

Priority should be on energy, food security



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The government should deal with internal politics first by holding talks with dissenting groups from Tarai. It is necessary, but I am not sure if it is sufficient. Once political issue is solved, I suggest to the government to come up with a mechanism to minimize the impact of the blockade on the private sector and the consumers. The foremost thing to be done is start monitoring the situation by making optimum use of available human resources. This will not only help in regulating price, but will also help in normalizing supply chain. Likewise, the government should introduce relief package for the private sector.

We cannot ignore our trade relations with India given the geographical constraint, cultural ties and taste. But there is a need to diversify trade with other neighboring countries and reduce dependency on India.

The government should immediately come with a plan for energy and food security and incorporate it as a part of national security. Learning lessons from the present situation, it should prepare medium-term and long-term strategy.

Our focus should be on manufacturing products which have comparative advantage. We should import only those products which cannot be produce here. It will increase our economic efficiency. To ensure energy security, the government should diversify energy mix. We have been importing petroleum products worth Rs 110 billion annually. By providing electricity round the clock, we can reduce fuel imports by at least Rs 20 billion. Similarly, LPG imports can be brought down by Rs 25 billion by encouraging people to use electric stoves.

The government should waive off tax on electric and hybrid vehicles so that use of fossil fuel by transportation sector can be minimized. It is also important to enhance storage capacity of petroleum products. We should have fuel reserve sufficient to meet demand of at least 45 to 60 days.

I think the government should also plan for market segmentation. If any company wants to supply gasoline to star hotels and apartment or in any particular region, they should be allowed to do so. But the government should put in place necessary regulatory mechanism.

Likewise to ensure food security, the government should invest in new irrigation projects, announce subsidy for farmers, and promote agriculture sector. It should also review trade agreement with India, monitor supply chain and boost stock of food grains.

To end the blockade and Tarai unrest, the government should know the actual problems and resolve them accordingly. People want to know what the government is doing at present. Is the government analyzing the root cause of the problem?

If Tarai unrest and Indian blockade continues any further, inflation will post double-digit growth. The government won't be able to mobilize even one-third of the revenue target. Development budget will remain unspent and importers will start leaving Nepali. I think it will take at least 3 to 4 years for the Nepali economy to return to normalcy.