TALKING BUSINESS,
TALKING CHANGE

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Roadmap for Economic Transformation - Tax System Reform

The Confederation of Nepalese Industries (CNI) organized an interaction program on "Roadmap for Economic Transformation Focused on Tax System Reform" on November 19, 2025. The discussion brought together policymakers, experts, and private-sector representatives to deliberate on the importance of tax reforms in strengthening Nepal's economy.

Finance Minister Rameshwor Khanal highlighted the urgent need for comprehensive reforms in the tax system. He noted that as the current government is an interim one, it is limited in its ability to make extensive legal amendments. He emphasized that due to the strong contribution of the private sector, Nepal has consistently maintained the highest revenue-to-GDP ratio in South Asia.

"In the past, this ratio had reached 24.5 percent of GDP. After COVID, it dropped to 18 percent. This year, indications show the ratio will rise again," he said.

"Some tasks were completed even before society fully understood them, which is why there seems to be some noise around them," he remarked. He further stated that amendments were required in certain provisions of the Double Taxation Avoidance Agreements (DTAA) with several countries, as they were working against Nepal's interests, this corrective work has now been completed.

He added that clauses in agreements with seven countries were found to be inconsistent with the Income Tax Act, 2058 (2001). Notifications have now been issued clarifying that taxation will be carried out strictly in accordance with the Income Tax Act.

CNI President Birendra Raj Pandey expressed concern over the accumulation of excess liquidity in Nepal's financial system, stating that it is not a positive sign for the economy.

"The country's economy is in a challenging state. Banks have investable funds. Interest rates are in single digits. Overall market demand hasn't increased. Due to insufficient demand, industries are operating at low capacity. Inflation is at a low point. The fact that money is simply sitting idle is not a good sign for the economy," he said.

According to President Pandey, tax system reform is crucial to promoting investment growth. "For investment expansion and a better industrial environment, policy stability is vital. Both domestic and foreign investors assess the stability of tax policies before investing. Since tax policy forms a major basis for investment decisions, I request that this matter be given serious attention," he emphasized.

Finance Minister Khanal highlighted the urgent need for comprehensive reforms in the tax system

CNI Revenue Committee Co-Chair CA Sheshmani Dahal delivered a presentation on the Economic Reform Implementation Action Plan 2082, outlining priority areas for the effective implementation of the High-Level Economic Reform Recommendation Commission's suggestions.

SVP'S MESSAGE

As the Senior Vice President of the Confederation of Nepalese Industries (CNI), I am pleased to share a brief message on our collective priorities and the direction we are shaping for Nepal's industrial future.

CNI remains deeply committed to driving sustainable and competitive industrial growth. As we navigate an evolving global landscape, we recognize that Nepal's industries must grow responsibly balancing productivity with climate resilience, embracing clean technologies, and promoting practices that safeguard our environment for future generations.

A thriving industrial ecosystem requires an enabling policy environment. CNI continues to work closely with the Government of Nepal to advance critical policy reforms, streamline regulations, enhance infrastructure, and strengthen Nepal's positioning in regional and global value chains. Our goal is clear: to create a landscape where Nepali industries can innovate, scale, and compete with confidence.

At the heart of our progress lies the youth of Nepal. CNI is actively championing initiatives that expand employment pathways, foster entrepreneurship, and bridge the gap between academia and industry. By aligning skills development with emerging economic needs, we aspire to empower young Nepalis to become drivers of growth, innovation, and opportunity.

Together with industry, government, and our vibrant youth we can build a more resilient, inclusive, and prosperous Nepal. Thank you.

-Mr. Nirvana Chaudhary

CNI Organizes Interaction with MoICS

On the occasion of Industry Day 2082, the Confederation of Nepalese Industries (CNI) organized a discussion dialogue with the Ministry of Industry, Commerce, and Supplies. The discussion, held at the CNI Secretariat, was attended by Industry Secretary Krishna Bahadur Raut, Joint Secretary and Chief of the Industrial Promotion Division Jitendra Bahadur Basnet, and senior officials from the ministry and industry department.

At an interaction, Secretary Raut stated that the government has amended various laws in phases to introduce industry-friendly legislation. He mentioned that the use of domestic products has been made mandatory in public institutions to increase consumption and promote domestic goods. He emphasized that, for overall economic development, it is crucial to give high importance to the utilization of available resources and means.

CNI President Birendra Raj Pandey emphasized that the CNI seeks to focus collective attention on building a self-reliant economy. He highlighted the importance of industrializing the country and explained that, with this objective in mind, the CNI, in collaboration with the Ministry of Industry, Commerce, and Supplies, has been running the “Make in Nepal- Swadeshi” campaign to promote domestic production.

He further stated that Nepal has become heavily import-dependent. When imports dominate, the government cannot effectively collect revenue. Therefore, attention must be focused on increasing domestic production. Policies that promote local production are necessary, and if domestic production increases, government revenue will also become sustainable.

During the presentation, CNI Industry Committee Chairperson Rahul Kumar Agrawal emphasized that the government should adopt policies that actively promote industrial development. At an interaction, CNI members, industrialists also raised issues and challenges related to their respective industries.

CNI Organizes Learning Session on Tax Policies

The Confederation of Nepalese Industries (CNI) organized a learning session for members of CNI, Swadeshi, and the Young Entrepreneurs Forum (YEF), led by CNI Revenue Committee on November 23, 2025, at the CNI Secretariat. The session was facilitated by Revenue Committee Co-Chair CA Shes Mani Dahal, who guided participants through key aspects of Nepal’s tax and revenue framework. Around 25 participants, excluding CNI staff, attended the session and actively engaged in the discussions.

During the session, the major topics of discussion included VAT on expired goods, Article 57 of the Income Tax Act, company investments, insurance claims, and the processes for seeking legal remedies.

The session served as an important platform for members to enhance their understanding of critical tax regulations and compliance requirements, while also enabling meaningful dialogue on practical challenges faced by the private sector.

CNI- WB team Discusses on CPSD

The Confederation of Nepalese Industries (CNI) held an engaging discussion with the World Bank team on Country Private Sector Diagnostic (CPSD) on November 4, 2025 at the CNI Secretariat.

During the meeting, the World Bank team shared key insights from the ongoing CPSD study, outlining opportunities, constraints, and priority areas for strengthening Nepal’s private sector. CNI leaders and industry representatives provided practical perspectives based on ground realities.

Business leaders shared their thoughts on the current business environment and sector-specific challenges and opportunities in: Tourism, Construction, Manufacturing, Renewable Energy, ITES–BPO and Fintech, Agriculture & Agribusiness.

The discussion highlighted the need for improved policy coherence, investment-friendly reforms, stronger infrastructure, and targeted support to unlock Nepal’s economic potential. Both CNI and the World Bank emphasized the importance of collaboration in advancing evidence-based recommendations and supporting sustainable private-sector–led growth.

CNI sincerely appreciates the World Bank team for the productive engagement and looks forward to continued collaboration in shaping Nepal’s development agenda.

CNI and Indian Embassy Explore Deeper Nepal-India Economic Cooperation

The Confederation of Nepalese Industries (CNI) hosted an interactive session with the Deputy Chief of Mission (DCM) of the Embassy of India in Nepal, Dr. Rakesh Pandey, on 6 November 2025 at the CNI Secretariat. The session, titled "Strengthening Nepal–India Economic Ties," brought together representatives from Nepal's private sector to explore new avenues of collaboration between the two neighboring economies. The interaction was coordinated by CNI Global Business & Diaspora Committee.

CNI President Mr. Birendra Raj Pandey, in his remarks, emphasized the significance of strengthening economic engagement with India-Nepal's largest trading partner and key development ally. He also highlighted that continuous and close collaboration between CNI and the Embassy of India is essential to translating these discussions into actionable initiatives. He emphasized that strengthened business linkages and technological cooperation can elevate Nepal-India economic relations to a new height.

CNI Senior Vice President Mr. Nirvana Chaudhary set the tone for an open and forward-looking dialogue. During the interaction, CNI members and industry leaders shared insights and concerns related to trade barriers, cross-border investments, and sectoral collaboration in tourism, IT, infrastructure, and the startup ecosystem. Their inputs reflected the private sector's aspiration for a more enabling environment and smoother economic engagement between the two countries.

DCM Dr. Pandey actively engaged with the participants, offering thoughtful perspectives and addressing the issues raised. He expressed the Embassy's strong willingness to work closely with CNI to advance Nepal's industrial development, promote bilateral trade, and expand cooperation in tourism, IT services, and innovation-driven sectors. Dr. Pandey underscored the importance of nurturing a vibrant partnership between Nepal and India, grounded in shared economic priorities and mutual growth.

On behalf of the committee, the committee's overseeing director, Mr. Madhukar Dahal, presented the current Nepal–India bilateral trade and investment landscape, highlighting emerging opportunities for Indian investors in Nepal, the evolving dynamics of Nepal–India economic cooperation, and the potential for deeper integration across various sectors.

CNI Discusses with Newly Appointed IGP

The Confederation of Nepalese Industries (CNI) held discussions with the newly appointed Inspector General of Police (IGP), Dan Bahadur Karki, on security and related matters.

The CNI delegation, led by President Birendra Raj Pandey, congratulated IGP Karki and discussed investment security, investor protection, and potential collaboration between the police and the private sector. He emphasized the importance of boosting the morale of police personnel and highlighted the type of support and cooperation that the private sector can provide, stating that CNI is ready and committed to doing so.

He also noted that during the Zen Z movement, incidents of arson, vandalism, and looting affected public and private investments as well as individual safety. Therefore, he stressed the need to provide the private sector with security guarantees and highlighted the importance of fostering an environment of cooperation and trust among all stakeholders to overcome the current challenges.

On this occasion, IGP Karki emphasized that the private sector plays a significant role in the country's overall development. He stated that the Nepal Police is committed to ensuring the security of investors and the general public and highlighted that the private sector should also support good governance and the effective delivery of public services. CNI Vice President Gokul Bhandari, CNI Global Business and Diaspora Committee Chair Chandra Tandan, NC Member Manish Khemka, Director General Dr. Ghanashyam Ojha, and Director Himal Poudel were present in the meeting.

CNI-Kathmandu University Collabration for Job Placement Fair 2025

Following the MoU signed between Confederation of Nepalese Industries (CNI) and Kathmandu University to strengthen academia–industry collaboration and enhance student employability, KU organized its first Job and Internship Fair in collaboration with CNI on 26th November 2025 through Academia Industry Cooperation Kathmandu University (AICKU). CNI supported the event by coordinating industry participation.

CNI Director General Dr. Ghanashyam Ojha, attended the program and remarked that this was the first major initiative after the MoU. He expressed optimism for deeper collaboration in the future and appreciated the strong engagement from industries. For this Job Fair Fest, CNI has collected over 100 internship and employment opportunities from 25 plus industries. He noted that such events create a positive impact by helping bridge the gap between the demand and supply of skilled human resources.

The fair marks an important step toward building stronger connections between Academia and Industry. The Job and Internship Fair marks an important milestone in the KU and CNI partnership and sets a promising foundation for future joint activities that support Nepal's growing workforce and industrial development.

Dolma Team Meets CNI, Discussions Focus on Nepal's Investment Climate

The leadership of the Confederation of Nepalese Industries (CNI) held a constructive discussion with the Dolma Impact Fund (DIF) team on Nepal's overall investment climate on November 14, 2025, at the CNI Secretariat. Both sides shared insights on the opportunities and challenges faced by foreign investors in Nepal.

DIF CEO Mr. Tim Gocher highlighted Dolma's extensive experience of investing in Nepal, reflecting on the fund's current investment portfolio and future investment plans. He also emphasized the remarkable resilience of Nepalese society and the economy, noting how the country consistently recovers from political and natural disruptions.

The conversation also focused on the recent Gen Z protest of September 8-9 and its impact on private sector confidence and the overall business environment. Mr. Gochar appreciated the exemplary resilience demonstrated by Nepalese society and the economy following the protest. He also noted that Nepal has repeatedly shown similar resilience in the aftermath of major shocks over the past decades including the 2015 earthquake, natural disasters, and major political movements. Mr. Gochar further shared Dolma's investment experience in Nepal, highlighting the company's ongoing engagements and future investment plans.

CNI President Mr. Pandey emphasized the importance of Double Taxation Avoidance Agreements (DTAA) in attracting foreign direct investment and briefed the Dolma team on CNI's sustained advocacy to expand DTAA coverage with as many FDI source countries as possible. He also reiterated CNI's long-term economic vision of transforming Nepal into a $100 billion economy within the next decade, up from the current $44 billion.

The Dolma delegation comprised CEO Mr. Gochar, Managing Director Mr. Bidhyabaridhi Sigdel, and Investment Director Mr. Shabda Gyawali. CNI was represented by President Mr. Pandey, Director General Dr. Ghanashyam Ojha, Sr. Director Mr. Rajiv Majagaiya and Director Mr. Madhukar Dahal.

Capacity Building Training for Nepalese MSMEs

The Confederation of Nepalese Industries (CNI) successfully organized a one-day capacity-building workshop under its Make in Nepal - Swadeshi Capacity Building on 13th November, 2025 titled "Concept and Requirements of ISO 9001:2015 for Nepalese Micro, Small, and Medium Enterprises." The event took place at Square Hotel, Pulchowk, Lalitpur, drawing 25 participants representing diverse sectors of Nepal's MSME community.

The training aimed to strengthen the understanding and practical application of ISO 9001:2015, a globally recognized quality management standard, and to support MSMEs in adopting internationally accepted quality management practices tailored to organizational needs.

The session was led by industry expert Mr. Krishna Prasad Kharel, supported by Mr. Sanjiv Jha and Dr. Sundarlal Kateriya. Together, they delivered a comprehensive blend of conceptual insights, real-world examples, and live demonstrations. Key topics included the structure and clauses of ISO 9001:2015, quality documentation, process-based thinking, internal and external auditing procedures, and international certification pathways.

Participants were introduced to the fundamentals of Quality Management Systems (QMS), including the development of Quality Policies, Quality Objectives, and Risk Management Plans for Nepalese manufacturing and service industries. Practical guidance was provided on interpreting ISO requirements, implementing QMS processes, and improving organizational efficiency and customer satisfaction.

Highlights of the event included detailed discussions on risk-based thinking, step-by-step demonstrations of internal quality audits, and practical exercises designed to build confidence in applying ISO standards within daily operations. The training underscored the importance of quality assurance for MSMEs aiming to strengthen competitiveness in domestic and global markets.

Make in Nepal – Swadeshi campaign, a joint initiative of the Ministry of Industry, Commerce and Supplies and CNI launched in 2021 A.D., aims to encourage Nepali consumers to prioritize domestic products, increase the global presence of Nepali goods and services, generate employment opportunities across the country, and ultimately contribute to the national aspiration of "Prosperous Nepal, Happy Nepali."

Judicial Inquiry Commission Discusses with CNI

The judicial inquiry commission investigating the September 8–9 Gen Z protests held discussions with the Confederation of Nepalese Industries (CNI) regarding private-sector sentiments and ways to strengthen confidence and security. The meeting took place on November 21, 2025, at the CNI Secretariat.

Commission Chair and former judge Gauri Bahadur Karki, former Additional Inspector General of Police Bigyan Raj Sharma, and legal expert Bishweshwar Prasad Bhandari interacted with CNI President Birendra Raj Pandey and his team.

CNI President Pandey stated that the looting, arson, vandalism, and destruction of industries, businesses, and personal properties during the Gen Z movement had created fear within the private sector. He urged the commission to recommend measures to permanently prevent attacks on industries and businesses during any kind of protest.

He further emphasized that if industries, businesses, and investors are not secure, the country cannot develop a conducive investment environment, generate employment, or maintain overall economic optimism. Therefore, he requested the commission to provide clear recommendations to the government on how investment and investors can be safeguarded.

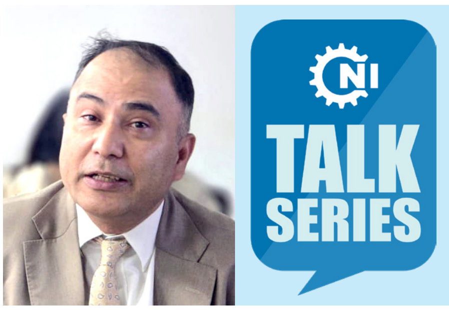
During the meeting, members of the commission raised questions regarding what measures could be recommended to ensure the safety of private-sector investments and investors, the impact of attacks on the private sector during the Gen Z movement, which sectors were most affected, and what policies and programs would be necessary to prevent such incidents in the future.

CNI Former President Satish Kumar More, CNI Governing Council Member Shashi Kanta Agrawal, CNI NC Members, among others, were also present at the meeting.

CNI Hosts Talk Series on 'Outward Investments'

On 28 November 2025, the Confederation of Nepalese Industries (CNI), through its Global Business and Diaspora Committee, organized the second edition of the CNI Talk Series, focusing on the theme "Road to Outward Investments: A Legal and Policy Perspective." The session featured Mr. Anup Raj Uprety, Managing Partner at Pioneer Law Associates, as the resource person.

The event brought together around 30 CNI members from diverse sectors, with strong representation from the IT industry which is an indication of the growing interest among Nepali companies in expanding their footprint abroad. The session remained highly interactive, with participants engaging in practical discussions and seeking clarity on evolving regulatory provisions.



In his presentation, Mr. Uprety provided a comprehensive overview of the legal and policy environment shaping outward investments from Nepal. He began by explaining the legal framework that existed prior to 2025, and then outlined the significant reforms introduced since 2025 that are gradually reshaping the investment landscape. He elaborated on key changes within FERA, FITTA, NRB's bylaws, and the updated ESOP provisions in the Company Act, highlighting how these reforms are creating more structured pathways for Nepali businesses and individuals to invest abroad. Drawing from real-world experience, he also shared insights on obtaining NRB approval for establishing an overseas subsidiary of a Nepali IT company–an area of growing relevance as more tech firms explore international markets.

Mr. Uprety further explained the post-investment compliance requirements that investors must follow and pointed out several issues that remain unaddressed in the current legal framework, underscoring the need for continued policy refinement to support outward investment ambitions.

Participants expressed that the session was both timely and informative, offering practical clarity at a moment when outward investment has become a priority for many emerging Nepali enterprises.

CNI and Chaudhary Foundation Host Session on Solar Energy Investment Opportunities

The Confederation of Nepalese Industries (CNI) and Chaudhary Foundation, in collaboration with the Third Pole Initiative (TPI), organized the Third Pole Series – Session 2 on 27 November at the CNI office. The session focused on “Challenges and Opportunities of Investing in Solar Energy in Nepal” and was facilitated by Ms. Arati Khadgi, Head of the Climate & Energy Program at WWF Nepal.

The event opened with remarks from Ms. Merina Ranjit, COO of Chaudhary Foundation, who outlined the objectives of the TPI Series, followed by welcome remarks from Dr. Ghanshyam Ojha, Director General of CNI.

Expert presentations were delivered by Mr. Mewang Gyeltshen, Senior Renewable Energy Specialist at ICIMOD, and Mr. Kushal Gurung, Founder & CEO of WindPower Nepal. Their sessions highlighted national and global perspectives on solar and renewable energy development.

A moderated discussion led by Ms. Khadgi generated meaningful dialogue on the barriers faced by the private sector in investing in solar energy and the measures underway to address these challenges. Participants contributed practical insights and shared their experiences in adopting solar energy solutions.

The session concluded with a shared understanding that solar energy holds immense potential for Nepal, especially given the country’s advantage of more than 300 sunny days annually. Participants emphasized the need for updated national policies and stronger collaboration among the private sector, development partners, and government agencies to accelerate solar energy investment and support Nepal’s economic growth.

CNI Kicks Off Study to Build a $100 Billion Economy

Confederation of Nepalese Industries (CNI), in collaboration with the National Planning Commission (NPC) and the Investment Board Nepal (IBN), has initiated a comprehensive national study aimed at transforming Nepal’s current $44 billion economy into a $100 billion economy. To guide this national initiative, a well-structured study framework has been established, led by a High-Level Steering Committee and supported by the Core Execution Team, International Team, and National Advisory Group. These bodies are complemented by specialized groups, including the report drafting team, sectoral specialists, sectoral diagnostic teams, macro modeling experts, and sectoral modeling teams, ensuring a strong foundation for research, analysis, and policy recommendations.

Significant progress has already been made in recent weeks. Multiple meetings were held with sectoral expert teams to identify major bottlenecks, emerging opportunities, and priority areas across key sectors such as energy, manufacturing, agriculture, IT, tourism, and infrastructure. These discussions have helped refine the study’s analytical direction and provided valuable insights that will shape the sector-specific components of the final roadmap. The strong engagement of experts from diverse fields has ensured that the study captures a comprehensive and realistic understanding of Nepal’s economic landscape.

A major advancement in the study process has been the progress of the macroeconomic modeling work led by Dr. Juzhong Zhuang and the international modeling team.

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