

NEPAL

GOVERNANCE

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Inauguration of Pokhara International Airport: A cause for joy or worry?

Photo: from Ukaalo.com

The Pokhara International Airport is now officially ready to welcome international flights, with the inauguration ceremony held on 1 January 2023. The airport's construction began in July 2017 with a total amount of NRs. 22 billion (current value about NRs. 28.5 billion) received from the Chinese government. 25 percent of the total amount was provided as a grant, while the remaining 75 percent is a loan with a 2 percent interest rate.

Since the beginning, several questions have been raised about the airport's transparency, corruption, and the possibility of financial return. Initially, there were speculations that the government had signed an Engineering, Procurement, Construction, and Financing (EPCF) contract with the China CAMC Engineering Co. (CAMC) before announcing the tenders. Moreover, for the airport's construction, the government had announced a bid of NRs. 17.5 billion, but the lowest bidder was China CAMC Engineering Co. (CAMC), with a bid of NRs. 30.5 billion. The government awarded the project to the CAMC at NRs. 21.59 billion after negotiations. But, the Gautam Buddha Regional Airport, which has been built on the same scale, was completed on NRs. 7.61 billion, while the Pokhara International Airport on today's date has cost about NRs. 30 billion. Why is there such a huge difference in construction costs?

Even now, the Pokhara International Airport has several challenges to face - the biggest of which will be revenue collection. The airport has to pay about NRs. 420 million as interest every year to the Exim Bank of China. As per the data of the old Pokhara Airport, the airport had earned only NRs. 115.9 million in the last fiscal year. The newly built Gautam Buddha Regional Airport has only been able to attract one international flight so far, and it will be just as difficult for the Pokhara International Airport to attract new flights. Clearly, a lot of challenges lie ahead for the Pokhara International Airport. And if the operations aren't conducted in a fair and transparent manner, the airport could potentially fall into severe debt.

Read more: [Ukaalo](#), [Republica](#)

Governance Issues of the Week

1. The performance of the supreme court of Nepal has been at its worst in the last fiscal year. The court led by the acting chief justice, since the impeachment motion filed against the former chief justice, has 5 of the 21 justice positions vacant. The supreme court cleared only 17% of the total cases in the year, while the high court and district court cleared 59.33% and 54.56%.
Read more: [The Kathmandu Post](#)
2. The Ministry of Home Affairs has issued a circular to the 77 district administration offices across the country to close the illegal crushers who aren't registered, renewed, or don't have an operating permit. The preliminary data of the Ministry suggests that more than 1000 crushers are operating in the country.
Read more: [Naya Patrika](#)
3. The lack of winter rainfall has led to high levels of air pollution across Nepal. But 18 out of 27 air pollution quality measurement centers in different parts of the country are not functioning due to a lack of attention to repair. The Environment Division has delayed the repair as it includes complex processes like seeking tenders and arranging funds.
Read more: [The Rising Nepal](#), [Naya Patrika](#)
4. The Hulaki Highway Project, whose construction started in the fiscal year 2066-67, is approaching its deadline at the end of FY 2079-80. But six and half months to the deadline, the project still has 38.88 percent of the work remaining. According to the project's annual report of 2078-79, the overall progress of the project has been 61.12 percent, but the financial progress is 80.03 percent already.
Read more: [Annapurna Post](#)
5. The Department of Passport (DoP) has stopped the distribution of passports until further notice, citing technical issues since 1 January 2023. The DoP had been facing widespread criticism for the shutdown and had also received orders from the Council of Ministers to make an action plan to improve the infrastructure and make arrangements to distribute passports without a long queue.
Read more: [Republica](#)
6. The government has decided to provide labor permits for foreign employment from the Labor and Employment Office located at Janakpur and Biratnagar as well. Previously, similar services were extended to Pokhara and Butwal. The action aims to decentralize the services from Kathmandu to other parts of the country.
Read more: [Setopati](#)

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