting a consortium of 5000 farmers throughout different areas of Nepal. The sources of raw material as the product is made using allnatural products i.e only Cow & Yak Milk, Lime, Salt

The chews are made using ancient recipe and techniques that is still prevalent in the Himalayas. Churpi. Mountain Cheese Dog Chews are 100% Natural and Organic, there are no additives or preservatives. The chews are gluten-free and no binding agent is used. *What are the scenarios of demand and supply aspects of dog chews in USA?* 

USA has been one of the most lucrative markets for Himalayan Dog Chews for more than a decade and the demand has only been increasing with time. As per an article by PetFoodIndustry.com, a study revealed that from 2017 to 2020, Chhurpi companies' export sales rose from 15.6% to 40%, which translates to an average growth rate from 10% to 11% annually<sup>1</sup>. They are one of the most sought-after pet treats due to their uniqueness and their being 100% natural. We've been focusing heavily on R&D and have been trying to innovate with these Yak Chews to make sure we can keep the buyers excited about the product. As of now, we do various all-natural flavors like honey, turmeric, etc along with puffed nuggets, protein powder & biscuits – all made using Himalayan dog chews.

#### 4. Is your company's product contributing value addition to the country's economy? If yes, how your company helping in this direction?

As per CEIC data, Nepal has recorded a trade balance deficit of 865.7 USD Million in Jan 2023. <sup>2</sup>Being an export company that is doing B2B we are bringing in millions of valuable Foreign Exchange into the country and have been working to contribute to reducing the trade deficit of the country. Most ofthe products that are manufactured in Nepal , use raw materials that are imported but Churpi is one of the few items that are 100% Made in Nepal using local raw materials, and that too in remote Himalayan regions.

Our company has been contributing to employment generation not just in the urban area but also the rural areas of Nepal. We buy raw materials from thousands of farmers and hundreds of small dairies in all over Nepal. We have been supporting the country as the Per Capita Income of residents in the rural area by supporting SMEs across Nepal.

(For details about the company please go through the website <u>https://lekalinepal.com</u>)

2. How would you view/analyze the prospects and constraints of dog chew export to the USA?

There are quite a lot of Documentation and Test reports that are required for us to export the Dog Chews into the USA. Our company is fully compliant with USFDA FSMA and we had to spend approx. of U\$50,000 just for report preparation and implementation.

5. What are major issues/hurdles regarding dog-chews exports to USA both from perspective of country of origin to destination country i.e. USA?

Nepal being a landlocked country without any seaport, we have to make shipments via India. The delivery time from Nepal via India by sea is more than 60 days. Since Dog Chews are easily affected by moisture, humidity, etc, there is a high risk of the chews being damaged in transit. With the risks involved in the sea shipment and lead time, shipment by air is a preferred mode of transportationwhich have become very expensive in the last few years. After COVID due to limited flights along with increase in fuel prices due to ongoing conflict in EU, the



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shipping cost has become one of biggest hurdle regarding dog chew exports. This has become one major reasons buyer have started looking for alternative destinations like India to source the chews from.

Few other issues would be the bureaucracy in Nepal is also a major hurdle as we have to visit 3-4 Government Departments to get documentation ready for each shipment. Along with, a lot of funds and effort are required to get USFDA compliance and if in any case, the USFDA puts our shipment on hold, we incur high demurrage charges.

#### In your opinion what are the qualitative measures that *6*. should be undertaken for boosting more dog chews export to USA?

First and foremost, the quality of the Dog Chews that are being exported should be standardized to make sure consistent quality is being supplied. The Government should earmark a minimum rate of the chews to avoid spillage of the revenue reaching the country and unhealthy price wars. The exporters should be strictly monitored to ensure that only companies that are fully compliant to Nepal Government and US laws are exporting the product to make sure buyers trust the quality of products being exported from Nepal.

Besides this, "Nepal as the country of Origin" and Himalayan Dog Chews as a specialty product of Nepal should be heavily promoted in Pet Fairs, Trade Shows and digitally.

#### Is there any logistical issues associated with your export? If 7. yes, please explain briefly?

Yes, as mentioned above as well, Nepal is a landlocked nation without a seaport, we must ship goods through India. The delivery duration from Nepal via India by sea is more than 60 days. Dog Chews are easily damaged by moisture, humidity, etc., so there is a serious risk that they will be damaged during transportation. With the risks involved in sea shipment and lead time, shipment by air is a preferred mode of transportation which has become very expensive in the last few years. After COVID due to limited flights along with an increase in fuel prices due to ongoing conflict in the EU, the shipping cost has become one of the biggest hurdles regarding dog chew exports

Control Measures, Labor Rights, Services, etc, which would be given prioritized access to the US market in terms of shipment entry into the US and documentation would be beneficial to both buyers as well as the suppliers of the dog chews. Making this list available to Pet Companies in the US would help the buyers there make an informed decision about their purchase whereas the exporting parties with the highest standard of manufacturing would have a competitive edge.

#### 9. Is your company facing any marketing problems with the product in the USA?

Yes, we are not able to market our products as much as we would like to in the US as the cost of participation in the major Pet Fairs and Expos in the USA like Global Pet Expo, and SuperZoo is quite high. Along with this, high cost of digital marketing and a lack of understanding of consumer behavior and preference in the US has been a challenge. Along with this unfair competition from a few traders offering inferior quality due to price wars has been a major problem. Being based in Nepal, being unable to build a personal relationship with the buyers is also a major issue as most of the communications happen virtually.

#### 10. What is the competition aspects of Nepali dog chews product from other countries?

The competition for Nepali Dog Chew from other countries has been increasing with India growing as a major competitor. The milk prices and shipping cost are lower in India which allow Indian companies to offer cheaper prices.

The lack of a quality standard in Nepal has also helped competing companies as some companies here in Nepal export low-quality chews at a very cheap rate. We've not been able to brand the Himalayan Dog Chew's country of origin as Nepal which has allowed other countries to easily enter into production.

How Nepal-USA Chamber of Commerce and Industry *11*. (NUSACCI) would help outresolving the problem faced by your

Besides this, it is really expensive to ship samples to potential buyers as the quantity is very low which causes the shipping cost to skyrocket, requirement of every test report&certificate for a small quantity of samples is a different issue in itself.

Is there any comments and suggestions from your part to **8**. Nepali government agency vis-à-vis US government agency for facilitating the export process more smoothly?

Publishing a list of companies that are inspected simultaneously by both countries to ensure Good Quality Products, Quality company and boost overall dog chews export from Nepal?

Nepal-USA Chamber of Commerce and Industry (NUSACCI) could help us in resolving the problems faced by our company and boost overall dog chews export from Nepal by helping the Nepali Exporters to connect with the US buyers and also help in branding the Himalayan Dog Chew's country of origin as Nepal. Along with this, releasing a list of companies following SOPs, good practices, and consistent quality standards and promoting this throughout the major players in the USA.

#### **Citation :**

- 1) https://www.petfoodindustry.com/articles/12040-nepalichhurpi-dog-chew-suppliers-set-sights-on-us-market 2)
  - https://www.ceicdata.com/en/indicator/nepal/trade-balance



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# **Interaction Meeting and Exporter Awards Gala Dinner Program (In Picture)**































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For Comments and Suggestions please contact us : Nepal-USA Chamber of Commerce and Industry (NUSACCI), Tinkune, Kathmandu, Nepal, Phone: +977 1 4117594, Email: info@nusacci.org.np