

# CHAPTER I

## INTRODUCTION

### 1.1 Introduction

We are the people of 21<sup>st</sup> Century; the age of the globalization and the age of the trade & industry. We are in this position only because of the human desires & needs. Trade and Industry is the pillar of the economic development of the country and it is the base of people's life standards.

Trade & industrialization is an important factor for achieving the basic objective of a country's economic and social progress. Industrialization not only provides goods and services but also creates employment opportunities. It facilitates an effective mobilization of resources of capital and skill, which might otherwise remain unutilized. It also acts as a vehicle for fostering innovation and technological improvement. Industrial development, thus, has a multiplier effect on the economy. (Panta, 2008:250)

We can generally point out the following steps on the evolution of developments of the world trade & industry: This is the first stage of human development when the human beings have limited needs & wants and they can get or make these by themselves. This is the age of Stone and age of Agriculture. Slowly human needs & wants increases knowledge & culture. They knew about various products & foods. But they could make only certain products and foods. For the need fulfillment they started the barter system and fulfilled the needs of one another. We can say that by this system marketing & trade concept originated. (Shrestha, 2056:6) It is believed that world trade is as old as human civilization and existed some 5000 years ago in the form of inner city trade. When trade concept started, there is -development of towns & trade started between two small cities Le. Inter-city trade. With an increase in the volume & transaction of trade, big trading cities developed and trade between them started. It is assumed that up to 1500 A.D. is the Ancient Trade era.

Exchange of goods that must be transported from one place to another. In ancient times, transporting commodities over any significant distance was an expensive and

risky enterprise. This restricted commerce mainly to local markets. As transportation networks improved, commerce expanded considerably. This is the post industrial revolution era. It is between 1821-1890 A.D. "Between 1821 and 1860 the Industrial Revolution developed in many European countries such as Belgium, France, Germany, Australia, Russia and Sweden. After the end of the Napoleonic Wars industrial development could take place under more normal conditions. There was an excellent market at that time for British goods in this part of the Continent. Certain specialized branches of manufacture on the Continent were, for example, the woolen goods of Germany; the linen, woolen and silk goods of Russia; and the luxury industries of France.

It is between 1900-1994 A.D. The political competition developed among the countries converted into military competition, so many countries started to produce war weapons and ammunitions. After all, this situation pushed the western countries into the flame of First World War (1914-1918). In 1918 an agreement made between the war participating countries to stop war and involve in economic and reconstruction of the war devastating countries. Despite the peace agreement, they were still afraid of each other and secretly involved in the production of war weapons and ammunitions instead of producing essential goods.

This situation developed scarcity of essential goods in the region, As a result Great Depression of 1930's appeared. Economic and political conflicts increased among the nations and this situation again pushed them into the Second World War (1939-1945). In 1945 an agreement of piece signed between the war participating countries.

### **1.1.1 History of Trade & Industry in Nepal**

#### **a. Ancient History**

As per Boudha mythology, in 'Treta Yuga', 'Manjushree Bodhisatwa' came to Nepal from Great-China to see the 'Swayambhu Jyoti' and cut the pond in Chovar with her 'Khadga' and made the way of water, then Nepal became the suitable place to live and she made the Dharmakar as a first king of Nepal.

As per Hindu Mythology, in 'Dwapar Yuga', 'Shreekrishna' came to Nepal with a group of Gopal Bamshi from Dwaraka ,cut the pond, made the way of water and

killed 'Danasur'. After that Gopal Bamshi ruled around 491-521 years in Nepal with the business of Cow farming. (Sharma Ruprekha, Krishnakumari, 2033: 55)

After the Gopal Bamshi, the Abhir Bamshi (Mahish Bamshi) ruled in Nepal with the business of Buffalos farming.

In the base of above mentioned facts of the human culture, we can generally predict that there was the existence of trade" may be in any form e.g. in the form of barter system, in Nepal from very ancient time, the time of 'God'.

### **b. Period after Democracy**

Industrial development in Nepal however started getting regular attention of the government under the aegis of development plans after the dawn of democracy in 1951.

The first elected Government in 1958 made efforts to speed up the activities in various projects included in the plan. Industrial Development Corporation (IDC) was established and later converted into NIDC in 1959 to assist private industries and encourage small industries. The Timber Corporation was also established with a view to utilizing the forest products in most scientific way. An Industrial Estate was set up in Balaju through Indian aid.

In the Second Plan (1962-1965), preferences being given to such industries as are designed to reduce unemployment through utilization of raw materials available in the country and to build up foreign exchange reserve by lessening imports and promoting exports.

Under the Third Plan (1970-1975) facilities such as exemptions of income tax, export duty, import duty, provision of foreign exchange for the priority sector industries, repatriation of certain percentage of profits and capital were to be provided. The private sector- both foreign and indigenou-: could not come up, in spite of a number of facilities provided to the industries from time to time. The industries, particularly running in the public sector, incurred heavy losses every year.

The Fourth Plan (1970-1975) emphasized significantly on encouragement to the establishment of industries mainly in the private sector. Priority was also given to labour intensive industries.

The objective of the Fifth Plan (1975-1980) was to increase the output of the industries already established and set up some new industries." (Dahal, 2004:528)

By the end of 1979, the country had a total of 3528 industrial units in the private and public sector with an employment of 51336 workers. With the rise of Industry, the problem of industrial relations also gained prominence.

"Several industries were established in the public sector mostly with the financial and technical assistance of the then USSR and China.

This process continued till the end of the Sixth plan (1980-1985). As a result, Nepal witnessed the development of quite a large number of manufacturing industries in the public sector, particularly in areas like leather, sugar, paper, cigarette, brick and tiles, agricultural tools and, textiles. Also, the Government on its investment set up factories in sectors like cement and sugar.

The industrial development strategy of the Government, however, changed after mid-1980s. The Government then shifted its development strategy from state-led development to market-led open economy. As a result, many of the public sector industrial units were privatized in the early 1990s during seventh plan (1985-1990).

The public sector in Nepal is a post-democracy phenomenon. There has been a vast expansion of public undertakings in the form of manufacturing, mining, trading, banking, insurance, transport, communications, and electric power systems. In fact, the tempo of industrialization in Nepal started with the establishment of these public enterprises. Some public enterprises are Birgunj Sugar Factory (B.S.2021), Janakpur Cigarette Factory (B.S.2021), Himal Cement Company (B.S.2023), Dairy Development Corporation (B.S.2026), Agro-Lime Industry (B.S.2030), Hetauda Textile Industry (B.S.2032), Hetauda Cement Industry (B.S.2033), Herbs Production

& Processing Corporation (B.S.2038), Lumbini Sugar Factory (B.S.2039), Nepal Rosin & Turpentine Ltd. (B.S.2043), Udaypur Cement Industry (B.S.2044).

The trade and service sector in Nepal has been playing a very influential role in imports, exports, and the domestic markets. The trade sector has grown tremendously between 1974 and 1995.

In the Eighth plan( 1992-1997), the following Acts and policies contributing to industrial development were formulated: Industrial Policy(1992) , Industrial Enterprise Act(1992), Foreign Investment Policy(1992), Foreign Investment and Technology Transfer: Act(1992) , Company Act(1996). Similarly, in comparison to the base year FY 1991/92 of the Eighth Plan, the industrial production of sugar, flour, noodles, stainless steel utensils, synthetic cloths and paper (except news print) had increased substantially in the final year of the eighth plan.

In the same period, the production of vegetable ghee, edible oil, pasteurized milk, tea, animal food, soft drink, beer, alcohol(rectified), cigarette, cotton clothes, jute goods, ready-made garments, timber, tooth paste, powder, matches, soap, slippers, plastic goods, polyphone pipes, bricks, cement, iron rods, billet, GIHB wire, zinc footing , electric wire and battery has nominally increased. But the production of biscuits, bidi, woolen carpet, woolen thread, leather shoes and processed leather has decreased.

In the Ninth Plan (1997-2002), industrial production index decreased and remained only growth rate of 2% in the F.Y.2058/059 because of decreasing industrial safety. In this period 151000 of additional employment opportunity created in industrial sector.

During Tenth Plan (2002-2007) period the annual average growth rate is expected to grow by 7.8%, while total industrial investment is projected to level Rs.40.0 billion. The 10<sup>th</sup> plan also aims at creating additional 250000 employment opportunities in the industrial sector.

Nepal has also entered in the WTO and participating in the trade of Globalization. Which has given Nepal, the big opportunity as well as threats in the field of economic

development of the country depends on the development of trade & industries in Nepal.

"In Nepal, enterprises and business houses are organized into their respective district-wise chambers of Commerce and Industry which in turn are affiliated to the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) at the national level. Through this organization, the employers are consulted in the formulation of economic and social policies of the government. They are also given due participation in various bodies at the national level. Their pre-occupations have thus been to watch over their members commercial and financial interests.

### **1.1.2 Organizational Overview of the FNCCI**

#### **Introduction**

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is an umbrella organization of the Nepalese Private Sector. It was established in 1965 with the aim of promoting business and industry while protecting the rights and interests of business and industrial communities, FNCCI has been playing a key role in promoting business & industry in the country. It provides information, advisory, consultative, promotional and representative services to business and government and organizes training / workshop / seminar on a regular basis. Its Vision and Mission statements are "Leading the Nation's Economic Progress" and "Facilitating Nepalese Business Become Globally competitive" respectively.

#### **Objectives**

FNCCI has the following objectives:

1. Play a catalytic role in the business, industrial development and establish sound industrial relations in the country.
2. Reinforce business community's commitment to the society.
3. Provide advisory services to government, lobby as and when required in formulation and execution of business and industry related policies, acts and programmes.
4. Foster co-operation with -related national and foreign organizations.
5. Provide up-to-date information services to business and government and the community at large.

6. Create awareness and support for business and industry efforts on issues affecting business like quality, social's responsibility, corporate governance, HIV/ AIDS, Child labor, environment etc.

Because of the above objectives, the study of the "Role of FNCCI in Promotion of Trade & Industry in Nepal" is seems very effective and valuable to the business students, researchers and Professionals.

### **Functional Principles**

FNCCI- activities are underpinned by the following principles.

1. Professionalism in operation.
2. Partnership approach in working with government, international organizations.
3. Presentation of total business and industry view.
4. Commitment to fairness, transparent, deregulation, decentralization and de-licensing.
5. Confidence in fair competition and private initiative.
6. Extensive consultations in deciding industry and business views.
7. Close cooperation with foreign federations/ Chambers.
8. Pro-active role, i.e., initiating ideas and proposals.

### **1.2 Statement of the Problems**

As we know Nepal is a land locked, small and developing country. It has many more challenges and threats regarding development. In one hand it has limited resources and capital and in another hand it has limited skilled manpower to mobilize these limited resources. Un-education, un-employment and, constraint resources are the major limitations for the development of the trade & industry in Nepal. Similarly political conflicts and un-stability, un-established and fluctuating trade policies, lack of information / knowledge, skills regarding businesses are also the major problems in economic and business development of Nepal.

To fulfill these kinds of problems FNCCI has been established and working in the field of business & industry and trying promoting them. This study tries to find out either FNCCI has being successful or not in solving the problems like:

1. Finding of real problems of the corporate houses, organizations regarding their businesses?

2. Can advise the government to make better policy regarding business rules and regulations?
3. How is it helping to reduce unemployment problem?
4. What kinds of trainings / workshops / seminars have being conducting by FNCCI to expand skills of the business organizations?
5. How FNCCI is addressing the real problems of Investments?
6. How FNCCI is evaluating the External & Internal environment of its member organizations?
7. Is it towards the solving problems regarding government tax policies, import-export policies, availability of raw materials, skilled & unskilled human resources, technologies, loan policies, labor problems?
8. How is it helpful in marketing the products and services of the organization in the internal & external markets?

This study tries to answer the above questions and address many more other findings during the study.

### **1.3 Objectives of the Study**

This study will proceed with the following major objectives:

1. To evaluate the organization of FNCCI and its policies.
2. To analyze the role of FNCCI in promotion of trade & industry in Nepal.
3. To measure the role of FNCCI to the society.
4. To review the past and present works and to assess future plans of FNCCI.
5. To suggest and recommend on the basis of major findings.

### **1.4 Limitations of the Study**

We know the country Nepal and its people Nepali, all are surrounded any where with many more limitations and constraints. They always have to choose better alternatives between many more constraints. Likewise this study also has some limitations as follows:

1. This study is going to be conducted between limited time, cost and other resources.
2. This study mainly focused on FNCCI. Hence the data provided by FNCCI staffs and their library may be insufficient.

3. Because of this study will be conducted only in the Kathmandu valley; it will not cover the opinions of each and every people and member organizations of FNCCI over the country.

### **1.5 Significance of the study**

This era is the era of trade & industry and globalization. Hence not a single people of the world have untouched with this sector. As this study focuses on the role of FNCCI in promotion of trade & industry in Nepal. The researcher, students and the business professionals will be more significant by this study. This study helps to understand the FNCCI and its contributions towards business-economic development of the people and the country. This study will be significant for consumer, businessmen "& industrialists, organizations and the government.

Consumer - Trade & Industrial Organizations - FNCCI – Government

This study also helps to understand our present achievement, trend of business and trade development and will highlight the scope of the study.

### **1.6 Organization of the study**

This study will be organized under five chapters. The first Introduction chapter contains; Introduction, Statement of the problems, Objectives of the study, Limitation of the study and Significance of the study.

The second chapter has designed to examine the review of literature which was obtained during the library searches.

The third chapter describes the Research Methodology. This explains Research design, sources of data collection, sampling plan, tools & techniques of data analysis.

The fourth chapter is the core part of the study in which data presentation and analysis is included.

The fifth and final chapter is the summary, conclusion and recommendation chapter. And the bibliography and appendices are presented at the end.

# **CHAPTER II**

## **REVIEW OF LITERATURE**

### **2.1 Introduction**

Literature review is basically a "stock taking" of available literature in one's field of research. The purpose of literature review is thus to find out what research studies have been conducted in one's chosen field of study, and what remains to be done. The review of literature helps the researchers to provide knowledge about the development and progress made by the earlier scholars on the concerned topics or field of the study. Since our study focus on the Role of FNCCI in promotion of trade and industry in Nepal, it is useful to review on the field of promotion, trade & industry.

### **2.2 Conceptual Framework**

#### **2.2.1 Trade**

The trade and the industry both are the part of the business. If the business is related with buying and selling of the products which others produced; then that is a trade.

According to Webster's Dictionary, "Trade is the buying and selling of commodities or the bartering of goods; commerce. It is also the means of earning one's living; occupation, work, or line of business." (Michael Agnes, 2000:1516)

According to Microsoft Encarta Reference Library, "Trade is a particular area of business or industry. And it is the activity of buying and selling, or sometimes bartering, goods." (Microsoft Encarta Reference Library)

"Trade activities are related with retail and wholesale firms. A trading house is a non-manufacturing business entity conducting a commercial activity. In the simplest sense a trading firm markets goods and services."(Panta: 2008:267)

Trade refers to the sale, transfer or exchange of goods. It is the process of by which goods are taken from the source of production to the consumers. Trade may be broadly classified into two parts: Home trade and foreign trade.

### **2.2.2 Industry**

Similarly if the business is related with the production or manufacturing of the products and services and sell them; then that is an industry.

According to Webster's Dictionary, "Any large scale business activity or any particular branch of productive, esp. manufacturing, enterprise is the industry and also manufacturing productive enterprises collectively, esp. as distinguished from agriculture is the industry." (Shrestha, 2006:21)

According to Microsoft Encarta Reference Library, "Industry is the organized economic activity connected with the production, manufacture, or construction of a particular product or range of products or an activity that many people are involved in, especially one that has become excessively commercialized or standardized." (Michael Agnes, 2000:729)

#### **2.2.2.1 Classification of Industries**

The Central Bureau of statistics (CBS) has classified industries into the following seven categories: (Panta: 2008:252)

1. Manufacturing industries: Industries which produce goods by utilizing or processing raw materials, semi-processed materials, by-products or waste products or any other goods.
2. Energy based industries: Industries generating energy from water resources, wind, solar, coal, natural oil, gas, bio-gas or any other sources.
3. Agro-and forest-based industries: Industries mainly based on agriculture or forest products, such as integrated sericulture' and silk production, horticulture and fruit processing, animal husbandry , dairy industry, poultry farming, fisher, tea gardening and processing coffee farming and processing, herb processing, vegetable seed farming, vegetable processing, tissue-culture, green house, bee keeping, rubber farming, vegetable processing, floriculture and production, and forestry related businesses such as agro-forestry.
4. Mineral industries: Mineral excavation or processing thereof.
5. Tourism industries: Tourist lodging, motel, hotel, restaurant, resort, travel agency, skiing, gliding, water rafting, cable car complex, pony-trekking, trekking, hot air ballooning, parasailing, golf-course, polo-horse-riding, and the like.

6. Service industries: Workshop, printing press, consultancy service, ginning and baling business, cinematography, construction business, public transportation business, photography, hospital, nursing home, educational and training institution, laboratory, air services, cold storage, and the like.
7. Construction industries: Road, bridge, ropeway, railway, trolley bus, tunnel, flying bridge and industrial commercial and residential complex construction and operation.

Similarly, scale wise classification of industry as per Industrial Enterprises Act, 1992 is as follows:

- a. **Cottage Industries:** The traditional industries utilizing specific skill or local raw materials and resources, and labour intensive and related with national tradition, art and culture.
- b. **Small Industries:** Industries with fixed assets of up to an amount of thirty million rupees.
- c. **Medium Industries:** Industries with fixed assets between thirty million rupees and one hundred million rupees.
- d. **Large Industries:** Industries with a fixed asset of more than one hundred million rupees.

### **2.2.3 Promotion**

Promotion is the major element of marketing. It is used to give information of the products, services or the organizations to the concerned client or consumer to promote their products, services or the goodwill.

"Promotion is the element in an organization's marketing mix that serves to inform, persuade, and remind the market of the organization and /or its products."-Prof, Stanton, Etzel and Walker.

"Promotion includes all aspects of the marketing mix designed to communicate with and influence target markets."-Prof. Bennett.

Personal Selling, advertising, sales promotion, publicity and public relations are the elements of the promotional mix. (K.C., 2058:245)

## 2.3 Previous Researches and Theses

It is useful to review the available previous researches and theses on the field of promotion of trade and industries. As it is not found the exact researches and Theses on the desired area, the related topics have taken into consideration.

### 2.3.1 Previous Researches

Since, working conditions, wages, productivity all are helpful factors in promotion of trade and industry, it is useful to review. Some related researches found in studying area are as follows:

Employers Council, FNCCI, had conducted research on "**Survey Report on Wages and Working Conditions in Manufacturing Industry of Nepal**", in 1997 and the main objective of this survey was to prepare data base on wages, working hours and working conditions in the manufacturing sector of Nepal and analyze these to shed light on whether wages and working conditions differ as between

- i. Large, medium and small industries.
- ii. Industries in Kathmandu valley and industries outside the valley.
- iii. Administrative work and production work.

It is, however, not known whether the laborers are getting the minimum wages and other facilities and working conditions as prescribed by the government.

And the major findings of this research were:

1. The analysis of salary structure of administrative staff shows that larger industries provide relatively high salary than the small industries.
2. Regarding wage situation industries are providing minimum wages to non skilled manpower and paying higher to technically skilled manpower than the statutorily fixed by the government respectively.
3. Similarly, regarding working condition, large proportion of industries have roofs of corrugated sheets, medical facility limited to first-aid treatment only and provision of drinking water with out filtration and no schooling facilities to the workers' children.

From these finding, researcher recommended to pay necessary attention towards improving these conditions in industries which do not have adequate arrangements for conductive working environment.

Another research conducted by Employers' Council, FNCCI in 1996 was, "**Survey Report on Productivity Awareness in Nepal**" and its main objective is to assess the productivity awareness level of entrepreneurs and managers in the Nepalese business enterprises. The assessment of the awareness level is deemed necessary for identifying appropriate programmed on productivity to be undertaken by the Nepalese enterprises and employers' organizations like FNCCI and its member organizations. Besides this survey being part of a regional survey of some selected countries, would enable regional comparison of productivity awareness levels.

The researcher found that the 56.5 % of respondents in the modal class strongly subscribe to the concept of multi factor productivity. At the same time, they also accept labor efficiency as a measure of productivity. But the modal group does not equate productivity solely with the hard work or labour. This is consistent with the modern concept of productivity which recognizes that productivity improvement is achieved not by working harder but by working more intelligently. However, nearly 43 % respondents who believe that labor productivity can be improved only by making the workers work harder. Evidently, almost all respondents have progressive and correct view of productivity improvement.

In the same way, "**Current Macroeconomic Situation**" is the research publication of Research Department, Nepal Rastra Bank in Magh 2063 based on the first five months' data of 2006/07 and this figure out the current trade & economic situation of the country. This study was basically on monetary aggregate, securities, market situation, inflation and wages, fiscal situation, foreign trade, balance of payments, foreign exchange reserves, price of oil and gold in the international market and exchange rate movement.

Especially in the foreign trade section, the study showed that in the first five months of 2006/07, total exports declined by 0.9 % in contrast to an increase of 12.2% in 2005/06. Of the total exports, export to India declined by 0.3% in 2006/07 as against a significant growth of 24.6% in the same period of the previous year.

The decline in exports to India was attributed to the decline in the exports of polyester yam, plastic utensils, cattle feed, copper wire and rod, G.I. pipe noodles, jute goods and bags. Likewise, the decline in exports to other countries was due to the decline in the export of readymade garments, pasmina and woolen carpets.

Similarly, the study showed that the growth of total imports decelerated to 8.5 % in the first five months of 2006/07 compared to a growth of 22.8% in the same period of the preceding year. While imports from India decelerated to 7.6 % in the review period in comparison to a higher growth of 33.1 % in the corresponding period of 2005/06, imports from other countries increased by 10% in comparison to a growth of 9% last year.

A rise in the import of petroleum products, vehicles and parts, thread, hot rolled sheet in coil and other machinery and parts from India and crude oil, computer parts, chemical fertilizer, copper wire and rod, medicine and textiles from other countries led to the rise in total imports in the first five months of 2006/07.

### **2.3.2 Previous Theses**

Some related theses found in the area of promotion of trade and industries are as follows:

Ram Kaji Bhomi, in 1995, had conducted the MBS thesis presented to the Tribhuvan University entitled "**Promotion Strategies of Nepalese Carpet in Foreign Markets**" and the main objective of the study was to analyze the export of Nepalese carpet and Nepal's performance in the international market. It tried to analyze the demand and competition of hand knotted woolen carpet. This also reviewed the policies and practices undertaken in promotion and distribution of carpet in international market.

It was found that the export of carpet increased sharply in late 80s and beginning of 90s. But slowly export of carpet decreased for many more problems like child labor, price and quality competition, change in taste of the consumer etc. Carpet promotion is found to have been done by Nepali exporters by mail-marketing, advertising, trade discounts and personal selling to the channel members and some Nepali exporters also participate in the trade fairs. But these promotional tools were not found sufficient in carpet promotion.

The researcher recommended some points to promote Nepalese carpet in foreign markets that is:, product should be according to buyers demand (size, colour, taste etc.), quality of carpet should be maintained, pricing should be competitive, manufacturers and exporters should concentrate to maintain good public relation,

participation in trade fairs should be continued and the small exporters should be provided grant to participate in such fairs, infrastructures and institutional facilities of export promotion should be strengthened , the government, the manufacturers/exporters and the traders should be aware of the present threats as (i)Trade barriers raised by the advanced countries like: ISO 9000, (ii) Eco-friendly certification and (iii) AZO-dyestuffs etc., Nepal has to practice well in export planning and strategy setting to accomplish the objectives of export promotion.

Narayan Khatiwada, in 2004, had conducted the MBS thesis submitted to Tribhuvan University entitled "**The Challenges and. Opportunities of the World Trade Organization in the Nepalese Context**" whose prime objective of the study was to analyse the challenges and opportunity of WTO in Nepalese context. This study was very contemporary in the context of new membership of Nepal in WTO.

And the major findings of the study were as follows: Nepal is the first least developed member of WTO; So, Nepal ,may be benefited by the provision of WTO like technical assistant but Nepal has too many challenges as Nepal has already facing the problem of trade deficits with India and other countries, Nepal has facing the problem of trade diversity; an India had covered more than 97 % of Nepalese trade among the SAARC countries and similarly, America and Europe had covered above 80% of export and in other hand; Asian countries(excluding India) had covered more than the 70 % of Nepal's import.

We are not conscious with the trademark and patent right of the WTO provision and a number of our valuable bio-diversity and intellectual property has already trademarked by the other countries. Hence the success of membership will be based on our efforts and awareness.

Surya Prasad Sigdel had conducted the MBA thesis(year not mentioned) submitted to Tribhuvan University on "**A thesis entitled a study of Trade Practices adopted and Contribution rendered by Trade Promotion Centre in Export development of Nepal**" and the main objectives of the study were to examine the role of TPC in promoting the export trade of Nepal, to examine the problems faced by exporters of Nepal, to examine the trend of export trade and position of trade balance of Nepal and

to make needful suggestions for speedy development of export trade of Nepal.

And the major findings of the study were as follows: The trade promotion centre was playing a role of a information centre for exporters & importers of Nepal, the export trade of Nepal was not increasing as expected and balance of trade was negative, TPC was trying to develop and expand export by adopting useful policies & strategies and implementing the promotional programmes.

Lacks of sound export policies, facilities, quality, institutions trade diversification, decentralization of industries were the major weaknesses. Besides these factors, low price, poor packaging, limited publicity, transportation problems, child labor problems were also the obstacles of the export development of Nepal. So attention should be given to solve the above export problems.

Besides these the researcher recommended ; to motivate the staffs of TPC by government, to operate TPC's export promotional programmes in all districts, to introduce the wide range of exportable commodities in overseas markets etc.

Pankaj Shrestha, in 2004, had conducted the MBS thesis submitted to Tribhuvan University entitled "**A Study on the Export of Nepalese Garment to Overseas Countries**" and the main objective of the study were to analyze the export trend, export problems of Nepali readymade garment, to analyze the strength and weaknesses of public policy for the promotion of garment industry in general and the export of garment products in particular.

And the major findings of the study were as follows: Nepalese RMG industries were completely dependent on US market as it absorbed almost more than 80 % of total production in Nepal, the trend of RMG seemed ups and down(Increasing In 1997/98,1999/00 &2001/02 and decreasing in 1994/95,1995/96,1996/97,1998/99 &2000/01); in F.Y. 2001/02, the export share of RMG in total exports overseas was 42.1 %(increased by 5.78% as compared to last year), almost 80-90 % industries are under partnership and sole proprietorship.

The major export problems in garment industries were found as lack of foreign investment, male dominated, inadequate infrastructure, unsupportive government policies and most necessity to supply excellent quality at lower cost, with the enforcement of the liberal trade regime under the WTO without any preparation. Major recommendation of the study were as follows: Since, USA was absorbing 80-85 % of total production of the garments in the past; we should develop new markets, Similarly RMG from Bangladesh and India were producing 20% cheaper RMG than Nepal in the past; high tax rate should be reduced on import of raw materials to make Nepalese RMG cheaper, domestic textiles should be encouraged to end the monopoly of Indian markets(90 % of required raw materials were imported from the India), the export procedures need to be simplified to end the complicated procedures of export a single consignment in Nepal, about 85 types of documents and about 113 copies of these documents were required and they had to follow 48 steps, the hire and fire policy regarding labour should be levied to decrease the labour indiscipline, roads, railway route, warehouse, dry port etc. should be constructed and capacity building campaign should be organized regularly to develop the skilled and trained manpower in the industry.

Gauri Raj Sharma, in 1999, had conducted the PHD thesis submitted to Banaras Hindu University entitled "**Marketing Practices in Manufacturing Enterprises in Nepal**" and the main objective of the study were to examining the marketing planning practices followed by the manufacturing enterprises in Nepal, evaluating the various aspects of product decisions of the enterprises, discussing marketing distribution systems and patterns, analyzing the methods and strategies of pricing, examining the different components and strategies of promotion, evaluating marketing organization structures and control techniques and suggesting suitable remedial measures whenever found necessary.

The major findings of the study regarding Nepalese manufacturing enterprises were as follows:

Different factors, such as, marketing trend, competitive products, customer inclination, government plans and policies etc. and among them, marketing trend had been considered as the most important factor in market situation analysis followed by competitive products and customers' inclination. It may be noted .that the task of

situation analysis was difficult because of domestic customers' free mobility to neighboring countries like India, existence of foreign products in the market, fluctuating government policies, ineffective implementation of legislative provisions regarding trade and industry, etc.

It was found that increasing sales, meeting organizational objectives, increasing market share, building image, introducing new products, covering greater part of market and meeting competition were the major 'marketing objectives. The significant problems facing in course of marketing planning were instable government policies, increasing customers' awareness, lack of experienced and trained manpower, flexible buying habits, lack of adequate finance and poor co-ordination.

Several considerable factors at the time of deciding various aspects of products such as quality, design, raw materials used, varieties, color combination, branding, labeling, packaging etc. were found as nature of demand, production and marketing costs, economic conditions of markets, customers characteristics and behaviors, firms' own strengths and weaknesses, marketing objectives, competitors' product policies and strategies, government policies, preferences of channel members etc.

It was found that channel decisions were taken with a view to reducing distribution costs, increasing channel productivity, providing convenient place for delivery, beating competition, reducing the burden of intermediaries, minimizing channel conflicts, removing delay in delivery, creating favorable image and goodwill and exercising control over channel members. As to channel levels, 2/3 of the overall enterprises used 'two level' channel i.e. Enterprises-Wholesalers--Retailers--Consumers. But it was found on the study that the enterprises had not succeeded in achieving an effective distribution system and distribution cost had not been reduced in satisfactory level.

The more important pricing strategies found adopted by the enterprises were product mix pricing strategies, discount strategy and promotional pricing strategy in order to achieve specific pricing objectives which were maximizing sales volume, maximizing profits, creating and maintaining the image of the firm and of the product and finally helping in organizational goals.

Similarly, while taking promotion decisions, the Nepalese manufacturing enterprises keep in mind various factors, such as: state of competition, buyers' initiative, products intrinsic power, intensity of market and present state of demand. Through effective promotion, these enterprises aimed at informing the customers about the range of products, introduction of new products, the change in price, making customers cautions against duplicate products and informing about incentives, change in location and distribution.

The promotion budget was allocated through affordable method, competition parity method, percentage of sales method and objective and task method.

Like wise, the manufacturing enterprises, in general, had a mixed organizational structure based on product, marketing functions and geographical extension. The techniques used for marketing control were: quality control, profitability control, efficiency control, strategic control and annual plan control.

The researcher recommended some useful techniques to be success in their enterprises were: reorganize their marketing planning keeping in view the potential threats & challenges as also their own strengths and weaknesses, introduce newness in their products(in tem1s of quality, size, colour combination, product performance, packaging etc.), use comparatively one channel to facilitate in ascertaining customers' responses and reactions and lowering the price, conduct marketing researches time to time to solve the selection of sales promotion techniques, regular review the procedures for stopping weak points regarding marketing control, at least for modifying defective products.

## **2.4 Research Gap**

From the above review of literature, it is found that the researches and theses have done before is related to the only few sectors like promotion of carpet industry, challenges and opportunities of the world trade, export of Nepalese garment, marketing practices in manufacturing enterprises, wages and working conditions in manufacturing industry, productivity awareness, contribution of TPC in export development etc. It shows that only few sectors of the trade and industry had taken for

the research before. There are no overall researches done in the promotion of trade and industry of Nepal.

Hence, this study, "Role of FNCCI in Promotion of Trade & Industry in Nepal" has very distinctive features than other studies

# **CHAPTER III**

## **RESEARCH METHODOLOGY**

### **3.1 Introduction**

Research Methodology is the research method used for systematically solving the research problems. It makes the research work easier and gives a step plan to success the research. The methodology employed in this study has been given below.

### **3.2 Research Design**

As we know, "the research design which refers to the entire process of planning and carrying out a research study. The research design asks what approach to the problem should be taken. What methods will be used? What strategies will be most effective?" (Walff and Panta, 2007:32)

Our study mainly concentrates on the contribution of FNCCI in promotion of trade & industry in Nepal. Hence it needed search of past contributions and present working of FNCCI. Therefore the suitable research design is the Historical research design and Descriptive research design. Similarly to generate the primary data, a survey research design is also applied in the study.

### **3.3 Sources of Data**

For the research, both secondary as well as primary data will be collected. Brochures, newspapers, booklets, journals published by CBS, Ministries and FNCCI are the major sources of secondary data. The primary sources of data are interview, questionnaire, observations, visits etc.

### **3.4 Sample and Population**

The total organizations and people involved in the trade & industry sectors are the population of the study. As we know, trade & industry is the very broad sector which is the pillar of socio-economical development of the country. And there are many more people, organizations & companies, directly related to this population.

Since, the population of the study is very large, the judgmental and convenience sampling will be done. FNCCI have its 367 associate members all over the country. Hence for this study, total of 40 i.e. above 10 % associate member companies of FNCCI situated in Kathmandu will be taken into considerations.

### **3.5 Data Presentation Analysis Techniques**

The collected primary and secondary data have been thoroughly checked, compiled and presented in a appropriate table to facilitate analysis and interpretation. Analyses have been done both descriptively as well as statistically. Statistical tools such as Percentage, Bar Diagram, Trend Analysis, Chi-square test, ANOV A test etc. have been used and summarized the major findings of the study. Various clear tables, figures and graphs have been used to analyze, interpret and conclude the result of the study.

# **CHAPTER -IV**

## **DATA PRESENTATION AND ANALYSIS**

### **4.1 Presentation of Secondary Data**

#### **4.1.1 Past Activities of FNCCI**

Since this study is concerned with FNCCI, it is useful to overview the past activities made by FNCCI. Here are some activities presented by FNCCI from B.S.2022-2048.

**1. Visits and Exchange Programme:** FNCCI's representative teams have been visiting various countries in the context of development and promotion of country's industry, commerce and other economic sectors. From B.S. 2029-B.S.2047, total of 19 industrial & commercial teams had visited the different countries for the various objectives like as the promotion of two countries trade, to participate the international trade fairs, feasibility study in course of trade and industry etc.

In course of expansion of economic relation and industrial investment promotion including bilateral trade, Industrial-commercial representatives of various countries have been visiting Nepal time to time and discussing with FNCCI. From B.S. 2032-B.S. 2047, total of 36 representative teams had visited the Nepal and FNCCI for the various objectives like as bilateral trade & industry development, to attend the seminars, feasibility study to promote the import and export of different products etc.

**2. Fairs and Exhibitions:** International trade, especially for the export promotion, FNCCI has been sending Nepalese exporters' firm or company to the international trade fairs and exhibition conducted to the various countries. From 1970 A.D.-1992 A.D., total of 149 exhibitions were attended by the FNCCI representatives in the different countries regarding international trades, imports trades, exports trades, carpet fairs, gift fairs etc. to promote bilateral and multilateral trade and to discuss the economic co-operations.

Regarding the development and promotion of export trade of the country, FNCCI has been conducting trade fairs and exhibitions in and outside the country. From 1968 A.D.-B.S.2046, total of 8 major fairs and exhibitions were conducted which were

Indian international industry and commerce fair in 1968 A.D. in Madras, India, International relationship exhibition in Nepal, in B.S.2025 on Kathmandu, Documentary exhibition for feasible small scale industry establishment procedures in B.S.2035 in Kathmandu, Industrial Exhibition in B.S.2041 in Kathmandu, Indian Exhibition in B.S.2041 in Kathmandu, Industrial Exhibition of Private sectors in B.S. 2043 in Kathmandu, Nepal Exhibitions in B.S.2046 in Dhaka, Bangladesh. In these fairs the products of related countries were exhibited to promote the trade & industry.

**3. Trainings and seminars:** FNCCI has been increasing own participations in the seminars and trainings organized in the Nepal and in the foreign countries regarding the promotion of the Industry, commerce and other economic and social sectors, problem solving issues of these areas and in the development of the human resources. From B.S. 2025-2047, total of 197 trainings and seminars were attended in the different places of the world like Kathmandu, Hong-Kong, Japan, India, Australia, America, Singapore etc. in the different subjects like banking, management, trade policy and export promotion, international trade and economic development etc.

**4. International Meetings and Conferences:** FNCCI has been attending the various international meetings and conferences organized by different international organizations in many countries regarding international economic and social development issues. From 1969-1991 A.D., total of 36 international meetings and conferences were attended like Conference of Afro-Asian Chamber of Commerce & Industry in Budapest in 1977 A.D., World assembly of small and medium enterprises in New-Delhi in 1978 A.D. etc.

Conferences, seminars and trainings have been organizing by FNCCI itself and with co-ordination to the other organizations regarding country's industry & commerce and other economic sector's promotion and to solve problems which arose time to time in the country's trade & industry. From B.S. 2023-B.S.2047, total of 34 programmes had organized like as seminar on problems occurred by revaluation of Nrs. in B.S.2023 in Kathmandu, export trade promotion in B.S. 2028 in Kathmandu, population and family planning related national labour management seminar on industries by labour department, ILO, FNCCI and Nepal Labour Organization in B.S.2030 in Kathmandu etc.

**5. Various International Treaty and Agreements:** FNCCI has made the treaty and agreements with the various national, international and regional organizations for the development and promotion of country's industry, trade and other economic and technological field.

In B.S. 2040, FNCCI and Bangladesh Chamber of Commerce made agreement to develop bilateral economic and commercial co-operation. In B.S. 2043, treaty made between Nepal and Germany for investment promotion. In B.S. 2044, agreement made to put the 'India Desk' in FNCCI with the aim to informing Indian traders and industrialists about Nepalese products and vice-versa. Memorandum of understanding made in B.S. 2045 between SAARC countries' chamber of commerce for multilateral trade promotion.

FNCCI had met different representatives from different organizations like industrial trade representatives, international and regional organizations, foreign" governments and representatives of various countries' chamber of commerce and industry regarding bilateral trade and investment promotions. From B.S. 2023- I B.S. 2048, total of 217 important representatives visited the FNCCI from several countries and organizations like India, Poland, Pakistan, World Bank, American embassy, ILO, IMF etc.

#### **4.1.2 Corporate Facts**

##### **4.1.2.1 Corporate Development**

In one side FNCCI has proceeded in the industry and trade promotion programme of the country and in other side, it has been fixing the work policies with the perspective of Nepalese economic and social development. That's why; FNCCI has urged the every one to find the path of peace, knowing peace is the only means of development of the country. Besides these, it has been conducting not only its programme continuously but also added its programmes on districts levels too.

In the process of corporate development, in F.Y. 059/60, regarding corporate expansion of the FNCCI, extra one new block was made and work started. Extra activities like WTO, Environment, Women Entrepreneurship Development Department, Certificate of Origin etc. also started separately after the new block was made. In FNCCI 3 Councils were managed i.e. District/Municipality, Commodity, Employers' Councils.

In the process of corporate development, in F.Y. 060/61, '5 S' programme campaign has started in FNCCI by the technical support of Chief advisor Mr. Toshio Inzuka of JICA. It has believed that the '5 S' programme will help in the business improvement and performance development of the staffs in the organization.

Similarly, various committee, councils and forums have established to make improvement in the organizational structure and working style of the FNCCL.

Co-ordinate officials in these committee, councils, forums and other organisations are given below:

i. First Vice President coordinates District Municipality Council, Industrial Promotion, Environment and Energy Management Committee, Cottage and Micro. Enterprises Committee, Fair & Exhibition Committee, Nepal-China N(m governmental Co-operation Forum, Small & Medium Enterprises Development Project (SMEDP), PPPUE.

ii. Second Vice President coordinates Customs & Excise Committee, Income tax & vat Committee, Banking & Monetary Committee, Foreign Trade Committee, SAARC trade Committee, Internal Trade & supply Committee, FNCCI-CII.

iii. Third Vice President coordinates Commodity Council, Transport & Transit Forum, Hydropower development, Technology and Trade Information Promotion System (TIPS), Tourism Promotion Forum, NYEF, Secretariat Improvement, AEC.

iv. Ex-Officio Vice President coordinates Employers' Council, Associate Council, Productivity and Quality Committee, Women Entrepreneurship Development Forum, Social Service with HIV/AIDS Committee, Training & Technology Development Committee.

In F.Y. 061/62, no further change made regarding corporate development.

Like wise, in the process of corporate development in F.Y. 062/63 FNCCI has taken the strategy of corporate development improvement and business & competencies development. In this regard following change made:

- i. Work regulation of FNCCI 2049 changed and made Fifth Amendment.
- ii. New form had sent to District and Municipality CCl's to review the regrouping of the member chambers.

- iii. President coordinates the Tourism promotion Forum. Women Entrepreneurs Development Forum. AEC. Hydropower Forum. Transportation Forum. Corporate Ethics Forum. Anti Corruption Project. Steering Committee. and FNCCI-FBCCI Joint Business Council.
- iv. 1<sup>st</sup> Vice President coordinates the Commodity Council, Custom and Excise Committee, International Trade Committee, Income Tax and Vat Committee, Banking and Banking Committee. Export Promotion Committee, SAARC Trade and BIMSTEC Committee, FNCCI-CII Joint Business Council.
- v. 2<sup>nd</sup> Vice President coordinates the Industrial Promotion Committee, Industry Rehabilitation and Business Law Committee, Environment and Energy Committee, Productivity and Quality Committee, Nepal-China Non Governmental Co-operation Forum, Trade and Skill Development Forum.
- vi. 3<sup>rd</sup> Vice President" coordinates the District Municipality council, Local Economic Development Forum, Internal Trade and Supply Committee, Fairs and Exhibition Committee, Cottage and Micro Entrepreneurship Committee, PPPUE/MEDEP, Social Service Committee.
- vii. Ex-Officio Vice President coordinates Employers' Council, Associate Council, Industrial Safety Council, NYEF, NRN, HRD and SARB Forum, One Village One Production, International Contacts.

In the process of corporate development no any change occurred in F. Y. 063/64 too. Only forms have collected from CCI for regroupings of Chambers and are studying by membership committee.

#### **4.1.2.2 Income and Expenditure**

FNCCI is the umbrella organization of Nepalese business private sectors and it looks forward its member organizations' problems. For its operation it needs budget which it got from member companies and other Donor agencies and it expense these' funds on its administrative and other trade and industries promotional activities besides problem solving of its members.

The following table shows the income details of the FNCCI for last 5 years:

**Table 4.1**  
**Income details of FNCCI for 059/60-063/64**

(Amount in Rs.)

Particulars	059/60	060/61	061/62	062/63	063/64
Membership Fee	3347100	4327000	6127900	6767695	3155000
Interest Received	3562263.25	3108309.45	2915335.19	2649831.40	2672949.62
Certificate of Origin Costs	16875094.76	16586603	174514396.14	21134592.64	23693243.30
Other Income	610511.90	429233.13	3412473.5	649793.15	855456.59
Programme Income	1870463.67	-	-	-	-
<b>Total</b>	<b>26265433.58</b>	<b>24451145.58</b>	<b>29907104.83</b>	<b>31201912.19</b>	<b>30373649.51</b>

Source: Annual Report, (2060-2064), FNCCI, Kathmandu

**Table 4.2**  
**Expenses Details of FNCCI for 059/60-063/64**

(Amount in Rs)

Particulars	059/60	060/61	061/62	062/63	063/64
Corporate Expenses	16139485.19	17187467.14	18348587.02	19612024.61	26259334.19
Non- Corporate Expenses	2554639.21	2050039.39	2213006.14	2723680.44	3028308.58
Programme Expenses	-	3449314.12	4445618.18	5301094.21	2890668.29
Miscellaneous Expenses	1939892.97	3768563.59	3528960.27	3165784.03	3142899.62
<b>Total</b>	<b>20634017.37</b>	<b>26455384.24</b>	<b>28536171.61</b>	<b>30802583.29</b>	<b>35321210.68</b>

Source: Annual Report, (2060-2064), FNCCI, Kathmandu

#### 4.1.2.3 Membership

FNCCI has 4 types of members i.e. District / Municipality level chamber of commerce & industry, commodity/ sectoral Associations, Associate members (public. & private sector organizations) and Bi-national chambers. Here we can analyse the pattern of membership increments by years for last 5 years.

**Table 4.3**  
**An Overview of FNCCI Memberships**

Members Details	059/60	060/61	061/62	062/63	063/64
New District/Municipality CCI in the year		2			2
New Commodity/Sectoral Associations in the year	3	7			6
New Associate Members in the year	8	33	4	13	12
New Bi-national Chambers in the year		1			1
District/Municipality CCI up to now	86	88	88	88	90
Commodity/Sectoral Associations up to now	53	59	59	58	64
Associate Members up to now	437	464	351	360	367
Bi-national Chambers up to now	9	10	9	9	10
<b>Total Members up to now</b>	<b>585</b>	<b>621</b>	<b>507</b>	<b>515</b>	<b>531</b>

Note: In above 059/60, 1 special member of FNCCI has not included in total.

Source: Annual Report, (2060-2064), FNCCI, Kathmandu.

It shows that associate members are the maximum in the year 060/61 and decreased sharply in the year 061/62 and then increasing slowly up to the year. While other type of memberships are seems to be increasing slowly.

"For Membership fee, District Municipality CCI's are divided into 4 groups, Ka', 'Kha', 'Ga' and 'Gha' and their membership fee per year is Rs. 9000.00, 6300.00, 4900.00 and 3600.00 respectively. Similarly, for Commodity/ Sectoral Associations membership fee per year is Rs. 9000.00 and for new District Municipality and Commodity/ Sectoral Associations entry in FNCCI, entry fee of Rs. 750.00 extra will be levied besides the membership fee. Like wise for Associate and Hi-national Chambers, membership fee per year is Rs. 13,500.00 and extra of Rs. 1500.00 will be needed for new entry fee to associate and Hi-national Chambers." (Interview with FNCCI Officials)

#### **4.1.3 Roles of FNCCI**

##### **4.1.3.1 Promotional Role**

The major objective of the FNCCI is to promote the trade & industry of Nepal. As a umbrella organization of the all Nepal Chambers of Commerce and industry and all associate members, it tries to promote the Nepalese product and services in internal & external markets.

##### **4.1.3.1.1 Fairs and Exhibition**

For the identification entry in the national and international market and to promote them fairs and exhibition is the effective way.

#### **In 2059/60 Fairs and Exhibition Conducted by FNCCI were as follows:**

- i. Fairs and Exhibition committee. FNCCI had organized 2 regional trade fairs in Pokhara and Chitwan in the occasion of export year 2003.
- ii. Various 9 Nepalese Firms like Everest Fashion-Lalitpur. Nepali Paper Products. Dhaulagiri Pashmina etc. had participated in International fairs like Tendance Trade fair 2002. Frankfurt International Trade fair 2002. National Stationery Show-Network 2003 etc. to promote the commodities like Pashmina. Handicraft, ready made garments etc. in coordination of FNCCI.

**In 2060/61 Fairs and Exhibition Conducted by FNCCI were as follows:**

- i. District & Municipality level and Commodity level chambers of commerce had organized 16 fairs to export promotion and commodity development by the suggestion of FNCCI.
- ii. 19 firms/companies/ industries such as Himal International, Shambala Garment, Tibetan Handicraft, Sanjeev footwear etc. were recommended for the international fairs to make the identity of Nepalese products into the international market. Major fairs were: 'Tokyo Gift Show 2003, Japan', 'Import Shop Berlin 2003, Germany', 'Bari International Fair 2003, Italy' etc. Where the Nepalese products promoted were: crazy hat, paper handicraft, thanka, Jewelries, readymade garments, pashmina & its products, leather products etc.

**In 2061/62 Fairs and Exhibition conducted by FNCCI were as follows:**

- i. It had continued its fairs and exhibition programme in district. municipality and regional level. And in this period more than 12 fairs were conducted.
- ii. 16 firms/companies/ industries (R.M. Pashmina export. National Handicraft. Shivani Fashion Garment etc.) were recommended for the international fairs to increase the identity of Nepalese products into the international market. Major fairs were: 'Fiera Del Levante International, Italy, 'Style Asia 2004, Japan" , 'Tendance Life Style, Germany' and 'IMPEX 2005, Australia' etc. Where the products promoted were: pashmina, handicrafts, thanka, readymade fashion garment, paper products etc.

**In 2062/63 Fairs and Exhibition Conducted by FNCCI were as follows:**

- i. 4 regional fairs and exhibitions, the programme of Export Promotion Committee of the Nepal Government, conducted in Damak, Janakpur, Lekhnath and Kanchanpur in the activation of Fairs and Exhibition committee, FNCCI.
- ii. It had conducted the fairs and exhibitions also in District/Municipality level in Gorkha, Dolakha, Ratnanagar, Narayanghad etc.
- iii. Similarly 21 company/ firm/ industries like Bhaktapur traditional cotton textile, Everest knitting Industry, Centre Point Export, Vaidya organization, Dolpa Herbal Product etc. were recommended to participate in the international fairs in the various places like America, Japan, .Germany, China, Italy, Pakistan etc. to promote the Nepalese products like cotton garment, jewellery, paper product, handicrafts, pashmina, wooden crafts etc. in the international markets.

**In 2063/64 Fairs and Exhibition Conducted by FNCCI were as follows:**

- i. Various 24 fairs and exhibitions like industrial trade fairs Pokhara, Lumbini tourism festivals and national industrial trade fairs, Orange and Herbs Festival-Gorkha etc. had organized by FNCCI, Ministry of Industry, commerce and supply, Concerned District/ Municipality CCI in various dates.
- ii. Fairs & Exhibition Committee had selected these 3 companies to exhibit dairy products and tea i.e. Chitwan Dairy Industry, R.S. Exports and Royal Idle Business Pvt. Ltd. for the fair 'FOODEX Japan 2007'.
- iii. Similarly, Shree Pashmina Industries, Kathmandu, Everest Fashion, Lalitpur and Neparu Handicraft Trekking , Chakupat are selected to the fair ' Ambintie Fair 2007 for 9<sup>th</sup> and 13<sup>th</sup> Feb. 2007

**4.1.3.1.2 Bilateral Relations/ International Linkages**

For the promotion of trade and industry, FNCCI has made the bilateral relations to CII Joint Economic Council, FBCCI Joint Business Council, FPCCI Joint Business Council and China Non Governmental Co-operation Forum etc. Besides these FNCCI is the member of CACCI, ICC, IOE, SCCI, G-77, A TPF, WASME etc.

**Some promotional activities in 2059/60 were as follows:**

- i. Regarding the bilateral development of economic relations, FNCCI had started Commercial Representative in the countries having friendship. In first phase commercial representatives appointed countries were China, France, Japan, Russia, Qatar and USA.
- ii. Preparation was made to FNCCI-FPCCI Joint Business Council's 2<sup>nd</sup> meeting in Kathmandu. It was believed that meeting would help in the promotion of Nepalese products in South Asian market.
- iii. In the two countries i.e. Bhutan-Nepal representatives meeting in Falgun 29 to Chaitra 2, MOU has signed between two countries regarding bilateral trade promotion issues.

**Some promotional activities in 2060/61 were as follows:**

- i. To make bilateral relation, FNCCI coordinated to Johain Chamber of Commerce, China and sent Makwanpur CCI there to observe various industries in the places of Beijing and Shanghai in 2060 Mangsir 8-27 and Poush 9-10.

- ii. FNCCI participated in 67<sup>th</sup> CACCI Council meeting in Kwalalumpur, Malaysia in 8-10 Dec.2004 and Nompennh, Combodia in 19-19 May 2004, useful for the long term promotion and two way relation development.

**Some promotional activities in 2061/62 .were as follows:**

- i. In Poush 29, 8<sup>th</sup> meeting of Nepal-China Non Governmental Cooperation Forum was held on Sanya, China. The meeting concentrated on Nepal-Tibet extra way construction, exchange of Chinese money in Nepal, Nepal as Chinese tourists' destination, plant quarantine in the boarder point, bilateral trades by LC etc.
- ii. In Poush 13, discussion programme made with Pakistani ambassador Jamir Akram. In the programme bilateral trade issues had discussed like facilitate rate for Nepalese Cargo on Pakistani Airways, road way, implementation of SAFTA etc.
- iii. Various aspect of bilateral trade, investment, tourism promotion were discussed with the meeting to Ambassador Mr. Humayun Kabir of Bangladesh in Chaitra 18 on FNCCI secretariat.
- iv. Regarding the development of bilateral trade, manage the labour force, increase the tourism possibilities etc., FNCCI and Qatar Chamber of Commerce signed in the agreement in 2nd Ashadh.

**Some promotional activities in 2062/63 were as follows:**

- i. FNCCI and Georgia FNCCI signed in the agreement in 27-28 Oct.2005, regarding development of bilateral relation, business, investment promotion and technology transfer etc.
- ii. FNCCI and CII representatives met on discussion programme on 24<sup>th</sup> Jestha 2063 and discussed about bilateral trade, investment etc. In the meeting, Nepal urged to CII to cut off the extra 4% of custom duty on importing Nepalese products through India. Later, on 26<sup>th</sup> Jestha, 2063, India cut off the above mentioned 4% tax.
- iii. FNCCI President Mr. Chandi Raj Dhakal participated in the programme 'Prospects for Regional Economic Cooperation in South Asia and Europe' in the invitation of Germany to all SAARC members jointly. In the programme, especially for Nepal, he presented the view to make it as a transit point between China and India trade.

**Some promotional activities in 2063/64 up to Chaitra 2063 were as follows:**

- i. FNCCI had increased its economic/ industrial/ trade development process by the bilateral relation with FNCCI-FBCCI Joint Business Council, FNCCI-CII Joint Economic Council (JEC) etc.
- ii. From 5-8 Mangsir 2063, FNCCI participated in 3<sup>rd</sup> South Asia Sub-regional Economic Cooperation (SASEC) organized by ADB and from Nepal Mr. Kush Kumar Joshi (2<sup>nd</sup> Vice President) submitted the work paper on ' Private Sector Perspective: Regional Cooperation on Trade, Transport & Investment.
- iii. Various programmes like Expo Central China 2006, study visit in China to design mini Nepal pavilion etc. conducted by Nepal China Non Governmental Cooperation Forum.

**4.1.3.1.3 Others**

Besides these fairs and exhibitions, FNCCI has played others important role too on the promotion of trade & industry in Nepal.

**In the year 2060/61,**

- i. NRN (Non Residential Nepalese) Cell had .established at FNCCI to participate the non residential Nepalese in the development of Nepal, promotion of Nepalese art & culture, export, investment etc. It also coordinates with NICC (Non Residential Nepalese International Co-ordination committee).

**In the year 2061/62,**

- ii. NRN circulated its Draft NRN ordinance 2060 and NRN constitutions to NRN-ICC for further comments and suggestions.

**In the year 2062/63**

- iii. NRN's regional conference had conducted on 2-3 June 2006 in Born, Germany in the invitation of NRN-ICC with the expectation of increment of good term and coordination between each other and contribution towards economic, social development.
- iv. In the promotion of the businesses and economic development of the country, NRN had passed the concept of 'Nepal Investment Fund' of 100 million dollar in its 2<sup>nd</sup> world conference. It also discussed in importance of peace and remittance.

#### 4.1.3.2 Financial & Infrastructural Support Role

For the organizational improvement and work performance increment of its Districts and Municipalities level Chamber of Commerce and Industry and other commodity member companies, FNCCI has conducted some financial support programme with the aim to flow business development information, create the earning employment opportunities, enhance the infrastructure like equipments, construction of the buildings etc.

The details of the financial & other equipment support given in F.Y.059/60-063/64 were given in the table below:

**Table 4.4**

#### **Financial & Other Equipment Support given on 059/60**

S.N.	Support Received By	Support Amount in Rs./ Equipment	Remarks
1	Itahari CCI	80000	
2	Krishna Nagar CCI	30000	
3	Dolakha CCI	40000	
4	Sindhuli CCI	40000	
5	Simanta CCI	80000	
6	Panchthar CCI	80000	
7	Bara CCI	30000	
8	Rautahat CCI	40000	
9	Bhojpur CCI	40000	
10	Ramechhap CCI	40000	
11	Lamjung CCI	40000	
12	Nuwakot CCI	40000	
13	Sindhupalchok CCI	80000	
14	Dailekh CCI	80000	
15	Terhathum CCI	80000	
16	Baitadi CCI	40000	
17	Dadeldhura CCI	40000	
18	Gorkha CCI	Fax Machine-1	
19	Ratna Nager CCI	40000	
20	Itahari CCI	Fax Machine-1	
21	Nepal Printers Association	40000	
22	Trekking Agent Association of Nepal	40100	
23	Surkhet CCI	8000	Technical support for Bulbul Lake
24	Palpa CCI	50000	Palpa Festival
25	Baglung CCI	30000	Baglung Festival
26	Bhaktapur CCI	5000	Public-Private Partnership Programme
27	Dhading CCI	15000	Stall construction on Gajuri
28	Makwanpur CCI	30000	Regional Seminar regarding Industrial policy (059/5/3)
29	Makwanpur CCI	50000	National Conference for Income mobilization in CCI Activities (059/2/26)

Source: Annual Report, 2060, FNCCI, Kathmandu.

**Table 4.5**  
**Financial and other equipment support given on 060/61**

S.N.	Support Received By	Support Amount in Rs./ Equipment	Date
1	Terhathum CCI	80000	060/4/21
2	Jaleswor CCI	40000	060/4/21
3	Humla CCI	80000	060/4/21
4	Inaruwa CCI	80000	060/4/21
5	Mechi CCI	50000	060/5/9
6	Waling CCI	50000	060/6/6
7	Malangawa CCI	80000	060/6/6
8	Ramechhap CCI	40000	060/6/6
9	Doti CCI	40000	060/4/13
10	Ilam CCI	40000	060/8/11
11	Sankhuwasabha CCI	50000	060/11/12
12	Gularia CCI	80000	060/4/21
13	Parbat CCI	40000	060/5/17
14	Lekhnath CCI	40000	060/6/29
15	Pyuthan CCI	40000	060/8/3
16	Udampur CCI	80000	060/12/19
17	Dolpa CCI	Fax Machine	
18	Doti CCI	Fax Machine	
19	Garment Association Nepal	25000	
20	Stationery Association Nepal	Fax Machine	
21	Ratna Nagar CCI (Ratna Nagar Mohotsav)	25000	060/7/27
22	Panchthar CCI( Fire)	15000	
23	Myagdi CCI (Myagdi Mohotsav)	25000	
24	Palpa CCI(Trade fair)	25000	
25	Floriculture Association of Nepal ( Floriculture Trade fair)	20000	
26	Foot wear Association of Nepal (Lather goods Export)	20000	
27	Computer Association of Nepal (CAN, info 2004)	50000	
28	Nepal Electric Association (Electrotech 2004)	25000	

Source: Annual Report, 2061, FNCCI, Kathmandu

**Table 4.6**  
**Financial & other equipment support given on 061/62**

S.N.	Support Received By	Support Amount in Rs. /Equipment	Remarks
1	Ilam CCI	40000	Building Construction
2	Mechi CCI	30000	Building Construction
3	Mustang CCI	80000	Building Construction
4	Dhulikhel CCI	25000	Secretariat Furnishing
5	Syangja CCI	40000	Secretariat Furnishing
6	Dolakha CCI	35000	Building Reconstruction
7	Triyuga CCI	Fax Machine	
8	Itahari CCI	25000	Industrial Fair
9	Bara CCI	15000	Trade Fair
10	Tanahu CCI	20000	Greenbelt Construction

Source: Annual Report, 2062, FNCCI, Kathmandu

**Table 4.7**  
**Financial and other Equipment Support given on 062/63**

S.N.	Support Received By	Support Amount in Rs. / Equipment	Remarks
1	Tikapur CCI	40000	Building Construction
2	Dadeldhura CCI	20000	Secretariat Furnishing
3	Humla CCI	20000	Secretariat Furnishing
4	Lamjung CCI	35000	Secretariat Renovation
5	Baglung CCI	45000	Building Reconstruction
6	Parbat CCI	20000	Secretariat Furnishing
7	Tulsipur CCI	40000	Building Construction
8	Kalikot CCI	80000	Building Construction
9	Taulihawa CCI	80000	Building Construction
10	Saptari CCI	30000	Building Construction
11	Salyan CCI	40000	Building Construction
12	Dhading CCI	Computer & Printer-I	
13	Jhapa CCI	Fax Machine	
14	Syangja CCI	Computer & Printer-I	
15	Arghakhanchi CCI	Computer & Printer-I	

Source: Annual Report 2063, FNCCI, Kathmandu.

Similarly, no any financial & other equipment supports provided by FNCCI in F.Y. 063/64.

The following trend can be shown regarding the financial support given by FNCCI based on table 4.4 to 4.7 above:

#### **4.1.3.3 Economic Developmental Role**

The activities held by FNCCI regarding economic developments were as follows:

In the year 2059/60, FNCCI and PPPUE jointly organized the speech programme in 6<sup>th</sup> Chaitra on 'Public Private Partnership' Programme. It was believed to be beneficial to economic development of the country. In the period this programme had conducted in 5 municipalities with the aim of poverty alleviation by providing the access of basic service' to poor people.

In the year 2060/61, Because of the lobbying of District and Municipality Council, FNCCI, the project time has been added up to Dec. 2007 of the projects like PPPUE, RUPP, MEDEP of UNDP for the 'Micro Economic Development Programmes' on the selected municipalities, districts and sectors with the participation of private sector chamber of commerce.

Similarly, FNCCI succeed to put the representation of district & municipality level chambers of commerce and industry in the Board, Council and Committee made in development budget of the government to conduct the district level programmes.

In the year 2061/62, discussion program on 'Role of Chamber of Commerce and Industries in the Economic Development of the Country.' had organized. The economic and technical support for the programme was given by PSPP/SEQUA.

Similarly, 'Public Private Partnership on Local Economic Development' seminar had conducted in 2062-1-10 in Itahari in the co-ordination of Government, FNCCI, UNDP and Itahari CCI.

In the year 2062/63, In the joint co-operations between FNCCI, Local development ministry, UNDP, PPPUE, related CCIs and Municipalities, various economic development support programmes like 'A New Avenue for Investment in Nepal'-A national seminar in Lalitpur on 2062-05-31, Vegetable market management discussion programme on Narayanghad on 2062-07-12 etc. had conducted.

In the year 2063/64, up to Chaitra 2063, the following activities had done by FNCCI:

- i. In 2063 Kartik 10, Meeting of Local Project Appraisal Committee were organized by UNDP and participated by representatives of FNCCI and Local Economic Development Committee. In the programme FNCCI recommended to increment of the project time of PPPUE up to A.D.2009 and also requested about establishment of Cell of PPPUE in FNCCI in the help of UNDP.
- ii. Various public private Partnerships related introductory programmes were organized in Bardiya, Rajbiraj, Sunsari etc. by PPPUEIUNDP and FNCCI with the objective of feasibility study and analysis about the public private partnership for the economic development of the country.

#### **4.1.3.4 Leadership, Coordinating, Mediator & Business Supportive Role**

"District and Municipality Council has -been lobbying to solve the problems faced by district and municipality level chamber of commerce and industries. Commodity council has been lobbying to solve the problems in priority basis, according to the received advice, suggestions of the all Nepal Commodity/Sectoral member Associations. Associate council has been taking the policy to solve the problems

created in promotion of trade & industry, continuous contact and relations between the Associate members of FNCCI. Similarly Brand conservation Group, FNCCI has been co-operating in the conflicts resolution process.

Banking and financial committee of FNCCI has being playing key role on the problem solving of businessmen in the banking sector. Similarly FNCCI also has being playing key role in problem solving and business supportive matters like Income tax, VAT, Custom & Concise duty, Internal trade and Supply, SAARC trade, Foreign trade, International contact & coordination etc.

FNCCI has representing 3 persons in the revenue advisory committee organized by ministry of finance to improvement of the revenue issues. It has participating every week Friday programme of Public hearings in Internal Revenue Department, every Monday program in Custom Department, which was found supportive to reduce practical difficulties of the tax payers. Similarly, Income tax and Vat committee of FNCCI has also been participating in the reward selection programme of Internal Revenue Department.

SAARC trade committee has been working in FNCCI to identify, activate and expansion of the trade possibilities between SAARC countries. The contact and co-ordination of FNCCI is not only internally but also to foreign & regional level. FNCCI has been putting near relation with various organization like CII, FICCI, ACFIC, CCPIT, employers' organizations etc. Regarding the relation expansion FNCCI have made MOU with various countries Chamber of Commerce and similarly. have made continuous relations with organizations like UNDP/ World Bank/ CACCI/ WASME/ ADB/ FNST/ EU/ ILO/ IPEC/ IOE. Similarly FNCCI has coordinating with various countries diplomatic commissions, business ambassadors and business related institutions.

The activities held by FNCCI regarding leadership, coordinating, mediatory and business supportive were as follows:

**The activities in the year 2059/60 were:**

- i. District/ Municipality Council had receiving the reports on the duty activities of District/ Municipality CCl about conduction of their duty, in the zone visits

programmes of the zone representatives and it also provide suggestions to them for weak points.

- ii. Up to 2060-03-32, Government had decided to return of Rs. 1 Arab 8 Crore of duty draw back amount by the. very hard co-ordination of FNCCI.
- iii. Government had decided to return of 31 crore of custom duty in only 059/60 by the very hard co-ordination of FNCCI.
- iv. Corporate Ethics related Programmes had launched with the help of DFID to promote foreign trade. Various problem regarding export were informed to the government by the meeting called for Commodity Association. They suggested the points like only 0.75 % of export tax would be suitable etc.
- v. Recommendation sent to the concerned bodies of India Export about the quota of copper products, Zinc Oxide, Acrylic Yarn etc. commodity as government has designated authority to FNCCI for these.
- vi. FNCCI has been playing key role on internal trade and supply too. It always tries for not to be stopped any consumer goods in the country any time. Because of the low production of wheat in this year than last year, FNCCI had made the government attention about the regular import of the flour to make the wheat flour meals regular.

**The activities in the year 2060/61 were:**

- i. Since, note fund and purchase and sales transaction of Irs. were closed and became the situation to close the business in the districts like Dang, Surkhet, Siraha etc., Indian currency exchange problem had solved by lobbying.
- ii. FNCCI had included in the main and sub 'one door committee' of the government for the function of 'sanction of file of duty draw back'. From starting to 2061 Ashadh, 3132 files were cleared and from 2050/51-2060/61, the decision had made for the duty drawback amounted to Rs. 1 Arab 19 Crores and 71 Lakhs and returned these to the concerned industrialists.
- iii. Discussion was made regarding 'Bank & Financial institutions Adhyadesh 2060' published by government and some points noted about the negative impact of this on business& investment. FNCCI coordinated with the related persons about these and some amendments made by the government in 2061.
- iv. Participated with the DANIDA and VAT Review team of the government in the completion of 7<sup>th</sup> year of imposing vat in the country. And informed them about

the problems of vat implications.

- v. It also participated in the government budget making of 2061/62 and suggestions made.
- vi. Because of the unfavorable situations like the worst situation of the roads, blockades, 'Nepal Band, etc. regular transportation and supply were affected in terms of price & procedures. So to make the supply procedures simple & regular, FNCCI had participated in the discussion programme in 2061 Jestha 22 in its secretariat where 35 persons had participated including government, NGO and Private sectors.
- vii. Because of the increment in registration fee & renewal fee and only 35 days of time limit had provided for renewal by 'the second amendment in Pvt. firm registration rule 2060', FNCCI had attracted the concentration of the government in 2060-11-25, about problems might occurred to the businessmen by these amendments.
- viii. It also met with Bangladesh CCI representatives to made L/C management simple & facilitate in 2060 Magh. Similarly it informed the problems about unavailability of raw materials Jute in time from Bangladesh and got positive attitude of the concerned ministry for solving the problem.

**The activities in the year 2061/62 were:**

- i. Continuous co-ordination made with central and local administration for the matters like abduction, taking in custody to the Presidents and other member entrepreneurs/businessmen of the District and Municipality Chamber of Commerce's.
- ii. Co-ordination made for raw materials import from India by the payment of foreign currency on the basis of raw material (used in production process but not produced in Nepal's) cost and necessary quantity.
- iii. Industrial promotion, Environment and Energy Management Committee has been coordinating to promote, small hydropower in the country. In this regard, Small Hydropower Promotion Project/GTZ, Winrock and FNCCI had organized the seminar on "Opportunities in Hydropower Investment in Nepal" in Jestha 27.
- iv. Up to 2062/2/31, 3508 files were cleared out of 4557 registered files for the duty draw back on the one-door committee. And decision made by the committee to back Rs.1 Arab 31 Crore custom duty to the concerned organizations.

- v. Special fee of 1.5 % in import had changed to 0.5 % by the government on the suggestion of Income tax and VAT Committee, FNCCI.
- vi. Since India controlled the import of ginger from Nepal, FNCCI had doing the necessary co-ordination with the related party's to end the problems of Foreign Trade Policy 2004-2005 in export of ginger.
- vii. Because of the loud voice of FNCCI, India decreased the Quarantine fee by 50 % in the agro-product export from Nepal.
- viii. By the result of time to time co-ordination by SAARC Trade Committee of FNCCI, India informed Nepal about the only 5-20 % of random sampling would be sufficient instead of 100 % testing on the exporting products like Tea, Pulses & Pulses Products, Cereals and Cereal Products.
- ix. Various industries were re-conducted (12 industries had closed from 1<sup>st</sup> Bhadra and additional 35 industries had closed from 25th Bhadra by the pressure of conflict associated groups) after the great lobbying of FNCCI with the help of Human rights activists.

**The activities in the year 2062/63 were:**

- i. FNCCI had lobbying to the government for fast clearing for the duty draw back files. Accordingly, 3528 files had cleared out of 4623 files up to 2063-3-4.1040 files remained and 55 files were found on the action. The amount decided to return in terms of duty drawback up to 063-3-4 were Rs.1Arab, 31 Crore, 52 Lakhs.
- ii. Commercial Mediation centre have established in FNCCI to solve business relative problems in a simple and effective way. It has established as per the agreement by FNCCI and ARD Inc Rule of Law Project of USAID Nepal. And it had also started providing the trainings on Basic and Advance Mediation to the District/ Municipality CCI and Commodity Associations.
- iii. In the meeting with Finance minister, in Jeshta 9, 2063, FNCCI had requested to free the any type interest (like bank, vat, tax etc) for 20 days during the period of Jana Andolan, 2063'.
- iv. It had played the mediatory role between Nepal Truck Tanker and Transportation Association and Western Transportation Business Committee and other Joint Truck Businessmen regarding the increment in rent charges, token system etc.
- v. Chairman of SAARC trade and BIMSTEC committee, FNCCI had co-ordinate to

the tourism ministry and other related ministry in the subjects like BIMSTEC Business card, SAARC Sticker, Rule of Origin, Sensitive lists etc.

- vi. Facts collected from the various industries to decrease the electricity supply. Shortage during dry season, analyzed it and co-ordinate with NEA and concerned ministry.

**The activities in the year 2063/64 were as follows:**

- i. Industrial Promotion Committee had represented in the workforce of sectoral planning of the Business and Industry sector regarding the preparation of the Interim 3 years (2064/65-2066/67) planning by National Planning Commission.
- ii. To present the Permanent Account Number (PAN), staffs from 90 organizations out of 96 organizations including FNCCI and its member CCIs specified by Internal Revenue Department had participated in the training and works also started in almost CCIs.
- iii. Regarding financial act 2063 and the various problems in revenue issues in local level FNCCI and Siddharthanagar CCI jointly organized the discussion programmes in Bhairahawa in 27<sup>th</sup> Kartik.
- iv. The chairman of SAARC and BIMSTEC Committee, FNCCI, lobbied to solve the export problems like quarantine and PF A Tests to Lentils export as a example and demanded for a proper infrastructure needed in border to safe waiting for test results etc., in the interaction between Indian deputy secretary of commerce ministry in 20<sup>th</sup> Oct. 2006.
- v. To solve the business debates and problems, In FNCCI, Commercial Mediation Centre regulation 2063 formulated and implemented. In the regulation registration fee set for the person is Rs. 200 and for the Organisation Rs.500. Similarly problem solving fee per person is Rs. 2000 and per organization is Rs. 5000 set. And one MOO signed between Nepal Labour court and FNCCI's Commercial Mediation Centre in Magh 8, 2063.
- vi. FNCCI has requested to the government to establish the Accreditation Board to develop the competency and quality of the Nepalese products.

**4.1.3.5 Social and Environment Developmental Role**

FNCCI also works for social and environment development. It works for child labour eradication, HIV / AIDS, and environment and energy saving programmes, Anti Corruption Project and other social roles.

#### **4.1.3.5.1 Timely Programmes on Child Labour Eradication**

FNCCI has been working in child labour eradication from the industrial area. Agreement have made in 5<sup>th</sup> Nov. 2003 between ILO and FNCCI towards the conduction of timely programs regarding eradication of child labour. The time bound programmes are conducting in Kathmandu by making directors committee and in other districts making working committees. FNCCI has been working with necessary co-ordination with District Administrative Office, District Development Committee, District Child labour Eradication Co-ordination Committee, Municipality, Police, Government, NGOs, INGOs etc. Brochure has been publishing and sending to the districts to give the information about the child labour programmes.

The following activities were done by FNCCI in different interval of time.

#### **The Activities in 2059/60 were as follows:**

- i. The proposal of Employers' council to ILO-IPEC regarding to conduct Time Bound Programme to control worst form of Child labour was delayed in implementation by various reasons. Hence, again another proposal of conduction of programmes was given to ILO-IPEC only for 5 districts i.e. Kaski, Morang, Makawanpur, Bardiya, Kanchanpur, instead of 11.

#### **The Activities in 2060/61 were as follows:**

- ii. Survey found 930 child labours in Kaski, and informal education provided to them and 'Ama Group' also made continuous.
- iii. In Biratnagar, Hetauda, Bardiya & Kanchanpur, survey identified the Home Porter and Khate child labour. The process of establishing Ama Group has started for the financial improvement of their family.
- iv. Agreement between FNCCI and World Education Programme had done in 3<sup>rd</sup> Ashadh 060 to provide the help of Rs. 10 lakh regarding the formal education for 473 child labours in Pokhara.
- v. FNCCI have passed the 10 points agreements including; not include the labour below 14 years of age in the work, safety work environment for 14-18 years child etc. regarding child labour in 32<sup>nd</sup> Jestha 2060 during 'Day against child labour'.

**The Activities in 2061/62 were as follows:**

Achievements of Child labour Project conducted by Employers' Council, FNCCI are given below:

**Table 4.8**  
**Achievements of Child Labour Project up to April 2005**

Major Activities	Goal	Achievement	Remarks
Informal Education	4500	4296(95%)	
Formal Education	0	550	School Admission Continued
Vocational Training	250	138(55%)	
Apprenticeship Training	250	82(33%)	On the Job training
Drop-in Centre	10	7(70%)	1 <sup>st</sup> Established in Pokhara instead of 4 in acceptance of ILO/ IPEC
Women Groups	75	75(100%)	
Members in Women Groups	1500	1464 (98%)	

Source: Annual Report 2062, FNCCI, Kathmandu.

**The Activities in 2062/63 were as follows:**

- i. Child labour project conducted on Morang, Makawanpur, Bardiya, Kaski and Kanchanpur were finished its time from May 2006. But understanding made between these districts and FNCCI about continuing the task putting them in the concerned districts Chamber of Commerce's programmes.
- ii. In 26<sup>th</sup> Falgun, 2062, decision made by FNCCI to give 50 % of total estimated budget i.e.Rs.753000 to the all 5 districts child labour projects to continuing them from 1<sup>st</sup> Baishakh 2062 to Chaitra 2063 with the concerned district chamber of commerce and industries.
- iii. Under the child labour programme conducted in Pokhara, an agreement made between World Education and FNCCI in 18<sup>th</sup> August 2005 about the help of Rs. 300000 to 150 low level child labors' formal education by World Education.
- iv. For the informal education for 500 child labours of Morang, Unicef had provided Rs. 659100 and Rs. 285000 from FNCCI-child labour programme.

Achievements of Child labour Project conducted by Employers' Council, FNCCI were given as below:

**Table 4.9**  
**Achievements of Child Labour Project up to 15th May 2006**

Major Activities	Goal	Achievement	Remarks
Informal Education	4500	4564(101%)	
Formal Education	1350	1564(116%)	
Vocational Training	250	224(90%)	
Apprenticeship Training	250	263(105%)	On the Job training
Job Placement	-	245	
Drop-in Centre	7	7(100%)	1 established in Pokhara instead of 4 in acceptance of ILOI/PIEC
Women Groups	75	76(101%)	
Members in Women Groups	1500	1604 (107%)	

Source: Annual Report 2063, FNCCI, Kathmandu

**The Activities in 2063/64 up to Chaitra 2063 were as follows:**

- i. In the places like Morang, Makwanpur, Kaski, Bardiya and Kanchanpur, child labour programmes were continued and monitoring and data collection of women group activities and child labour respectively are doing.

**4.1.3.5.2 HIV/ AIDS Programmes**

Viewing the increased problems of HIV/AIDS; advocacy and the public awareness programmes policy has taken 'by FNCCI. For this purpose FNCCI has established a "HIV/AIDS Cell".

**Activities conducted in 2059/60 on HIV/AIDS Prevention Programmes were as follows:**

- i. To reduce the negative impact of HIV/AIDS in the society, FNCCI brought 'HIV AIDS at the Workplace programme' by agreement with UN Theme Group on HIV/AIDS.
- ii. Orientation programme made for staff members for HIV programmes.
- iii. In the first phase 6 organisations (Standard Chartered Bank Nepal, Bottlers Nepal, Nebico Pvt. Ltd, Himalayan Distillery, Godavari Marble, Mercantile Communication Pvt. Ltd.) were selected out of survey in 14 for workplace programmes of HIV/AIDS programme.

**Activities conducted in 2060/61 on HIV/AIDS Prevention 'programmes were, as follows:**

- i. In Kathmandu valley by NGO and C.B.R. and in Nepalgunj by Nepalgunj CCI had conducted the HIV/AIDS programme with coordination of FNCCI from Dec.2002-Nov.2003, in the workplace of 6 companies.
- ii. Agreement had made on UN Theme Group & FNCCI regarding II phase programme on HIV/AIDS on 29<sup>th</sup> Dec. 2003. For the programme Kanchanpur & Makwanpur district had selected and 24 people of 12 organisation of Kanchanpur CCI and 19 people of 16 organisation of Makwanpur CCI had given HIV related TOT (Teacher Orientation Training) from 2060 Falgun 10 to 14 and 2061 Jestha 4-8 respectively; where video exhibition, condom box & condom distribution, publicity distribution programme also held.
- iii. Signature Campaign for commitment for HIV/AIDS programme under the programme of "Leadership for result" of UNDP was held in 2060 Mangsir 5 & 6 in Kathmandu, Ratnapark and in Mangsir 9 in Bhaktapur Durbar Square Compound by the co-ordination of FNCCI, MUAN and Association of District Development Committee Nepal.

**An activity conducted in 2061/62 on HIV/AIDS Prevention Programme was as follows:**

- i. FNCCI had participated in steering committee of the HIV/AIDS programmes of ILO.

**Activities conducted in 2062/63 on HIV/AIDS Prevention Programmes were as follows:**

- i. The programmes conducted in the 1<sup>st</sup> phase in various districts like Achham, Doti, Banke etc. by Global Fund HIV/AIDS programme under the agreement between UNDP and FNCCI were; development of IEC (Information, Education and Communication) materials Design to the opinion leaders and targeted peoples, Advocacy programmes for Business leaders, TOT Programmes etc. from Aug.- Oct. 2006.
- ii. Workshop and seminar were organized for businessmen and stake holders on Dhanusha as per agreement made between UNDP-DFID Fund and FNCCI for the March-July 2006 Programme on HIV/AIDS Advocacy.

- iii. FNCCI and Standard Chartered Bank jointly organized the discussion programme on HIV/AIDS in Ashadh 32.

**Activities conducted in 2063/64 up to Chaitra 2063 on HIV/AIDS Prevention Programme were as follows:**

- i. 2 community level workshop seminar, 1 three days district level workshop seminar conducted in coordination of District development committee and District public health office to prepare strategic plan for HIV/AIDS-Dhanusha programme.
- ii. Video documentary was shown related to HIV/AIDS control and making employers' bill hoard writing the slogan like HIV/AIDS control in workplace is our business' by ILO/Nepal and FNCCI.

**4.1.3.5.3 Anti Corruption Project**

Anti Corruption project of FNCCI has started its work from 2060 with the help of DFID. The main activities on 2060/61 were as follows:

- i. Determination of code of conduct (c.o.c.) on 4 sessions i.e. Biratnagar (22<sup>nd</sup> March 04), Birgunj (26<sup>th</sup> March), Bhairahawa (19<sup>th</sup> April) and Kathmandu (21<sup>st</sup> June 04).
- ii. Office and organization set up made during 4 month i.e. March-June 2004.
- iii. A seminar on corporate social responsibility & business ethics was organized in Pokhara on 21<sup>st</sup> June. 59 persons had participated in programme.

**The main activities on 2061/62 were as follows:**

- i. Corporate Ethics Forum (CEF)/ FNCCI organized 21 training programmes on business ethics for FNCCI associate member businesses. Till date total 234 trained on completed 4 sessions i.e. Hetauda, Narayan ghat, Bhaktapur and Jhapa.
- ii. CEF organizes 18 anti business corruption advocacy sessions for FNCCI associates, regional and district chamber members.
- iii. 8 code of conduct orientation sessions completed in various dates on various CCLs like Dolkha, Nepalgunj etc.

**The main activities on 2062/63 were as follows:**

- i. Anti corruption Project's time had completed from April 2006. But to make the

anti corruption programme continued, FNCCI had established new unit, named 'Ujuri Sunuwai' and made the regulation of it.

- ii. During 1<sup>st</sup> June 2005-31<sup>st</sup> March 2006, FNCCI- Anti Corruption Project had conducted various codes of conduct orientation programmes on various dates. Total of 2182 participants were participated in the programme from various District/Municipality Chambers.
- iii. Various workshops on Business Ethics, directives and role etc., interactions on Action Research on Vat, Tax, Unauthorized Trade etc., discussions on Anti Corruption Awareness etc., studies on Legislation review on Income tax and Vat etc., awareness on TV serial and Anti-corruption etc., trainings on Internal revenue etc. programmes had organized by Anti Corruption Project in various dates with co-ordination of various other organizations.

#### **4.1.3.5.4 Other Social Roles**

Besides above social works, FNCCI has doing many more.

##### **In 2059/60**

- i. FNCCI had helped for the re-construction of Myaglung Market which was damaged by fire.
- ii. FNCCI had also helped to conflict suffered.

##### **In 2060/61**

- i. Donation of Rs. 500,000 provided to the affected group from river flow.
- ii. FNCCI staffs were involved in various incubation days as a social worker.
- iii. FNCCI coordinated with Indira Foundation America to provide land in Devghat for the construction of house for old age.
- iv. One meeting was held between WEPCO & FNCCI to recycle the garbage papers out from daily works of FNCCI.

##### **In 2061/62**

- i. In the programme participated by ADS and FNCCI , discussion made on 'Participation of the private sector in the improvement management of Valley drinking water supply and sanitation and structure development for the maximum utilization of Melamchi Project'.

#### **In 2062/63**

- i. Goods produced by women entrepreneurs were sent to Thailand to help the Thai Red Cross Society. It also aimed to promote Nepalese products.
- ii. Goods like tent, blanket, noodles, medicines, garments, flours etc. collected from the industry & business sectors were sent to Pakistan in 2062-07-14 to help the earthquake suffered.

#### **In 2063/64**

- i. Data collection was running by Social Service Committee, FNCCI to provide the artificial leg to the disable and helpless.
- ii. One day seminar on 'Clean Development Mechanism' organized by Environment and Energy Management Committee with the coordination with Winrock International in Hotel Soaltee.
- iii. Helping materials like foods, garments, medicines, noodles, tent and cash etc. collected from members and other business entities, altogether of about Rs.10 Lakh, were sent to the rain slides and river victims on western and far western regions of Nepal.

#### **4.1.3.6 Entrepreneurship Developmental Role**

##### **4.1.3.6.1 Women Entrepreneurship Development Forum**

Women Entrepreneurship Development Forum of FNCCI has been working coordinating with related bodies to participate women in the business industry and to promote these women entrepreneurs. The Forum also co-operating in search of required market to the manufactured products from these enterprises. FNCCI also has been 'establishing the women entrepreneurship development unit to its member District & Municipality CCl.

#### **Activities of FNCCI in 2059/060 were as follows:**

- i. Up to the time 30 Women Entrepreneurship Development Units had established in District & Municipality CCl.
- ii. In the collaboration of FNCCI and ILO, women's were participated in the programme in Dhankuta, Nawalparasi and Nuwakot aiming to identify the appropriate micro industries on the basis of local raw materials.

**Activities of the Forum in 2060/061 were as follows:**

- i. Up to the time 32 Women Entrepreneurship Development Units had established in District & Municipality CCLs.
- ii. In Biratnagar, Banepa, Pokhara, Tanahu and Kathmandu, women entrepreneurs related programmes were organized, coordinating with national and international bodies for the purpose to develop and expansion of women entrepreneurs by skill, capacity, management development, market promotion etc.

**Activities of the Forum in 2061/062 were as follows:**

- i. In 2062/3/9, Exhibition conducted of the quality products made by women entrepreneurs along with the discussion made between women entrepreneurs and Director of World Stock Division of Overstock. Com, America.
- ii. Up to the time 33 Women Entrepreneurship Development Units had established in district & Municipality CCLs.
- iii. Aiming, of promotion of the women's possible to be the entrepreneur and already entrepreneur, one week's women entrepreneur developmental training had conducted in Myagdi on 1<sup>st</sup> Ashadh.
- iv. American World stock Organization and WEDF, FNCCI had met in the interaction programme in Ashadh 9 regarding the promotion of 'handicraft goods produced by Nepalese women entrepreneurs' in America.

**Activities of the Forum in 2062/063 were as follows:**

- i. Goods produced by women entrepreneurs were collected and sent to Hong Kong for the exhibition of handicrafts fair 'World SME Expo'.
- ii. UP to the time 36 Women Entrepreneurship Development Units had established in District & Municipality CCLs.
- iii. 16 persons representative participated in 'Nepal Enterprise Everest and Everything Else' workshop seminar and exhibition in France from 1-3<sup>rd</sup> Dec. 2005 to promote women entrepreneurs' products.

**Activities of the Forum in 2063/064 up to Chaitra 2063 were as follows:**

- i. Women Entrepreneurs Forum had put the stall to establish the buyer-seller network and to promote the women entrepreneurs' products in India International Trade Fair 2006 in New Delhi in 2006-Nov.-14 to 27 and exhibited the women

- entrepreneurs' products like Pashmina, Handicrafts, Nepali papers, tourism promotion materials, Lapsi Candy, wool products etc.
- ii. Up to the time 39 Women Entrepreneurship Development Units had established in District & Municipality CCl. And each unit is working on the development of the women entrepreneurs.
  - iii. 2 weeks Computer training provided to women entrepreneurs by cooperation of Women Entrepreneurship Forum and TIPS.

#### **4.1.3.6.2 Nepalese Young Entrepreneurs' Forum**

Nepalese Young Entrepreneurs' Forum has established in FNCCI to develop the youth entrepreneurship in the country.

In 2061/62, NYEF meeting was also held in the opportunity of the 69th council meeting and 20th conference of CACCI in Falgun 6-9. In that programme, CACCI decided to help technically and financially for the programmes for the development of Young Entrepreneurship.

"In 2062/63, Nepalese entrepreneurs' representative team had participated in 10th world summit of the young entrepreneurs organized by UN special unit and Sao Paulo Commercial Chamber of the Brazil in Sao Paulo, Brazil in IS-17<sup>th</sup> March 2006. The programme had believed to develop the bilateral relation between Nepal and Brazil and strong the network of the young entrepreneurs' and effective mobilization of the young entrepreneurs' in economic development.

NYEF visited various countries like China, Brazil, etc., organized various programmes regarding the development of trade and strong networking between them.

In 2063/64, also NYEF and NYBF were doing well in the development of Business promotion and youth entrepreneurship development.

#### **4.1.3.7 Enterprises Developmental Role**

##### **4.1.3.7.1 Cottage and Micro Enterprises Developmental Role**

Cottage and Micro Enterprises Developmental Committee of FNCCI has been coordinating with the government bodies regarding cottage and micro enterprises,

national & international organizations and conducting promotional programmes on development and expansion of these sectors. FNCCI also working as partner organization with Micro Enterprise Development Programme( MEDEP) conducting jointly by Ministry of Industry, Commerce & Supply and UNDP.

**Activities in 2059/060 were as follows:**

- i. For the development of Cottage and small industries, FNCCI has been contacting and coordinating with various organizations like Cottage and small industry department, development committee, Industrial Business Development Corporation, Micro Enterprise development programme etc.

**Developments in 2060/061 were as follows:**

- ii. MEDEP entered in the 2<sup>nd</sup> Stage from A.D.2004.
- iii. It had targeted to implement the programme on the 10 districts i.e. Darchula, Kailali, Bardiya, Banke, Myagdi, Rasuwa, Sindhupalchowk, Udaypur, Ramechhap, Sindhuli.

**Activities in 2061/062 were as follows:**

- i. The programme had implemented on the targeted 10 districts of last year and expanded to next 10 districts.
- ii. Participated in Indigenous Technology Programme conducted in Pokhara in 30 & 31<sup>st</sup> Jestha 2062.
- iii. 15 members entrepreneurs group made observation visit in Thailand for a week

**Activities in 2062/063 were as follows:**

- i. Marketing Management and Salesmanship' training programme organized in Myagdi with coordination with Myagdi CCI in 10-19<sup>th</sup> Jestha 2063.
- ii. FNCCI-Cottage and Micro Enterprises committee and South Asia Watch on Trade, Economics and Environment (SAWTEE) jointly organized workshop seminar- on 'Small and Medium Enterprises' opportunity and threat' in Kathmandu in 21-22<sup>nd</sup> Chaitra 2062.

**Activities in 2063/064, were as follows:**

- i. Micro and Cottage enterprise committee had organized the various 14

programmes like work planning formulation seminar, management seminar, observation visit of various CCl, leadership development trainings etc on various places like Dhangadhi, Surkhet, Kathmandu, Gularia etc. in various dates from Shrawan 2063-Poush 2063 to promote and develop the micro and cottage enterprises for the various chamber of commerce and industries like Kailali, Surkhet, Parbat etc and Commodity Association like Nepal Courier Service Association.

#### **4.1.3.8 Informational Role**

FNCCI is not only the centre of the business entrepreneurs' but also the centre of the information. It has its own information and documentation unit. It provides the various trade, industry and service related information to the businessmen, researcher, and needy persons by various way.

Commodity Council has been requesting all Nepal Commodity Councils to send the information regarding their related businesses to co-operate on making the information up to date and has been working out to record this information properly. Associate council has been starting the process to make data base of Associate members companies.

Knowing the demand of the readers, FNCCI has put its two publications i.e. News & News and Business Opportunities into the internet. FNCCI has been publishing regular press release and put into the internet to provide information about FNCCI's daily activities.

AEC of FNCCI provides weekly price information of the various markets' agro-products' to the Trade Promotion Centre (TPC) taking certain fee.

Technology & Trade Information Promotion System (TIPS) is the project established by FNCCI to provide information about European Union to entrepreneurs and businessmen.

#### **In the year 2059/60, the following informational activities had done:**

- i. Press and Public Relation Committee have been working in the FNCCI to providing the information's to the readers and publishing the regular publications

of it like FNCCI Newsletter, News & News etc.

- ii. AEC, FNCCI has been informing the wholesale price of more than 150 products from 18 markets of Nepal.
- iii. AEC also started its website (<http://www.agripricenepal.com>) from 1<sup>st</sup> Bhadra 2059 in cooperation of RUPP and UNDP.

**In the year 2060/61, the following informational activities had done**

- i. The facts about Principle of Global Compact i.e. the principle urged by UN Secretary in which total 9 principles were there and the acceptance & implementation of these principles will be beneficial in making image & business promotion of the organization in long term, were circulated by FNCCI by the means of various programmes towards organizations level.
- ii. FNCCI had circulated the information towards its all members regarding "Article 9 of Consumer Conservation Act 2060". Act had made compulsory to show the name, address, reg. no., composition, weight, expiry dates, mfg. dates etc. on the labeling of the product.
- iii. More than 200 web surfer had visited the AEC's Website for the wholesale price of the agro products of various markets.
- iv. More than 4000 publications regarding agriculture were in the documentation unit of AEC which is useful to concerned persons.

**In the year 2061/62, the following informational activities had done:**

- i. Two books i.e. 'Technique of organizing the trade fair' and 'Technique of participating in trade fair' had published and distributed by FNCCI and GTZ- PSP for the effective trade fairs.
- ii. One documentary had presented on the Industry & Commerce day-2061 about the activities of FNCCI in one year.
- iii. Trade development between Nepal and European countries have found extra helped because of the well flow of information regarding European Markets by TIPS.

**In the year 2062/63, the following informational activities had done:**

- i. Continuing of the regular publications like Directory of FNCCI Members 2005-2008, FNCCI News letter, Business Opportunities, News & News etc.

- ii. Press Release of the FNCCI had putted on Internet: [www.fncci.org](http://www.fncci.org).
- iii. 500 books and 500 CD (CD publication started this year looking the high demand of overseas countries) of Nepal and the World A One statistical Profile 2005 had published.
- iv. 250 Books/Reports/Journals added in AEC documentation Centre from Shrawan 2062 and 130 persons were directly benefited by it.

**In the year 2063/64, the following informational activities had done:**

- i. By commodity council, made follow up to the commodity Associations to send the information's to make the information compile and put in FNCCI data centre.
- ii. All its regular publications have policing regularly and Online databases had updated like Directory of FNCCI Members were updated in internet and it can be viewed by login: [www.fncci.org](http://www.fncci.org)FNCCI Members Database.
- iii. In this period FNCCI had published 160 press release and 50 other information and Appeal from various Communication Medias.
- iv. FNCCI had informed about the letter received by Nepal Government about Pvt. Firm's registration and renewal recommendation, to its all District/ Municipality Chambers of commerce and industries and other authorities of FNCCI.
- v. AEC, FNCCI has its own information unit and from Ashadh to Magh 2063,8 monthly publications published and distributed. Similarly, in the period 105 publications(Books, journal, Reports) were added and 110 persons got information from AEC.

**4.1.3.9 Role on Peace Establishment**

FNCCI have a vital role in Peace Establishment. Activities by FNCCI regarding Peace process were as follows:

**In 2060/61,**

- i. In 2060 Chaitra 3, mass meeting arranged to make pressure programme on behalf of private sector to end the non-safety, non-peace & deadly
- ii. Situation of the country. FNCCI made press release demanding peace in the country to conduct the business regularly in the safety and peaceful environment.
- iii. It also requested the member CCIs to put the hoarding board writing peace messages, all near by the highways.
- iv. In 25<sup>th</sup> Ashwin 2060, Non Residential Nepalese International Coordination

Committee and FNCCI jointly organized the peace programme. In the programme Peace bell ranged in Pashupatinath & Swayambhu with the prey and worshipping the god with the desire of peace all over the country.

**In 2062/63**

- i. FNCCI played a special role to success the "Jana Andolan- 2063".
- ii. In the co-ordination and activation of the FNCCI and its member Chambers and Associate organizations, all entrepreneurs, businessmen and office staffs committed to the democracy and came to the road to success the 'Andolan'.
- iii. In Baishakh 12, in the completion of Jana Andolan, FNCCI expressed its happiness through its press release. And staying with the hope of peace establishment.
- iv. FNCCI had welcomed the 'Announcement of House of Representatives-2063' in Jestha 4. And also believed for the great economic development soon in the country.
- v. Because of the continuous non-peace state of the country, FNCCI in association with CCI inside the Narayani Zone had organized the great peace rally in Birgunj in Bhadra 14 with the main slogan 'Made business sector, the peace sector'.

**In 2063/64,**

- i. FNCCI from the hand of Private sector industries/ business, welcomed to the peace agreement made by the 8 party alliance in Mangsir 5, after the success of Jana Andolan 2063.

**4.1.3.10 Investing Role**

FNCCI had invested its funds in the various banks. This shows that FNCCI had made the share in the contribution of the trade and industry development directly/indirectly, by investing the fund.

**Table 4.10**

The following table shows the investment of the FNCCI from 059/60-063/64

(Amounts in Rs.)

Investments	059/60	060/61	061/62	062/63	063/64
<b>Saving Bonds</b>	10655000	9355000	6400000	5000000	5000000
<b>United Finance Ltd.</b>	2000000	2000000	2000000	2000000	2000000
<b>Nepal Merchant Banking &amp; Finance Co. Ltd.</b>	7375000	7375000	3875000	4575000	4575000
<b>Himalaya Security and Finance Ltd.</b>	4200000	4200000	3000000	-	-
<b>Bank of Kathmandu Ltd.</b>	3000000	3000000	3000000	3000000	3000000
<b>Nepal Development Bank Ltd.</b>	4000000	4000000	4000000	4000000	4000000
<b>NABIL Bank Ltd.</b>	500000	500000	500000	-	-
<b>Nepal Share Market Co. Ltd.</b>	5000000	5000000	5000000	5000000	5000000
<b>Nepal Bank Ltd.</b>	5000000	5000000	5000000		
<b>Nepal Investment Bank Ltd.</b>			5000000	5000000	5000000
<b>Nepal Bangladesh Bank Ltd.</b>			5000000	5000000	5000000
<b>Siddhartha Finance Ltd.</b>		1000000	2000000	2000000	2000000
<b>Machhapuchhre Bank Ltd.</b>				4000000	4000000
<b>Nepal Credit &amp; Commerce Bank Ltd.</b>				2000000	2000000
<b>Sanima Bikash Bittiya Sanstha Ltd.</b>				2000000	2000000
<b>Nepal Merchant Banking &amp; Finance Ltd.</b>	700000	700000	700000		
<b>National Finance Co. Ltd.</b>	30000	30000	3.0000	-	-
<b>Total</b>	42460000	42160000	40505000	43575000	43575000

Source: Annual report,2060-64,FNCCI, Kathmandu

## 4.2 Presentation and Analysis of Primary Data

FNCCI have its 367 associate members all over the country. Total of 40 i.e. above 10 % associate member companies of FNCCI have taken as a sample for the collection of the primary data. 17 Questions' questionnaire with 5 extra optional personal questions made and distributed to the total of 5S member companies and only 40 companies' Chairmen/CEO/MD/GM answered it.

For the data analysis, questionnaire distributed' has shown in the Appendix-I and respective tables for each answer have mentioned one by one below:

If the motivation of the FNCCI members toward 'the research works are ranked as they filled up the questionnaire as

1<sup>st</sup> -3<sup>rd</sup> day = Excellent, 4<sup>th</sup> -7<sup>th</sup> day= Good, 8<sup>th</sup> -15<sup>th</sup> day= Poor and Not filled up to 15 days= Not Motivated

Then, the following table shows the motivation of FNCCI members toward the research, works.

**Table 4.11**

**Showing the Motivation of FNCCI Members toward the research works**

S.N.	Rank of Motivation	No. of Respondents	Percentage
1	Excellent	16	27.59
2	Good	22	37.93
3	Poor	2	3.45
4	Not Motivated	18	31.03
Total		58	100%

Source: Field Survey

Above table show that the response of the entrepreneurs and high level management executives towards research work is good but there is also a not motivated large group of 31.03 %.

Furthermore, chi-square test can be done as following for the above table:

H<sub>0</sub> = There is no significant difference between observed and expected respondents i.e. all FNCCI member respondents were motivated equally towards the research work.

H<sub>1</sub> = There is significant difference between observed and expected respondents i.e. motivation of FNCCI members towards research work is not equal but different.

Test Statistics under H<sub>0</sub>.

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

It follows  $\chi^2$  distribution with (n-1) degree of freedom

Where, O = Observed frequency

E = Expected frequency or hypothetical frequency

Here,  $E = \frac{\sum O}{n}$

where,

n = Number of observations = 58 / 4 = 14.5

**Calculation of  $\chi^2$ ,**

Rank	O-E	(O-E) <sup>2</sup>	$\frac{(O - E)^2}{E}$
Excellent	16-14.5=1.5	2.25	0.155
Good	22-14.5=7.5	56.25	3.88
Poor	2-14.5=-12.5	-156.25	10.77
Not Motivated	18-14.5=3.5	12.25	0.845
			$\chi^2 = 15.65$

Degree of Freedom =  $n-1 = 4-1 = 3$

The critical values of  $\chi^2$  for (n-1) d.f., i.e. 3 at 5 % level of significance = 7.815

Where, calculated.  $\chi^2$  i.e. 15.65 > the tabulated i.e. 7.815

i.e.  $H_0$  is rejected.

Hence, There is significant difference between observed and expected respondents i.e. motivation of FNCCI members towards research work is not equal but different.

**Table 4.12**

**Showing the gender wise participation of the respondents**

S.N.	Options	No. of Respondents	Percentage
1	Male	28	100
2	Female	0	0
Total		28	100%

Source: Questionnaire

Above table show that there is a very low participation of the female in the enterprise level. Among the sample of 40 companies, only 70 % respondents mentioned their gender as male and 30 % are put private.

**Table 4.13**

**Showing the Age Group of the respondents**

S.N.	Age Group	No. of Respondents	Percentage
1	Up to 30 years	4	14.81
2	30-40 years	11	40.74
3	40-50 years	3	11.11
4	Above 50 years	9	33.34
Total		27	100 %

Source: Questionnaire

Above table show that maximum i.e. 40.74 % top level managers and entrepreneurs are of the age between 30-40 years. And 2<sup>nd</sup> large group i.e. 33.34 % is in the age above 50 years among the 27 respondents out of 40. i.e. only 67.5% mentioned their age in the questionnaire returned.

Furthermore, chi-square test can be done as following for the above table:

$H_0$  = There is uniformity between the age group of the observed respondents.

$H_1$  = There is significant difference between the age group of the observed respondents i.e. not uniformity.

**Test Statistics under H<sub>0</sub>.**

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

It follows  $\chi^2$  distribution with (n-1) degree of freedom

Where,

O = Observed frequency

E = Expected frequency or hypothetical frequency

n = Number of observations

= Level of Significance

**Calculation of  $\chi^2$ ,**

O	$E = \frac{\sum O}{n}$	O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
4	6.75	-2.75	7.5625	1.1204
11	6.75	4.25	18.0625	2.6759
3	6.75	-3.75	14.0625	2.0833
9	6.75	2.25	5.0625	0.45
				$\chi^2 = 6.6296$

Degree of Freedom = n-1 = 4-1 = 3 and a = 5 % then,

The critical values of  $\chi^2$  for (n-1) d.f., i.e. 3 at 5 % level of significance = 7.815

Where, calculated  $\chi^2$  i.e. 6.6296 < the tabulated i.e.7.815

i.e. H<sub>0</sub> is accepted.

Hence, there is no significant difference between the age groups.

**Table 4.14**

**Showing the duration of FNCCI Membership**

S.N.	Age Group	No. of Respondents	Percentage
1	Less than 5 years	1	2.5
2	Above 5 years	6	15
3	Above 10 years	15	37.5
4	Above 15 years	18	45
<b>Total</b>		<b>40</b>	<b>100%</b>

Source: Questionnaire

Above table and pie chart show that 45% of respondents are of above 15 years, 37.5% are of above 10 years, 15 % are of above 5 years and remaining 2.5% are of less than 5 years membership period.

**Table 4.15**  
**Showing the analysis of support of FNCCI in the member companies**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	8	20
2	Good	16	40
3	Satisfactory	13	32.5
4	Worse	3	7.5
Total		40	100%

Source: Questionnaire

Above table show that 40 % respondents analyzed the support of FNCCI as good, 32.5 % analyzed as satisfactory, 20 % analyzed it as excellent and remaining 7.5 % analyzed the support of FNCCI as worse. Overall it can be said that the support of FNCCI is good for the business development of the member companies.

Furthermore, chi-square test can be done as following for the above table:

$H_0$  = Support of FNCCI in the member companies are equally distributed among the options excellent, good, satisfactory and worse.

$H_1$  = Support of FNCCI in the member companies are not equally distributed. Test Statistics under  $H_0$ ,

$$\chi^2 = \sum \frac{(O-E)^2}{E} \text{ and } E = \frac{\sum O}{n}$$

It follows  $\chi^2$  distribution with (n-1) degree of freedom

Where, O= Observed frequency

E = Expected frequency, or hypothetical frequency

n = Number of observations

= Level of Significance

**Calculation of  $\chi^2$ ,**

O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
-2	4	0.4
6	36	3.6
3	9	0.9
-7	49	4.9
$\chi^2 =$		<b>9.8</b>

Degree of Freedom = n-1 = 4-1 = 3 and a = 5 % then,

The critical values of  $\chi^2$  for (n-1) d.f., i.e.3 at 5 % level of significance = 7.815

Where, calculated  $\chi^2$  i.e. 9.8 > tabulated i.e.7.815

So, H<sub>1</sub> is accepted. i.e. support of FNCCI in the member companies are not equally distributed among the FNCCI members.

**Table 4.16**

**Showing the types of support getting by member companies from FNCCI**

S.N.	Options	No. of Respondents on priority basis				Percentage on respective priority			
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1	Financial Support				1				2.5
2	Moral Support	15	2			37.5	5		
3	Business & Trade Support	19	3			47.5	7.5		
4	Others	5		5		12.5		12.5	
5	No any Support*	1				2.5			
Total		40	5	5	1	100	12.5	12.5	2.5

Note: \*= Option added by the respondent

Source: Questionnaire

Above table' and bar diagram show on a 1st priority that 47.5 % FNCCI member companies have getting business & trade support, 37.5 % are getting moral support, 12.5 % are getting other supports and 2.5 % are not getting any kind of support from FNCCI.

**Table 4.17**

**Showing the kind of problems facing by FNCCI member companies**

S. N.	Options	No. of Respondents on priority basis							Percentage on respective priority						
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>
1	Capital Problems	6	1					5	15	2.5					12.5
2	Human Resource Problems	6	2	3	3				15	5	7.5	7.5			
3	Flexible Government policy	16	6	5		1			40	15	12.5		2.5		
4	Labour Problems	6	6	5	2	1	1		15	15	12.5	5	2.5	2.5	
5	Technology Related Problems		2	6	3					5	15	7.5			
6	Market related problems	3	10	2	1	2			7.5	25	5	2.5	5		
7	Others	2	1		1	2		3	5	2.5		2.5	5		7.5
8	No any problems.	1							2.5						
Total		40	28	21	10	6	6	3	100	70	52.5	25	15	15	7.5

Source: Questionnaire

\*= Option Added by respondent

Above table show that in the 1<sup>st</sup> priority, flexible government policy is the major problems facing by 40 % FNCCI member companies. Similarly human resource, labour and the capital problems are the 2<sup>nd</sup> major problems facing by 15 % each. 7.5 % respondents have the problem of market related in the 1<sup>st</sup> priority, while 5 % said other problems and 2.5 % mentioned that they have no any problem.

In 2<sup>nd</sup> priority of the problems facing by their companies, market related problems are major of 25 %, flexible government policy and labour problem are mentioned as the 2<sup>nd</sup> major problems in 2<sup>nd</sup> priority by 15 % of the respondents respectively. Human resource problems and technology related problems are categorized as 3<sup>rd</sup> major problems by 5 % each and 2.5 % voted for capital and other problems.

**Table 1.18**  
**Showing member companies' problems addressing by FNCCI**

S. N.	Options	No. of Respondents on priority basis				Percentage on respective priority total			
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
I	Capital Problems								
2	Human Resource Problems	2	2			9.09	9.09		
3	Flexible Government policy	6	2			27.27	9.09		
4	Labour Problems	2	3			9.09	13.64		
5	Technology related problems								
6	Market related problems			5				22.73	
7	Others	6			2	27.27			9.09
8	Not addressed any*	6				27.28			
Total		22	7	5	2	100	31.82	22.73	9.09

Note: \*= Option added by the respondents

Source: Questionnaire

Above table show that only some problems of few companies are addressed by FNCCI. FNCCI has addressed the problems of flexible government policy and other problems (besides capital, human resource, labour, technology related, market related problems) of the 27.27 % member companies, human resource and labour problems of 9.09 % member companies. And 27.28 % of the respondent member companies mentioned the view of not addressing any of the problems by FNCCI.

Similarly 22.73 % of the respondents ranked the problems of market related addressing by FNCCI in the 3<sup>rd</sup> priority. And it is seemed that capital problems and technology related problems of the member companies are totally not addressed by FNCCI.

**Table 4.19**

**Showing the satisfaction of member companies with the support of FNCCI**

S.N.	Options	No. of Respondents	Percentage
1	Yes	21	53.85
2	No	18	46.15
Total		39	100%

Source: Questionnaire

Above table show that 1 respondent does not give his view out of 40. Among the respondents, 21 i.e. 53.85 % are satisfied with the support of FNCCI, while 18 i.e. 46.15% are not satisfied.

Furthermore, chi-square test can be done as following for the above table:

$H_0$  = There are no any significant difference between satisfied and unsatisfied FNCCI, member companies with the support of FNCCI.

$H_1$  = Support of FNCCI is significantly difference among its member companies.

Test Statistics under  $H_0$ .

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

It follows  $\chi^2$  distribution with (n-1) degree of freedom

Where, O = Observed frequency

$$E = \text{Expected frequency or hypothetical frequency} = \frac{\sum O}{n} = 19.5$$

n = Number of observations

= Level of Significance

**Calculation of  $\chi^2$ ,**

O-E	(O-E) <sup>2</sup>	$\frac{(O - E)^2}{E}$
1.5	2.25	0.1154
-1.5	2.25	0.1154
		<b><math>\chi^2 = 0.2308</math></b>

Degree of Freedom = n-1 = 2-1, = 1 and  $\alpha = 5\%$  then,

The critical values of  $\chi^2$  for (n-1) d.f., Le. 1 at 5 % level of significance = 3.841

Where, calculated  $\chi^2$  Le. 0.2308 < tabulated i.e.3.841

So,  $H_0$  is accepted. i.e. there is equal no. of respondents showing, satisfaction and unsatisfaction with the support of FNCCI.

**Table 4.20**  
**Showing the kind of roles & functions should be performed by FNCCI**

S.N	Options	No. of Respondents on priority basis			Percentage On respective priority total		
		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
1	Financial Role	1			2.56		
2	Advisory Role	15			38.46		
3	Leadership Role	15	4		38.46	10.26	
4	Management Role	2	2	1	5.13	5.13	2.56
5	Others	6	2		15.39	5.13	
	Total	39	8	1	100	20.52	2.56

Source: Questionnaire

Above table and bar diagram show that the role & function should be performed by FNCCI are advisory and leadership role, others role (besides financial and management roles), management role and financial role respectively in the priority basis. 38.46% of the respondents give priority to the advisory and leadership role, 15.39% to the others, 5.13% to the management role where as 2.56% given 1<sup>st</sup> priority to the financial role.

**Table 4.21**  
**Showing the satisfaction with the present role of FNCCI**

S.N.	Options	No. of Respondents	Percentage
1	Yes	16	43.24
2	No	12	32.43
3	I do not know	8	21.62
4	Average*	1	2.71
	Total	37	100%

Note: \*= Option added by the respondent

Source: Questionnaire

Above table showing the satisfaction with the present role of FNCCI 37 respondents out of 40 presented their view. Among the respondents 16 i.e. 43.24 % voted on the yes i.e. satisfied and 12 i.e. 32.43 % voted on the no i.e. not satisfied with the present role of FNCCI. While 1 respondent i.e. 2.71% mentioned his average view i.e. little satisfied and a little bit not satisfied. In the same way 8 respondents i.e. 21.62 % could not say yes or no and told I do not know.

Furthermore, chi-square test can be done as following for the above table:

$H_0$  = No significant difference between observed and expected satisfaction with the present role of FNCCI.

$H_1$  = significant difference between observed and expected satisfaction with the present role of FNCCI.

**Test Statistics under  $H_0$**

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

It follows  $\chi^2$  distribution with (n-1) degree of freedom

Where, O = Observed frequency.

E = Expected frequency or hypothetical frequency =  $E = \frac{\sum O}{n} = \frac{37}{4} = 9.25$

n = Number of observations

= Level of Significance

**Calculation of  $\chi^2$**

O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
6.75	45.56	4.93
2.75	7.5625	0.82
-1.25	1.5625	0.1689
-8.25	68.0625	7.36
	$\chi^2 =$	<b>13.28</b>

Degree of Freedom = n-1 = 4-1 = 3 and = 5 % then,

The critical values of  $\chi^2$  for (n-1) d.f., i.e. 3 at 5 % level of significance = 7.815

Where, calculated  $\chi^2$  i.e. 13.28 > tabulated i.e. 7.815

So,  $H_1$  is accepted i.e. respondents' responses are not significantly distributed in all options.

**Table 4.22**

**Showing the Importance of FNCCI to promote Trade and Industry**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	13	33.33
2	Good	14	35.9
3	Satisfactory	9	23.08
4	Worse	3	7.69
5	I do not know	0	0
	Total	39	100%

Above table show that importance of FNCCI to promote trade ,and industry is very good. Among the respondents of 39 out of 40, 13 i.e. 33.33 % .said excellent, 14 Le. 35.9% said good, 9 i.e. 23.08% told satisfactory while remaining 3 i.e. 7.69 % expressed the importance of FNCCI as worse.

**Table 4.23**  
**Showing the role of FNCCI in economic development of the nation**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	6	15.39
2	Good	18	46.15
3	Satisfactory	12	30.77
4	Worse	3	7.69
5	I do not know	0	0
Total		39	100%

Source: Questionnaire

Above table show that role of FNCCI in economic development of the nation is good. Among the respondents of 39 out of 40, 6 i.e. 15.39 % said excellent, 18 i.e. 46.15% said good, 12 i.e. 30.77% told satisfactory while remaining 3 i.e. 7.69 % expressed the importance of FNCCI as worse.

**Table 4.24**  
**Showing the role in making Tax & Trade Policies of the nation**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	3	8.11
2	Good	15	40.54
3	Satisfactory	6	16.21
4	Worse	11	29.73
5	I do not know	2	5.41
Total		37	100%

Source: Questionnaire

Above table show that role of FNCCI in making Tax & Trade Policies of the nation is good. Among the respondents of 37 out of 40, 3 i.e. 8.11 % said excellent, 15 i.e. 40.54% said good, 6 i.e. 16.21% told satisfactory and 11 i.e. 29.73% expressed it as worse, while remaining 2 i.e., 5.41 % mentioned I do not know.

**Table 4.25**

**Showing the role of training programmes of FNCCI**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	5	13.51
2	Good	13	35.14
3	Satisfactory	11	29.73
4	Worse	5	13.51
5	I do not know	3	8.11
Total		37	100%

Source: Questionnaire

Above table show that role of training programmes of FNCCI is good. Among the respondents of 37 out of 40,5 i.e. 13.51 % said excellent, 13 i.e. 35.14% said good, 11 i.e. 29.73% told satisfactory and 5 i.e. 13.51% expressed it as worse, while remaining 3 i.e. 8.11 % mentioned I do not know.

**Table 4.26**

**Showing the role of FNCCI in problem solution**

S.N.	Option's	No of Respondents	Percentage
1	Excellent	0	0
2	Good	12	30.77
3	Satisfactory	13	33.33
4	Worse	11	28.21
5	I do not know	3	7.69
Total		39	100%

Source: Questionnaire

Above table show that role of FNCCI in problem solution is satisfactory. Among the respondents of 39 Out Of 40, 12 i.e. 30.77 % said good, 13 i.e. 33.33 % told satisfactory and 11 i.e. 28.21 % expressed it as worse, while remaining 3 i.e. 7.69 % mentioned I do not know.

**Table 4.27**

**Showing the coordination between government and FNCCI**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	4	10.26
2	Good	8	20.51
3	Satisfactory	15	38.46
4	Worse	6	15.38
5	I do not knew	6	15.39
Total		39	100%

Source: Questionnaire

Above table show that co-ordination between government and FNCCI is satisfactory. Among the respondents of 39 out of 40, 4 i.e. 10.26 % said excellent: 8 i.e. 20.51 % said good, 15 i.e. 38.46 % told satisfactory and 6 i.e. 15.38 % expressed it as worse, while remaining 6 i.e. 15.39 % mentioned I do not know.

**Table 4.28**

**Showing the role of FNCCI to defend member right**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	3	8.11
2	Good	12	32.43
3	Satisfactory	13	35.14
4	Worse	8	21.62
5	I do not know	1	2.7
Total		37	100%

Source: Questionnaire

Above table show that role of FNCCI to defend member rights is satisfactory. Among the respondents of 37 out of 40, 3 i.e. 8.11 % said excellent, 12 i.e. 32.43 % said good, 13 i.e. 35.14 % told satisfactory and 8 i.e. 21.62 % expressed it as worse, while remaining I i.e. 2.7 % mentioned I do not know.

**Table 4.29**

**Showing the role of FNCCI to the Entrepreneurship development**

S.N.	Options	No. of Respondents	Percentage
1	Excellent	3	8.33
2	Good	15	41.67
3	Satisfactory	11	30.55
4	Worse	6	16.67
5	I do not know	1	2.78
Total		36	100 %

Above table show that role of FNCCI to the entrepreneurship development is good. Among the respondents of 36 out of 40, 3 i.e. 8.33 % said excellent, 15 i.e. 41.67 % said good, 11 i.e. 30.55 % told satisfactory and 6 i.e. 16.67 % expressed it as worse, while remaining 1 i.e. 2.78 % mentioned I do not know.

Furthermore, chi-square test can be done as following for the above table:

$H_0$  = The role of FNCCI to entrepreneurship development is uniformed between the options. i.e. excellent, good, satisfactory, worse and I do not know.

H<sub>1</sub>= The role of FNCCI to entrepreneurship development is not uniformed 'between the options. i.e. significantly different in the role of FNCCI to entrepreneurship development.

Test Statistics under H<sub>0</sub>.

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

It follows  $\chi^2$  distribution with (n-1) degree of freedom

Where, O = Observed frequency

$$E = \text{Expected frequency or hypothetical frequency} = \frac{\sum O}{n} = 7.2$$

n = Number of observations

= Level of Significance

### Calculation of $\chi^2$ ,

O - E	(O-E) <sup>2</sup>	$\frac{(O - E)^2}{E}$
-4.2	17.64	2.45
7.8	60.84	8.45
3.8	14.44	2.006
-1.2	1.44	0.2
-6.2	38.44	5.34
		$\chi^2 = 18.446$

Degree of Freedom = n-1 = 5-1 = 4 and = 5% then,

The critical values of %2 for (n-1) d.f., i.e. 4 at 5 % level of significance = 9.488

Where, calculated  $\chi^2$  i.e. 18.446 > tabulated i.e. 9.488.

So, H<sub>1</sub> is accepted. i.e. the role of FNCCI to entrepreneurship development is significantly different between the respondents.

**Table 4.30**

**Showing the FNCCI works for the benefit of big industrialists and not for small and medium level businessmen & entrepreneurs**

S.N.	Options	No. of Respondents	Percentage
1	Yes	10	26.32
2	No	19	50
3	I do not know	9	23.68
Total		38	100%

Source: Questionnaire

Above table showing the FNCCI works for the benefit of big industrialists and not for small and medium level businessmen & entrepreneurs 38 respondents out of 40 presented their view. Among the respondents 10 i.e. 26.32 % voted on the yes and 19 i.e. 50 % voted on the no, while 9 respondent i.e. 23.68 % respondents could not say yes or no and told I do not know. These views cleared that FNCCI works for not only the benefit of big industrialists but also for the benefit of small and medium level businessmen & entrepreneurs.

### **4.3 Major Findings**

Following are the major findings from secondary and the primary Data Analysis:

1. From ANOVA Test, p-value of Fisher's Ratio statistics is less than 0.001; it indicates that the mean incomes among different categories over different fiscal years are different. The mean marginal plot shows that the income is high for "certificate of origin cost"- than other income. It is also found that average income increased sharply from fiscal year 058/59 to 060/61. This growth rate reached its peak in the fiscal year 061/62 and slightly decreased in the fiscal year 062/63.
2. From the Trend Analysis, it is found that associate members are the maximum in the year 060/61 and decreased sharply in the year 061/62 and then increasing slowly up to the year. While other type of memberships are seems to be increasing slowly.
3. Since p-value is <0.001 on ANOVA Test, we can conclude that the expenses over various fiscal years are not equal. Figure shows that, corporate expenses are very high in comparison of program and other expenses. Corporate Expenses are increasing gradually every year. Besides it, programme expenses are increases from 059/60 to 061/62 and reached the peak and again decreased sharply on 062/63.
4. On above study, Trend line shows that financial supports given by FNCCI to its member District/ Municipality, Commodity/ Sectoral Associations for various programmes, building construction, industrial fairs, festivals etc are decreasing day by day. Financial support was highest on 059/60 while in 063/64, financial support seems to be nil.

5. From the studied data of 059/60 to 063/64; trend of readers show that No. of users/Readers uses the information & documentation unit of FNCCI found to be high 5188 in 2060/61 and very low 1856 in 2063/64.
6. Since p-value is  $< 0.001$  from ANOVA test, we conclude that the investments across fiscal years by FNCCI are different on various Banks/ Finances/and Other Saving Bonds .Like wise, from another analysis, p-value is  $> 0.05$ , we conclude that the average investments made by the FNCCI over different categories (bond and company) are in fact equal over the fiscal years but very low in F.Y. 060/61.
7. The response of the entrepreneurs and high level management executives towards research work is good but there are also not motivated large group of 31 %.
8. There is a very low participation of the female in the enterprise level. Among the sample of 40 companies, only 70 % respondents mentioned their gender as male and 30 % are put it private.
9. It is found that, maximum i.e. 40.74 % top level managers and entrepreneurs are of the age between 30-40 years. And 2<sup>nd</sup> large group i.e. 33.34 % is in the age above 50 years. From Chi-Square test, there is no significant difference found between age groups.
10. From the data analysis by Chi-Square test, support of FNCCI is not equally distributed among FNCCI member companies. But 40 % respondents analyzed the support of FNCCI as good and 7.5 % analyzed it as worse.
11. Out of total respondents, 47.5 % FNCCI member companies have getting business & trade support, 37.5 % are getting moral support, 12.5 % are getting other supports and 2.5 % are not getting any kind of support from FNCCI.
12. It is found that, in 1<sup>st</sup> priority, flexible government policy is the major problems facing by 40 % FNCCI member companies. Similarly human resource, labour and the capital problems are the 2<sup>nd</sup> major problems facing by 15 % each. 7.5 % respondents. have the problem of market related in the 1<sup>st</sup> priority. Similarly, in 2<sup>nd</sup> priority, market related problems are major of 25 %, flexible government policy and labour problem are major of 15 % of the respondents companies and 5 % companies have the human resource and technology related problems in 2<sup>nd</sup> Priority.

13. The research shows that only some problems of few companies are addressed by FNCCI. FNCCI has addressed the problems of flexible government policy and other problems (besides capital, human resource, labour, technology related, market related problems) of the 27.27 % member companies, human resource and labour problems of 9.09 % member companies and 27.28 % of the respondent member companies mentioned the view of not addressing any of the problems by FNCCI. Similarly 22.73 % of the respondents ranked the problems of market related addressing by FNCCI in the 3<sup>rd</sup> priority. And it is seemed that capital problems and technology" related, problems of the member companies are totally not addressed by FNCCI.
14. It is found that, 53.85 % of respondents are satisfied and 46.15 % are not satisfied with the support of FNCCI. From Chi-Square test also found that, there is not any significant difference between satisfied & unsatisfied FNCCI member companies by the support of FNCCI.
15. As per the respondents of the questionnaire, the role & function should be performed by FNCCI are advisory and leadership role, others role (besides financial and management roles), management role and financial role respectively in the priority basis. 38.46% of the respondents give priority to the advisory and leadership role, 15.39% to the others, 5.13% to the management role where as 2.56% given 1<sup>st</sup> priority to the financial role.
16. The satisfaction with the present role of FNCCI is found as significantly different between observed and expected i.e. 43.24 % respondents satisfied with the present role of FNCCI but 32.43 % voted on not satisfaction.
17. Similarly, Importance of FNCCI to promote trade and industry is seems as very good. In research, 33.33 % said excellent, 35.9% said good, and 23.08% told satisfactory while remaining only 7.69 % expressed the importance of FNCCI as worse.
18. The role of FNCCI in economic development of the nation is found as good. Among the respondents of 39 out of 40, 6 i.e. 15.39 % said excellent, 18 i.e. 46.15% said good, 12 i.e. 30.77% told satisfactory.
19. The role of FNCCI in making Tax & Trade Policies of the nation is found as good. Among the respondents, 8.11 % said excellent, 40.54% said good, 16.21 % told satisfactory and 29.73% expressed it as worse.

20. The role of training programmes of FNCCI is found as good. Among the respondents, 13.51 % said excellent, 35.14% said good, 29.73% told satisfactory and 13.51% expressed it as worse, while remaining 8.11 % mentioned I do not know.
21. The research shows that the role of FNCCI in problem solution is satisfactory. Among the respondents 30.77 % said good while 33.33 % told satisfactory and 28.21 % expressed it as worse.
22. Primary data analysis shows that co-ordination between government and FNCCI is satisfactory. Among the respondents, 10.26 % said excellent, 20.51 % said good, but 38.46 % told satisfactory and 15.38 % expressed it as worse, while remaining 15.39 % mentioned I do not know.
23. The role of FNCCI to defend member rights is found as satisfactory. Among the respondents, 8.11 % said. excellent, 32.43 % said good, while 35.14 % told satisfactory and 21.62 % expressed it as worse.
24. Like wise, from the primary data study and analysis by Chi-Square test; it is found that the role of FNCCI to entrepreneurship development is significantly different between the respondents i.e. 8.33 % said excellent, 41.67 % said good, 30.55 % said satisfactory and 16.67 % expressed it as worse.
25. Among the 38 respondents 10 i.e. 26.32 % accepted for 'FNCCI works for the benefit of big industrialists and not for small and medium level businessmen & entrepreneurs' but 19 i.e. 50 % rejected, while 9 i.e. 23.68 % respondents could not say anything and told I do not know.

# **CHAPTER V**

## **SUMMARY, CONCLUSION & RECOMMENDATIONS**

### **5.1 Summary**

The research aimed at studying promotion of Trade & Industry in Nepal. For this FNCCI is taken as the sample organization working in the field of Trade & Industry and studied its role in promotion of Trade & Industry in Nepal.

First Chapter of the study dealt with basic assumption of the study. Basically it focuses on: the history of Trade & Industry in the world from Self Sufficient Economy to Globalization of Trade, history in Nepal from Ancient time of 'Manjushree Bodhisatwa' on 'Treta Yuga' to 'Tenth Plan-2002 to 2007', Statistical overviews of the Nepalese Trade & Industry in terms of exports and imports classified by major commodity groups onto overseas countries and India for earlier than 1975 to 2006 A.D.

This chapter also presents Organizational Overview of the FNCCI whose vision and mission statements are "Leading the Nation's Economic Progress" and "Facilitating Nepalese Business Become Globally Competitive" respectively and other major information regarding FNCCI as description of the 4 types of membership, objectives, functional principles, services, publications, international linkages, cooperative agreements etc.

Statement of the problems, objectives, limitations, significance and organization of the study are also stated on the first Chapter.

Second Chapter is 'Review of Literature' on this Thesis. As a stock taking of available literature, conceptual frame work prepared on the topics; Trade, Industry and Promotion. And few previous researches and theses reviewed- on the area of promotion of trade & industry. This shows that only few sectors of the trade and industry had taken for the research before and no overall researches done in the promotion of trade & industry of Nepal. Hence this study seems more significant.

In the Third Chapter Research Methodology fixed for this study. Historical, Descriptive and Survey research design is used for the research. For the survey research above 10 % associate member companies of FNCCI have taken as a sample for the collection of the primary data and various statistical tools used to analyze these.

Fourth Chapter of the study dealt with Data Presentation and Analysis. Here the researcher has presented the secondary data as Past Activities of FNCCI from B.S. 2022 to 2048- Visits and Exchange Programmes, Fairs and Exhibitions, Trainings and Seminars, International Meetings and Conferences organized and participated and various International Treaty and Agreements made by FNCCI's representative teams, Corporate Facts of FNCCI from 058/59 to 063/64- corporate developments, Incomes and Expenditures, Memberships etc. for past 5 years and various major roles of FNCCI for last 5 years are analyzed.

Promotional, Financial & Infrastructural Support , Economic Developmental; Leadership, Coordinating, Mediatory & Business Supportive, Law and Order Maintenance, Motivating, Human Resource, Labour Relations and Technology Developmental, Social and Environment Developmental, Enterprise Productivity & Competitiveness improvement, As Guardian, Entrepreneurship Developmental, Enterprises Developmental, Informational, Peace Establishment and Investing Roles are analyzed with past 5 years' secondary data.

Similarly, opinions of FNCCI member companies are taken through primary data collection by questionnaire survey method to understand the problems facing by these industries / organizations and how these problems are solving by FNCCI and to know other further Role of FNCCI in Promotion of Trade & Industry in Nepal.

## **5.2 Conclusion**

Present study seems very successful to meet the stated objectives designed for study. The present study has been designed to evaluate the organization of FNCCI and its policies, to analyze the role of FNCCI in promotion of trade & industry in Nepal, to measure the role of FNCCI to the society and to suggest and recommend on the basis

of major findings. We can conclude the following facts from the study of secondary and primary data:

- J Incomes of FNCCI among different categories over different fiscal years are different. Average income slightly decreased in F.Y. 062/63 which may be because of the reduction in the total membership from 621 to 507 in F.Y. 061/62 because of changing business environment and political instability.
- J Among income from different categories, income from Certificate of origin cost is the high. It is because of the compulsory process on the export and beneficial for the exporters too.
- J Disbursement of the total incomes received by FNCCI found to be not justified. Their expense is found higher in corporate expenses than in non-corporate, programme & other expenses.
- J Associate members of FNCCI decreased from 464 to 351 on 060/61 to 061/62 and again increasing slowly up to 063/64 and reached 367. Random change, in membership during 059/60 to 063/64 shows the weakness of FNCCI on making stability of the economic and business environment of the country.
- J Financial supports given by FNCCI to its member District! Municipality, Commodity/ Sectoral Associations for various programmes, building construction, industrial fairs, festivals etc are seen as insufficient and not in planned way.
- J Number of users/ Readers uses the information & documentation unit of FNCCI found to be decreasing on present years.
- J We conclude that the average investments made by the FNCCI over different categories (bond and company) are in fact equal over the fiscal years.
- J Motivation required to the entrepreneurs and high level management executives towards research work.
- J Very low participation of the female was found in the enterprise level. It prove that our society is male dominated society.
- J Maximum top level managers and entrepreneurs are found of the age between 30-40 years i.e. young and energetic.
- J Support of FNCCI is not equally distributed among FNCCI member companies. Beside it, there is large group who analyzed the support of FNCCI as good.

- J Nearly half of FNCCI member companies have getting business & trade support, few are getting moral and other supports and some are not getting any kind of support from FNCCI.
- J In priority basis, flexible government policy, human resource, labour, capital, technology related, market related & other problems are facing by FNCCI member companies.
- J Flexible government policy, others, labour, human resource and market related problems are addressed by FNCCI somehow but capital & technology related problems are totally not addressed by it as report.
- J There are around equal no. of member companies found between satisfied and unsatisfied with the support of FNCCI. Hence it shows the average performance of the FNCCI works.
- J The role & function should be performed by FNCCI are advisory and leadership role, others role (besides financial and management roles), management role and financial role respectively in the priority basis.
- J Role of FNCCI found as satisfactory. Around equal members are satisfied and unsatisfied too.
- J Importance of FNCCI to promote trade and industry is seems as very good.
- J The role of FNCCI in economic development of the nation is found as good.
- J The role of FNCCI in making Tax & Trade Policies of the nation is also found as good. But also the large group of its members unsatisfied against this role of FNCCI.
- J The role of training programmes of FNCCI is found as good. But among the respondents, few expressed their instability too.
- J It is concluded that the problem solving role of FNCCI is satisfactory but not better.
- J Co-ordination between government and FNCCI is found satisfactory.
- J The role of FNCCI to defend member rights is found satisfactory.
- J Like wise, the role of FNCCI to entrepreneurship development is found as satisfactory.
- J It is concluded that FNCCI works are for not only the benefit of big industrialists but also for the benefit of small and medium level businessmen & entrepreneurs.

### 5.3 Recommendations

Based on the major findings and conclusion of the research made based on the primary and secondary data, some of the following recommendations can be made for the further improvement of the studied organization:

- 1. Business Environment & Political Establishments:** FNCCI, Government and other stakeholders need to be unified and dedicated towards 'making well business and economic environments and political establishments for making peace and prosperous Nepal.
- 2. Expenses:** FNCCI's corporate expenses are found higher than non-corporate, programme and other expenses. Hence it should try to reduce the administrative expenses and increase the programme expenses for the promotion of trade and industry in Nepal.
- 3. Membership:** Since FNCCI's membership In the past period found as random in various years, FNCCI should try to make its all kind of membership increasing. For that it should try to put the business & economic environment of the country stable and progressive. Besides these FNCCI may decrease its yearly membership fee too.
- 4. Financial & Infrastructural Supports:** Supports given by FNCCI to its member District and Municipality Level Chambers and other Commodity member companies are decreasing day by day. So it is recommended that some fixed budget should be determined in planned way for the financial support to the all FNCCI members and stakeholders for the organizational improvement, work performance increment and the development of the trade and industry in the country.
- 5. Information:** FNCCI should try to find the cause for decrease in readers on the information & documentation unit which is seen on the report. Besides these, Names and addresses of the some member companies found wrong in the Directory of Members published by FNCCI during the research period. Hence it is recommended that every publication should be updated and thoroughly checked before they publish to provide correct information to the readers.
- 6. Research Works:** FNCCI should emphasis more on the research works to know the real problems of external as well as internal environment of the corporate houses, organizations regarding their businesses. Besides these, there is not

motivated large group on the entrepreneurs and high level management executives of the FNCCI member companies towards research work, it would be 'better to change their habit by conducting regular research programmes by FNCCI onto its member companies.

- 7. Gender Discrimination:** Since, there is a very low participation of the female in the enterprise level, it is highly recommend to all the stakeholders that we should give the equal opportunity to females and we shouldn't discriminate by gender.
- 8. Support Providing:** Since, few of the member companies could not get any kind of support and large group of FNCCI members are not satisfied from the present support of the FNCCI. It will recommended to provide all kinds of supports as financial, moral, business & trade and other supports to all member companies equally.
- 9. Addressing the Problems:** Only some problems of few companies are addressed by FNCCI up to now. Among respondents, 27.28 % of member companies' mentioned the view of not addressing any of the problems by FNCCI. And besides. these it is seemed that capital problems and technology related problems of the member companies are totally not addressed by FNCCI. Hence it is recommended that all the problems of the member companies shown on the reports should be addressed by FNCCI in the future days.
- 10. Focus on Present Role:** Among respondents, 32.43 % found to be' unsatisfied on the present role of FNCCI. Hence it is better to improve its role as respondents requirements as advisory and leadership, others (besides financial and management), management, financial role in the priority basis respectively.
- 11. Tax & Trade Policies:** Around thirty percent of large group of respondents expressed the tax & trade policy making role of FNCCI found as worse. So FNCCI should make improvement on it by well co-ordination with government and stakeholders.
- 12. Training programmes:** Around fourteen percent of respondents expressed training role of FNCCI as worse. So it is recommended that FNCCI should review its work design and make access the training programmes of their need to every member companies and other stakeholders.
- 13. Co-ordination with government:** FNCCI should focus on its coordination works well with government as 21.62% respondents complained about it.

- 14. Defend member rights:** Around twenty two percent of large group complained about its member rights defending role. Hence FNCCI should concentrate on this and should lobby with concerned, authorities to defend the member rights.
- 15. Entrepreneurship Development:** Out of respondents, 16.67 % expressed their un-satisfaction on this role. So FNCCI should focus on this role of entrepreneurship development. FNCCI should search new business areas too, for the present entrepreneurs & new comers in the business field for the survival and the healthy competition in the challenging global markets.
- 16. Also for small and medium level businessmen:** FNCCI should works more than present for the benefit of small and medium level businessmen & entrepreneurs' as well as big industrialists.
- 17. Anti Corruption Project:** Since various programmes/seminars organized by this project but corruption have not controlled in the market. Hence it will be recommended to FNCCI that it should be better to monitoring time to time of the member organizations and the relevant markets.
- 18. Monitoring and suggestions:** It is recommended to FNCCI that it will be better to monitor the member companies time to time and understand their problems and make advisory action to solve the problems.
- 19. Others:** Even, it is known that, FNCCI is working good in the promotion of trade & industry in Nepal, again at last, it is recommended to improve the every works, performance and roles of FNCCI for the betterment of Nepal & Nepalese Economy.

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**APPENDIX I**  
**Questionnaire**

**Dear Respondents,**

I am conducting this research as a pre-requisite for MBS level. I would like to kindly request you to fill up the following questionnaire by yourself and to help for this study by providing your valuable information and opinion. The information collected in this way would be used only for research purposes and confidential.

Name: (Optional) ..... Age: ..... Sex: .....  
Address: ..... Occupation:.....

**Please tick (✓) the options:**

**Q.1 Since when you are the member of FNCCI?**

- |                     |                          |                  |                          |
|---------------------|--------------------------|------------------|--------------------------|
| a. Less than 5 yrs. | <input type="checkbox"/> | b. Above 5 yrs.  | <input type="checkbox"/> |
| c. Above 10 yrs.    | <input type="checkbox"/> | d. Above 15 yrs. | <input type="checkbox"/> |

**Q.2 How would you analyse the support of FNCCI in your company?**

- |                 |                          |          |                          |
|-----------------|--------------------------|----------|--------------------------|
| a. Excellent    | <input type="checkbox"/> | b. Good  | <input type="checkbox"/> |
| c. Satisfactory | <input type="checkbox"/> | d. Worse | <input type="checkbox"/> |

**Q.3 What kind of support do you get from FNCCI as its member?**

Please tick (✓) on priority basis such as 1, 2, 3.....

- |                             |                          |                  |                          |
|-----------------------------|--------------------------|------------------|--------------------------|
| a. Financial Support        | <input type="checkbox"/> | b. Moral Support | <input type="checkbox"/> |
| c. Business & Trade Support | <input type="checkbox"/> | d. Others        | <input type="checkbox"/> |

**Q.4 What kind of problems do your company face?**

Please tick (✓) on Priority basis such as 1, 2, 3.....

- |                                |                          |                            |                          |
|--------------------------------|--------------------------|----------------------------|--------------------------|
| a. Capital Problems            | <input type="checkbox"/> | b. Human Resource Problems | <input type="checkbox"/> |
| c. Flexible Government policy  | <input type="checkbox"/> | d. Labour Problems         | <input type="checkbox"/> |
| e. Technology related problems | <input type="checkbox"/> | f. Market related problems | <input type="checkbox"/> |
| g. Others                      | <input type="checkbox"/> |                            |                          |

**Q.5 How the problems in Q.4 are addressing by FNCCI?**

- a.                       b.                       c.                       d.   
e.                       f.                       g.

**Q.6 Are you satisfied with the support of FNCCI for you?**

- a. Yes                       b. No

**Q.7 What kind of roles & functions should be performed by FNCCI?**

- a. Financial Role                       b. Advisory Role   
c. Leadership Role                       d. Management Role   
e. Others

**Q.8 Are you satisfied with its present role?**

- a. Yes                       b. No                       c. I do not know

**Please write A, B, C, D or E in the blank space in the following:**

Where, A= Excellent, B= Good, C= Satisfactory, D= Poor, E= I do not know

- Q.9 Importance of FNCCI to promote Trade and Industry.**   
**Q.10 Role of FNCCI in economic development of the nation.**   
**Q.11 Role in making Tax & Trade Policies of the nation.**   
**Q.12 Role of training programmes of FNCCI.**   
**Q.13 Role of FNCCI in problem solution.**   
**Q.14 Co-ordination between government and FNCCI.**   
**Q.15 Role of FNCCI to defend member rights.**   
**Q.16 Role of FNCCI to the entrepreneurship development.**   
**Q.17 FNCCI works for the benefit of big industrialists and not for small and medium level businessmen & entrepreneurs.**

**Please tick (✓) the options:**

- a. Yes                       b. No                       c. I do not know

Thank You!

Dinesh Gelal

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