How do you see the current status of Nepali investors? We are working on making Nepal an investor-friendly country, but I must say what it is today. Nepal is very important in the context of global value chains. This is why Prime Minister Narendra Modi visited Nepal right after assuming office in 2014. We find so many corridor issues with Nepal to economically benefit Nepal and India. This way we can have so many good business opportunities. There are many opportunities for investors in Nepal. It shows the red carpet for investors, and the red carpet is so important because economic relations are becoming more important between and among the countries across the world. Economic issues can be more easily identified and they are as mastered: I am saying that they are based on give and take, and mutual benefits. The foreign investors are able to run businesses under good conditions. There will be a condition of progress in business relations than would with polit- ical relations.

You say as Nepal has had huge trade deficit with India. I was seriously speaking on foreign direct investment issue here in Nepal. Across the world every country is lacking to attract more FDI. FDI is one of the criteria which decide what will be the future of country’s economy. It is important for capital formation and building of infrastructure, India has been successfully attracting huge FDI. Most of the FDI flows are from non-residents. They are mainly to get $2 billion dollars of FDI, which is the highest FDI across the world. But a country cannot receive FDI only from the incoming foreign investors. Most of these investments come into the country through the source of their home countries.

They look into which regulatory setup are there that can cope with their need and what guarantee going wrong with this country? They can move the money out of this country in the same way. This is the reason behind the need to have a very strong regulatory body so that the confidence of investors can be maintained.

Then the more you build autonomous and independent regulatory institutions the more you will make confidence. We are making autonomous institutions in only govern- ment to government relations. It is because we in Nepal is so organized. We should take this opportunity to think this applies in Nepal as much as it does in India.

The importance of FDI is obvious but how can Nepal reduce trade deficit with India?

One of the ways would be if the two countries coordinate relations with industries with both sides, instead of there being an only govern- ment to government relations. It is being in the hands of trade and commerce which is the very important. It is a very important decision. There is a need for the creation of an economic zone that they can elimi- nate the border related red tape. Private sector bodies of Nepal can have direct contacts with Indian investors through business organizations. If they talk with each other directly, many things can be settled. The government is committed to create an environment where the talks are directly with India. Nepal is committed directly with India and it is certain that our countries will see the impact of the friendly investment in Nepal. It is very possible to see that we all know that the trade relations will improve.

If Nepal establishes direct contact with Indian industrialists, it would know their concerns and also find out the facts that have hindered invest- ment in Nepal. For governments, it is also possible to let directly know what their concerns are and how their concerns can be addressed. Equally important is to have a consistent investment. Car- rying Special Economic Zones’ model development, regional trade organizations, cross-border economic institutions. They should come in a lot for their trade. Similarly, it might be as useful for Nepal.

Many Indian investors are will- ing to invest in India. Nepal has a lot of potential. The reason is that the success of Arun III more companies are interested to come to Nepal and invest. Indian companies are also interested to come in tourism, education and many other sectors. Recent trade mission of India came up with many other investments to come to Nepal. Many Indian companies have a good foundation relations it is will definitely have a strong relationship. If any, a diplomat and political forum, economic forum can become a key in further enhancing Nepal-India relations. This is what is happening globally. Leaders across the globe are more focused on economic relations. Through economic cooperation and collaborations it is easier to build better and strong diplomatic relations.

The demonstration drive was crit- ical at some sections of one time. How it has helped Indian economy?

You cannot look into any initiative without its sides. When our party took over, there was a problem with regard to tax compliance and large part of business transactions was not being channelled through financial institution mech- anisms. There was a need to print cash to circumvent digital banking. We had a problem with the噣 corruption and money laundering as a trade transactions. And there was a need for identifying the sources of liquidity and the issue of shifting the informal sector into formal sector. Several other steps together with demonetizations helped into creating an ecosystem whereby we are seeing informal se- ctor is gradually being embedded in the formal sector. These steps have been as successful as we had not made concrete efforts to move toward digital economy and digital banking. Cumulatively, demonetiza- tion has created a ecosystem that has greatly helped minimize corruption. We have been able to establish audit trail of all the transactions. The government has designed around 240 thousand companies found in money laundering. Because of these steps, we now have more transparent and cor- rupt-free Indian economy, this obviously to its business in India. Most of all, tax compliances has increased and higher tax is auditing trail.

Demonetization has affected a lot of India. The government of India has not found to exchange Indian currency in Nepal. This is because it is for Reserve Bank of India to decide. Central banks of Nepal and India should work in resolve issues related to currency in Nepal.

One of the economic issues in India at the moment is depreciation of Indian rupees against US dollars. This might have direct bearing on Nepal econo- my for our currency is pegged with Indian currency.

If this is for Reserve Bank of India to decide. Central banks of Nepal and India should work in resolve issues related to currency in India.

One of the persistent concerns of your party has been regarding Hindus in Nepal. One of the former Nepali prime minister Buddhabh Thapa was murdered in Nepal in 1990. Since then relations with India and relations between Hindus has come to a deadlock.

I think it is not related to the question which you talk blackboard with Hindu sentiments. Indian government has consistently denied hostage. Yes, India showed some concern for people of Tamang at the same time India has always main- tained that it is for Nepal to do what ever is best for Nepal. The opinions of Indian government should not be aligned to support the orthodox leadership in Nepal. There are Hinduists and traditionalists to it. The Nepali government has decided it is not yet in line for intervention for demo- cratically we are facing better situation. Our GDP grew by more than 8.2 percent, inflation is well under control, it is 1.4 percent at the moment. Our foreign exchange reserve is more than 24 bil- lion dollars, which is very healthy. Our current account deficit is well within limits. And we are getting a lot of FDI. Demonetization is largely driven by the government to curb corruption and it does not require us to act for immediate strong measures.

Indian has always maintained that it is up to Nepal to do whatever is best for India.

If Nepal establishes direct contact with Indian industrialists, it would know their concerns and also find out the facts that have hindered investment in Nepal. After the success of Arun III more companies are interested to come to Nepal and invest.

Central banks of Nepal and India should work to resolve issues related to demonetized Indian currency in Nepal.