

BUSINESS

“Promoting tourism between the two countries intertwines with the linkage of two capitals”

The Ambassdor of Sri Lanka **WS PERERA** speaks to **Anshrica Dewan** of *The Himalayan Times Perspectives* about the bilateral relations between Nepal and Sri Lanka and areas where greater cooperation could be established. Excerpts:

What kind of relationship does Nepal and Sri Lanka share?

For many decades, Sri Lanka and Nepal has been enjoying cordial and warm bilateral relations. Our people to people contacts have existed even before formal diplomatic relations began in 1957. Not only do our people share the great wealth and wisdom that Buddhism has given us, but also the very languages we speak today have evolved from common roots originating in the Indian subcontinent. The two nations have always maintained friendly, mutually respectful and most productive relations throughout history.

People of Sri Lanka consider Nepal as a very special country to visit as it has the honour of being the birthplace of Lord Gautama Buddha. Lumbini is a holy land for Buddhists and every Buddhist — once in their lifetime — wants to pay a visit to Lumbini. These pilgrims as cultural emissaries from a friendly country have significantly contributed in promoting and enriching cultural and religious ties between the two countries. The noble teachings of Lord Buddha have remained a constant source of inspiration to the Buddhist community in both the countries. Sri Lanka's association with Lumbini Development Trust has led it to construct an attractive Pilgrim Rest in Lumbini further deepening and promoting cultural understanding between the two countries.

How would you describe bilateral relations between the two countries?

Sri Lanka and Nepal established diplomatic relations in 1957 and this year both countries commemorate 60th anniversary of establishment of diplomatic relations. With the opening of Resident Missions in Nepal and Colombo in 1993 and 1995 respectively, the relationship between the two countries has expanded to many areas of cooper-

ation. The high level visits undertaken since 1957 by political leaders of the two countries have significantly contributed to the promotion of the links. Interaction between the two countries at bilateral and regional level under the umbrella of South Asian Association for Regional Cooperation (SAARC) has further enhanced the relations. The SAARC has brought Nepal and Sri Lanka together to work with other member countries for a common objective which is the well-being of the people in the region.

The government of Sri Lanka is financially assisting Nepal to reconstruct two heritage temples — Ananda Kuti Vihar and Rato Macchindra Hindu Temple, which were damaged by the earthquake, further strengthening cultural and religious links.

In the field of education, nearly 200 to 300 Nepali Buddhist monks, nuns and novices go to Sri Lanka for Buddhist studies. A considerable number of Sri Lankan students are studying in medical colleges in Nepal at present. The government of Sri Lanka offers scholarships and higher education facilities for Nepali students, annually, under the Presidential Scholarship Scheme and a number of bilateral agreements on different areas have been signed during the last few decades.

What can be done to improve and enhance our engagement with each other?

There is ample scope for cooperation between Nepal and Sri Lanka both at bilateral and regional levels. These potentials have not been fully met. As Nepal and Sri Lanka are both members of SAARC, BIMSTEC (The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), UN, NAM (Non- Allied Movement) and Colombo Plan, the possibility of cooperation at regional level is growing. As both countries are



Bikesh Prajapati/ THT

headhoncho

adopting Liberal Economic Policies, stressed Public Private Partnerships and encouraged foreign trade and investment, the cooperation in the fields of tourism, culture, education, health and agriculture sectors will be beneficial to both countries.

The tremendous goodwill between the two countries and century old relationship can be buttressed through exchange of high level state visits from time to time to further improve the relationship.

The 60 years of relationship

between Nepal and Sri Lanka is based on mutual understanding and friendship. This relation is not only limited to sate level, it also extends to the people's level. On the basis of 60 years of experience, concrete efforts should be made to raise this relation to a higher level.

How do the mutually beneficial possibilities look like to improve tourism between the two countries?

Promoting tourism between the two countries intertwines with the linkage of two capitals. Sri Lanka

known as a Pearl of Indian Ocean and Nepal, the land of Mount Everest, the highest peak in the world, could benefit mutually from cooperation in the tourism sector by linking Kathmandu and Colombo by air. We now have direct flights between Colombo and Kathmandu operated by Himalaya Airlines from October 1, 2016. Direct air connectivity will pave the way for promotion of tourism, investment, trade and other areas between the two countries.

Lumbini would be the foremost interest to Sri Lanka. Apart from the present projects to develop Lumbini area, the Lumbini Development Trust could work closely with the Sri Lankan

government to promote Lumbini not only as a religious but also as a tourist destination.

Analysing Sri Lankan tourists who visit Nepal yearly, Sri Lankan pilgrims are the largest in number. Majority of them arrive in Lumbini via surface road and stay only for a few hours in Nepal as the tour operators take them back the same day after paying homage at Lumbini. Nepal tourism authorities could take this factor into consideration when developing their future plans and provide suitable facilities for such tourists to stay longer in Nepal since there are a number of important Buddhist temples and places with historical value located in Nepal.

There's a vast potential for trade, investment and joint economic collaboration in bilateral trade exchanges. How can we enhance this further?

The trade and investment between the two countries should increase. Sri Lanka and Nepal have entered into a Trade Agreement and Agreement of removing Double Taxation to strengthen economic relations.

The role of private sector is crucial in expanding and promoting trade and economic relations between the two countries. Business communities from both countries must come forward and exchange trade delegations and organise trade fairs at regular intervals for the benefit of both countries.

Sri Lanka's exports to Nepal comprise black tea, green tea, betel nuts, crude palm oil, articles of plastics, rubber products *et cetera*. There is a vast potential market for Sri Lankan commodities such as fish, nuts, meat, sea food, tobacco *et cetera* which need to be looked into. Sri Lanka imports silk fabrics, cotton shirts and grains from Nepal. Sri Lanka has potential in accessing the service market in Nepal, that is, education, health care, hotels, finance, insurance *et cetera*.

That said, there are some constraints to expand trade between the two countries basically due to high cost of transportation in addition to other reasons and these factors need to be sorted out soon to benefit from mutual trade activities.

Bangladesh mulling importing electricity from Nepal

KATHMANDU: A meeting organised by the Energy Development Council (EDC) with the Ambassador of Bangladesh Mashfee Binte Shams, was held on January 9, to discuss the possibility of power trade between Nepal and Bangladesh. Along with the Ambassador, members of EDC were in attendance.

Sujit Acharya, Chairperson of EDC said, “We wanted to discuss the possibilities of energy cooperation between Nepal and Bangladesh. We hear that Bangladesh is trying to secure the right of way from India to import electricity from Nepal. If that is true then it is going to be a big milestone for the two countries.”

Shams informed that Bangladesh is one of the fastest growing

economies in South Asia. She said, “Last year our growth was 7.11 per cent. This growing economy needs a lot of power and right now our installed capacity is more than 15,000 MW, but it is still not enough. By 2021 our demand for power is projected to be 20,000 MW and by 2030 it's expected to grow up to 34,000 MW.” She further said, “We are already purchasing 500 MW from India and we are also talking to Bhutan about the possibility of purchasing power from Bhutanese power projects. The government of Bangladesh is looking into investing \$1 billion in Nepal to purchase power. Apart from that there are various private sector players who are interested to invest in Nepal.”

She stressed that any power trade agreement drawn between

the two countries must be mutually beneficial and on a benefit sharing basis.

“We are studying the probability to import power from Nepal. During the summer season in Bangladesh, which is monsoons for Nepal, we have a huge demand for electricity, whereas Nepal often can produce surplus during that season.”

She said, “In 2009, Bangladesh suffered from major power crisis. Now with our economy growing at a fast pace, the demand for power will only increase.”

Acharya said, “Nepal has more than 11,640 rivers and Nepal has only 0.45 per cent of landmass. And we haven't even been able to get to about 700 MW of hydro power. Nepal is the second earliest country in Asia to generate electricity and it's been about 103 years since our first power plant was built. We could use our resources and our expertise to produce more power in the future.”

Acharya informed about the Second Power Investment Summit to be held in September 2017. He said, “There's going to be about 100 PPA ready power projects that will be showcased. At this Summit, investors can talk with developers and make deals then and there. We'd like to see if there can be some collaboration from various actors in Bangladesh to come and be a part of this Summit.” This Summit, according to Acharya, would play a vital role in introduc-



THT

ing the current status of power and boost the trade process between Nepal and Bangladesh. Collaboration with Bangladesh is a key omponent to ensure a diversified portfolio for Nepal of energy mix and energy trade, Acharya believes, he said, “To have a strategic tie with Bangladesh strengthens our national sovereignty. We need to generate a lot of electricity for Nepal itself and we are not advocating that we should export

electricity right away. With the current mechanism even if you wanted to export electricity you cannot because the economics don't make sense.” He further shared, “But these sorts of trade deals are good for Nepal because it ensures more electricity generation and consumption in the country.”

Nepal imports electricity from India through the Cross border Transmission Line. According to Nepal Electricity Authority (NEA),

the average demand of the country is 1350 MW. During the winter season (mainly in December-January) the demand reaches up to 1500 MW. The total demand of Kathmandu Valley is 450 MW. The NEA generates electricity from Kaligandaki A, Upper Marsyangdi, Triveni, Devighat, *et cetera*. Moreover, it imports electricity of 236 MW from 14 private hydro projects such as Khimti, Chilime, Bhotekoshi *et cetera*. — HNS

