

# **UNFOLDING THE NARRATIVE BEHIND PRIVATISATION IN NEPAL**

ASHANSA MULMI  
NIYATI SHRESTHA  
SUBHEKSHYA GHIMIRE



**SAMRIDDHI**  
FOUNDATION



**Unfolding the narrative behind  
Privatisation in Nepal**

**Samriddhi Foundation  
2024**



## **Published by**

Samriddhi Foundation

664, Bhimsengola Marga, Min Bhawan, Kathmandu, Nepal

Tel. : +977-1-456-4616

E-mail: [info@samriddhi.org](mailto:info@samriddhi.org)

Website: [www.samriddhi.org](http://www.samriddhi.org)

Layout and Design: Roshan Dhwoj Basnet

© **Samriddhi Foundation**

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, without prior permission. Enquiries concerning reproduction should be sent to Samriddhi Foundation at the address above. You must not circulate this paper in any other binding cover and you must impose this same condition to any acquirer.



## **About the Authors**

### **Ashansa Mulmi**

Ashansa Mulmi is an aspiring economist with a strong interest in bridging economic theory and practical applications. As a Research Assistant at Samriddhi Foundation, she contributes to developing policies that promote growth and equitable development. Her work centers on governance, agriculture, and poverty reduction, where she applies her research expertise to advance evidence-based policymaking.

### **Niyati Shrestha**

Niyati Shrestha is a Senior Research Assistant at Samriddhi Foundation, where she actively contributes to evidence-based research and policy analysis. Her current research interests lie in institutional analysis and federalism in Nepal, areas where she seeks to uncover insights that can inform better governance and policy-making. Niyati's aspiration to work at the grassroots level reflects her dedication to understanding local dynamics and fostering meaningful, data-driven solutions.

### **Subhekshya Ghimire**

Subhekshya Ghimire is a Research Assistant at Samriddhi Foundation and an ardent economics enthusiast. A graduate in Economics from Kathmandu University, she excels at integrating data analysis with economic theories. Her interest lies in quantifying data and using a quantitative approach to understand any contemporary issue. With a keen eye for detail and a commitment to evidence-based research, she strives to make impactful contributions to policy research.



## **Acknowledgement**

The authors are extremely thankful to different individuals who have made this paper come to fruition. We would first like to thank Ms. Arpita Nepal (Director, Research & Development) and Mr. Deependra Chaulagain (Director, Operations & Outreach), for their guidance. We are immensely grateful to Mr. Yatindra KC (Research Officer) for his constant mentorship and editorial support.

The authors would like to express their gratitude to the office of the Federal Parliament Secretariat and the Ministry of Finance. Most importantly, the authors would like to thank all the interviewees—former parliamentarians and bureaucrats, and media personnel.

All of their contributions and help have made this paper possible..



# Contents

<i>About the Authors</i>	<i>i</i>
<i>Acknowledgement</i>	<i>iii</i>
<i>List of Abbreviations</i>	<i>vii</i>
<i>List of Tables and Figures</i>	<i>ix</i>
Introduction	1
Privatisation Process and Actors	5
Narrative Outcome	9
Parliamentary Involvement and Transparency	15
The Aftermath	26
Conclusion	27
Referescs	29
Annex	31



## **List of Abbreviations**

BBF - Bhaktapur Brick Factory

CIAA- Commission for the Investigation of Abuse of Authority

CPN (UML) - Communist Party of Nepal (Unified Marxist–Leninist)

FDI - Foreign Direct Investment

FNCCI - Federation of Nepalese Chamber of Commerce & Industries

IMF - International Monetary Fund

KII - Key Informant Interview

MoF - Ministry of Finance

MP - Member of the Parliament

NC - Nepali Congress

NPC - National Planning Commission

NRB - Nepal Rastra Bank

OAG - Office of the Auditor General

SAP - Structural Adjustment Program

SOE - State-owned Enterprises

USD - United States Dollar



## List of Tables and Figures

Table 1: Summary of key points related to privatisation and liberalisation in annual policy and programs document	9
Table 2: Price of products before and after privatisation	22
Table 3: Labor roductivity of different PEs	23
Figure 1: Government (capital) expenditure and Tax revenue (in ten million rupees), along with revenue from SOEs as percentage of total tax revenue	2

### Annexure

Annex I	31
Annex II	34



# Introduction

Nepal's economic liberalisation history is closely tied to the country's political development. The establishment of the Biratnagar Jute Mills in 1936 AD under the Rana regime marked the inception of state-led industrialisation in the country. However, the trajectory since then has been full of challenges and unmet expectations. Despite efforts to modernise the economy and adopt reformative measures, the outcomes have often fallen short. As Rose and Fisher (1970, 143) observe, Nepali leaders have consistently prioritised political objectives over economic goals, resulting in an overweighted imbalance. This paper examines the privatisation narrative in Nepal, questioning whether it, too, was a product of this imbalance.

Following the end of the Rana regime in 1951 AD, the country entered a phase of modernisation characterised by state intervention. The industrial policy of 1957 AD formalised the government's responsibility in "promoting, assisting, and regulating" industrial development. The First Five-Year Plan aimed to create state monopolies in these sectors to drive industrial growth (Bahadur 2003, 206). Public monopolies were established in sectors such as transportation, telecommunications, hydroelectric power, and large industries.

While SOEs dominated Nepal's economy through the 1960s and 1970s, signs of inefficiency became apparent by the late 1970s. Despite significant state investments, these enterprises failed to foster economic self-reliance or efficiency. Instead, they became financial liabilities, contributing to rising fiscal deficits<sup>1</sup>. Political and institutional clarity around reforming or incentivising these enterprises was lacking, resulting in a growing economic burden on the state. The reform inefficiency, along with global economic shifts, began to push Nepal toward recognising the potential role of the

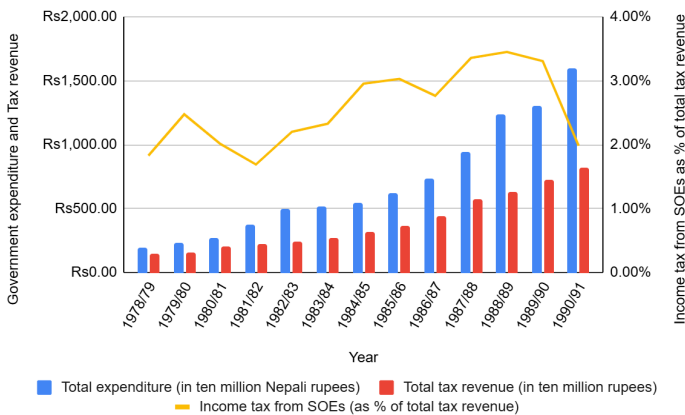
---

1 In the mid-70s the fiscal deficit was Rs. 125.1 million which jumped to Rs. 3.68 billion in 1989/90—a dramatic increase of almost 30 folds. Based on authors' calculation with data retrieved from NRB.

private sector.<sup>2</sup>

In the 1980s, many countries, particularly in the developing world, began adopting market-oriented policies following the success of neoliberal reforms in countries like the United Kingdom under Prime Minister Margaret Thatcher and the United States under President Ronald Reagan. These reforms emphasised reduced state control, deregulation, and assumed the government’s role to be limited only to creating the preconditions for sustainable growth. In emerging markets like China and South Korea, these policies fostered entrepreneurship outside of state control, and deregulation served a strong private sector. These policies reduced state control and emphasized creating preconditions for sustainable private sector growth (Boughton 2002). Yet, as Rose and Fisher (1970, 121-143) note, Nepal’s institutional and economic constraints made it difficult to replicate such models effectively in a context where the private sector lacked capital, and the state lacked regulatory capacity. Unlike industrialised nations where deregulation supported a strong private sector, Nepal lacked the institutional capacity and capital markets to replicate such successes. SOEs in Nepal, burdened by overstaffing, outdated technology, and lack of competitiveness, continued to drain public resources.

Figure 1: Government (capital) expenditure and Tax revenue (in ten million rupees), along with revenue from SOEs as a percentage of total tax revenue



Source: Nepal Rastra Bank

By the mid-1980s, Nepal faced mounting economic pressures, including

<sup>2</sup> Based on Key Informant Interviews (KII)

declining agricultural exports, rising unemployment, and external debt surpassing \$500 million (Shah 1988, 948). The state's attempts to manage SOEs increasingly strained the national budget. As a result, the government began to recognise the potential of private sector-led growth to address Nepal's mounting economic challenges. However, political will and institutional readiness for comprehensive reform remained limited. It wasn't until the 1990s, following significant political changes, that privatisation became an official policy objective.

International institutions such as the World Bank, Adam Smith International, and the International Monetary Fund (IMF) played a significant role in shaping Nepal's economic policies during this period. The adoption of Structural Adjustment Programs (SAPs) in the early 1990s marked the beginning of policy reforms aimed at reducing the fiscal burden on the state and improving economic efficiency.

The early 1990s saw a shift in Nepal's economic policy, coinciding with the country's transition to a multi-party democracy following the 1990 People's Movement. The newly elected government, led by the Nepal Congress (NC) party, pursued economic reforms aimed at reducing the role of the state in the economy. This political transformation created a conducive environment for economic liberalisation, with privatisation emerging as a key component of the government's economic strategy. The Eighth Five-Year Plan for 1992-1997 officially endorsed privatisation, marking a turning point in Nepal's approach to economic management.

In 1991, the government introduced a privatisation policy through a concept paper titled "White Paper on Privatisation Policy". It outlined three objectives:

1. A reduction of the managerial and financial burden on the government
2. The promotion of functional expertise to enhance productivity and output
3. The promotion of the private sector participation and public employees' investment in industries

Several acts and policies were introduced during this period to support privatisation efforts. The Privatisation Act of 1994 provided the legal framework for the divestiture of public enterprises (PEs), outlining

procedures for the sale of assets and the involvement of private entities in previously state-controlled sectors. The Foreign Direct Investment (FDI) Policy of 1992 played a crucial role in encouraging foreign investment, allowing greater participation from international investors in Nepal's economy.<sup>3</sup> The Industrial Enterprises Act of 1992 reduced regulatory barriers, promoting private sector engagement, while the Trade Policy of 1992 aimed to deregulate trade and foster competition within the domestic market.

Despite these efforts, the privatisation process in Nepal was marred by the absence of a coherent reform strategy, particularly in the design of incentive systems. As political transitions unfolded, with the Communist Party of Nepal (Unified Marxist–Leninist) and other parties taking turns in power, the privatisation agenda faced inconsistencies. Eventually, the rushed sale of state assets, often without adequate regulatory oversight, led to the collapse of many privatised enterprises. These failures highlighted the critical role of incentive design in reform processes—an area where Nepal struggled to find clarity.

This paper examines the privatisation narrative in Nepal, with a particular focus on the reform process and the role of incentive design mechanisms. It explores how political dynamics, institutional weaknesses, and the lack of a strategic framework contributed to the shortcomings of privatisation. By analyzing these factors, this paper aims to offer insights into the lessons learned from Nepal's economic reforms.

---

3 Liberalisation of the country's exchange rate and trade policies brought an acceleration of FDI inflows: averaging USD \$8.3 million annually during 1990-2000. Specifically, from 1989-1994 it was \$4.3 million which increased to \$11 million between 1995-2000. United Nations, "Investment Policy Review on Nepal", 1-2.

## **Privatisation Process and Actors**

Following the restoration of democracy, the two-third majority of the Congress provided them the legitimacy to push privatisation agenda aligned with the global trends, and these efforts were solidified by the formulation of the Privatisation Act. The sole objective of the Privatisation Act as the name suggests was to privatise SoEs in order to enhance the capacity of such enterprises, to ease the financial and administrative burden of the government, and to achieve desired economic development through active participation of the private sectors in the operation of such enterprises. To achieve the outcome along these lines, a privatisation committee was formed under the Ministry of Finance (MoF) with the responsibility of carrying out the privatisation process. The process of privatisation entails carrying out studies, deciding on the instruments of privatisation, calling for tenders and moving ahead with the agreement with the eligible private actors.

The role of the privatisation committee, as mentioned in the section 4 (a), is to make recommendations related to privatisation process and programs to the government, incorporating the suggestions put forward by the finance committee's reports on privatisation. While formulating such plans and programs, the committee is also responsible for undertaking the necessary research and studies, evaluation of the enterprises and monitoring the decisions and agreements made regarding the privatisation process. As mandated in the law, the committee can form sub-committees to carry out the necessary research and investigations on the earmarked enterprises.

The composition of the committee reflects people from active politics representing both the ruling party and the opposition, members of the parliament and parliamentary committees, along with bureaucrats. As mentioned in Sub-section 2 of section 3 the committee includes:

1. Finance Minister or State Minister,
2. Chairman of the Finance Committee of the Parliament along with other two parliamentarians,
3. Member of National Planning Commission (NPC),
4. Secretary of three ministries - Ministry of Finance; Ministry of Law, Justice and Parliamentary Affairs; and Ministry of Labour, Employment and Social Security.
5. The secretary of the Ministry related to the enterprise to be privatized,
6. Chairman of the Federation of Nepalese Chamber of Commerce & Industries (FNCCI),
7. Joint Secretary of the Financial Sector Management and Corporation Coordination Division under MoF, along with other invitees like chairman of related enterprises, representatives of labor unions and economists.

The Privatisation Committee was established under the legal framework of the Privatisation Act, and placed under the Ministry of Finance. Its roles and responsibilities as defined in the act are drafted by parliamentarians, and so far the committee lacks independent rules and regulations, or standard operating mechanism. Before it was established, there was a similar entity under MoF called the Privatisation Cell, which had similar objectives to look after privatisation matters but both entities' roles were limited to carrying out studies and making recommendations to the government. According to a government document titled, 'A report on the performance of privatized enterprises' (MoF, 1999), the Privatisation Cell was supposed to make recommendations to the Privatisation Committee; however, the act does not specify Privatisation Cell's role. Such ambiguity coupled with the lack of historical precedence created a confusion in the task delegation, subsequently adding to the lengthy procedure of the overall privatisation process.

The bureaucracy of Nepal has always functioned with a centralised tendency, based on the working mechanism of the partyless Panchayat system of 2017 *v.s.* The system prioritized strict adherence to rules,

regulations, and procedure over outcomes. The composition of the members in the privatisation committee reflects ex-officio members, who became members by the virtue of holding specific positions or offices. These memberships were tied to the office and position they held rather than to the commitment towards collective responsibility of the committee. As a consequence, their incentive was tied to the individual interest of the institution they represented. This created an ample space for conflict of interest within the committee.

The rivalry between political parties also played an important role in shaping the behaviours of the committee members. Nepali Congress, the proponent of privatisation, faced strong opposition from CPN-UML, which rejected the idea of privatisation from the beginning. This rivalry was reflected even in the committee deliberations, where the note of dissent signed by a member representing the opposition party usually made bureaucrats reluctant to proceed with making recommendations regarding privatisation of many SOEs back in the day.<sup>4</sup>

This supported the risk averse culture among bureaucrats, providing them with a safety net to avoid initiating reforms. Another factor to take note of is the office tenure of the ex-officio members. Usually in Nepal the tenure of government officials lasts for two years, because bureaucrats are reshuffled into different offices every two years. This reflects some sort of instability within the committee. This coupled with the fact that policy implementation is often conditioned by bureaucrats fear that they could be punished if caught taking actions that law forbids (Huber and Mccarty 2008, 490), adds to the fact that this did not give them any personal incentive to go ahead with the work of privatisation.

Other policies that support the privatisation initiatives include the periodic plans and budget. On one hand, we find periodic plans emphasising the importance of privatisation. Even during the Panchayat era, the sixth and seventh periodic plans had provisions, giving the private sector a significant role to play in the country's economic landscape. By the time the eighth plan was devised in 1992, following the restoration of democracy, the emphasis on the private sector's role, along with plans to privatise SOEs reached an all time high, all aimed at alleviating government's burden. However, the same cannot be said for the budgets. One of the Deputy Prime Ministers

4 Based on KII

and Finance Minister at the time stated that privatisation could not be and should not be the top priority from the budgetary perspective.<sup>5</sup> This divergence highlights a fundamental institutional mismatch between the NPC and the MoF. Additionally, while the Vice-Chairperson of the NPC is a member of the committee, a single representative from the entire institution may not be enough to push the agenda of the institution. The role of the vice chairperson also gets limited to the position itself, with actions largely depending on the broader incentive of the individual holding the position. The dynamics between the heads of the NPC and MoF determine the outcome, with factors such as internal party protocol in case of the same party and rivalry in case of opposing parties play a role in the negotiation process.

Overall, the lack of historical precedence, independent rules and regulations, and proper incentives failed in shaping the collective behaviors of the committee members. This ultimately weakened the institutional framework of the committee, reducing its relevance and ultimately undermining the privation process.

In the context of Sri Lanka, **Kelegama (1993, 12)** and **Balasooriya et. al (2007, 617)** have mentioned the importance of institutional framework and have pointed out how lack of attention to institutional framework slowed the privatisation process in the country. The country adopted liberal policy in 1977 but it was 1987, a decade later that initiated the privatisation with establishment of a number of entities like - the Presidential Commission of Privatisation, the Commercialisation Division of the Public Enterprise Department of Treasury, the Public Investment Management Board, and special units under line ministries. Lack of coordination among such entities later gave birth to a separate independent entity, Public Enterprise Reform Commission in 1996 AD that took ahead the process of privatisation in the country.

---

5 Interview excerpt from 2004 with then Finance Minister Bharat Mohan Adhikari

# Narrative Outcome

Throughout the 1990s, changes in government brought fluctuating commitment to privatisation, often halting or reversing initiatives depending on the ruling party's stance. It was largely shaped by shifting political ideologies, economic challenges, and the need to address persistent inefficiencies within its SoEs. Early privatisation initiatives were marked by a cautious approach, reflecting both internal political struggles and an evolving understanding of the role of SoEs in the national economy. While initial reforms aimed to improve public enterprise management, the establishment of new SOEs alongside sporadic privatisations (see Annex II), as well as reverse privatisation, were contradictory to the said priorities.

The annual policy and program document of the government reflects the changing narrative of the priority for privatisation. The table below summarizes the key priorities related to privatisation and economic liberalisation as outlined in the government's annual plans during this period.

Table 1: Summary of key points related to privatisation and liberalisation in annual policy and programs document

Date	Privatisation and Economic Liberalisation Priorities
1991, July	Policy steps to transfer some industrial and commercial establishments that are not functioning well in the government sector to the private sector or to make private parties participate in their management.

1992 July	<p>Continuation of attempts to liberalise economic and monetary policies to advance the private sector by creating a competitive environment within the mixed economy. Privatisation of public institutions to proceed. Bills introduced for commercial, industrial, and foreign investment policies.</p> <p>The process of privatisation of public institutions would be carried forward.</p> <p>Encouragement of private sector involvement in the airline, energy and media sectors.</p>
1993, July	<p>Continuation of privatisation programs in the next fiscal year.</p>
1994, July	<p>Encouragement of private sector participation in the supply system of essential commodities, entrepreneurs who promote export, import substitution, use of indigenous resources and tools and increase employment and production of traditional goods.</p> <p>strengthen the open and liberal trade policy and encourage the expansion of the export base by producing quality goods from labour-intensive industries. Emphasis will be placed on business diversification by searching for markets for exportable goods.</p>
1994, December	<p>The government will operate the government institutions in such a way that they can give a return in proportion to the investment. The participation of domestic investors and the employees and workers of the institutes will be given priority when the institutions that are unnecessary to remain in the government sector from the economic and social point of view are transferred to the private sector.</p>
1995, September	<p>The government will adopt an open, liberal and transparent industrial policy, encourage the private sector in the industrialisation effort in the country and attract foreign investment. Competition, efficiency and excellence will be encouraged during industrial development. Similarly, the program related to privatisation will be carried forward in an open and transparent manner based on national needs and social justice.</p>

1996, June	Continuation to the liberal, open and market oriented economic policy.
	Policies to reduce foreign trade imbalance while maintaining an open trade policy. Implementing market-oriented and regional trade systems.
1997, June	The basis of the country's economy will be prepared by clarifying the sustainable high economic growth rate, liberal and market-oriented economic policy, financial and monetary policy and the role and participation of the private sector.

Source: Annual Policy and Program Document (1991-1997)

The newly elected NC government in 1990 actively promoted private sector involvement, intending to reduce government expenditure and improve operational efficiency. As highlighted in the annual plans and policies, NC was determined to make way for privatisation efforts as a part of its liberalisation attempt. This push for privatisation marked a bold shift within a party that identified as democratic socialist. Their approach, leaning toward “capitalist principles” (as often quoted in criticism by the opposition as well as some leaders from their own party), drew significant criticism for challenging their ideological roots.

Dundiraj Sharma, an MP from the Nepali Congress, explained the party's shift in ideology: “Our party believed in economic nationalisation and a socialist economic system. But it failed, and we began questioning what a new socialist economic system should look like. The answer lies in economic stability. Globally, capitalism and Marxism have both failed in some ways, so we need an alternative.” Sharma proposed privatisation as essential but clarified it need not align with pure capitalism. Selling shares to workers and the public, he argued, could maintain socialist ideals by fostering ownership, reducing management-worker conflicts, and distributing wealth more equitably. His vision included a 50-50 share distribution between private investors and the public, aiming to blend stability with pragmatism while staying aligned with the party's evolving ideology.<sup>6</sup>

The supporters of privatisation were mostly from the NC. The critics, however, were from all opposition parties and some from the NC too. They

6 1993, Parliamentary discussion on annual policy and programs

raised concerns over job security, fair valuation of assets, and potential favoritism in the privatisation process. Chiranjibi Wagle, an MP from NC, emphasised the need for a targeted approach to privatisation, stating, “The government should prioritize privatising stagnant, loss-making industries, like the Biratnagar Jute Mill, rather than profit-making ones. Mixing both types in the privatisation process is ineffective, as buyers prefer profitable enterprises. Privatisation should focus on reducing the financial burden on the government while ensuring a clear strategy and vision to achieve competitiveness and better outcomes.”

On a similar note, Bharatmohan Adhikari, the leader of the opposition party CPN (UML) in the year 1993, outlined key points for amendment in the government’s annual policy and program document. One of the proposed amendments was: “The privatisation program will undergo review, and necessary adjustments will be implemented.” He adds, “The privatisation of three industries has led to significant issues: loans taken for privatisation remain unpaid, capital investment for these industries did not come from abroad, and many industries are now shutting down. Instead of boosting employment, workers have been laid off. What happened to the privatisation efforts in the airline sector? Has it succeeded in reducing costs for citizens? The case of Bhrikuti Paper highlights inefficiencies, as it was profitable before privatisation but now fails to meet the country’s paper demand. The privatisation process, influenced by western practices, ignored local economic conditions. An overly open economy has further harmed domestic and small industries, while instability in trade with India exacerbates the situation. The focus should shift toward protecting local industries to foster economic growth and stability.”

This division revealed the ideological split, with critics questioning whether privatisation truly served Nepal’s long-term economic interests. For Nepal, a community-driven country, privatisation was a foreign concept, not really grasped easily by the leaders, let alone the public. The failure to deliver what it means actually invited more criticism. Most of the inkling was regarding the fact that, as it was a foreign concept, coupled with liberalisation attempts, it would bring about foreign investments that would push out domestic industries. This is particularly highlighted by the fact that the speaker of the house clarified what it means to the parliamentarians after consistent criticism and questions regarding the same subject. He clarifies, “There has been a misunderstanding. Privatisation doesn’t mean we are handing over everything to the foreigners. Its major objective is to utilize internal capital and skill for the economy. The foreign capital and

technology will only be imported when it is in favor of the nation, or else it won't be imported. If you read the document<sup>7</sup> carefully again, there need not be any questions.”<sup>8</sup>

The consistent efforts of the Nepali Congress came to an abrupt halt when the Prime Minister resigned and called for midterm elections in 1994. Internal divisions within the party ensured that the annual program lacked the needed parliamentary support (LA Times, 1994). The midterm elections swung against their favor, placing the UML in power. The second annual program of 1994 emphasized efforts to run public enterprises profitably under government management while still agreeing to pass some industries that were not profitable to the private sector, signaling a significant shift in the momentum that had just begun to build.

The new government decided to increase its stake in Nepal Bank Limited from 40% to 51%, aiming to control the financial market. It also took over three struggling industries—jute, cement, and tea—and nationalized two electrical companies. Most of the enterprises at the time were either set up by the government or with help from donor countries (Manandhar, 1993 as cited in KC, 2008).

---

7 The document refers to the annual policy and program presented by the government.

8 2049, as the discussion for the annual policy and program comes to an end, the speaker clarifies this, as most of the questions to the prime minister were directed to this subject.



# Parliamentary Involvement and Transparency

Privatisation was one of the most discussed topics in the parliament in the 90s. First was the discussion related to the privatisation act itself; second was when the annual plans and programs were presented; and the third was the occasional presentation of reports and reviews by commissions and committees formed to monitor and evaluate the privatisation process and the PEs.

The parliamentary discussions reveal the following things to be noted:

## 1. Ideological Divide

Referencing a parliamentary discussion from 1994, an opposition leader highlighted the government's deliberate avoidance of the term 'privatisation' in its proposals.<sup>9</sup> The government, formed by CPN (UML), aimed to reform and revitalize SoEs but avoided the term, likely due to its negative connotations in the public eye. The word 'privatisation' was perceived as carrying an unfavorable implication, potentially causing public disapproval. However, this perception need not persist; the political stigma surrounding privatisation overlooked the potential benefits it could bring. The public had yet to fully grasp that privatisation, in this context, was not inherently detrimental.

This showed hesitation in continuing the process already started by the opposition party when they were the ruling party instead.

---

9      **1994** December Mahesh Acharya on governments Annual Plans and Policies. It's important to note that the June 1994 annual plans and programs did not explicitly mention privatisation either even when the ruling party was NC. Instead, they placed a strong emphasis on increasing private sector involvement.

## 2. **Transparency Measures**

A recurring theme in the parliamentary discussions was the lack of transparency in the privatisation process. Allegations of corruption and favoritism were frequently raised, with specific examples cited to illustrate procedural irregularities. Prakash Chandra Lohani (MP) questioned the integrity of the tendering process, describing a situation where a bidder initially offering 25 crores withdrew. The winning bid was now of 22 crores. Interestingly, the winner was the same person who had withdrawn the bid and was now purchasing for 22 crores instead. Lohani asked pointedly, “Was this corruption or not?”

Amik Serchan (MP) reinforced these concerns by highlighting that the buyer of Bhrikuti Paper Industries had used the company’s existing bank balance to pay the first installment of the purchase price. He argued, “The individual has taken out the amount from the bank balance and paid the first installment and was operating the industry by using the same amount as running capital too.” Such examples raised doubts about whether privatisation served the public interest or merely enriched a select few.

## 3. **Accountability Efforts**

While criticisms dominated much of the discussions, there were also calls for greater accountability and oversight in the privatisation process. Parliamentarians demanded explanations from the government regarding irregularities and sought assurances that privatisation would align with national development goals. Serchan’s direct question, “Does the government have any answers to questions of corruption and commission?” encapsulates the demand for accountability.

Even though questions were asked, a satisfactory answer was never received. The defendants of privatisation often based their arguments on the need to move along with the changes in the world and the benefit to the government in regards to reduced subsidies and revenue collection. The direct questions to the prime minister were often met with vague interpretations of similar kind or with the reluctance to enter the subject matter in its totality.<sup>10</sup>

---

10 In 1993, after the discussion on annual policy and program was over, two (or more) MPs directed their questions to the prime minister regarding privatisation. However, no clarification was received.

#### 4. **Policy Implications and Reforms**

Amid the debates, some parliamentarians proposed specific reforms to improve the privatisation process. Ramchandra Adhikari's suggestion to distribute shares among workers and laborers was widely supported as a means to promote equity and reduce conflicts between management and employees. Similarly, Mitharam Sharma Bajagain of the UML pointed to positive developments, such as increased industrial production in certain sectors, to argue for continued reform and adaptation.

Rakam Chemjong (MP from UML) raised the issue of extending privatisation to previously restricted sectors, such as electricity, arguing that existing policies limited private sector participation. His call for policy revisions reflected a broader recognition of the need for adaptive reforms to ensure the success of privatisation.

A fact to be noted is that these members are from opposing parties and supporting the process despite their party leaders outright calling for abandonment. This instance, along with the fact that some ruling party members criticized the process, establishes the fact that individual integrity was maintained, even though limited to parliamentary speeches.

Another way the parliament was involved in the process was the formation of committees that were to review the PEs and the privatised enterprises. In one such instance, the findings of the Public Accounting Committee (24 May, 1996), regarding PEs in Nepal revealed several critical issues:

1. **Position Creation for Employment:** Institutions were found to be creating positions solely for the purpose of hiring employees.
2. **Ineffective and Unprofitable Services:** The enterprises were unable to provide effective and profitable services.
3. **Excessive Committee Membership:** The number of operating committee members and experts exceeded legal requirements, leading to unnecessary expenses.
4. **Lack of Audits:** Yearly audits were not conducted, and there were no legal provisions in place to penalize those who were negligent in their accounting.

5. **Improper Use of Resources:** The operating committee was found to be providing services such as accommodation, telephones, and vehicles to the chairman and other committee members based solely on the chairman's discretion, which violated legal arrangements.
6. **Inefficiency from Overlap:** A single government secretary was appointed as the chairman of three to four operating committees, resulting in inefficiency within the enterprises. These secretaries were also found to be enjoying benefits from both the enterprise and the ministry, indicating a double counting of expenses.
7. **Lack of Clarity in Legal Arrangements:** The legal framework of the organisations lacked clarity and consistency regarding the areas of work, as well as the rights and responsibilities of the operating committee members.
8. **Inadequate Monitoring:** The ministry failed to monitor and evaluate the organisations under its purview and did not implement methods to improve their operations.

Reviews as such highlighted the utmost need to privatise the inefficient enterprise. In the absence of any alternate measures to navigate this problem, this was the go-to solution. Privatisation was anticipated to enhance service quality, increase operational efficiency, and boost revenue from taxes.

While the parliament gave the impression of active involvement, the process itself was riddled with obstacles and inconsistencies. The selection process for enterprises to be privatized in Nepal lacked transparency, as did the handover procedures (Acharya, 2019). The initiation of the process could be on the basis of the study carried out by the privatisation cell, on the recommendation of the line ministry, or on the request of the management of the concerned PEs. The privatisation cell recommends its proposals to the Privatisation Committee, which then decides on it. The privatisation cell hires evaluators to evaluate the value of the PE.

The criteria for selecting industries for privatisation were often based on financial performance, with priority given to enterprises that recorded consistent losses. However, there was no standardized, transparent approach to determine which enterprises would be privatized, leading to questions

about decision-making processes. Committees were set up to value assets, and information was provided to the public through information kits available for a nominal fee. However, independent oversight was limited, and the valuation processes were sometimes questioned, with critics alleging underpricing and lack of transparency.

The parliament could have played a key role in overseeing and balancing the actions of the privatisation committee. However, parliamentarians acknowledge that, at the time, the parliament had limited involvement and was unable to make a significant impact.<sup>11</sup>

The selection process thus involved the committee mostly. Under the chairmanship of the secretary of the line ministry, a negotiation team was formed. With adequate back and forth with the bidder, this primary team submits a report to the senior team consisting of both the finance minister and the line minister. This team submits a final report to the committee, which then recommends it to the cabinet. Finally, it's the cabinet that decides which bidder won (MoF, 1999).

The rationale behind the decision to privatize a particular enterprise was highlighted in the white paper distributed to the potential bidders. The reluctance of the ministry to hand over records such as the contract and meeting minutes makes it strenuous to deduce why those particular enterprises were chosen.<sup>12</sup> The white paper of Bhaktapur Brick Factory (BBF), however, mentions the following reasons:<sup>13</sup>

1. To promote private sector participation in the industrial and commercial activities by shrinking direct involvement of government in such activities,
2. To smoothen the production and supply of machine- and hand-made bricks of BBF by improving the management and by running the Company on purely commercial basis,
3. To improve quality and quantity of products of BBF by injecting more capital and advanced technology (including foreign capital and technological investment),

---

11 As mentioned by a member of the parliament

12 The authors could not retrieve the required information due to a lack of cooperation from the concerned authority

13 As retrieved from the web archives of the privatisation cell

4. To generate real employment opportunities in the long run by promoting production and sales.

From what can be inferred from this one instance, the rationale behind privatizing PEs often follows a familiar narrative emphasizing the inefficiencies associated with state-run industries and the perceived benefits of private sector involvement. Additionally, the timeline suggests this initiative to be motivated by a broader government commitment and political devotion to the process.

It was both a response to past inefficiencies and a proactive step toward a more dynamic, market-oriented economy. However, the lack of transparency around certain records—such as contract details and meeting minutes—leaves questions about the specific decision-making processes and criteria used to select particular enterprises for privatisation. This absence of transparency can make it challenging to fully understand the motivations and long-term intentions behind the policy, raising questions about whether it achieved its intended goals in practice.

## The Aftermath

The early 2000s saw the height of privatisation efforts, driven by political resolve and support from international bodies like the Adam Smith International and the World Bank. However, despite ambitious targets, the privatisation process was hindered by weak legal frameworks, insufficient regulatory oversight, and persistent political instability. By the time the Tenth Plan was introduced in alignment with the World Bank's Poverty Reduction Strategy, the privatisation effort had lost momentum, partially due to the lack of a cohesive, long-term strategy that could transcend political shifts.

A significant portion of the privatized enterprises eventually ceased operations post-privatisation. Different methods—such as asset sales, share sales, lease, and management contracts—were used in privatisation, but outcomes varied significantly (See Annex II). Some enterprises transitioned smoothly into profitable private operations, while others struggled to remain viable.

Several enterprises managed to succeed under private ownership, especially those where privatisation was coupled with improvements in operational efficiency and market strategy. For instance, Nepal Telecom Company now operates profitably and has even expanded their services. However, enterprises like the Bhrikuti Paper Factory and Harsiddhi Brick Factory ultimately closed, underlining gaps in oversight and the necessity for better transitional support. Meanwhile, some enterprises like Biratnagar Jute Mills continue to operate under management contracts but suffer ongoing losses.

While privatisation aimed to improve productivity, results were variable across different industries. Profitable operations in enterprises like Nepal Telecom and Butwal Power demonstrated the potential of privatisation to boost efficiency and revenue. However, other privatized industries struggled to maintain profitability or had to close down due to structural

and financial difficulties, signaling that privatisation alone could not resolve inherent inefficiencies.

Employment was another area of impact; privatisation often led to job cuts as private owners streamlined operations. This had direct effects on labor conditions and economic security for workers, with job loss being a primary concern among critics of privatisation. Some consumers experienced changes in pricing and service quality as well, with certain privatized sectors seeing price adjustments that impacted affordability, underscoring the need for balancing market efficiency with consumer protection.

Socially, the shift from public to private ownership altered public access to certain services, especially those provided by previously government-run enterprises. In some cases, this led to decreased access to affordable products, particularly impacting low-income populations.

Table 2: Price of products before and after privatisation

Enterprises	Price Before Privatisation	Price After Privatisation	Remarks
Harisiddhi Brick & Tile Factory (Rs. Per '000')	1,600	2,400	50% increase
Roof Tiles	4,140	10,000	142% increase
Floor Tiles	1,600	3,500	119% increase
Balaju Textile Industry (Rs. Per metre)	27.6	41.9	34% increase
Raw Hide Collection and Development Corporation (Hide Rs. Per piece)	250	650	160% increase

Source: NRB

These price changes suggest that privatisation allowed companies to adjust prices to reflect market conditions, possibly due to new investments in technology and production quality improvements. While these adjustments may enhance efficiency and product quality, they also present challenges for consumer affordability. The broader impact of privatisation on pricing

and the need to weigh efficiency gains against consumer costs was utterly neglected. In hindsight, the consumers felt that the company was privatized, but their cost was socialized; now they were paying more just to feed the money-hungry capitalists.

Thus, no one was able to propose a rightful role and space for the private sector to foster under this new arrangement.

Privatisation also affected social equity, as industries that once provided job security under public ownership saw layoffs and contract-based hiring in the private sector, reducing job stability and labor protections for many workers.

Table 3: Labor Productivity of different PEs

Enterprises	Before Privatisation	After Privatization	Remarks
Bhrikuti Pulp and Paper Factory (Mt. Ton)	9.43	11.66	Increased
Harisiddhi Brick and Tile Factory (Bricks)	29,000	32,000	Increased
Balaju Textile Industry (Metres)	1,150	2,200	Decreased
Bitumen and Barrel Industry (ML Ton)	NA	NA	NA
Bitumen	52	37	Decreased
Barrel	248	251	Increased

Source: NRB

One side of the story suggests that layoffs, cost-cutting measures, or a lack of effective reinvestment in certain departments lead to reduced employee output in some companies. The labor unions of that time hosted strikes time and again as an expression of disagreement with the privatized management. The other side is that some industries reinvested and added to their employee numbers, and the ones who had to lay off were overemployed to begin with.

The productivity variations highlight the possibility that some industries

may be better suited to private management than others. For instance, industries with capital-intensive and mechanised processes (like brick and paper production) might experience gains in efficiency and productivity under privatisation. In contrast, industries like textiles, which require labor-intensive processes, could struggle if post-privatisation adjustments impact workforce stability, skills training, or equipment upgrades.

The benefits of privatisation were never guaranteed across all sectors and depended on how well the new management aligned its operational changes with the specific needs of each industry and workforce. This was in fact a major oversight by the policymakers, as monitoring was never on the agenda; it was only limited to yearly surveys and reports without materializing any suggestions that came before.

KII's conducted reveal that the government of that earlier era, with its strong majority, felt empowered to act decisively, unafraid to take bold steps. Later, however, the climate shifted. The fear of scrutiny from the Commission for the Investigation of Abuse of Authority (CIAA) loomed large, making leaders hesitant to act decisively. The reluctance stems from concerns about being accused of corruption or becoming a public scapegoat, preventing many from pursuing what they believe is the right course of action.

While civil society and the media had limited roles in scrutinising the privatisation process, allegations of corruption and mismanagement arose, further impacting public perception and trust. The lack of an independent monitoring body compounded these issues, as citizens had limited visibility into transaction details, and accountability mechanisms were weak.

The office of auditor general also flagged the practice of managing the funds received from privatised entities. According to law, any revenue received by the government should go into the regular government account. However, proceeds from the sale of SoEs are instead deposited into a separate deposit account. This arrangement was justified with the need for quick access to funds for various expenses arising during the privatisation process, which can't always be readily available from the government's regular account (MoF, 1999).

After decades of struggle, Nepal has only managed to shut down one SoE legally under the office of company registration.<sup>14</sup> The cumbersome

<sup>14</sup> Agricultural Lime Industry is the only public enterprise to have legally shut down according to the OAG's annual report, 2024 (2081), page no 120.

shutting down process has affected government-owned industries equally. As of mid-2022, a total loan investment of NPR 5.51 billion, including salaries and allowances, has been made in 15 PEs that are either non-operational or under liquidation (OAG, 2024).

If we isolate all other things and just look at whether this whole process cut the spending in SoEs or even made them competitive, this program failed miserably. However, the efforts tied with the introduction of new enterprises, formerly monopolized by the government, seem to have worked out in favour. An instance is the shoe industry that has emerged and evolved with the privatisation of Bansbari Shoe Factory.



## Conclusion

Nepal's privatisation saga is less a tale of economic reform and more of a study in systemic dysfunction. Ambitious on paper but inconsistent in practice, the process exposed the massive gap between governance, policy coherence, and political will. NC's introduction of privatisation seemed devoid of the conviction needed to see it through till the end. Without ownership by any political party or authority, privatisation simply became a political game—villainised by some, exploited by others to access funds—but truly possessed by none. It was no one's project but everyone's excuse.

The lack of transparency, the glaring absence of institutional accountability, and political sportsmanship turned what could have been an engine for growth into a cynical exercise in systemic imbalance. The failures were not just operational but conceptual. Policymakers clung to the superficial idea of privatisation without addressing the foundational prerequisites: a strong regulatory framework, stakeholders' incentive alignment, and robust monitoring mechanisms. Privatisation became a convenient scapegoat, deflecting attention from deeper structural inefficiencies and governance failures that remained largely unaddressed.

Instead of revitalizing industries, many privatized enterprises collapsed, proving that transferring ownership alone cannot remedy years of state neglect. If Nepal is to revisit privatisation, the authority must abandon its ad hoc approach and instead commit to structural reform made with evident and concrete facts, not the decades-old nationalist sentiments.

1. Privatisation contracts for public enterprises must be tailored to the specific needs and circumstances of each industry. A one-size-fits-all approach should be avoided to ensure effective and context-sensitive reforms.
2. Future privatisation efforts should include robust post-privatisation

monitoring mechanisms. This could involve establishing an independent oversight committee or expanding the responsibilities of the existing privatisation committee to ensure accountability and adherence to reform objectives.

Nepal's initial liberalisation efforts through privatisation were hindered by a lack of historical local experience, leading to significant errors. However, with the lessons learned from past mistakes, repeating them now would be foolish.

## REFERENCES

- Acharya, Bhanu Prasad. *Liberalism in Nepal: Uses and Results*. Shangrila Pustak Private Limited, 2019.
- Balasoorya, Asoka F et al. "Ownership, competition and regulation under privatisation policy: the Sri Lankan experience." *International Review of Administrative Sciences* 73, no. 4 (2007): 611-628. <https://journals.sagepub.com/doi/abs/10.1177/0020852307083463>
- Boughton, James M. "Globalisation and the Silent Revolution of the." *Finance & Development*, (2002): 41. <https://www.imf.org/external/pubs/ft/fandd/2002/03/bought.htm>
- Huber, John D., and Nolan McCarty. "Bureaucratic capacity, delegation, and political reform." *American Political Science Review* 98, no. 3 (2004): 481-494. <https://polisci.columbia.edu/sites/default/files/content/pdfs/Publications/Huber/huber%20mccarty%202004.pdf>
- KC, Fatta Bahadur. "Performance of public enterprises in Nepal." *NRB Economic Review* (2003): 206. [https://www.nrb.org.np/contents/uploads/2021/09/vol15\\_art4.pdf](https://www.nrb.org.np/contents/uploads/2021/09/vol15_art4.pdf)
- Kelegama, Saman. *Privatisation in Sri Lanka: The experience during the early years of implementation*. Sri Lanka Economic Association, 1993. [https://pdf.usaid.gov/pdf\\_docs/PNABQ029.pdf](https://pdf.usaid.gov/pdf_docs/PNABQ029.pdf)
- Rose, Lee Eugene and Fisher, Margaret. "The Modernisation of the Nepali Economy." In *The Politics of Nepal: Persistence and Change in an Asian Monarchy*, edited by Richard L. Park, 121-143. Cornell University Press, 1970

Shah, Sukhdev. “Nepal’s economic development: problems and prospects.” *Asian Survey* 28, no. 9, (1988): 948. <https://doi.org/10.2307/2644800>

United Nations. 2003. “United Nations Conference on Trade and Development Investment Policy Review Nepal UNITED NATIONS.” United Nations Publications, (2003):1-2. [https://unctad.org/system/files/official-document/iteipcmisc20031\\_en.pdf](https://unctad.org/system/files/official-document/iteipcmisc20031_en.pdf)

K.C, R B. (2008). THE PRIVATISATION & ITS IMPACT IN NEPAL (With Reference to Two (BPPM & HBFT) Companies Privatized in 1992/93). Retrieved from <https://archives.kdischool.ac.kr/bitstream/11125/30152/1/%28The%29%20Privatisation%20%26%20its%20impact%20in%20Nepal.pdf>

LA Times (1994, July 11). *Nepal’s Leader Resigns After Political Defeat*. Los Angeles Times. <https://www.latimes.com/archives/la-xpm-1994-07-11-mn-14304-story.html>

Ministry of Finance. (1999). A report on the performance of privatized enterprises. Retrieved from the Privatisation Cell’s web archives.

Ministry of Finance. (2002). Economic Survey Fiscal Year 2002/03. Retrieved from [https://mof.gov.np/public/uploads/document/file/Economic%20Survey%202002\\_20201125044815.pdf](https://mof.gov.np/public/uploads/document/file/Economic%20Survey%202002_20201125044815.pdf)

Office of Auditor General (2024). 61st Annual Report of the Auditor General, 2081. Retrieved from <https://oag.gov.np/menu-category/926/en>

## Annex

### Annex I:

#### Brief Timeline

Year	Milestone	Details
1980	<b>Referendum and Initial Reforms</b>	<p>The Sixth Five Year Plan began with an emphasis on allowing government-owned corporations to function on commercial principles with more autonomy. Efforts were made to improve corporate management by reforming boards of directors and accounting practices, reducing inefficiencies.</p> <p>Nepal's referendum favored the Panchayat system but sparked cautious economic reforms. Two PEs - Chandeshwori Textile and Cheuri Ghee Enterprise were sold to private sectors between 1980 and 1985. Several rice companies, including National Rice Company, underwent liquidation during this period.</p>
1985	<b>Introduction of Privatisation Discussion</b>	<p>The Seventh Plan emphasized privatisation but, paradoxically, saw more state-run PEs established—a balancing act between reform and growth.</p> <p>In the fiscal year 1984/85, the government introduced an ambitious privatisation plan, aiming to privatize 12 Public Enterprises; one enterprise per month. Shares of Banaijya Bank, NIDC Capital Market, and Beema Shastha were also offered to the public.</p>

<b>1986</b>	<b>Economic Stabilisation Program</b>	An economic stabilisation program was introduced under IMF support to address economic challenges.
<b>1987</b>	<b>Structural Adjustment Program</b>	The Structural Adjustment Program aimed to further economic reforms.
<b>1989</b>	<b>Establishment of Privatisation Cell</b>	A privatisation cell was established to oversee the privatisation efforts of the state owned enterprises.
<b>1990</b>	<b>Return to Multiparty Democracy</b>	The People’s Movement led to the restoration of democracy, marking a shift towards more liberal economic policies. With Nepali Congress in power, privatisation gained momentum, resulting in eight PEs privatized or liquidated by 1993—marking a reform shift.
<b>1991</b>	<b>Liberalisation Policy</b>	The Nepal Congress (NC) came into power and announced liberalisation through the budget, signaling a move towards a market-oriented economy.
<b>1992</b>	<b>Deregulation and Privatisation Initiatives</b>	Licensing for new industries was abolished (except in defense, health, and environment), and a “one-window” system was introduced to support industries. Three public enterprises—Harisiddhi Bricks, Bansbari Leather, and Bhrikuti Paper—were selected for privatisation. Private sector involvement in domestic flights was allowed, and the government shifted focus to infrastructure, limiting its role in the economy to a facilitator, not a controller. Assessments found that public enterprises faced heavy losses, and privatisation was deemed essential to reduce financial burden and increase efficiency.

<b>1993</b>	<b>Second Phase of Privatisation</b>	Fourteen additional SOEs were earmarked for privatisation, with five successfully privatized. Key economic policies included full convertibility in current accounts, establishment of NEPSE, and VAT introduction.
<b>1994</b>	<b>Halt in Privatisation Efforts</b>	The UML government came into power and slowed privatisation, even re-nationalizing some PEs, creating uncertainty and mixed signals for investors and stakeholders. However, the Privatisation Act was passed.
<b>1995</b>	<b>UML government dissolved, NC came in power along with Rastriya Prajantra Party (RPP)</b>	An additional five PEs were privatized under Nepali Congress, though debates over fairness and integrity of the process persisted.
<b>1996</b>	<b>Political Divide on Privatisation</b>	Maoist Insurgency begins and political instability along with security issues intensified, impacting economic development and privatisation efforts.
<b>1997</b>	<b>Ambitious Targets and Global Partnerships</b>	The Ninth Plan set a goal to privatize 30 PEs, with support from the Adam Smith Institute—a key step in Nepal’s restructuring efforts.
<b>2000</b>	<b>Privatisation Peaks under New Leadership</b>	Prime Minister Girija Prasad Koirala led efforts to privatize four more PEs, marking the high point of Nepal’s privatisation momentum.
<b>2002</b>	<b>Tenth Plan under PRSP (Poverty Reduction Strategy Paper) Framework</b>	The Tenth Periodic Plan, under the World Bank’s PRSP, focused on financial sector reforms, a new Central Bank Act, and further privatisation to reduce government burdens. Aimed to privatize 15 SOEs, but issues like political instability and weak legal frameworks hindered progress.

Annex II:

Industries that were privatized and closed

S.N.	Name of the Public Enterprise	Year of Privatisation (BS and AD)	Method of Privatisation
1	Nepal Jude Development and Trade Company	2050 BS (1993 AD)	Closed
2	Agriculture Planning Service Centre	2058 BS (2001 AD)	Closed
3	Tobacco Development Company	2050 BS (1993 AD)	Closed
4	Himal Cement Industry Limited	2063 BS (2006 AD)	Closed
5	Gharelu Silpakala Bikri Bhandar	2059 BS (2002 AD)	Closed
6	Nepal Coal Limited	2059 BS (2002 AD)	Closed
7	Hetauda Textile Industry	2060 BS (2003 AD)	Closed
8	Birgunj Sugar Factory Limited	2059 BS (2002 AD)	Closed
9	Nepal Yatayat	2059 BS (2002 AD)	Closed
10	Agricultural Lime Industry Limited	2064 BS (2007 AD)	Closed
11	Nepal Drilling Company	2063 BS (2006 AD)	Closed
12	Agricultural Tools Factory Limited	2059 BS (2002 AD)	Management Contract

Source : Yellow Book, 2081

## Current Status of Privatized Enterprise

S.N.	Name of the public Enterprise	Date of Privatisation (BS and AD)	Method	Current Status
1	Bhrikuti Paper Factory	2049/07/05 BS (1992/10/21 AD)	Sale of Assets and Business	Closed
2	Harsiddhi Brick Factory	2049/07/14 BS (1992/10/30 AD)	Sale of Assets and Business	Closed
3	Bansbari Leather Shoe Factory	2049/07/24 BS (1992/11/09 AD)	Sale of Assets and Business	Closed
4	Film Development Company Limited	2050/07/26 BS (1993/11/11 AD)	Sale of Shares	Closed
5	Balaju Textile Industry	2050/08/17 BS (1993/12/02 AD)	Sale of Shares	Closed
6	Raw Leather Collection and Sales Centre	2050/08/28 BS (1993/12/13 AD)	Sale of Shares	Closed
7	Nepal Bittumen and Barrel Industry	2051/03/07 BS (1994/06/21 AD)	Sale of Shares	Operating in Profit
8	Nepal Lube Oil	2051/02/22 BS (1994/06/05 AD)	Sale of Shares	Operating in Profit
9	Nepal Brass Industry Limited	2052/12/12 BS (1996/03/25 AD)	Sale of Shares	Operating in Profit
10	Raghupati Jute Mills	2053/04/30 BS (1996/08/14 AD)	Sale of Shares	Operating in Profit
11	Nepal Bank Limited	2063/06/21 BS (2006/10/07 AD)	Sale of Shares	Operating in Profit
12	Nepal Tea Development Corporation	2057/03/14 BS (2000/06/28 AD)	Sale of Shares	Operating in Profit
13	Butwal Power Company	2059/09/19 BS (2003/01/03 AD)	Sale of Shares	Operating in Profit

- Unfolding the Narrative Behind Privatisation in Nepal

14	Nepal Telecom Company Limited	2064/09/19 BS (2008/01/03 AD)	Sale of Shares	Operating in Profit
15	Bhaktapur Brick Tile Factory Limited	2060/09/22 BS (2004/01/06 AD)	Sale of Assets and Lease	Operating in Profit
16	Biratnagar Jute Mills	2053/09/04 BS (1996/12/19 AD)	Management Contract	Operating in Loss
17	Lumbini Sugar Factory	2062/09/24 BS (2006/01/08 AD)	Sale of Assets and Lease	Operating in Loss
18	Nepal Resin and Turpentine Limited	2063/01/29 BS (2006/05/12 AD)	Sale of Assets and Lease	Operating in Profit

Source : Yellow Book, 2081

