

**ROLE OF FEDERATION OF NEPALESE CHAMBERS
OF COMMERCE AND INDUSTRY IN PROMOTION
OF TRADE AND INDUSTRY IN NEPAL**

A THESIS

Submitted By:

Mahima Sharma

Nepal Commerce Campus

T.U. Regd. No: 5-2-358-06-2000

Campus Roll No: 511/061

Exam Roll No: 2019/063

Submitted To:

Office of The Dean

Faculty of Management

Tribhuvan University

In Partial Fulfillment of the Requirements of the
Master's Degree of Business Studies (MBS)

New Baneshwor, Kathmandu

May, 2009

VIVA-VOCE SHEET

We have conducted the viva-voce examination of thesis

Presented by
Mahima Sharma

Entitled
**ROLE OF FEDERATION OF NEPALESE CHAMBERS OF COMMERCE AND
INDUSTRY IN PROMOTION OF TRADE AND INDUSTRY IN NEPAL**

And we found the thesis to be the original work of the student and written according to the prescribed format. We recommended this thesis to be accepted as partial fulfillment of the requirements for Master's Degree of Business Studies (M.B.S).

Viva-Voce Committee

Chairperson (Viva-Voce Committee) :

Member (Thesis Supervisor) :

Member (Thesis Supervisor) :

Member (External Expert) :

RECOMMENDATION

This is to certify that the thesis

Submitted By:
Mahima Sharma

Entitled
**ROLE OF FEDERATION OF NEPALESE CHAMBERS OF COMMERCE AND
INDUSTRY IN PROMOTION OF TRADE AND INDUSTRY IN NEPAL**

has been prepared as approved by this Department in the prescribed format of
Faculty of Management, Tribhuvan University. This thesis is forwarded for
examination.

.....
(Dr. Prakash Neupane)
Thesis Supervisor

.....
(Prof.Dr. Bihari Binod Pokharel)
Head of Research Department

.....
(Mr. Diwakar Pokhrel)
Campus Chief

Date: -

DECLARATION

I hereby declare that the work reported in this thesis entitled **Role of Federation of Nepalese Chambers of Commerce and Industry in Promotion of Trade and Industry in Nepal**, submitted to Faculty of Management, Tribhuvan University is my Original work. It is done in the form of partial fulfillment for the Master's Degree of Business Studies (M.B.S) under the supervision and guidance of Dr. Prakash Neupane of Nepal Commerce Campus.

May, 2009

.....
Mahima Sharma
Nepal Commerce Campus
T.U. Regd. No: 5-2-358-06-2000
Campus Roll No: 511/061
Exam Roll No: 2019/063

ACKNOWLEDGEMENTS

This research study on Role of Federation of Nepalese Chambers of Commerce and Industry in Promotion of Trade and Industry in Nepal is prepared as a partial fulfillment of Master's Degree of Business Studies (MBS) Program.

I would like to express my heartiest gratitude and sincere thanks to my thesis supervisor Dr. Prakash Neupane who encouraged me from the initiation to completion of this task with his scholar guidance and profound comments and suggestion. And further more I would like to thanks Chairman of Research Committee Prof. Dr. Bihari Binod Pokharel.

I would also like to express my gratitude to all other member of Nepal Commerce Campus, especially, staffs from MBS department, libraries staffs as well as known and unknown people who supported as well as inspired me to complete this thesis.

It is my pleasure to thank all my friends who have supported me in different ways.

Lastly, my heartfelt thanks goes to my family members and college staffs along with classmates who have supported me by providing consistent help and encouragement.

Mahima Sharma

ABBREVIATIONS

| | |
|----------|---|
| ACFI | All China Federation of Industry and Commerce |
| ADB | Asian Development Bank |
| AEC | Agro Enterprises Centre |
| AOTS | Association for Overseas Technical Scholarship |
| APO | Asian Productivity Organization |
| ATPF | Asian Trade Promotion Forum |
| BUMSTEC | Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation |
| CACCI | The Confederation of Asia Pacific Chambers of Commerce and Industry |
| C. of O. | Certificate of Origin |
| C.B.R. | Community Based Rehabilitation |
| CBS | Central Bureau of Statistics |
| CCI | Chamber of Commerce and Industry |
| CCPIT | China Council for the Promotion of International Trade Corporate Ethic Forum |
| CII | Confederation of Indian Industries |
| CTEVT | Council for Technical Education and Vocational Training |
| DANIDA | Danish International Development Agency →Department for International Development |
| EC | Employers' Council |
| ESP | Enabling State Programme |
| EU | European Union |
| FBCCI | Federation of Bangladesh Chambers of Commerce and Industry |
| FBCCI | Federation of Cottage and Small Industry |
| FICCI | Federation of Indian Chambers of Commerce and Industry |
| FNCCI | Federation of Nepalese Chambers of Commerce and Industry |
| FNCSI | Federation of Nepal Cottage and Small Industries |
| FPCCI | Federation of Pakistan Chambers of Commerce and Industry |
| GATT | General Agreement on Tariffs and Trade. |
| GDP | Gross Domestic Production |
| GTZ | German Agency for Technical Cooperation |
| HDR | Human Resource Development |
| HRM | Human Resource Management |
| ICC | International Chamber of Commerce |
| ICIMOD | International Centre for Integrated Mountain Development |
| IDC | Industrial Development Corporation |
| IEC | Information, Education and Communication |
| ILO | International Labour Organization |
| EMF | International Monetary Fund |
| ITC | International Trade Commission |
| JETRO | Japan External Trade Organization |

| | |
|-----------|--|
| JICA | Japan International Cooperation Agency |
| JITOC | Japan International Training Co-operation Organization |
| L/C | Letter of Credit |
| MEDEP | Micro Enterprise Development Programme Memorandum of Understanding |
| MTP | Management Training Programme |
| NEA | Nepal Electricity Authority |
| NICC | Non Residential Nepalese International Co-ordination Committee |
| NIDC | Nepal Industrial Development Corporation |
| NIKKEIREN | Japan Federation of Employers' Associations |
| NPEDC | National Productivity and Economic Development Centre |
| NRN | Non Residential Nepalese |
| NTV | Nepal Television |
| NYBFF | Nepal Youth Business Foundation |
| NYEF | Nepalese Young Entrepreneurship Forum |
| OVOP | One Village One Product |
| PAN | Permanent Account Number |
| PPPUE | Public- Private Partnerships for the Urban Environment Ready Made Garment |
| SAARC | South Asian Association for Regional Co-operation South Asian Free Trade Agreement |
| SAFTA | South Asian Alliance for Responsible Business |
| SARB | South Asia Sub-regional Economic Cooperation |
| SASEC | South Asia Watch on Trade, Economics and Environment SCCI Sheffield Chamber of Commerce and Industry |
| SME | Small and Medium Enterprises |
| SMEDP | Small & Medium Enterprises Development Project |
| TIPS | Technology and Trade Information Promotion System |
| TOT | Teacher Orientation Training |
| TPC | Trade Promotion Centre |
| TQM | Total Quality Management |
| UN | United Nations |
| UNCTAD | United Nations Conference on Trade and Development UNDP United Nations Development Programme |
| UNFPA | United Nations Population Fund |
| UNICEF | United Nations International Children's Emergency Fund |
| UNIDO | United Nations Industrial Development Organization |
| USA | United States of America |
| USAID | United States Agency for International Development |
| USSR | Union of Soviet Socialist Republics |
| VAT | Value Added Tax |
| WASME | World Association for Small and Medium Enterprises |
| WTO | World Trade Organization |

TABLE OF CONTENTS

| <u>Contents</u> | <u>Page No.</u> |
|--|-----------------|
| Viva-Voce Sheet | |
| Recommendation | |
| Declaration | |
| Acknowledgements | |
| Table of Contents | |
| List of Tables | |
| Abbreviations | |
| CHAPTER I | |
| INTRODUCTION | 1-9 |
| 1.1 Introduction | 1 |
| 1.1.1 History of Trade & Industry in Nepal | 2 |
| 1.1.2 Organizational Overview of the FNCCI | 6 |
| 1.2 Statement of the Problems | 7 |
| 1.3 Objectives of the Study | 8 |
| 1.4 Limitations of the Study | 8 |
| 1.5 Significance of the Study | 9 |
| 1.6 Organization of the Study | 9 |
| CHAPTER II | |
| REVIEW OF LITERATURE | 10-21 |
| 2.1 Introduction | 10 |
| 2.2 Conceptual Framework | 10 |
| 2.2.1 Trade | 10 |
| 2.2.2 Industry | 11 |
| 2.2.3 Promotion | 12 |
| 2.3 Previous Researches and Theses | 13 |
| 2.3.1 Previous Researches | 13 |
| 2.3.2 Previous Theses | 15 |
| 2.4 Research Gap | 20 |

CHAPTER III

| | |
|---|--------------|
| RESEARCH METHODOLOGY | 22-23 |
| 3.1 Introduction | 22 |
| 3.2 Research Design | 22 |
| 3.3 Sources of Data | 22 |
| 3.4 Sample and Population | 22 |
| 3.5 Data Presentation Analysis Techniques | 23 |

CHAPTER -IV

| | |
|---|--------------|
| DATA PRESENTATION AND ANALYSIS | 24-75 |
| 4.1 Presentation of Secondary Data | 24 |
| 4.1.1 Past Activities of FNCCI | 24 |
| 4.1.2 Corporate Facts | 26 |
| 4.1.3 Roles of FNCCI | 30 |
| 4.2 Presentation and Analysis of Primary Data | 58 |
| 4.3 Major Findings | 72 |

CHAPTER V

| | |
|--|--------------|
| SUMMARY, CONCLUSION AND RECOMMENDATIONS | 76-82 |
| 5.1 Summary | 76 |
| 5.2 Conclusion | 77 |
| 5.3 Recommendations | 80 |

BIBLIOGRAPHY

APPENDIX

LIST OF TABLES

| Table No. | | Page No. |
|------------------|---|-----------------|
| 4.1 | Income details of FNCCI for 059/60-063/64 | 29 |
| 4.2 | Expenses Details of FNCCI for 059/60-063/64 | 29 |
| 4.3 | An Overview of FNCCI Memberships | 29 |
| 4.4 | Financial & Other Equipment Support given on 059/60 | 35 |
| 4.5 | Financial and other equipment support given on 060/61 | 36 |
| 4.6 | Financial & other equipment support given on 061/62 | 36 |
| 4.7 | Financial and other Equipment Support given on 062/63 | 37 |
| 4.8 | Achievements of Child Labour Project up to April 2005 | 45 |
| 4.9 | Achievements of Child Labour Project up to 15th May 2006 | 46 |
| 4.10 | The following table shows the investment of the FNCCI from 059/60-063/64 | 58 |
| 4.11 | Showing the Motivation of FNCCI Members toward the research works | 59 |
| 4.12 | Showing the gender wise participation of the respondents | 60 |
| 4.13 | Showing the Age Group of the respondents | 60 |
| 4.14 | Showing the duration of FNCCI Membership | 61 |
| 4.15 | Showing the analysis of support of FNCCI in the member companies | 62 |
| 4.16 | Showing the types of support getting by member companies from FNCCI | 63 |
| 4.17 | Showing the kind of problems facing by FNCCI member companies | 63 |
| 4.18 | Showing member companies' problems addressing by FNCCI | 64 |
| 4.19 | Showing the satisfaction of member companies with the support of FNCCI | 65 |
| 4.20 | Showing the kind of roles & functions should be performed by FNCCI | 66 |
| 4.21 | Showing the satisfaction with the present role of FNCCI | 66 |
| 4.22 | Showing the Importance of FNCCI to promote Trade and Industry | 67 |
| 4.23 | Showing the role of FNCCI in economic development of the nation | 68 |
| 4.24 | Showing the role in making Tax & Trade Policies of the nation | 68 |
| 4.25 | Showing the role of training programmes of FNCCI | 69 |
| 4.26 | Showing the role of FNCCI in problem solution | 69 |
| 2.27 | Showing the coordination between government and FNCCI | 69 |
| 2.28 | Showing the role of FNCCI to defend member right | 70 |
| 4.29 | Showing the role of FNCCI to the Entrepreneurship development | 70 |
| 4.30 | Showing the FNCCI works for the benefit of big industrialists and not for small and medium level businessmen & entrepreneurs | 71 |