

GOVERNANCE

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Political Intrigues and Financial Risks Unveiled in Nepal Protests

WEEKLY

Photo by Ukaalo.com

In a recent surge of protests in Nepal, seemingly advocating for the reinstatement of the monarchy and condemning system irregularities, an investigation reveals a more intricate web of motivations than initially apparent. Rather than a simple expression of public discontent, the protests seem to be orchestrated by a prominent businessman with a history of political affiliations, aiming to advance personal interests.

The businessman in question has strategically navigated the political landscape, aligning himself with influential leaders to legitimize his demand for the annulment of a substantial NPR 5 billion loan. This demand has found resonance among a segment of the population burdened by financial struggles, creating a complex scenario where political motives intertwine with economic grievances.

Furthermore, the businessman has proposed a bold initiative to absolve all loans under NPR 2 million, amounting to NPR 1.5 trillion. While this proposal has gained support from individuals facing financial distress, its implementation could potentially unleash chaos within Nepal's banking sector. Reports are already surfacing of bankers experiencing a backlash from clients, concerned about the potential repercussions and destabilization of the banking ecosystem.

Beyond the immediate implications for the businessman's personal loan, the broader threat extends to the stability of Nepal's financial institutions. The suggested debt amnesty, if realized, could establish a concerning precedent, shaking the very foundation of the country's banking sector. Authorities are closely monitoring the situation, recognizing the delicate balance between addressing legitimate economic concerns and safeguarding the overall stability of the nation's financial systems.

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Governance Issues of the Week

1. In the last decade, the number of Nepali students studying in the United States has reached approximately 115,000, according to data released by the Department of State, which oversees the Open Doors program. From the academic year 2013/14 to 2022/23, the number of Nepali students pursuing education in the U.S. has increased steadily.

Read more: [Online Khabar](#)

2. Nepal has the potential to generate over 72,000MW of hydropower across its ten major river basins, according to a study conducted by the Water and Energy Commission Secretariat. The study focused on the Koshi, Gandaki, Karnali, Mechi, Babai, Pashchim Rapti, Kankai, Kamala, Bagmati, and Mahakali river basins. Even under Q40 standards, hydropower plants could potentially generate 72,000MW-73,000MW for four months each year.

Read more: [The Kathmandu Post](#)

3. Nepal's government has spent approximately 20% of the budget allocated for the fiscal year 2023/24 in the first four months, utilizing Rs 355.63 billion out of the Rs 1,751.31 billion allocated. The Financial Comptroller General's Office (FCGO) reported that 23.75% of the recurrent budget, 9.93% of the capital budget, and 17.72% of the financial management budget have been expended.

Read more: [The Annapurna Post](#)

4. In the first three months of the current fiscal year, remittances from foreign workers in Nepal have surged by 62.34%, reaching NPR 2.68 billion. Approximately 20,108 foreign workers holding approved work permits in Nepal contribute to this remittance, sending 75% of their earnings back to their home countries. Additionally, informal channels facilitate an annual remittance of around USD 3 billion from Nepal to India.

Read more: [Naya Patrika](#)

5. Schools in Barekot Rural Municipality, Jajarkot district, are yet to reopen after severe earthquake damage on November 3, leaving over 9,800 students without classes. While other areas have resumed, delayed emergency learning center development hinders Barekot. A total of 317 classrooms and 119 toilets across 44 schools in Barekot are affected, requiring 173 emergency learning centers before regular classes can commence.

Read more: [Rising Nepal](#)

6. The Nepalese police have urged the public to refrain from using VPNs and DNS to access banned social media platforms like TikTok. The government's decision to ban TikTok, along with insecure and unauthorized mediums like VPNs and DNS, could pose a risk of data theft. Law enforcement has requested citizens not to engage in such unauthorized activities, emphasizing potential cyber threats and the negative impact on national unity and interests.

Read more: [Naya Patrika](#)

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