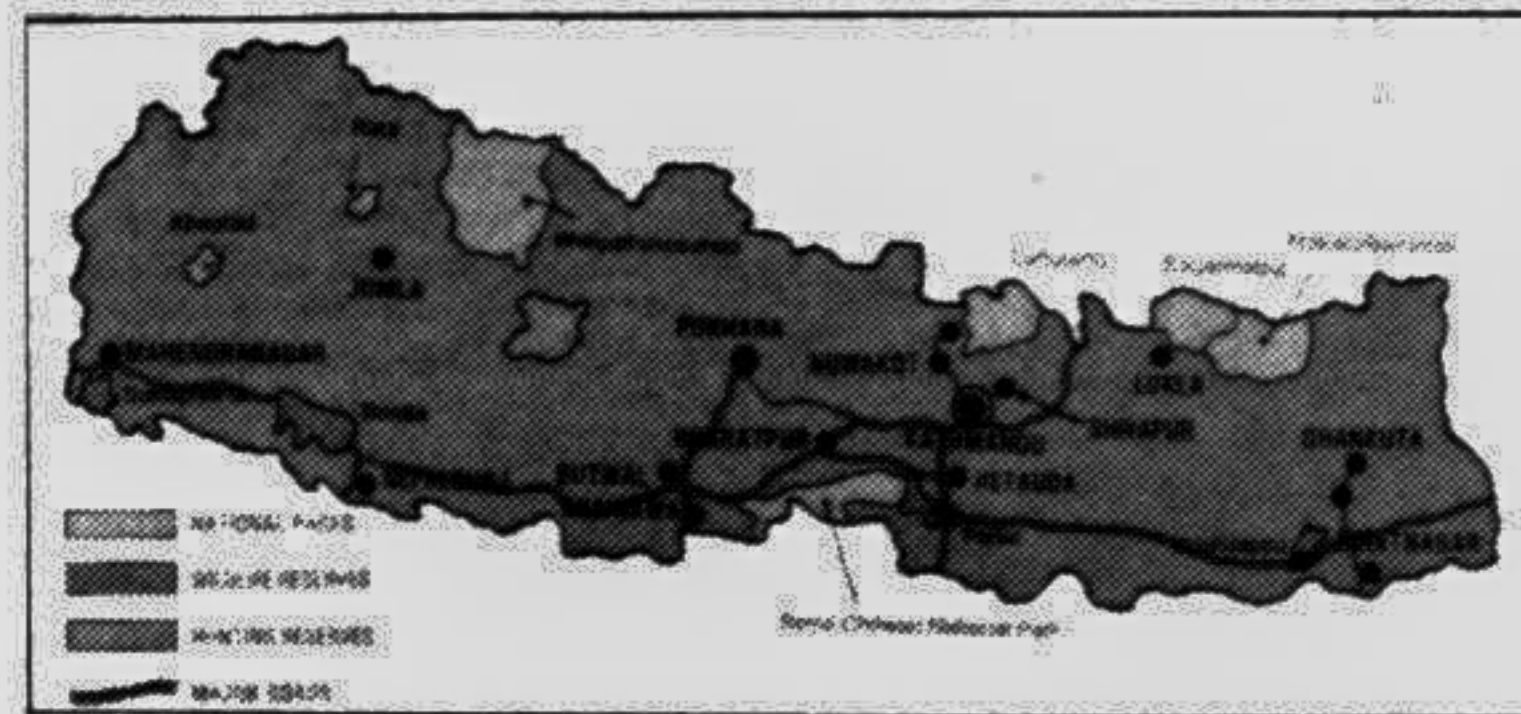


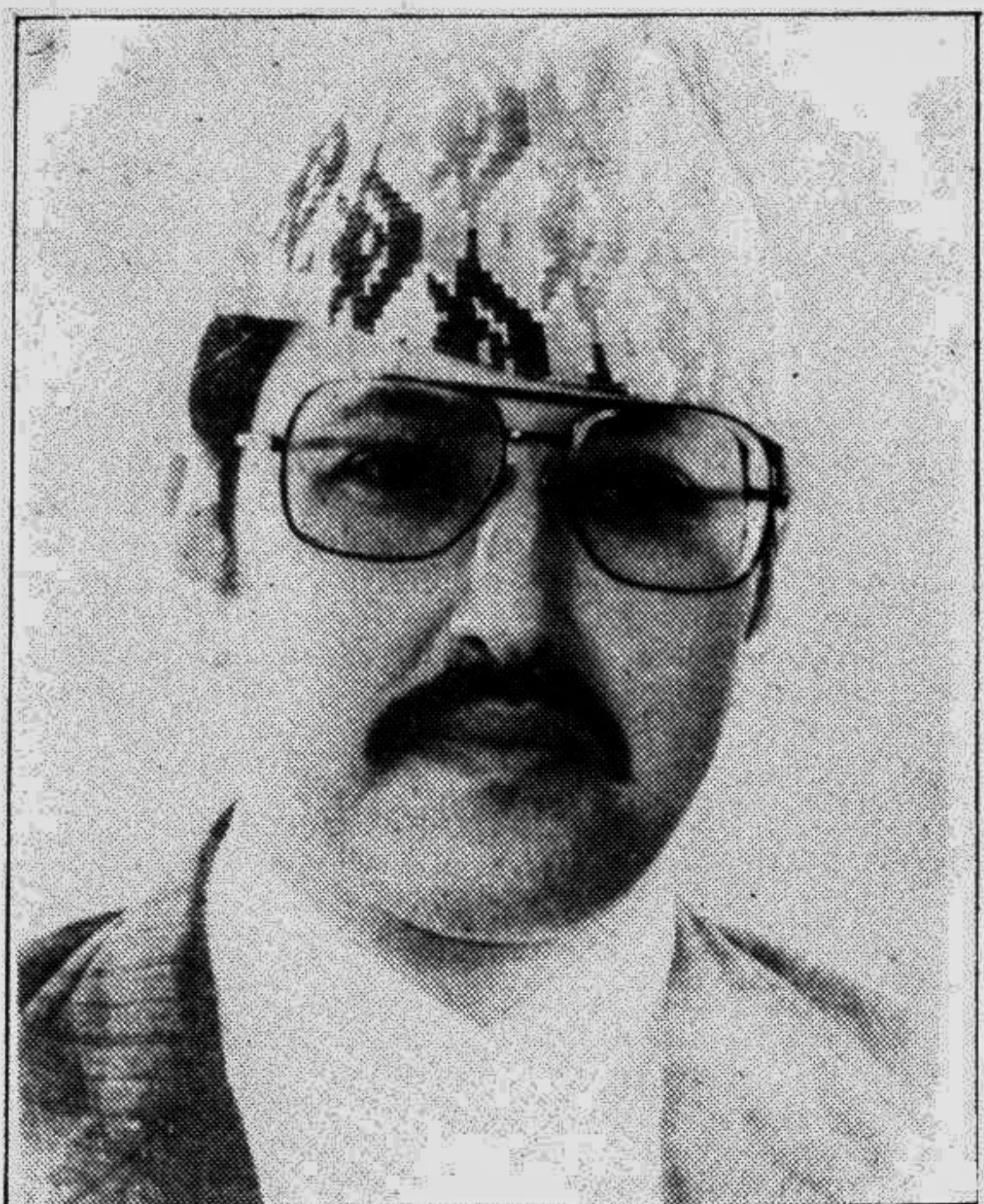
54th Birthday of His Majesty King Birendra Bir Bikram Shah Dev and National Day of Nepal



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His Majesty King Birendra Bir Bikram Shah Dev

Nepal-Bangladesh Relations Trade and Investment Opportunities

TRADE and investment are increasingly becoming the central thrust in the Nepal-Bangladesh economic relations, especially after the opening of the Kakarbhitta-Phulbari-Banglabandh-Mongla transit route, which allows Nepal an access to and from the sea through territories of Bangladesh. The opening of the transit route since September 1997 has not only widened the possibility of diversifying Nepal's trade with countries overseas, it has equally liberated the potential of promoting trade and investment between Nepal and Bangladesh.

Traditionally, the volume of trade between Nepal and Bangladesh is not significant considering the complementarities and product complementarities between the two countries. The trade balance is in favour of Bangladesh, except the year 1996/97 in which it was in favour of Nepal.

Nepal imports industrial raw materials, chemical fertilizers, machinery equipment and textiles from Bangladesh. Lentils (Masur Dal), wheat, tyre-tubes and vegetables seeds are the major items exported from Nepal to Bangladesh. Besides, Nepalese rice, vegetables & fruits, stone boulders, pebbles, ginger, tea, handicraft items, agro-based and horticultural products have the real competitive edge and demand in Bangladesh.

Business leaders from both countries are exploring the possibilities of mutually beneficial bilateral trade. An agreement has been signed between the apex chambers of commerce of the two countries. Regular contact of the bilateral chambers and exchange of business delegations is anticipated.

While it is the responsibility of the private sector to expand opportunities in trade and investment, both government are playing the role of facilitator for the promotion of the same. Nepal and Bangladesh have been discussing matters of mutual interest in the areas of trade and investment under the Joint-Economic Co-operation (JEC). The tenth JEC, held in Kathmandu, has, among other things, discussed the potential joint ventures and items that could be traded between the countries and policy measures that could facilitate the trade and investment.

Nepal and Bangladesh are also negotiating tariff concessions under regional framework of the South Asia Preferential Trading Arrangement. In the latest negotiations under SAPTA negotiations held in November, 1998, Bangladesh has offered tariff concessions to Nepal in 22 items in the range of 10-15 per cent and Nepal has offered concessions to Bangladesh in 30 items. There is a possibility to further reducing the tariff and removing the non-tariff barriers on the both sides. Both Nepal and Bangladesh have similar views on the regional trading arrangement and the world trade regime, especially in protecting the interests of the least developed countries. Free trade regimes stipulated under the SAPTA and the WTO will also help boost the bilateral trade between the two countries.

Nepal and Bangladesh have already embarked on some joint venture projects. Nepal-Bangladesh Bank limited &

Nepal Arab Bank Limited are two major successful joint ventures in banking sector. Business leaders in both countries are also exploring the joint venture investment on other areas. Some proposals have been moved in Nepal between Nepalese & Bangladeshi industries for joint ventures in the pharmaceuticals, ready made garments, PVC pipes and mineral water. There is a sizeable market and hence investment potentials in Nepal for the Bangladeshi pharmaceutical products. There have also been discussions on Bangladeshi investment in boulder mining and cement/clinker factory in Nepal. There is also the potential of joint ventures in dairy products and chemical fertilizers. Nepal can benefit from the huge gas reserves of Bangladesh, which could be exported via pipeline to Nepal. There is also the potential for collaboration on the utilization of Nepal's water resources for generating electricity to meet power demand in the region. Nepal, Bangladesh, Bhutan and India have ventured into co-operation on South Asian Growth Quadrangle as a growth area, which has the tremendous potential of growth as there are complementarities bestowed upon by the nature in geographical, economic and ecological perspectives. The collective endeavours in gridding the infrastructure network will also help boost trade and investment in the region which will eventually contribute to the growth potential of the region.

Nepal offers unique opportunities for trade and investment. There is business friendly and pro-investment environment as the government has adopted a liberal economic policy. Foreign companies can own up to 100 per cent equity. Full repatriation of profit in convertible currency is allowed. There is a guarantee against nationalization and multilateral guarantees are available for avoiding any risks. There are other incentives like tax holidays and no-tax regime for exportable items. Nepal offers one-window service to the investors and proposals are cleared within thirty days of application. Besides a peaceful environment, Nepal has a cheap and easily trainable labour market. Financial services are well developed. The opening of the most direct transit route between Nepal and Bangladesh has further paved a way for more easier access for the investors to and from Nepal.

The broad areas open for foreign investment in Nepal include manufacturing industry, energy-based industry, tourism industry, mineral resource based industry, agro based industry and service industry. Bangladesh investment could be particularly lucrative in agro-based and horticultural based industry related to medicinal and aromatic plants, vegetable seed production, flower seeds, vegetable production for export, tea development, sericulture, floriculture, fruit processing and processing of spices. Besides, cement industry, textile industry, pharmaceutical industry, leather goods industry also offer attractions for Bangladesh investment in Nepal. Investors and business leaders should really seize this opportunity.

Destination Nepal

One of the world's most famous tourist destination is just one hour away

NEPAL, As a nation, is celebrating the 54th anniversary of its independence. The country has generated a tremendous response from the world over. As a result, Nepal has witnessed an increase of 10 per cent tourist arrivals in the country during this period. Thanks to the improving quality of Nepal's tourist products and services and a massive campaigning throughout the year. Visit Nepal '98, which aimed at revitalising Nepal's tourism industry has been a highly successful and most aggressive campaigning ever launched by Nepal. During Visit Nepal '98, Nepal not only invited more visitors, but improved tourism related infrastructure, addressed the issues related to environment and sustainable tourism, and created an increased awareness of the preservation of the cultural heritage while promoting the awareness of benefits of tourism as a socio-economic activity touching the lives of every Nepali citizen one way or another. The campaign also helped enhance Nepal's image repositioning it as a unique and one of the world's most famous visitor destination.

Although the particular festivities related to Visit Nepal '98 is winding up at the end of the year, the mood and hospitality plus the awareness has been perpetuated. After all, tourism is Nepal's most important economic sector after agriculture since it generates employment and earns revenue and foreign exchange bringing qualitative shifts in the lives of the Nepalese people. And Nepal is striving to steer tourism as a major industry into the next century.

Nepal and Bangladesh possess true complementarities and combinations in enhancing mutually beneficial regional tourism as well as in attracting tourists from all over the world. Whereas Nepal offers majestic Himalayas and diverse cultural heritage with a combination of trekking and other adventure tourism, Bangladesh's Sundarban delta and splendid sea beaches with a rich cultural heritage offer unique attractions. Tourists could combine these destinations if tours could be articulately packaged to suit the visitors.

Though there is a potential seizing the opportunity in the burgeoning tourist interest within the region, very few people have actually taken advantage of the products and services that are available. For example, there were only about 7,000 tourist arrivals from Bangladesh to Nepal during the last year.

Nepal offers Bangladeshi tourists a cheap destination which is just one hour's flight away. There are regular flights between Kathmandu and Dhaka by Bangladesh Biman. Nepal's Royal Nepal Airlines is keen to fly Kathmandu-Dhaka-Colombo sector. If this proposal materialises, it will greatly enhance the regional tourism.

A proposal has also been initiated to start tourist bus service between Kathmandu and Dhaka. With the Kakarbhitta-Phulbari-Banglabandh transit route becoming operational, the plying of tourist coaches between the two capitals is likely to contribute towards enhancing number of tourists between the two countries.

Destinations

NEPAL offers a unique mix of diverse tourist destinations and attractions. It evokes myriad images and emotions. From the high Himalayas to the dense jungles of southern Nepal, form the ageless trekking trails to the art treasures of Kathmandu valley, given its size Nepal presents a diversity unique in this world. Its equally unique culture has been forged by symbiosis between the great Aryan and Mongol cultures.

Whereas the Kathmandu Valley is the main attraction, there are countless historical, archaeological and natural sites throughout the country which remain constant source of attraction for the tourists from all over the world.

Kathmandu is served by major international airlines and is connected to world cities and regional hubs by regular and direct flights. There are direct flights to and from Amsterdam, London, Paris, Frankfurt, Moscow, Vienna, Abu Dhabi, Doha, Dubai, Karachi, Calcutta, Delhi, Mumbai, Patna and Dhaka. Other destinations are served by a superb air network with 44 domestic airports and several domestic airlines.

visitors to the country. Once a separate Kingdom in itself, it contains three fabled cities: Kathmandu, Patan and Bhaktapur. Each is an artistic exposition of graceful temples, elegant palaces, brick-paved courtyards and quaint streets. There are seven World Heritage Sites in the Valley itself. The Durbar squares are complexes of palaces, temples, courtyards, and shrines built in between 12th and 18th century. Kirtipur, situated on a ridge 6 km southwest of Kathmandu, is an ancient township with spectacular temples squares and streets lined with artistic houses. A range of city tours and day-trips around Kathmandu valley are available.

Pokhara: Pokhara, 200km west of Kathmandu, is a place of remarkable natural beauty and a major tourist attraction outside Kathmandu. The serenity of Phewa Lake and the magnificence of the fishtailed summit of Machhapuchhre (6,977m) rising behind it create an ambience of peace and magic. Indeed, the valley surrounding Pokhara is home to thick forests, gushing rivers, emerald lakes, and of course, the world famous views of the Himalaya. The most stunning of Pokhara's sights is the spectacular panorama of the Annapurna range which forms its backdrop. Begnas Lake and Rupa Lake, located about 15km from Pokhara, offer the perfect nature retreat because of their relative seclusion. Splendid boating and fishing opportunities are available here. Locally known as Patale Chhangho (Hell's Fall), Davis's Fall is an awesome waterfall lying about 2 km south-west of Pokhara airport. Besides, there places there are many old caves and temples worth visiting and passages for going to short and long trekkings. Seti River, which flows beneath Pokhara city offers a spectacular view from Mahendrapur, a bridge over the narrow gorge of the river in the heart of the city.

Lumbini: Lumbini, 284 km south west of Kathmandu, is the hallowed birthplace of Siddhartha Gautam Buddha, the Shakyas prince and the founder of Buddhism. This nativity site, identified by Indian Emperor Ashoka's commemorative pillar erected over 2,200 years ago and rediscovered in 1896, is the quintessential Buddhist heritage site, currently renaissance by the internationally supported Lumbini Development Project. The main attraction is the Sacred Garden that is spread over 8 sq. km and possesses all the treasures of the historic area. The Mayadevi temple, currently under renovation, is the main attraction for pilgrims and archaeologists alike. The sacred pond Puskarni where Queen Mayadevi had taken a bath just before giving birth to the Buddha, lies nearby.

Tilaurakot: An important archaeological site 27km west of Lumbini, evokes the ancient palace of King Suddhodhan, Siddhartha Gautam's father, where the Buddha spent his formative years as a Shakyas prince. Scattered foundations of the ancient palace, stupas and monasteries made of kiln-baked bricks and clay mortar are abundant here. Archaeologists to date have discovered 13 successive layers of human habitation here dating back to the eighth century BC.

Gorkha: Situated 131 km west of Kathmandu at an altitude of 1,135 m at the end of a mountain road that branches north from the Kathmandu-Pokhara highway, Gorkha is the ancestral home of the Shah dynasty and home of the original Gorkha soldiers. Gorkha's centerpiece is the magnificent Gorkha Durbar which is a fort, a palace and temple complex with excellent views of the surrounding valleys and the Manaslu mountain range.

Kodari: Kodari lies on the Nepal-China border, 115km to the northeast of Kathmandu. The village (altitude 1,640m) has an exotic history as the starting point of the ancient trans-Himalayan caravan route, the Nepalese equivalent of the Silk Road. The Arniko Highway connecting Kathmandu and Kodari passes through magnificent river gorges and mountain scenery. The famous hot water springs known as Tatopani is situated 3 km before Kodari.

Hill Resorts: Hill resorts are attractive destinations for their spectacular views of the mountain ranges and exciting setting of the Nepalese villages. Of the famous resort destinations, Nagarkot (altitude 2,175 m) is by far the most popular. Located 30 km east of Kathmandu, Nagarkot has developed into a favourite weekend getaway among those seeking mountain views in comfort and quiet. At sunrise, the Himalayan range, stretching from Dhaulagiri in the west all the

way past Everest to Kanchenjunga in the east, emerges from the darkness to greet the happy visitor with its awe inspiring majesty and beauty. The Newar town of Dhulikhel (altitude 1,440 m) offers a traditional atmosphere along with spectacular views. Situated just past Banepa some 32km east of Kathmandu, Dhulikhel is a magnificent place to spend the night and awaken to the sun rising across the wide Himalayan range. Situated 23 km Northwest of Kathmandu, Kakanil (1,982 m) is a less crowded and more pristine destination which provides excellent mountain views of Ganesh Himal, Langtang, and the Annapurnas. The nature-lovers will hail the beautiful oak and rhododendron forests on the south. Daman, yet another hill resort, is situated 80 km south-west of Kathmandu at an altitude of about 2,400m. Located on the Tribhuvan Highway in between Kathmandu and the town of Birgunj, Daman is known for the view of the breathtaking grandeur of the world's highest peaks extending in one glittering arc from far-west of Dhaulagiri to far-east of Sagarmatha (Mt. Everest). There is a view tower fitted with long range telescopes.

Attractions

VARIOUS tourist activities and attractions are available in Nepal. Visitors to Nepal can combine these attractions and activities in order to maximize their satisfaction from visit to Nepal.

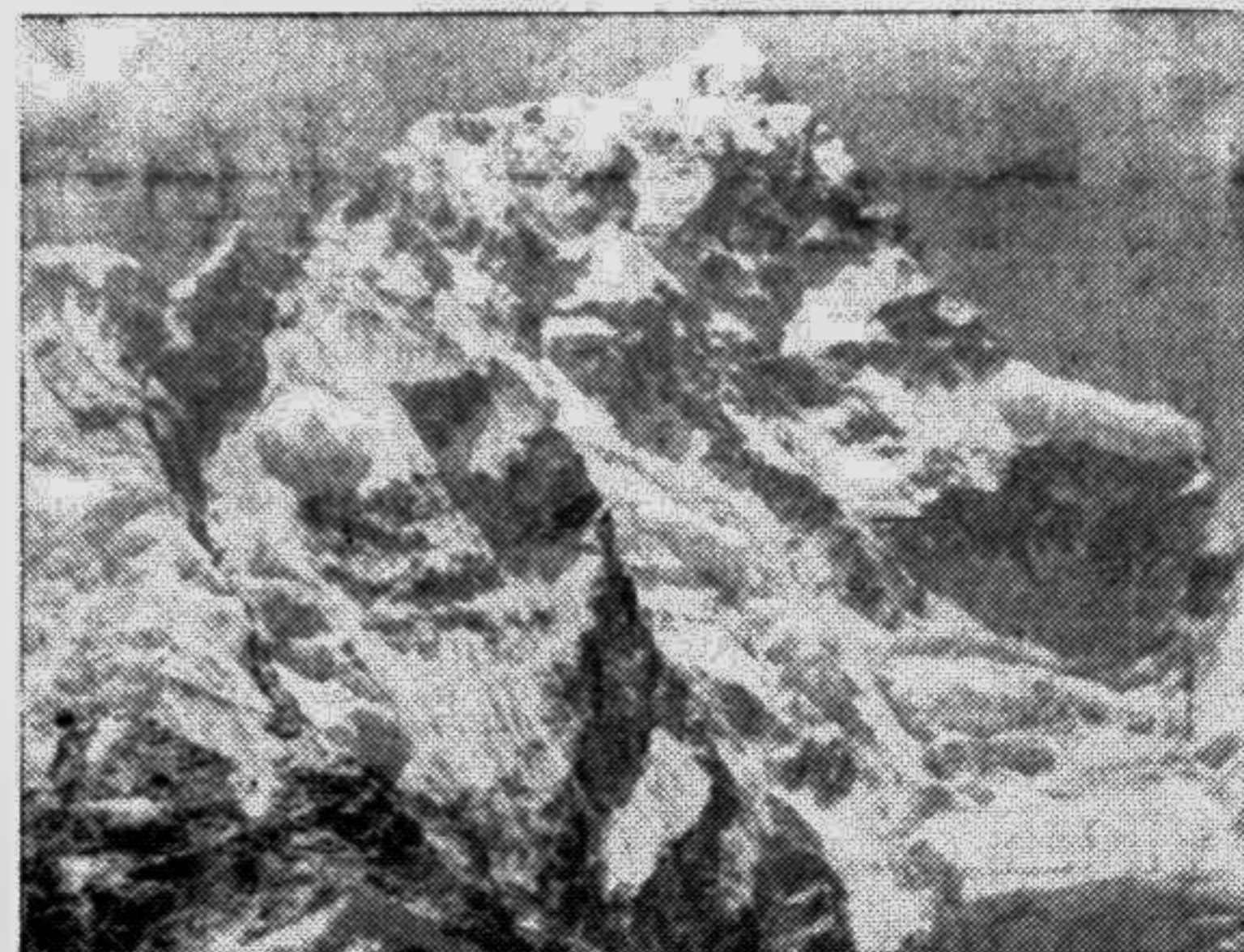
TREKKING: While one can

EATING OUT: Kathmandu is also a culinary paradise for it offers a range of regional, continental and Nepali cuisine. Restaurants are aplenty and they all offer beautiful ambience, tasty food and excellent services.

MUSEUMS: Browsing around museum in Kathmandu Bhaktapur and Patan is quite an activity for they offer a glimpse of Nepal's history, art and culture. Famous and most visited ones include National Museum, The National Art Gallery and the National Wood Works Museum. A recently set up Patan Museum is worth visiting. There are several other museums of specific interests.

SHOPPING: Nepalese souvenir shopping includes shawls, jewellery, metalware, paper-products, Thangka paintings, earthenware, spices, bronze, brass and copper statues, Nepalese tea, carved windows and woodworks, woolen carpets and various other handicraft and curio items. But Kathmandu is also a great place to stock up on international brand merchandise because of better prices and genuine products available here. Items like blankets, cosmetics, fashion-wear, jewellery, electrical appliances, crystalware are the best buys.

Nepal is not only cheap and closer destination for Bangladeshi tourists, it offers the easiest access to visitors. Visas are available at the Royal Nepalese Embassy or at the airport or immigration point upon arrival. There are several moderately priced hotels and guest houses for economy travellers.



Mt. Everest

fly to major cities, the best way to experience Nepal's unbeatable combination of natural beauty and cultural heritage is to walk through them. Trekking a major tourist activity in Nepal, is possible any time of the year, the most appropriate season being spring (February-March) and autumn (September-November). Whereas the entire length and breadth of the kingdom is a paradise for trekkers, some of the most popular trekking destinations are around Annapurna, Everest, Langtang and Mustang regions.

ADVENTURE TOURISM: A range of other adventures like mountaineering jungle safari, white water rafting, hot air ballooning, and mountain biking are available to the sporty and adventurous visitors.

MOUNTAIN FLIGHT: For those who are restricted by time or any other region and cannot go trekking, mountain flights, which offer panoramic encounter with the Himalayas, the highest peaks on the earth, are available daily on all major domestic airlines. Among others, closely visible important peaks are Sagarmatha 8,848m, Nuptse 7,855m, Pumori 7,161m, Gychung Kang 7,952m, Choyu 8,201m, and Gaurishanker 7,134m.

JUNGLE SAFARI: Yet another popular visitor activity in Nepal is the jungle safari, which can be enjoyed in any of the 14 national parks and wildlife reserves. The Royal Chitwan National park, 155 km south of Kathmandu, provides a rich habitat to a variety of wildlife matched by few other parks in the world. Due to its accessibility from Kathmandu and Pokhara, its physical nature and the presence of full service accommodations both inside and outside the park, it is the most popular national park in Nepal. It is home of the famous one-horned rhinoceros, and various other wild birds and animals. One can enjoy elephant safari or a jungle walk in the park. Nepal's famous snow-leopard can be sighted around Sagarmatha, Shephoksumdo and Makalu-Barun National Parks.

FESTIVALS: Nepal is a land of colourful festivals. Visitors can enjoy the sight of colourful festive procession in the streets of the cities, in small towns and even in the villages.

MESSAGE

Nepalese people at home and abroad are celebrating the 54th Anniversary of His Majesty King Birendra Bir Bikram Shah Dev with a lot of enthusiasm organizing various programmes. On this auspicious occasion, we wish His Majesty good health, happiness and long life.

His Majesty the King, in accordance with the Constitution of the Kingdom of Nepal, is the symbol of national unity. Throughout the history of Nepal, the monarchy has been an age-old institution regarded as the symbol of unity, integrity and pride of the people and the country. His Majesty the King has been a source of inspiration for promotion of national dignity of the people of Nepal.

After the reestablishment of democracy in 1990, Nepalese people are embarking upon a path of progress and economic prosperity. His Majesty the King has been, in accordance with the Constitution of the Kingdom of Nepal, contributing to the strengthening of democracy in the country.

On this auspicious occasion, I feel honoured to extend the heartiest and warmest greeting to the people and Government of the People's Republic of Bangladesh on behalf of the people and His Majesty's Government of Nepal. I also wish to extend sincere felicitations to the people and Government of the People's Republic of Bangladesh for their progress and prosperity despite the recurrent natural hazards in the recent years.

Nepal and Bangladesh enjoy very close and cordial ties ever since the establishment of diplomatic relations in 1972. The bonds of friendship and co-operation between Nepal and Bangladesh have been further strengthened and consolidated after the advent of democratic systems of governance in both the countries. Exchange of high level visits have added new dimensions in the annals of Nepal-Bangladesh relations. The visit of His Excellency Shah AMS Kibria, Minister of Finance of Bangladesh to Kathmandu in March this year has opened new vistas of economic co-operation, especially in a range of issues discussed in the Nepal-Bangladesh Joint Economic Commission. Though Nepal and Bangladesh have embarked upon economic co-operation, it is on a limited scale and short of the maximum potential.

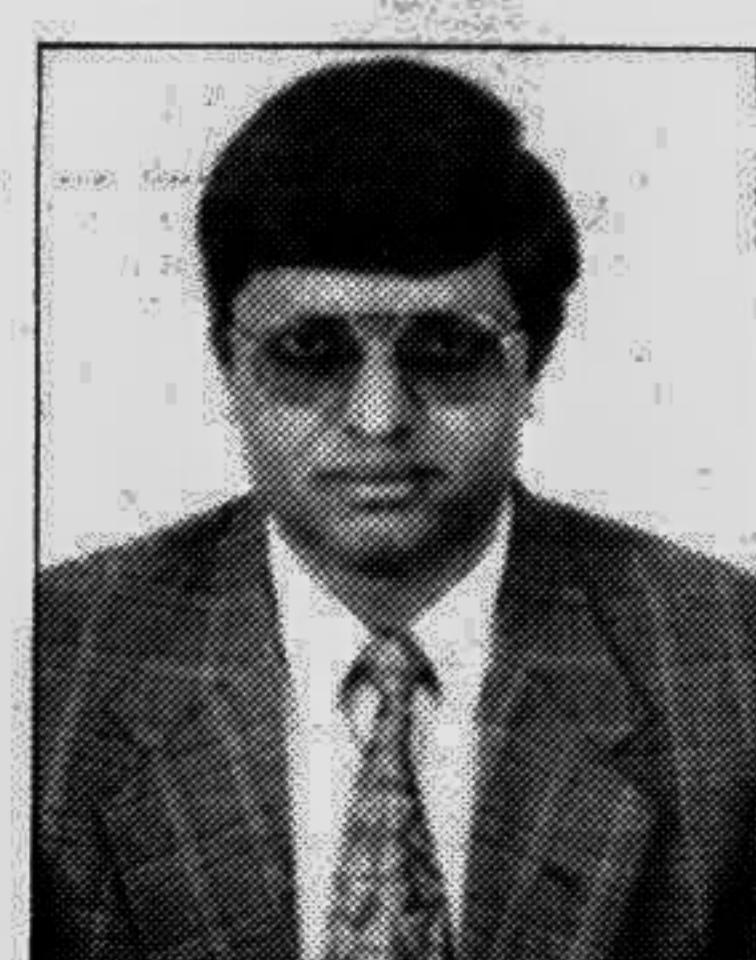
A significantly new phase of substantive co-operation has

begun especially in the areas of trade of investment since the opening of Kakarbhitta-Phulbari-Banglabandh-Mongla transit route since September 1997. The opening of the transit route, which allows Nepal the most direct access to and from the sea through the territories of Bangladesh, it is hoped, will help boost Nepal's bilateral trade with Bangladesh along with her trade with countries overseas.

Nepal and Bangladesh have maintained similar views on most international issues and have become partners in strengthening the regional co-operation in South Asia.

There are opportunities of exploiting the fullest potentials, given the complementarities-geographical, economic and ecological between the two countries. There are potentials for enhancing co-operation between Nepal and Bangladesh both bilaterally and under the recently-launched South Asian Growth Quadrangle between Nepal, Bangladesh, Bhutan and India, especially in the utilization of Nepal's water resources for the benefit of the entire region. Such co-operation is likely to bring qualitative shifts in the lives of people in our two countries.

I am confident that the mutual cordial and friendly relations so happily subsisting between our two countries will be further strengthened and there will be more meaningful and substantive economic co-operation between the two countries in the days to come. As the Royal Nepalese Ambassador, I would like to avail and commit myself to contributing towards these causes. Long live Nepal-Bangladesh Friendship.



Madhu Raman Acharya
Ambassador of Nepal to
Bangladesh

WE EXTEND OUR HEARTIEST GREETINGS AND FALCITATIONS TO HIS MAJESTY AND THE PEOPLE OF NEPAL ON THE OCCASION OF THE 54TH ANNIVERSARY OF THE BIRTH OF

KING BIRENDRA BIR BIKRAM SHAH DEV



Alpha & Associate Companies

- Alpha Agro Limited
- Alpha Aviation & Services Ltd.
- Alpha Pharmaceuticals Limited
- Alpha Management & Consultant Ltd.
- Alpha Tobacco Mfg. Co. Ltd.
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