

Budget 2012/13

Economists slam budget, private sector welcomes it

REPUBLICA

KATHMANDU, April 9

The full budget that Finance Minister Shankar Prasad Koirala on Tuesday has received mixed reactions. While the private sector representatives

have welcomed the budget, economists have slammed it, terming the budget a mere ritual activity. Republica requested some private sector representatives and economists for their comments on the budget over the phone. Excerpts:



DR POSH RAJ PANDEY
Economist

The budget is just a ritual activity of the government. It will not give any direction to the economy. The government has just given some additional budget to the on-going projects and some other less significant projects. I don't think this will make any difference to our present situation.

The government, however, has tried to address some short-term problems that were affecting regular functioning of development works and state mechanisms. The government has made allocations for the proposed election. I think the performance of this government should be measured based on how it moves ahead to hold election.



PROF DR BISHWAMBHER PYAKURYAL
Economist

This budget will increase inflation rather than bringing down its mounting pressure on economy. Trade deficit is constantly increasing but the government has not devised any specific plans to address the problem. I don't think this budget will increase capital expenditure as it has only made allocations to government agencies to fund their activities. There is not much flexibility for any policy level changes owing to short period of time.

Still, the budget could have been better in terms of addressing problems that are affecting the overall functioning of the economy.



SURESH BASNET
President
Nepal Chamber of Commerce

This budget is just a continuation of old programs. However, it has energized the private sector as it addresses the private sector and its woes. I am hopeful that the budget will be successful in lead the nation's economy to the right track. The budget has touched several areas such as trade and investment which is important for us.

Moreover, this budget has increased the level of confidence among private sector. I am hopeful that the introduction of full budget will spur economic activities in the country.



NARENDRA BASNET
President
Confederation of Nepalese Industries

The government has introduced some policies despite the difficult situation which is appreciative. I welcome the government's move to bring budget at this time. In the budget, the government has said that it would encourage private sector, which is meaningful for us. The finance minister has stressed the need to attract investment from the private sector in areas like hydropower and tourism. This should be appreciated.

The budget has several programs, but we will have to wait and see how they will be executed in the next three months. I am hopeful that the country's economy will take a right path with this budget



PASHUPATI MURARKA
Vice-president
FNCCI

This budget will help resolve the liquidity strains in the banking system. The government has allocated relatively bigger amount of money for recurrent expenditure. Also there will be capital expenditure. I am hopeful that this will give a new lease of life to the construction sector. Contractors will get payment which will definitely lead to more economic activities.

I don't think this budget will be a pill for all ills in the economic sector. But it definitely has given some respite to the private sector. The government has introduced many programs; I am hopeful that they would be implemented accordingly.