

BUSINESS MANAGEMENT TRENDS AND SCENARIO IN NEPAL

UNIT - 9



Learning Outcomes

- ▶ Growth of business sector in Nepal, major industries in Nepal – manufacturing, export-oriented , import – substitution and service sector, existing management and business practices in Nepalese business, major problems of Nepalese business

Growth of business sector in Nepal

- ❑ The history of business sector in Nepal
 - ❑ An industrial board called Udhyog Parishad was established in 1935
 - ❑ Company Law was enacted the same year
- ❑ The modern industrialization in Nepal
 - ❑ Biratnagar Jute Mill (1936)
 - ❑ Morang Cotton Mill (1941)
 - ❑ Morang Sugar Factory (1946)
 - ❑ Raghupati Jute Mill (1946)
- ❑ Shift of government policy/strategy
 - ❑ 1980s – liberalization
 - ❑ Industrial Policy (1992)
 - ❑ Tourism Policy (2008)

Structure of Nepalese Industrial Sector

- ❖ Agro and Forest based industries
- ❖ Manufacturing industries
- ❖ Export-oriented industries
- ❖ Energy- based industries
- ❖ Mineral industries
- ❖ Tourism industries
- ❖ Construction industries
- ❖ Information and communication industries
- ❖ Service industries
- ❖ Micro enterprises (*0.2 million except land, building & more*)
- ❖ Traditional and other cottage industries
- ❖ Small industries (*up to fifty million*)
- ❖ Medium industries (*between fifty to one hundred fifty million*)
- ❖ Large industries (*more than one hundred fifty million*)

Based on Nature of Output
and Services

Based on Investment

Major industries in Nepal

- ❖ Food, beverage and tobacco industries
- ❖ Textile and garment industries
- ❖ Leather and foot wear industries
- ❖ Non-metallic industries
- ❖ Chemical industries
- ❖ Mechanical engineering industries
- ❖ Electrical and electronic industries
- ❖ Carpet industry
- ❖ Garment industry
- ❖ Pashmina industry
- ❖ Leather and leather products industry
- ❖ Handicraft industry
- ❖ Agro and forest based industries
- ❖ Other industries (gold & silver jewellery, ginger,

Major manufacturing
Industries

Export oriented industries

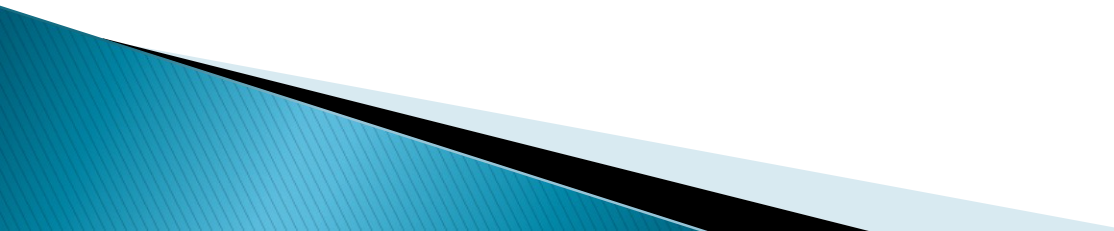
- ❖ Pharmaceutical industries
- ❖ Electrical and electronics industries
- ❖ Food and beverage industries
- ❖ Chemical industries
- ❖ Iron and steel industries
- ❖ Tobacco industries
- ❖ Cement industries
- ❖ Paper industries
- ❖ Sugar industries

Import substitution
industries

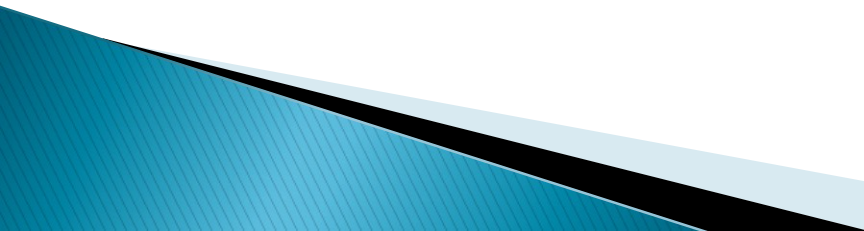
- ❖ Wholesale and retail sector
- ❖ Hotel and restaurant sector
- ❖ Transport, communication and storage
- ❖ Financial intermediation (Arbitration)
- ❖ Real estate, business and renting activities
- ❖ Health and social work sector and education sector
- ❖ Public administration and defense
- ❖ Other community, social and personal services sector

Service sector industries

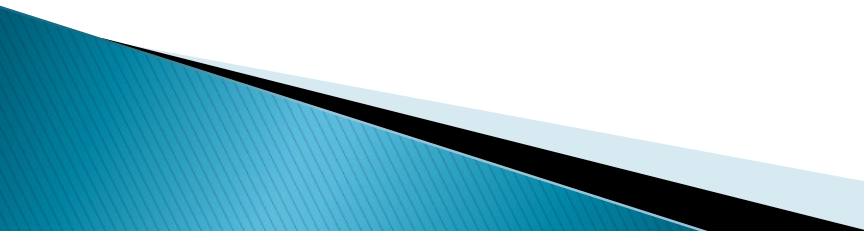
Existing management & business practices in Nepal

- ❖ Planning
 - ❖ Organizing
 - ❖ Staffing & Conflict Management
 - ❖ Leadership
 - ❖ Controlling
 - ❖ Decision Making
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Common problems found in management and business practices in Nepal

- ❖ Traditional management (Mostly)
 - ❖ Weak cooperation and coordination
 - ❖ Mismatch between authority and responsibility
 - ❖ Rigid chain of command
 - ❖ No clear goals
 - ❖ Weak interpersonal relationships
 - ❖ Weak reward and punishment system
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Major problems of Nepalese business

- ❖ Political instability/conflicts
 - ❖ Unstable government policy and regulations
 - ❖ Lack of energy and fuel supplies
 - ❖ Lack of proper security
 - ❖ Low quality of products and higher cost
 - ❖ Weak/traditional technology
 - ❖ Lower capacity utilization
 - ❖ Lack of proper physical infrastructures
 - ❖ Conflicting labor laws and labor unions
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Thank
you