

ECONOMICS

Energy sector on a roll

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The last month has been a busy one for the energy sector. We were delighted by the news of the successful completion of the 50 MW Upper Marsyangdi A hydro project. As half of the project has already begun generating power to the grid, it is likely to reduce the load shedding hours. The Energy Ministry concluded an initial signing

DECENTRALISED ENERGY SYSTEM A VIABLE OPTION

vision to sign PPA in convertible currency for 10 years to cover the foreign debt and the government has also agreed to provide guarantee payment in case NEA defaults. Our new Energy

solar, 50MW from other sources and import 500MW of electricity from India. We have no shortage of plans, each government comes with new plans and ambitions, but what we actually

hydrohighlight



of the Project Development Agreement (PDA) for 216MW Upper Trishuli-1 Hydroelectric Project. This could be of great significance for foreign investors — in the PDA there is a pro-

Minister also came up with a 38-point plan to eliminate load shedding in the next two years. Among different things, he has plans to generate 800MW from hydropower, 150MW from

lack is the execution of those plans. The last government also came up with an energy crisis prevention and electricity development decade plan, however, before they could implement the policy, the government changed. Hence, we have to see what actually this new government would achieve during its tenure. But looking at our track record, it is very hard to believe that load shedding would be eliminated in the next two years. Our transmission lines

and distribution system are not sufficient to bring the generated power to load centres. Hence, it seems we still have to depend on decentralised options like using diesel generators, solar panels and battery backups.

While many of us are arguing if decentralised energy system is actually a viable option, despite the power deficit, some developed countries like the US where they barely have any load shedding are actually already adopting this concept. Last year, when Tesla launched its power wall system, which is basically a home battery that charges using solar PV or grid electricity, they received USD 800 million worth booking within the first week that they were completely sold out for one year! Likewise, there is also a growing trend for micro-grid,

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localised grid that can be disconnected from the traditional grid to operate autonomously. Back in the day, microgrids were mainly built for rural and isolated communities where it was very expensive to build national grids. However, nowadays with advancement in transmission technology and renewable energy systems, it is increasingly becoming popular in urban areas too, especially among schools, hospitals, gated communities, fire departments and other emergency service areas. This shift in paradigm is redefining the concept of electric utility from being cheaper and centralised to reliable and decentralised. And Nepal, with all the constraints that have been hindering our power development sector, is definitely not going to stay immune from this paradigm shift.

Hence, it might be about time that the government thinks of bringing rules and regulations for urban microgrids too.

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Beat the market

STRATEGIES TO IDENTIFY PATTERNS FOR AGRO-COMMODITIES

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The commodity market has been growing since its establishment in Nepal. People's motive to gain in this market has created opportunities as well as challenges. Money makers think that products like gold, silver, and crude oil are major profitable commodities. But for a newbie and passive trader, it is sensible to watch agro-commodities as well.

Cocoa: Economic, political updates and import related factors in countries like Ivory Coast, Ghana, Nigeria, Indonesia, Brazil, USA and the Netherland impact the price of cocoa. One also has to become a political insider because cocoa grows in some of the highly unstable areas of the world. Seasonal factors also push the prices higher or lower.

Coffee: The coffee industry of Brazil, the largest producers, must be considered to ascertain where the prices are moving. Even the smallest of events can shake the world coffee production and supply. Countries like Vietnam, Indonesia, and Columbia and their political instability also impact the price of coffee. However, climatic factors and global demand outlook are also equally important.

Soybean: US production and consumption outlook are important factors that are to be considered while we look at the prices of soybean. Similarly, corn and soybean are negatively correlated because they compete on multiple grounds such as cooking industry, animal feed industry, and bio-fuel industry. The production level of one impacts the price of the other. We also need to have a look at USDA report.

Cotton: Top producers — China, India, USA, Pakistan and Brazil's production level and top consumers —

China, Turkey, Vietnam and Mexico's consumption level will estimate the price of cotton. In addition, climatic factors of major cotton producing countries will affect cotton production and thereby its prices. Sometimes changes in the price of oil can also directly affect the price of cotton.

Corn: The US is the largest exporter of corn, also accounting for more than half of the global exports. It is advisable to look at the major corn activities in the US. The ethanol market is also an important variable in pricing corn because an increase in the demand for



ethanol will increase the demand for corn too. Sometimes corn price also creates a positive relationship with energy commodities. Demand outlook from China also impacts its price.

Sugar: The economic and political updates from the major producing and consuming countries, like Brazil, India, China, and Thailand, will impact the price of sugar. The inventories held by these countries will also impact the prices. The report released from USDA, weather pattern and inflationary pressures are also required to be considered.

These are the blended strategies that are commonly considered to identify the probable bullish or bearish patterns for agro-commodities.

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legaleagle

Credible appointment

JUDGES NEED TO BE SELECTED ON CAPACITY BASIS

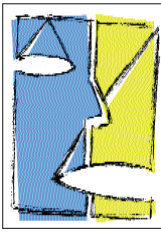
Ananta Raj Luitel
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Just before Judicial Council began its homework to appoint high court judges in the recently formed high courts, Chief Justice Sushila Karki's made a statement against appointing judges on the basis of power play highlighting a glimpse of judicial trend in the country.

The Chief Justice's statement came at a time when the entire system is facing deficit of trust. She stated that she shall not allow anyone to be appointed as a judge on the basis of any political influence or personal gain but will select judges on the basis of personal capacity and character against corruption. Her conversation with some officials of the Supreme Court Bar Association and lawyers participating in different fields was published in the media few days back citing her statement.

Chief Justice Karki asked for recommendation of eligible persons for the position of high court judges. Almost two months ago the high courts were established to replace the Court of Appeals, therefore, there is a vacancy of at least 80 judges to

continue the judicial task in the high court which has almost half of final jurisdiction and half of appeal jurisdiction in the federal system. After the appointment of high court judges' there is a need for district court judges' appointment to fill the subsequent vacancies.



Even though all of the former Chief Justices had claimed that they shall appoint judges only on the ground of capacity, integrity and personality most of the all appointments came into controversy for the lack of said the said virtues.

The judges appointments of District and Appellate Courts some three years ago under the leadership of then Acting Chief Justice Damodar Prasad Sharma became the most controversial one when some of the appointee went to meet the party office of Unified Communist Party of Nepal (UML) to show gratitude for giving such opportunity to be the judges.

We have had so many judges with capacity, integrity and honesty in the history of our judiciary but now the level of integrity is dipping every year with every appointment. Therefore, we need to keep these things in mind while selecting judges in the days to come.

Nivida Lamichhane
Kathmandu

Introducing plant tissue culture to Nepal, FICUS Biotech, one of the companies from the second batch of Rockstart Impact, is dedicated to address and solve the problem of unavailability of good quality plants through tissue culture technology.

Keeping in mind the ever booming agriculture sector in Nepal, Anuroop Manandhar, Durlav Karki and Santosh Dahal-graduates of biotechnology got together in early 2015 to make a viable business from what they learned in university that would also create a social impact.

FICUS Biotech recently signed their term sheet with Purplefield Investment, an investment firm from the Netherlands. I sat down with Anuroop Manandhar, co-founder of FICUS Biotech to share his enthusiasm and excitement with all of you!

Verbatim from Anuroop Manandhar

We are ecstatic about everything that is happening with FICUS of late. We feel that we found an amazing investor who believes in our business and is committed to work with us to make it a success! We were looking for an investment to expand our business for quite some time and Rockstart Impact gave us the right platform to shine. Our aim is to triple our sales and our revenue in the very first year and also to expand the product line.

THE AGRI-BIOTECH SECTOR HOLDS UNTAPPED PROMISE

Scaling is an exciting word and it does mean a lot to FICUS. We plan on establishing a new production unit which will enable us to expand our product volume and repertoire by many folds. Firstly, it means being able to ful-

years, we see ourselves producing at least 10 value tissue culture plants in large quantities. We aim at being the company that provides disease diagnostic services for plants which is currently missing in the market. We



investor's impact

fil the demand that exists in the market which is not being accomplished currently. We hope that we will be able to introduce products and services faster than we could have done it ourselves. But, the growth chart that we are mapping out for FICUS is not just limited to the well-being for our company but to the agri-biotechnology sector of Nepal. Lack of quality seeds and plants in Nepal is a major problem for the farmers and importing is not a solution.

If we do a forecast of the company's status in the coming five

also see ourselves as an instigator to promote commercial agri-culture in Nepal. As a team, we feel that our time at Rockstart Impact was well invested. Why? Well, first, the programme allowed us to think strategically about the company's direction



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