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FINAL REPORT
of
Rapid Market Assessment in Selected Districts

Prepared for:

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Rapid Market Assessment in Selected Districts

Foreword

Federation of Nepalese Chambers of Commerce and Industry as a sub-contractor to Winrock International was assigned to perform Rapid Market Assessment/Study (RMA) in order to assess about employment opportunities, location of jobs and training requirements in the major commercial centers and vicinity in the Mid-west. The findings and recommendation contained in this report are based on collection of information as per questionnaire and discussion the study/survey team held with a large number of representatives from the private sector, business intermediaries like Chambers/Associations and the vocational training entities in both private and public sector. The approach used in the study was quick assessment during approximately 6 days of field study and observation in each location. We are hopeful that this report will provide the EIG-CM, Winrock International an overview on employment opportunities, aggregate data on job and training requirement in the major enterprise sub-sectors in the area. This report also incorporates the comments and suggestions received from EIG-CM Winrock and other partners of the project during presentation of the draft report. FNCCI project team would like to extend appreciation to EIG-CM Winrock and other partners for their valuable suggestion and comment.

The study and preparation of the report has been undertaken by the team led by Govind Dev Pandey, Member/Program Coordinator, FNCCI with the assistance of Yukta Narayan Shrestha, Employment Coordinator/FNCCI, Achut Raj Bhattarai, Officer/FNCCI and a team of more than a dozen associates working with local CCIs who supported field visits and collection of information.

1. Executive Summary of the Study:

The RMA was undertaken in 7 urban centers to obtain information about the employment opportunity and requirement of vocational training in the existing major manufacturing, production oriented and service enterprises. The areas selected are urban townships and market centers in mid western region and commercial centers in close proximity with potentiality for job and training. The summary of the findings of the study are provided below:

SN	Sub-sector	Employment Opportunity and Training Requirement Identified							
		Nepalgunj	Birendranagar	Ghorahi	Tulshipur	Butwal	Bhairahawa	Dhangadhi	Total
1	Jewellery	-	123	240	25	-	-	-	388
2	Agro products processing	175	-	106	-	1	120	60	462
3	Masala (Cooking spices)	-	-	50	-	-	-	-	50
4	Hardware / Plumbing	-	-	-	-	-	60	-	60
5	Garment/ Tailoring	80	-	130	100	-	-	-	310
6	Automobile Workshops	38	32	62	40	150	100	-	422
7	Hotel/ Restaurant	87	181	100	150	50	300	100	968
8	Cement (Proposed)	-	550	520	-	-	520	-	1,590
9	Cycle repairing	100	-	150	-	-	-	-	250
10	Leather works	-	-	35	-	-	-	-	35
11	Iron/Metal (Furniture, Grill and metal works)	200	52	60	30	250	400	70	1,062
12	Dairy	8	-	18	-	-	-	-	26
13	Brick kiln	750	187	550	430	-	625	-	2,542
14	Processed food	-	-	36	-	-	1,000	-	1,036
15	Furniture	500	150	140	12	1,500	500	250	3,052
16	Printing and Stationery	50	-	-	-	2	40	60	152
17	Electronics/HW	-	-	-	50	-	-	60	110
18	Alternative Energy	-	-	6	-	-	-	-	6
19	Sweets and Snacks	180	-	-	250	50	-	40	520
20	Concrete/aggregates	-	-	-	-	100	100	-	200
21	Hair Cutting	150	-	50	65	-	-	-	265
22	Nepali Paper	-	6	-	-	-	-	-	6
23	Textile	-	-	-	-	-	20	-	20
24	Gas	-	-	-	-	-	20	-	20
25	Confectionery	-	-	-	-	-	60	-	60
26	Furniture (Steel)	-	-	-	-	-	500	-	500

SN	Sub-sector	Employment Opportunity and Training Requirement Identified							
		Nepalgunj	Birendranagar	Ghorahi	Tulshipur	Butwal	Bhairahawa	Dhangadhi	Total
27	Plywood	-	-	-	-	-	205	-	205
28	Tea	-	-	-	-	-	3	-	3
29	Machine Repairing	-	-	-	-	-	1	-	1
30	Color Lab	-	-	-	-	40	45	-	85
31	Plastic	-	-	-	-	-	40	-	40
32	Rosin & Turpentine	13	-	-	-	-	-	-	13
33	Vehicle Body-building	98	-	-	-	-	-	-	98
34	Chemicals	-	-	-	-	18	-	-	18
Total:		2,429	1,281	2,253	1,152	2,161	4,659	640	14,575

The finding indicates potentiality for sizeable employment opportunity and vocational training requirement in the enterprise sector in the area. Besides these potential sub-sectors, there are in the pipeline major infrastructure project and potential industrial and development projects like Surkhet-Jumla highway, north-south roads, West Seti hydropower generation and transmission lines, irrigation projects, upcoming large scale cement factories (one in Dang and another in Surkhet), reconstruction and rebuilding programs in the area. It is reported that one 1,000 M.Ton/day cement plant will generate employment opportunities for at least 1500 workers. The number of the job for semi-skilled and unskilled workers will range from 500-700 per entity. These all will open up enormous opportunities (one estimates suggest a requirement of about 8000 to 10,000 fresh hands) for the jobs like electricians (building and industrial), masons, plumbers, scaffolders, carpenters, plasterers, masons, block makers, earth moving equipment operators, drivers (light/heavy), gas-welders, machine operators, industrial workers (weighing, packaging, loading), general administrative staffs, utility equipment operators, waiter and waitresses, tour guides etc. We are also of the view that, even if these ventures/projects do not fructify within the project period, the skills attained through EIG-CM training programs will prepare targeted youths to take advantage of the employment opportunities such enterprises and projects will bring. Once skilled, the workers are likely to enhance the efficiency and flexibility of the labor market and reduce skill bottleneck.

In the area, there are many opportunities for micro and small scale enterprises, which can be initiated with small investment, local resources, targeted to local market. These enterprises can bring significant economic benefit to the local population and local economy. List of these potential enterprises for self employment in the area are given in the Annex III attached.

The Study has also traced many vocational opportunities suitable to women employment in the surveyed centers. Women can be gainfully employed in household level enterprises producing food & snack products, household utility items and crafts products or in a sub-contracting model, where they can work at home to supply the products to bigger units who do the labeling, branding and packaging of these products in bulk. Annex IV provides list of appropriate vocations areas for employment to women target groups.

There is also a large exodus of youths from the region to seek job opportunities abroad. Region wise information is not available. Looking at the national figure, the remittance money from workers exceeds more than NRs.125 billion a year. Department of Labor and Employment Promotion shows a total overseas employment figure of 591,400, during 2004/05 with the largest number going to Malaysia followed by Qatar, Saudi Arabia, and United Arab Emirates. A recent World Bank report shows that that remittance had a major role to play in maintaining the economy and reduction of poverty level. According to the report between 1996 and 2004, remittance inflows soared from 3% of GDP (US\$203 million) to 12% of GDP (US\$794 million), mainly contributed by foreign employed workers.

It is reported that only about 10 per cent of the people going on foreign employment from Nepal have taken training and possess some skills. 90 per cent of them are not exposed to training and are paid lowly. At present vast majority of Nepalese in foreign employment land in the job of 'unskilled' categories. Very few percentage get semi-skilled jobs in electric & mechanic assistants, hospitality, healthcare, light and heavy vehicle drivers, equipment operators. Many of them languish in unskilled jobs such as construction workers, glass cutters, food preparation assistants, waiters & kitchen helpers, laundry, gardeners, cleaners, guards & watch men and other similar types of menial works. This is where the EIG-CM can extend a helping role for the future foreign employment seekers. Providing them skill-upgrading trainings in the identified vocations and making them skilled or semi-skilled workers, the remittance from these foreign workers can be significantly increased. This will not only contribute to creating better living conditions of these workers in the respective destinations, but even more importantly, also providing these youths of more choices and opportunities of employment even within the country itself.

Following are some major concerns, viewpoints of the FNCCI, CCIs/Industry and Commodity Associations and the employers gathered during the study relevant to the training and employment. In order to bring reform in the labour market and providing quality training for enhancing trainees employability, these warrant due consideration:

- The micro, small and medium and large manufacturing sector is likely to remain an important source of sustainable new jobs. They are also well placed to receive workers transitioning out of agriculture.

- Due to long period of conflict and lingering transition, formal sector employment growth has been at a standstill in the area. After the election of Constituent Assembly and formation of elected government, there is high hope for improvement in the general development environment. The project area has high potential in commercialization of agriculture and forest products, energy generation, exploitation of mines and minerals and infrastructural development. Thus in the coming days, with peace and focus on development, there will be greater surge in additional employment opportunity in the area.
- The trade unions in Nepal which represent various lobbies of political parties have intruded in almost every industrial and business establishment and have persuaded Nepalese workers into their fold. The current labour law asserts the protection and welfare of the workers without any focus for work orientation, discipline, productivity based incentives and better industrial relations. Rigid employment provisions (compulsion to provide permanent employment status, after 240 days), blanket job security and virtually inflexible rules to take disciplinary action to the erring workers are some major concern of the business community. During recent days, it has been a common phenomenon to indulge in frequent serial strikes, gherao, lockout, and flash demand to raise salaries and employment benefit by the laborer affiliated to the trade unions. These types of disturbances at the work place raises transaction cost for producers and makes their business uncompetitive and can cause business failures. To avoid this, management/employers opt for hiring Indian workers who have no demand for permanency and also refrain to form group or join trade unions to press for grievances. Business community has been stressing reform in labor laws with focus on better industrial relation, no work no pay, productivity linked security and employment benefits. Once this is conceded, the employer will be equally encouraged to hire Nepalese and replacement of Indian workers can take place.
- Most workers at present learn trade on the job at their place of work from other fellow workers. These apprenticeships are based on traditional technologies and ideas from previous generations. The quality of training is thus only as good as the skills of the master and his willingness and ability to pass them on. Hence the importance of theoretical aspect of learning by specialized TTPs which will make the worker more skilled to produce high quality products and services.
- Quality vocational training institute are very limited in the region. The few technical institutes launching training at present are lacking in curricula and training infrastructure linked to the labor market and are constrained to develop the skills that employers seek.

- Due to absence of specialized TTP producing skilled workers and general absence of skilled manpower in the labor market, the practice followed by many entrepreneurs is hiring of new entrants in labor cadre or as junior level work and later after a while when they attain experience in the job they are given job of mistri, head mistri etc.
- The TTPs need to convince the stakeholders of labor market that they are sufficiently capable to produce required skill cadres within a set time frame of training period and present better substitutes than the “learning-by-doing cadres”.
- Employer would prefer to recruit new workers after having impression of his attitude to work and chances of affable relations with potential candidate. For this internship and OJT is accepted by most of the employers/entrepreneurs. The OJT/internship can help nurture better relation between trainees and potential employer and lead to job placement.
- Collaboration and participation of local Chamber of Commerce and Industry (CCI) and other Industry and Commodity Associations can play vital role for job placement after OJT / Internship.
- Skill training programs should also encompass sensitizing about employer-labor relations labor law and rules, workers code of conduct, retraining, career planning etc.
- Indian skilled workers occupy major areas of employment in many areas of Nepal especially in the bordering and hinterland districts of Nepal. 7 urban market centers under reference in the mid western region of Nepal are no exception to this. As reported by the employers and entrepreneurs they prefer Indian workers because they have skill to better handle the job, have high work ethics and higher productivity and they do not get involved with group interest and trade unions. TTPs need to pay special attention to this behavior while grooming them for the labor market.
- Exposing vocational trainees about self-employment opportunities in non-farm enterprise sectors and mechanism to enter into entrepreneurship is also equally effective approach to achieve objective of education and training programs. In the ensuing phase this area needs equal focus and FNCCI, CCIs and Trade & Industry Associations are better placed to provide post training interventions, networking and sourcing support to establish self-employment a promising avenue for new entrants into the job market.

- Presently, the activities in the rural areas of mid west region are primarily agriculture oriented and the opportunity for employment in the non farm sector will be insignificant for certain years to come. Initiation of infrastructure projects like hydro power, roads, irrigation, quarrying and mineral based cement industries etc., can enhance the possibility for wage employment. As is the situation now, there exists potentiality to promote some micro and small scale enterprises based on local endowments and raw materials, and which will be self employment type rather than providing significant number of wage employment. Therefore, in our opinion, the immediate strategy for rural youth training need to focus on trainings which can assist and motivate to start self employment enterprises and skills and practices for commercialization of agriculture specifically high value crops, off-season vegetables and neighboring market oriented production.

2. Background:

Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is an apex body representing corporate sector and employers in Nepal. Currently, it has affiliation of 92 Chambers of Commerce (CCIs) located in the districts and municipalities, 66 Commodity, Trade and Industry Associations, 9 bi-national Chambers and 300 direct members comprising medium and large corporate sector in Nepal.

FNCCI has entered into a sub-contract with Education for Income Generation and Conflict Mitigation in Nepal Project (EIG-CM) of Winrock International to perform a part of the activities under the project to identify employment opportunities and making linkage between training providers for the accomplishment of project objectives. Scope of FNCCI's work under the Project includes the Rapid Market Assessment in order to assess areas of employment opportunity, location of jobs and training requirements in Nepal with special emphasis in the major commercial centers and vicinity of the Mid-west region. In addition to the labor market assessment, FNCCI is to develop a database and web portal to facilitate the linkage between the Technical Training Providers, trained skilled workers and the potential employers. Similarly, FNCCI is to facilitate memorandum of understanding (MoU) between Technical Training Providers (TTPs) and potential employers for providing on-the job-training / internship to the participants of vocational training which will support job placement for job seekers.

The approach and findings in this Rapid Market Assessment report reflects quick assessment undertaken during the course of approximately 6 days study and observation in each centers to provide EIG-CM, Winrock International a framework about the major enterprise sub-sectors with employment opportunities and training requirement.

3. Scope of Rapid Market Assessment (RMA):

This report pertains to the rapid market assessment (RMA) to locate areas of employment opportunity, location of jobs and training requirements in 7 major urban market centers of Mid-western region of Nepal. This is prepared in order to support the EIG-CM objective of addressing quality education and employment through training to the target groups. The scope of study covered following :

- cursory look into the characteristics and composition of the labor market,
- indication about trade-wise and area wise job opportunities available, and
- suggesting training requirements.

4. Methodology:

Methodology used for RMA were as follows:

- Discussion with the Chamber of Commerce (CCIs), Commodity and Industry Associations (BMOs), Technical Training Providers (TTPs), Enterprise registration offices/Government (DCSI and CSIDB), Banks & financial agencies, Projects and development organizations and Knowledgeable persons. This was done to acquire information about the existing number of enterprises, number of workers engaged, status of labor supply and demand situation, upcoming industrial ventures and employment opportunities etc.
- The assessment and field work was mainly based on the information from the randomly selected enterprises (almost all registered) having employment of three or more hired workers.
- Circulation of data-sheets/questionnaire to the local industries/enterprises /members of CCIs/Associations and collection of filled in questionnaire,
- Interview/survey with the entrepreneur, CEOs/Manager of the enterprises, Office bearers of CCIs/ BMOs ,
- Review of secondary information,
- Local labor market observation ,
- Focus Group Discussion to validate the information collected during survey.
- Compilation of the survey findings and analysis and forecast of training and employment opportunity on the basis of data received from the surveyed enterprises and institutional stakeholders. The projection about the total opportunity is based on the number of enterprises registered with the local government registration office, feed back of local CCIs and surveyed enterprises.

5. Period:

The study was undertaken from April till end June, 2008.

6. Study areas:

The study focused mainly the urban cities and market centers of Mid-western region and the major townships for job in close proximity to Mid-western region. The RMA covered the following cities:

SN	District	City	Supported by
1	Banke	Nepalgunj, Kohalpur and Khajura	Nepalgunj CCI
2	Surkhet	Birendranagar, Chhinchu and Badichaur	Surkhet CCI
3	Dang	Ghorahi, Narayanpur and Lamahi	Dang CCI
4	Dang	Tulshipur	Tulshipur CCI
5	Rupandehi	Butwal	Butwal CCI
6	Rupandehi	Bhairahawa	Siddarthnagar CCI
7	Kailali	Dhangadhi	Kailali CCI

7. Information about the selected districts and towns:

Information on demography, social and economic profile of the districts and the findings of RMA are provided in the following sections:

7.1 BANKE:

Brief Profile:

District Area:	2,337 Sq. KMs.
Distribution of Land:	Mid Mountain: 6,137 Hectares Siwalik: 113,697 Hectares Terai: 116,148 Hectares
Pasture:	Cultivated: 51,392 Hectares 2,621 Hectares
Forest:	167,199 Hectares
Total Population:	385,840 (2001 Census)
Literacy Rate:	57.36% (2001 Census)
No. of Municipalities/VDCs:	47
Economically Active Population:	161,154 (2001 Census)
Economically Inactive Population:	119,467 (2001 Census)
Major Groups of Economically Active Population (2001 Census):	
Legislators/Senior Officials/ Managers:	1,724
Prof./Semi Prof./Technical Workers:	9,029
Adm. and Clerical Workers:	4,573
Services/Sales Workers:	24,161
Farm/Fishing/Forestry Workers:	51,708
Craft and Trade Workers:	19,802
Production Labor Workers:	2,854
Others and not stated:	33,698
No. of Migrated People (from outside) (2001):	91,486
No. of Industries Registered and Approved for Foreign Investment:	40 (2005/06) (Approved: 11)

No. of Small & Cottage Industries
Registered:

170 (Fiscal Year 062/63)

Agricultural Production
(in 2005/06):

Paddy:	84,720 Metric Ton
Maize:	18,400 Metric Ton
Wheat:	27,143 Metric Ton
Barley:	10 Metric Ton
Oil Seed:	3,050 Metric Ton
Potato:	23,700 Metric Ton
Tobacco:	40 Metric Ton
Sugarcane:	1,500 Metric Ton
Lentil:	6,510 Metric Ton
Chick Pea:	550 Metric Ton
Pigeon Pea:	3,002 Metric Ton
Black Gram:	238 Metric Ton
Soya bean:	55 Metric Ton
Other pulses:	432 Metric Ton
Fruits:	6,715 Metric Ton
Vegetables:	51,610 Metric Ton
Milk:	16,514 Metric Ton
Meat:	3,653 Metric Ton
Egg:	12,159,000 Nos.
Wool:	6,704 Kg
Fish:	596,400 Kg

Infrastructures:

Road: 386.4 Km (2004)
No. of Airport: 1

No. of schools (2005): 483

No. of Campuses: 6 (Private: 4, Constituent: 2)

No. of Banks (2006): 12

No. of Households consuming
Electricity (2007): 30,580 (40.6% of Total Households)

Details of finding of RMA – Nepalgunj, Banke:

Banke district is a major commercial and industrial district of Mid-western region. Nepalgunj city of Banke, which is situated appx. 4 KM from Indian border is an important market center of Nepal, has been facilitating other districts of the region. Nepalgunj town, Kohalpur and its peri-urban areas boast of many commercial and industrial enterprises due to presence of infrastructure facility (transportation, communication, electricity, etc.) and easy access to labor and commodity market in India. Nepalgunj has an all-weather

airport and is also a regional air-link center connecting with many districts of the Mid-western and Far-western region.

Cottage and small industries are predominant in Banke. Industrial enterprises (by category) registered with the Cottage and Small Industry Office in Nepalgunj, Banke till the year 2064 are provided in the Table below. There also exist some medium and big industries in the area.

Categories of industrial enterprises registered in Banke are:

<i>Types of enterprises</i>	<i>Number of enterprises</i>	<i>Number of planned employment</i>
Manufacturing	989	9684
Agro and forest based	29	624
	1	9
Mining	103	579
Tourism	592	3,318
Service oriented	4	25
Construction		
<i>Total:</i>	<i>1,718</i>	<i>1,4239</i>

The enterprises operating in the area are rice, flour, dal and oil mills, furniture, Kattha, saw mill, ice-cream, feed, incense-stick, plastic, brick, surf, rosin, veneer, cement tiles, bread, candle, fertilizer, tobacco, textile, stationery, confectionery, brush, box, dalmoth, masala, thread, cement, metal, juice, leather goods, readymade garment, hosiery, cotton, noodles, chuna, dibba, distillery, hume-pipe, crusher, dairy, herbal, processing, poultry, livestock, mushroom production, mines, tours & travel, hotel, tyre resoling, photography, cold-store, cooler, real estate, transportation, construction, consultancy, printing press, communication, cargo, packaging etc.

The labor market of Nepalgunj and nearby urban market centers are found to be dominated by Indian workers mainly in supervisor level (Mistris) and skilled workers who have attained specific skill and efficiency. They come from Nanpara, Baharaich and rural boarder areas of India, the major supply-point for workers in Nepalgunj and its vicinity. During the survey, it is found that, most of the leading enterprises, such as furniture (iron, wooden), automobiles/mechanics, plastics, bricks, cycle/rickshaw repairing and assembling, electronics, construction, sweets and snacks, and tailoring have employed mainly Indian workers.

Entrepreneurs/employers reported to prefer Indian workers due to their higher level of work commitment and regularity. They also opined that due to low

skilling and quality training, Nepalese workers are less efficient than Indian workers both in terms of quality and quantity of output. As in the other region of Nepal, the long time transition period and political turmoil has impacted the labor market in this region too. Majority of the Nepalese laborers tend to get associated with trade unions of certain political parties to get benefit of the situation and weak governance. This has given rise to frequent flash strike, gheraos, unjustified demand and frequent absence at the behest of the unions and political parties. There is a tendency on the part of the enterprises/ employer, who are in a position to offer large number of job opportunity, prefer Indian laborers, who they say, are not bound to join union or groups in Nepal and are more likely to concentrate on job.

Also economically active population from this region, many of those not having specific skills, have an inclination and preference to go to India for employment in unskilled and informal sector activities including household jobs. Technical training institutes providing quality training are very few in Banke and vicinity area. Local CCIs and the business membership organizations reported that the existing technical training providers in the area do not have capability and infrastructure for market driven and customized training and hence are hardly contributing for the supply of skilled worker in the area.

In the course of RMA, the FNCCI's Assessment and Survey team members contacted 95 firms/enterprises engaged in manufacturing, processing and service activities registered with local DCSI office, CCIs/BMOs, employers, knowledgeable persons, and development organizations in Banke to acquire information about the existing job market/activities, demand and supply situation for workers and also information on future employment opportunity. On the basis of this, the findings of RMA are provided in the Annexes "Integrated Summary" and "Details about the Surveyed Enterprises" attached with this report. Altogether around 2,400 employment opportunity by job type and level (skilled, semi-skilled) is estimated in the district.

Major key areas of employment opportunities and information on present supply of labor in the district are provided hereunder:

Agro product processing:

Banke's main agricultural products are paddy, maize and wheat. It also produces some lentils, soya beans and oilseed. A number of rice and pulse milling, oil extraction and flour mills are in existence in the district mostly in the outskirts of Nepalgunj town. Beside the conventional milling enterprises, few modern flour and rice mills have been established in the area. Beside unskilled workers for loading, unloading and stacking, they employ skilled and semi skilled workers as machine operator(mistri), packaging and also cleaning and maintenance of machines. Estimate about the training need and employment opportunity is 175.

Agriculture based vocation:

Banke produces varieties of agriculture produce and emphasis on increased productivity in agriculture sector will contribute to the higher income and sustainable development. In Banke, 24% of land is under crop cultivation and there is necessity to raise the yield per land, productivity increment and diversifying high value crops, commercialization of vegetable growing, fish farms and poultry. The area is also witnessing expansion of some agri-business and agric-cooperatives. In order to support the acceleration in agrobusiness, a large number of agriculture technicians like extension service provider (junior technician), poultry technicians, Village Animal Worker (VOW) is required.

Hotel / Restaurant sector:

In Nepalgunj and Kohalpur of Banke, there are three types of hotel: Star and deluxe type (3), middle class 35 and economy class more than 200. The present level of hotel and restaurant sector in Banke areas need mainly three sets of workers namely Cook/Chef and Waiters, Front desk Officers, House keepers/Room boys, laundry workers and gardeners. During the survey, 14 hotels, restaurants were covered and it is found that, most of hotel restaurants have internally developed workers but not trained by the specialized training institutes. It was also found that some of the workers have learnt skills while working in the hotels and restaurants in India. As yet specialized training institutes do not exist in Nepalgunj to train the people in the type of job required by potential employer in the sub-sector. Hotel Organization of Banke informed that, the demand for cook and waiters is also coming from Surkhet areas. Presently, Nepalgunj area and its periphery is fast growing with development and economic activities and is also an important gateway to and fro India for Mid-western region, the business enterprises, flow of man and materials is ever increasing. Similarly, due to its strategic location in the region with district and regional offices of government, banks & financial agencies, non-governmental organizations and developing agencies, the area have taken a prominent place of visit and stay in the region. This all adds up to the prospect and potentiality of the hotel and restaurant business which would need more trained and skilled manpower. Rough estimate about the training need and employment opportunity is 87.

Construction sector:

Construction Association of Banke has 170 members engaged in different activities related with construction business. In construction type of jobs mainly consist of Carpenters/Cabinet Markers, Steel Fixers, Scaffolders, Masons, Tile Fixers, Plasterers Plumbers, Pipe filters, Drivers (Light /Heavy) Mason Helpers, Concrete Mixer Operators Helpers (Electrical/Mechanical/ Erection), Block Makers, Electricians (L.T. & H.T.), Earth Moving Equipment Operators, Constructions supervisors, electric and gas Welders. In Nepalgunj area construction trend in private, commercial and industrial premises,

development projects and public houses is on rapid rise and around 1,000 authorizations is given by the Municipality in a year. Besides, the infrastructure development projects, repair and maintenance of development works in municipality areas and private houses and enterprises create enormous employment opportunities for the construction workers.

It was observed during the survey that large number of Meths (labor contractors) and house owners flock in Tribhuvan Chowk of Nepalgunj to hire the construction and maintenance workers i.e., Mistri and unskilled workers . It was also found that the Mistri assembled here are mostly from India while the unskilled workers are mostly Nepalese and also women from the local Chowdhary community. Staffs of Construction Association suggested that, there is ample job opportunity for construction workers in and around Nepalgunj area, and have shown willingness to collaborate in the skilling process and job placement and self employment .

Rickshaw / Bicycle assembly and repairs:

Rickshaw is the commonly used means for local transportation in Nepalgunj. More than 3,000 rickshaws is running in Nepalgunj city and the number is on rise every day. Similarly, the number of bicycle in use is also significant. Most local people use bicycle as a local means of transportation daily.

Wholesaler imports the parts of rickshaw and cycle from Indian market and assembles it in Nepalgunj. The number of bicycle / rickshaw wholesalers is around 15 in Nepalgunj. Each wholesaler makes sales of minimum 5 bicycles daily and the total number bicycle sale per day comes more than 75. Besides there exists job opportunity in servicing and maintenance of bicycle in use. Therefore, this business is found to be one of promising sector for self employment as well as wage employment in the local market center of rural areas and urban areas.

Automobile repair workshop sector:

Since Nepalgunj is a leading and fast developing city of Mid-western region, it is playing vital role in supporting development of its hinterland and vicinity. Also, it has reliable direct transport linkage with the major cities of Nepal and India and hence is a major transit point to India for the job seekers, traders and businessman people in the region. After the peace accord and CA election, the region has witnessed revival in the economic and developing activities and there has been significant rise in vehicular movement in the area. This has greatly contributed increase in the activities and business related to auto mechanical workshop and others.

In Nepalgunj, about 30 automobile workshops are presently in operation providing various kind of repairing and maintenance services for vehicles (motor cycles, light and heavy vehicles). Due to unavailability of trained manpower in the area and higher demand for these types of workers, there is

significant number of Mistris and mechanics from India employed at present in the area. Most of the Mistris are self-developed from on- the job-practical working in the workshop. However, they have not gained knowledge on theoretical aspect of vehicle repair and automobile engineering. While interviewing the entrepreneurs/promoters in the trade, they opined that since this sector is one of the potential areas for employment opportunities, availability of trained Mistris, auto-mechanics and helpers will lead to higher level of job placement. The estimate of training and employment prospect is 32.

Furniture sector:

According to the Office of Cottage and Small Industry (OCSI), during last year 61 wooden furniture industries were provided registration in Banke and they together have proposal to employ about 310 workers (on average of 5 persons per enterprise registered). At the same time, many small furniture industries are operating in Nepalgunj city, Kohalpur city, its' corridor and other rural market centers without registration in OCSI. Furniture factories make wooden furniture for use in office and residence. During the survey, it is found that due to absence of local skilled furniture workers, sizable number of enterprises has been engaging Indian workers. As per the feedback and opinion of the surveyed enterprises, more than 500 skilled persons will have employment opportunity in existing furniture sector in Nepalgunj area.

Iron furnitures, grills and metal works:

Metal works and fabricators, iron and metal furniture, grills, welding and metal products repair and maintenance work is increasing at a rapid pace in Nepalgunj. It is reported that last year alone new 5 iron metal workshop came into operation. Iron metal works need specialized skills of cutting, welding and various types of mechanical works. Survey covered 8 enterprises in Nepalgunj and Kohalpur and it was reported that around 20 job opportunities exist at present. The total employment opportunity in this sector is expected about 200 and skilled trainees will have fair chance of getting the job in this sector.

Sweets and snacks sector:

Like in other parts of Nepal, with the local agriculture and dairy products as raw materials, the sweets shops and bakeries of Nepalgunj and Kohalpur also produce and market varieties of salty and sweet snacks such as samosha, lalmohan, jalewi, peda, rawadi, pudi etc. These are popular items of daily consumption in the area. Normally, people use these food items for day time snacks and meal. There are sizeable number of sweets shops in Nepalgunj, Kohalpur and surrounding rural areas catering the consumers. There are Nepalese as well as Indian workers engaged to produce these popular food items. It is reported that about 180 skilled and trained youths in

pastry and sweet making have employment opportunity or can get involved in the business.

Hair cutting and saloon sector:

Hair cutting enterprises is a major income generating activity for wage employment and self employment in rural and urban areas of Nepalgunj. In Nepalgunj and Kohalpur market, more than 100 enterprises are in operation and providing services to the visitors. Presently, most of the workers engaged have learnt the skills by joining as intern/trainees in the local saloon. This sector is dominated by the people from Terai and Indian workers. This is another potential sector for self or wage employment. It is reported that if trained, about 150 workers have employment opportunity.

Brick making:

Since last two years, there has been marked upsurge in the construction sector particularly in the housing in the area. As a result, in Banke district, 38 chimney brick kiln are registered with the Cottage and Small Industry Office. Also, a number of local brick kilns (bhuse bhatta) are found operating in the rural areas and are not registered in governmental entities. All the brick kilns in the area use technology and process requiring vast areas of land for sun heat curing and large number of brick molders. The Brick kiln operation is a seasonal activity and most sought skilled workers are: brick molder, Mistri, supervisors and laborers with youthful qualities. During the survey it was found that almost all Brick kilns in the area employ the Indian Mistris and workers, mainly due to absence of skills in the local people. Local people are engaged only as helpers This is one of the major areas of employment opportunity and training. If available, about 750 trained brick molders can be absorbed by the present brick kiln industries in the area.

Tailoring /Local garments:

It was observed during the survey that custom tailoring shops are a major flourishing business in the area. In Nepalgunj, most of the leading shirting, suiting for ladies and gents is promoted and manned by the Indians from the other side of the border. Many local tailoring shops, different governmental, non governmental and community based organization have provided basic and refresher tailoring training to a large number of people in the area. But majority of trainees hardly could make use of the training reportedly because the skill acquired in the training was not to the mark of the job market. Since the tailoring job needs people with interest and aptitude, practices and skill in design, measuring, cutting, stitching and finishing, only few participants could enter the job market and indulge in tailoring as occupation. Knowledgeable persons and people in the business, opine that there is ample job placement opportunities for the workers having special skills in design, cutting and stitching since the local entrepreneurs are increasingly making sub-contacts to sell the products in the Indian market. Rough estimates of training requirement and prospect for absorption in the job is put at 80.

7.2 SURKHET

Brief Profile:

District Area:	2,451 Sq. KMs.
Distribution of Land:	Mid Mountain: 62,626 Hectares Siwalik: 196,579 Hectares
Pasture:	Cultivated: 36,175 Hectares 14,398 Hectares
Forest:	177,855 Hectares
Total Population:	288,527 (2001 Census)
Literacy Rate:	62.48% (2001 Census)
No. of Municipalities/VDCs:	51
Economically Active Population:	119,334 (2001 Census)
Economically Inactive Population:	74,747 (2001 Census)

Major Groups of Economically Active Population (2001 Census):

Legislators/Senior Officials/ Managers:	659
Prof./Semi Prof./Technical Workers:	6,484
Adm. and Clerical Workers:	2,966
Services/Sales Workers:	9,983
Farm/Fishing/Forestry Workers:	54,161
Craft and Trade Workers:	11,673
Production Labor Workers:	1,383
Others and not stated:	21,280

No. of Migrated People
(from outside) (2001): 58,572

No. of Industries Registered and Approved
for Foreign Investment: 2 (2005/06)

No. of Small & Cottage Industries
Registered:

52 (Fiscal Year 062/63)

Agricultural Production (in 2005/06):

Paddy:	34,645 Metric Ton
Maize:	35,921 Metric Ton
Millet:	1,656 Metric Ton
Wheat:	30,618 Metric Ton
Barley:	1,238 Metric Ton
Oil Seed:	2,500 Metric Ton
Potato:	1,225 Metric Ton
Lentil:	1,140 Metric Ton
Chick Pea:	338 Metric Ton
Pigeon Pea:	7 Metric Ton
Black Gram:	890 Metric Ton
Soya bean:	82 Metric Ton
Other pulses:	360 Metric Ton
Fruits:	5,472 Metric Ton
Vegetables:	40,383 Metric Ton
Milk:	18,912 Metric Ton
Meat:	4,018 Metric Ton
Egg:	5,210,000 Nos.
Wool:	2,940 Kg
Fish:	8,400 Kg

Infrastructures: Road: 359.1 Km (2004)
No. of Airport: 1

No. of schools (2005): 660

No. of Campuses: 3 (Private: 2, Constituent: 1)

No. of Banks (2006): 4

No. of Households consuming
Electricity (2007): 12,593 (20.8% of Total Households)

Details of finding of RMA – Birendranagar, Surkhet:

Birendranagar is the entry point for the hilly districts of Mid-western region such as Jajarkot, Dailekh, Kalikot, Jumla, Humla etc. All these districts were worst affected during the conflict period. Many people from rural areas of these districts migrated/displaced to Birendranaar, Nepalgunj and other places for settlement.

Surkhet has the road linkage with adjoining hilly districts of Jajarkot, Dailekh, Jumla and Kalikot in Mid-western region. Similarly, it has air linkage with other districts where the road access is not available. Many governmental and I/NGOs are located in Surkhet and are undertaking activities helpful for the development and positive change in the districts. After the CA election, people have become enthusiastic to initiate and plan about the future with reconstruction and economic activities.

In this backdrop, the overall development activities in and around Surkhet is growing speedily. The cumulative effect has contributed for the development of trading and industrial activities in the districts. Many enterprises have been established in Birendra nagar, Chinchu and adjoining areas based on local materials and resources, natural endowment and are contributing for the local economic development and employment generation.

As per the information provided by the district Cottage Industry Office(CSIDB) and the Municipality, the major enterprises in Surkhet are hotel/ restaurant, bakery, rice, dal & oil mills, wooden and steel furniture, iron metal fabrication , auto repair and mechanic, brick, construction and construction material, jewelry making etc. Petty vending business in vegetables, rural products marketing, local sweet and snack shops, scented sticks and beads weaving business are on the rise. Since Birendranagar is emerging as a hill township for the people of the hinterland districts, the development of business activities is sharply on the rise. Most of the workers engaged in the business and industrial enterprises in Birendranagar are from the adjoining hilly districts. In hair cutting, brick-making, sweetshops and snack shops majority of people are from Terai community.

The labor market in Birendranagar area and periphery are dominated by workers from hilly areas. This area was one of the centres of conflict and hence the impact is highly visible in the local labor market. Due to limited availability of employment opportunity locally, people of this area too, go to India for employment. Since they have no special job skills, education and training, they take up unskilled wage employment including odd household jobs. Like in other market centers, most of the laborers in the formal industrial enterprises are associated with trade unions affiliated with political parties. Frequent absenteeism at the call of unions and political parties is also regular phenomena in this area. Technical training institutes providing quality training are limited in the area. Local CCIs and the business membership organizations reported that the existing technical training providers in the area do not have capability and infrastructure for market driven and customized training..

In the course of RMA, the FNCCI's Assessment and Survey team members contacted 84 business and industrial enterprises , CCIs/BMOs, Employers, knowledgeable persons, and development organizations in Birendranagar, Badichaur and Chinchu to get feedback about the existing job market/activities, type of job mostly in demand and information on future employment opportunity. The feedback received during RMA is provided in the two Annexes containing "Integrated Summary" and "Details about

Surveyed Enterprises” attached herewith. Altogether about 730 employment opportunity by job type and level (skilled, semi-skilled) is estimated in the district.

Information about the major areas of employment opportunities and information on present supply of labor in the township and market centers are furnished hereunder :

Hotel/Restaurant sector:

One of the major business activities in Birendranagar is hotel and restaurant catering mostly to short term visitors. Altogether about 300 hotels (including lodges and guesthouses) and restaurants reportedly exist in Birendranagar. Birendranagar is the focal point for development activities in the zone and Mid-west hill districts, the market opportunity for hotel, lodges and restaurants is naturally high. Most of the hotel owners are from Dailekh, Kalikot and other nearby districts.

According to hotel organization of Surkhet, it is learnt that, none of the hotels have formally trained skill workers. At present, most of the job of hotel counters and kitchen are handled by hotel owners or their family members. Due to lack of financial system and monitoring mechanism, hotel owners or their members take control of the business in counter and kitchen.

Many hotels have workers developed through learning by doing. Some hotels have in employment experienced cook brought from the other cities and also some from India.

As per the information gathered, about 180 trained cook(chef), waiter, room boy; front desk officer are needed by the hotels and restaurants in Birendranagar, Chinchu and Badichaur who are interested to provide satisfactory services. Hotel Organization of Surkhet is willing to facilitate for on the job training / internship and job placement also.

Construction sector:

Construction Association of Surkhet has 160 members undertaking different construction works in and around Surkhet. Under construction works, mostly needed skilled workers are: Carpenters/Cabinet Markers, Steel Fixers, Scaffolders, Masons, Tile Fixers, Plasterers Plumbers, Pipe filters, Drivers (Light/Heavy) Mason Helpers, Concrete Mixer Operators Helpers (Electrical/Mechanical/Erection), Block Makers, Electricians (L.T. & H.T.), Earth Moving Equipment Operators, Constructions supervisors, electric and gas Welders. In Birendranagar, construction of private housing is on the rise. So is the trend in small construction projects, repair works in and around the municipality area.

According to construction entrepreneurs, skilled construction workers as needed in the job market are not available. For this, the constructor has to look the skilled mistry and workers in Nepalgunj area and other labor market. Quality training institute specializing in training the construction workers is not available in Surkhet. Since the development work such as public and private housing construction, commercial and industrial premises, community drinking water supply, sewerage, irrigation and others are increasing at a greater extent, the demand for skilled worker and market of construction worker is also growing.

Automobile workshops:

Automobile workshops are doing brisk business in Birendranagar, Surkhet. The road connection to Jumla and other rural areas has contributed for the development of auto mechanical sector. Altogether 15 automobile workshops are reportedly operating in Surkhet, targeting to heavy vehicle (bus, truck) light vehicle (micro, tractor, car and Jeep) and motorcycle. The number of vehicle plying through Surkhet and auto repair workshops are on the rise daily. During the survey, it was found that, all the workshop are manned by mechanics and helpers of learning by doing cadres and very few are formally trained manpower in Birendranagar, Surkhet.

In auto mechanical sector, wage employment in engine repairing, and painter job has high employment opportunity. In addition, tyre repairing, greasing and washing of vehicles have self employment potential. About 32 training and employment opportunity is reported in this activity.

Furniture sector:

In Surkhet area too, the wooden furniture making enterprise is another highly potential enterprise for employment generation. Surkhet is rich in forest products because more than 70% land is still reported under forest. Different type of timber and wood suitable for wooden furniture is easily available in local market at a price cheaper than in other market centers. Large scale and modern wooden furniture enterprises catering to regional and national market has bright prospect in the area. In Surkhet area all the workers in wooden furniture making entities are found to be occupied by Nepalese. 7 enterprises were covered in the assessment and it is reported that 150 training and employment opportunity exist in the activity. Entrepreneur and enterprises covered by the survey opined that, the formal training provided by government organizations and occasional mobile training programs have not been demand driven and fail to meet the demand of labor market. They opined that training programs session must be followed by practical training or OJT in the commercial production enterprises for the confidence building of trainees.

Iron metal (grill, shutter, furniture) sector:

20 enterprises in iron metal making grill and shutter are reportedly in operation in Birendranagar, Surkhet. The urbanization process and development works have supported the market of the metal fabrication enterprises in Birendranagar and other nearby market centers. Most of the skilled and semi skilled workers in the iron metal have gained skills by working from the basic level that is helper. During the survey, it is found that, people have been working in the same factory for 8-10 years and are promoted to supervisor and mistry cadre. Some employers opined that, many of the mistry cadre in this trade, lack skill to design the product, minimize cost and improve product's quality. They also reported that there is general lack of workers with technical skills and knowledge about the trade, measuring and design, improve quality of the product, repair and maintain tools and equipment, occupational safety in work, work place management are the major demand in this sector.

Similarly, the steel furniture is another emerging enterprise in Birendranagar area for employment opportunity. Four steel furniture have been established in Birendranagar. These sectors are also potential for employment generation, if the skill transfer is done to needy people and linkage developed with potential employers.

Information collected from the enterprises suggests that there exist training and employment opportunity for 52 skilled people.

Agro product processing:

Maize, wheat, paddy, barley, millet and oil seed, and some are some major crops of Surkhet. A number of rice and pulse milling, oil extraction and flour mills are in existence in the district. Most of these processing industries are small and use mechanical huller and expellers. They employ unskilled workers for loading, unloading and stacking and skilled and semi skilled workers as machine operator(mistry), packaging and also cleaning and maintenance of machines.

Agriculture based vocation:

Surkhet produces varieties of agriculture products including fruits, vegetables and meat. Raising productivity in agriculture sector will contribute to the higher income of farmers and will open wide development opportunity for other enterprise sector. As in other districts, there is necessity to diversify crop production, raise the yield per land, commercialization of vegetable cultivation and poultry. During recent years, there has been some expansion in agri-farms and agri-cooperatives. This has raised demand for large number of agriculture technicians like extension service provider (junior technician), poultry technicians, Village Animal Worker (VAW).

Sweets and snacks sector:

Sweets and snacks making business has been a popular business in Surkhet since a long time. Sweets and snacks are used by the visitors from other districts as well as local residents in the morning as a breakfast and day time for refreshment. It is observed that this business is handled mostly by people from Terai community and also by Indians. It is reported that skilled trainees have room for self employment opportunity rather than wage employment.

Hair cutting:

Local communities from the hills are not taking hair cutting business as occupation trade. Therefore, the Indians and the people of Terai community have occupied this sector in hill districts also. This is the potential sector for wage employment and also self employment. In Birendrangar and Chhinchu market, more than 30 enterprises have been established. Skill upgradation, followed by post training support/counseling for self employment or linkage of trainees with potential employer will enhance the income of the trainees.

Brick making:

In Surkhet district, 5 brick kilns are registered with local Cottage and Small Industry Development Board (CSIDB). It is known that there are also, few local brick kilns (bhuse bhatta) in the rural areas not registered in government entities. Also due to expanding local market, bricks from the Nepalgunj and also Dailekh find market in Surkhet area. At the same time, the quality of bricks from local chimney is lower compared to the bricks from Nepalgunj. CSIDB informed that the brick kilns in Surkhet are also using Indian workers to make bricks. There is a training and employment opportunity for about 187 different type of workers.

Cement:

Surkhet district possess one of the largest limestone deposit in the country suitable for cement production. It has come to the notice that one large scale cement factory is in the process of establishment in the district. It will be a capital intensive industries and also needs large number of technicians, electricians, machine operators, semi-skilled workers. The estimate of semi and unskilled workers requirement in this venture is put at a minimum of 550, broken down into mechanics, machine operators, mistris, and helpers working in the feeding line, production and packaging line.

Non-timber Forestry Products (NTFP) / Herbal processing:

Due to vast area of forest, Surkhet is a potential place for non timber forest products. There are many knowledgeable entrepreneurs in the area who collect different type of NTFP and herbs in Surkhet and supply to Nepalgunj and Indian market. Surkhet is also a major trading point for many herbal and botanical products collected from Dailekh, Jajarkot, Kalikot and Jumla

districts. The processed and semi processed products out of these NTFPs attract big demand in national as well as export market, and hence is highly potential enterprise for development. This sector has high growth potentiality .

Tailoring / garments:

Due to climate and dexterity inherent in one of the dominant local dalit communities in the district as well as adjoining areas, tailoring can be developed as one of the major activity for self as well as wage employment in Birendranagar, Chhinchu, Badichaur and other adjoining areas. As reported during the survey by the existing enterprises and CCIs people, tailoring and garment making training although very frequently organized in the area have not been able to support development of organized enterprises of the desired scale. This was mainly due to the absence of focus on right kind of market/demand driven training and post-training interventions. There exist some garment-making enterprises catering to local market all manned by local workers. Ample training and employment opportunity exists in the area if linked with bigger and export oriented garment enterprises in Nepalgunj or other areas enterprises on sub-contracting model.

Jewelry:

In Surkhet, around 60 jeweler workshops are in operation. There is organized "Jewelry Market" under one roof and few others centers in the Birendranagar market area. The customers are mostly families of people on employment in India and countries in the Middle-east from Surkhet and adjoining districts. 50% of the jewelry shops are established and operated by the entrepreneurs from Butwal, Bhairahawa, Papa and Gulmi.

This is a very creative task to make ornaments of gold and silver. "Creative person can learn within one month and non-creative can not learn in 6 months" said Tilak Biswokarma, one of the shop-keepers. Tools equipments are very portable for jewelry making whereas it is manual task that many youth may leave the task due to patience and dexterity required in ornament making. The skilled and hard working worker may earn more than Rs. 500/- a day. Jewelry making can be one of the potential sectors targeting to dalit youths in Surkhet.

It is reported that most of the workers in jewelry vocation have learned the skills on the job and locally. None of them have acquired or enrolled in formal training. This craft sector has training and employment opportunity to 123 target group.

Precious and semi-precious stone cutting:

It is reported that there are four precious and semi-precious stone cutting enterprises in Birendranagar, Surkhet. They use the precious and semi-

precious stone found in the hilly areas of Dailekh, Surkhet and Jajarkot. The stones are brought by the customers for finishing to make different size and shapes. Also the enterprise buy the raw stones from collector from the areas and do the cutting and finishing. The finished products find market in Nepalgunj or in India.

According to one owner of the venture, at present the job of cutting and finishing of the stone is done by Indian workers. The job involves use of cutting, grinding and polishing machine either manually or electrically. The entrepreneur stresses the need for imparting training program on cutting and finishing of stone to the trainees from the area. There is ample training and employment opportunity in this vocation in Surkhet and other parts of Nepal. This was also substantiated by knowledgeable persons who are of the view that enormous prospect exists to develop this vocation in the area. This is due to availability of precious and semi-precious stone in the mining areas in the region. It is therefore, suggested to initiate or sponsor detail study on feasibility aspect of stone cutting enterprises.

7.3 DANG:

Brief Profile:

District Area:	2,955 Sq. KMs.
Distribution of Land:	Mid Mountain: 46,540 Hectares Siwalik: 250,249 Hectares Terai: 550 Hectares Cultivated: 68,346 Hectares Pasture: 8,905 Hectares Forest: 197,273 Hectares
Total Population:	462,380 (2001 Census)
Literacy Rate:	57.7% (2001 Census)
No. of Municipalities/VDCs:	41
Economically Active Population:	205,232 (2001 Census)
Economically Inactive Population:	129,505 (2001 Census)

Major Groups of Economically Active Population (2001 Census):

Legislators/Senior Officials/ Managers:	1,156
Prof./Semi Prof./Technical Workers:	8,497
Adm. and Clerical Workers:	2,855
Services/Sales Workers:	18,583
Farm/Fishing/Forestry Workers:	106,039
Craft and Trade Workers:	26,717
Production Labor Workers:	3,781
Others and not stated:	31,071

No. of Migrated People
(from outside) (2001): 66,547

No. of Industries Registered and
Approved for Foreign Investment: 8 (2005/06)

No. of Small & Cottage Industries
Registered: 127 (Fiscal Year 062/63)

Agricultural Production (in 2005/06):

Paddy:	101,890 Metric Ton
Maize:	56,750 Metric Ton
Millet:	135 Metric Ton
Wheat:	30,353 Metric Ton
Barley:	32 Metric Ton
Oil Seed:	10,100 Metric Ton
Potato:	24,375 Metric Ton
Tobacco:	4 Metric Ton
Sugarcane:	13,500 Metric Ton
Lentil:	18,200 Metric Ton
Chick Pea:	285 Metric Ton
Pigeon Pea:	48 Metric Ton
Black Gram:	355 Metric Ton
Soya bean:	329 Metric Ton
Other pulses:	236 Metric Ton
Fruits:	5,802 Metric Ton
Vegetables:	32,886 Metric Ton
Milk:	26,472 Metric Ton
Meat:	4,796 Metric Ton
Egg:	17,239,000 Nos.
Wool:	20,356 Kg
Fish:	206,600 Kg

Infrastructures:	Road: 589.8 Km (2004)
	No. of Airport: 1
No. of schools (2005):	728
No. of Campuses:	5 (Private: 4, Constituent: 1)
No. of Banks (2006):	10
No. of Households consuming Electricity (2007):	28,676 (31.1% of Total Households)

Details of finding of RMA – Ghorahi and Tulshipur, Dang:

Ghorahi and Tulshipur are two separate municipalities of Dang district. The national highway intersects the Dang district and is an important commercial and transit point for the hilly districts of the Rapti Zone namely Pyuthan, Salyan, Rukum and Rolpa, the area hardest hit during the conflict period.

Dang is one of the highly potential district for economic development and employment generation. It has a valley of 90 KM long stretching east to west with fertile land. The districts and areas in the vicinity have plentiful of agriculture, forest and mineral based raw materials. Huge deposit of coal,

limestone and terracotta quality clay are available in the district and detailed feasibility study have been undertaken by many entrepreneurs. Existing major enterprises are brick making, hotel & restaurants, wooden furniture, coal mining, construction materials, iron metal fabrication, tailoring, saw mills, restaurants and tea shops, tailoring and garments, petty vending business and retail shops. Many people come from adjoining hilly districts to Dang for work and commercial motive. Similarly, many families have migrated to Dang areas from the nearby hilly districts for settlement looking for opportunities and future potentialities.

Dang and adjoining districts were the hardest hit areas during conflict and this has a impact in the labor market. There has been sizeable migration and displacement of people during the insurgency period. There is a tendency on the part of the enterprises/employer, to give preference to Indian workers who they say are not bound to join union or sister groups of political parties in Nepal and are more likely to concentrate on job. People from Terai community and local from Dang are relatively skilled in comparison to the people from adjoining hill districts and hence they dominate the local job market. Hotels and restaurants, transportation, automobile repairs, brick kiln, construction, furniture, jewelry are the potential sector in this district. Brick kiln, jewelry making enterprises employ mostly Indians.

Many economically active population from this region, still opt to go to India for employment in unskilled and informal sector activities including household jobs. Technical training institutes providing quality training are very few in this area too. Local CCIs and the business membership organizations report that the existing technical training providers in the area do not have capability and infrastructure for market driven and customized training and hence are hardly facilitating supply of skilled workers.

In the course of RMA, the FNCCI's Assessment and Survey team members contacted a total of 128 firms/enterprises in Tulshipur and Ghorahi engaged in various categories of industry and service enterprises, CCIs/BMOs, Employers, knowledgeable persons, and development projects and organizations to acquire information about the existing job market/activities, demand situation for workers and information on future employment opportunity. On the basis of this, findings of RMA is provided in the two Annexes containing "Integrated Summary" and "Details about Surveyed Enterprises" attached herewith in this report. Altogether around 2885 employment opportunity by job type and level (skilled, semi-skilled) is estimated in the district.

Study findings about the key areas of employment opportunities in the 2 market centers are furnished below:

Hotel / Restaurant sector:

There are two types of hotel in Dang, they are medium level hotel and economy class. The number of high level hotels are 40 in Ghorahi, Tulshipur

and Lamahi, which are furnished with attached bath-room, restaurant and training halls and other facilities. Hotel and restaurant sector needs trained and skilled chef (cook), bakers, waiters, front desk officer and house keepers and room boy.

The president of Hotel Organization of Ghorahi and Tulshipur expressed that many leading hotels require skilled workers and tour guides. It is reported that there is training and employment opportunity for 250 people.

Agro product processing:

Dang's major agricultural products are paddy, maize, wheat and lentils. It also produces some oilseeds, A number of rice and pulse milling, oil extraction and flour mills are in existence in the district mostly in Gorahi and Tusulsipur. Beside the conventional milling enterprises, few modern flour and rice mills are in operation in the area. They employ unskilled workers for loading, unloading, and stacking, and skilled and semi skilled workers as machine operator (mistri), weighing & packaging and also cleaning and maintenance of machines. Estimate about the training need and employment opportunity is reportedly 111.

Agriculture based vocation:

Goat meat, milk, fruits, vegetables, fish and poultry and are major agro-based products in the district. Due to rising demand in these products and presence of large hinterland market, the district has large potentiality. As in other districts, awareness amongst the stakeholders is on the rise to raise productivity, commercialization and modernisation of fish farm, dairy, vegetable cultivation and poultry. This has created demand for large number of agriculture technicians like extension service provider (junior technician), poultry technicians, Village Animal Worker (VAW).

Sweets and snacks sector:

Like in other parts of Nepal, due to availability of variety of agriculture and dairy products as raw materials, the sweets shops and bakeries are flourishing in Tulshipur. They produce and market varieties of salted and sweet snacks such as samosha, lalmohan, jalewi, peda, rawadi, pudi etc. These are popular items of daily consumption in the area. There are sizeable number of sweet shops in Tulshipur and Ghorahi areas and surrounding rural areas. There are Nepalese as well as Indian workers engaged to produce these popular food items. It is reported that about 250 skilled and trained youths in pastry and sweets making have employment opportunity or can get involved in the business.

Construction sector:

In Dang too, 160 construction related businesses are affiliated with local Construction Association. There is reportedly abundant job opportunity for skilled and semi skilled workers in the construction and repair of private houses, business & shopping complexes. Besides this, there are major road and infrastructure development projects, repair and maintenance works in public and private sector which provides sizeable employment opportunities for the construction workers.

Like in other districts, contractors are facing hardship to get persons proficient in the construction related works. This vocation engages large number of Indian workers in the area. Frequently needed job position in construction are Carpenters/Cabinet Markers, Steel Fixers, Scaffolders, Masons, Tile Fixers, Plasterers Plumbers, Pipe filters, Drivers (Light/Heavy) Mason helpers, Concrete mixer operators, Helpers (Electrical/mechanical), Block Makers, Electricians (L.T. & H.T.), Earth Moving Equipment Operators, Constructions supervisors, electric and gas Welders.

Cycle repairing:

Dang valley stretches to a vast area of flat land and therefore bicycle is most popular transportation in the area. Bicycle assembly and repairing is a potential vocation for wage and self employment. It is reported that 150 people will have training and employment opportunity in Ghorahi.

Automobile repair and mechanical workshop:

Automobile workshop sector is another potential sector for employment opportunity in Dang. It is reported that more than 50 auto repair workshop and related vocation are established in Dang mainly in the highway areas, Ghorahi and Tulshipur. During the RMA, altogether 7 workshops were visited, and 102 opportunities were identified.

Furniture sector:

61 members are associated with Furniture Association of Dang. Office bearers reported that, people of local Janakpur area have gained proficiency in the vocation and dominate the labor market. Due to the acceleration in the demand for furniture, locally and nationally, there is reportedly shortage of skilled manpower in furniture industry. The survey covered 10 furniture making enterprises and it is reported that more than 152 training and employment opportunities are available in Tulshipur and Ghorahi area.

Iron metal (grill, shutter, furniture) sector:

Ten iron metal fabricator (grill, shutter maker) were visited in Ghorahi and Tulshipur, Dang. This vocation is one of the area for employment potential. 90 training and employment opportunities were reported during the interview.

Brick making:

Brick making vocation is one of the highly employment potential sector for rural people. During the survey it was reported that one average size brick unit requires more than 50 brick molders. One brick entrepreneurs told the survey team that, to substitute for Indian workers which is the tradition in the entire brick making industry in the area, he had recruited some Nepalese worker but due to irregularity and absenteeism, he had to resort to hiring of the Indian worker, because of their work ethics and devotion for employment.

Dang has at present 12 chimney brick kilns (BTK). CCI members and entrepreneur opined that, brick sector is high potential for training and employment especially Chaudhari youths. Training and employment opportunities for 980 people reportedly exists in the area.

Cement:

In Dang district there exists vast amount of limestone deposits used as main raw materials for cement industries. Recently, there was a notice explaining proposal to set up a large scale cement factory in the district. Cement is a capital intensive industries and also needs large number of technicians, electricians, machine operators, semi-skilled workers. The estimate of unskilled and semi-skilled workers requirement in this venture is put at a minimum of 520, broken down into mechanics, machine operators, mistris, and helpers working in the raw-material feeding line, production and packaging line.

Jewelry making :

The number of jewelry making workshops in Dang are more than 100, all catering to the customers from the adjoining hilly areas and hinterland districts. At present, people from Rupandehi, Palpa, and Arghakhachi are playing dominant role in this business. Jewelry and ornament making is one of the potential sector targeting to dalit youths in Dang. This is a traditional business of dalit community in the area and at present this traditional skills is transferred through their seniors to the family members. Altogether, 11 enterprises were visited during the survey. It is reported that because of inclination to change profession by most of the dalit youths especially male, dalit women can be potential target group for training and employment in this vocation. There exist training and job opportunity for 265 people in this vocation.

Coal:

Organized mining of coal reserves is only done in Dang district. Seven coal mines are in operation in hilly areas of Dang. Cave cutter, coal digger and unskilled laborers are type of skills required by the coal mines.

Coal is used in heating, cooking and particularly in brick kilns. Presently, the composition of the workers in the coal mines are mixed. People from out side the district and also locals are engaged in the vocation. The workers have learned the skill through learning by doing. The coal entrepreneurs express that, imparting systematic training for cutting, processing, grading can improve the quality of coal mined. And this will help generate more production and employment opportunity.

7.4 RUPANDEHI

Brief Profile:

District Area:	1,360 Sq. KMs.
Distribution of Land:	High Mountain: 1,107 Hectares
Mid Mountain:	522 Hectares
	Siwalik: 19,725 Hectares
	Terai: 119,996 Hectares
	Cultivated: 90,421 Hectares
	Pasture: 1,015 Hectares
	Forest: 39,322 Hectares
Total Population:	708,419 (2001 Census)
Literacy Rate:	65.95% (2001 Census)
No. of Municipalities/VDCs:	71
Economically Active Population:	267,691 (2001 Census)
Economically Inactive Population:	254,040 (2001 Census)
Major Groups of Economically Active Population (2001 Census):	
Legislators/Senior Officials/Managers:	3,432
Prof./Semi Prof./Technical Workers:	16,908
Adm. and Clerical Workers:	7,141
Services/Sales Workers:	37,562
Farm/Fishing/Forestry Workers:	92,009
Craft and Trade Workers:	34,620
Production Labor Workers:	8,268
Others and not stated:	39,657
No. of Migrated People (from outside) (2001):	240,873
No. of Industries Registered and Approved for Foreign Investment:	107 (2005/06) (Approved: 23)
No. of Small & Cottage Industries Registered:	361 (Fiscal Year 062/63)

Agricultural Production (in 2005/06):

Paddy:	168,258 Metric Ton
Maize:	1,541 Metric Ton
Millet:	- Metric Ton
Wheat:	72,400 Metric Ton
Barley:	30 Metric Ton
Oil Seed:	3,250 Metric Ton
Potato:	52,250 Metric Ton
Tobacco:	15 Metric Ton
Sugarcane:	185,000 Metric Ton
Lentil:	1,850 Metric Ton
Chick Pea:	77 Metric Ton
Pigeon Pea:	1,900 Metric Ton
Black Gram:	32 Metric Ton
Soya bean:	100 Metric Ton
Other pulses:	861 Metric Ton
Fruits:	8,700 Metric Ton
Vegetables:	40,498 Metric Ton
Milk:	24,631 Metric Ton
Meat:	4,751 Metric Ton
Egg:	13,760,000 Nos.
Wool:	5,022 Kg
Fish:	1,749,100 Kg

Infrastructures:	Road: 352 Km (2004)
	No. of Airport: 1
No. of schools (2005):	984
No. of Campus:	16 (Private: 13 Constituent: 3)
No. of Banks (2006):	34
No. of Households consuming Electricity (2007):	67,232 (51% of Total Households)

Details of finding of RMA – Butwal and Bhairahawa, Rupandehi:

Butwal and Bhairahawa of Rupandehi district are fast growing cities of western region of Nepal. Bhairahawa is an important transit point with India. Many big and small industrial and commercial enterprises are located in Butwal and Bhairahawa corridor. In Rupandehi, people are migrated for settlement and employment from adjacent hilly districts such as Palpa, Gulmi, Arghakhachi, Pyuthan, Dang, Syangja, Parbat and Baglung.

The district has many large and medium scale cement factories, metal and wood furniture, iron rod factories, automobile body making and repair workshop, light engineering workshops, etc. Similarly many a micro, small and medium enterprises are found operating in hotel & restaurant, automobile repair, polyethylene and plastic products, mechanical workshop, iron & steel fabrication, steel and wooden furniture, construction sector business, transportation, gas, retail shop, poultry, vehicle body making, rice mill, oil mill, floor mill, animal feed, processed food, biscuits and toffee, cycle rickshaw repairing etc. Butwal Industrial Estate has provided the physical and infrastructure facility to the industries and houses more than 100 units of different type of industries catering to local and export market. Due to sizeable traffic of vehicles in the area, auto body making and repair village has been established in Butwal where, more than 400 enterprises related to auto mechanical business are operating. Similarly tourism sector is also an emerging sector in Rupandehi because of Lumbini the birth place of Lord Buddha is near to Bhairahawa.

Labor market in Butwal and Bhairahawa is more organized in the sense that employer largely give preference to the proficiency and productivity aspect of the workers. Interviews with entrepreneurs/employers, revealed that they prefer Indian workers due to their higher level of work commitment and regularity. Also due to the absence of flexible labor policy and Labor Act, they prefer the Indian workers who are not interested to join politicized trade unions in Nepal. Many of the Nepalese laborers who join Unions indulge in frequent flash strike, gheraos, unjustified demand and frequent absenteeism at the behest of the unions and political parties.

Organized sector, non-governmental and private technical and vocational training institutes providing quality training is also on the rise in the area. Local CCIs and the business membership organizations reported that except few, the existing technical training providers in the area do not have required infrastructure and resources to cater to customized training need of the vast and diversified labor market of the area.

In the course of RMA, the FNCCI's Assessment and Survey team members contacted 151 firms/enterprises in Bhairahawa and Butwal area engaged in various categories of industry and service enterprises, CCIs/BMOs, NGO organization, prominent potential employers, knowledgeable persons and development organizations to find out information about the existing job market/activities, demand situation for workers and information on future employment opportunity. On the basis of this, findings of RMA is provided in the two Annexes containing "Integrated Summary" and "Details about Surveyed Enterprises" attached herewith in this report. Altogether around 6,600 employment opportunity by job type and level (skilled, semi-skilled) is estimated in the district.

Information about the major areas of employment opportunities and information on present supply of labor in these 2 industrial and commercial market centers are provided hereunder :

Hotel /Restaurants:

Butwal and Bhairahawa are fast developing commercial and industrial cluster cities and are strategic transit point to India for many adjoining district in the region. As can be noted sizeable population, both permanent residents and mobile population, reside in the area which has resulted for vast food and lodging and hospitability business in the area. More than 100 hotels and restaurants of star class, middle class and different grades and facilities are catering to the visitors in Butwal Bhairahawa area . There are guest houses and accommodation also managed by family members. On interview with the President of Hotel Organization of Butwal, it was reported that, except star class hotels, all other hotels are manned with untrained and unskilled workers and staffs. Skilled professionals and skilled workers if available can get employment opportunity in this sector. 19 hotels were covered in hotel and restaurant sector, and it is deduced that there exist training and job opportunity for about 300 people.

Agro product processing:

Major agricultural produce of the district are paddy and wheat. It also produces some lentils and oilseeds, A number of rice and pulse milling, oil extraction and flour mills are in existence in the district mostly in the outskirts of Butwal and Siddarthanagar. There are a number of modern flour and rice mills in addition to many rice, flour, oil extraction mills. They employ unskilled workers for loading, unloading, and stacking, and skilled and semi skilled workers as machine operator (mistri), weighing & packaging and also cleaning and maintenance of machines. Estimate about the training need and employment opportunity is reportedly 121.

Agriculture based vocation:

Rupandehi produces varieties of agro based products namely milk, fish, poultry and fruits. Due mainly to existence of large size market both in the region and adjoining Indian market, new business have been established in the area. Also, the movement to raise productivity and scale of operation is on the rise. The area is also witnessing expansion of some agri-business and agri-cooperatives. This has created demand for large number of agriculture technicians like extension service provider (junior technician), poultry technicians, Village Animal Worker (VAW).

Automobile repair and maintenance sector:

An automobile repair village to cater to various jobs related to vehicle repair and maintenance has been established in a village near Butwal . It is known that more than 400 enterprises are established in this village to provide all type of services under one complex. It is reported during the survey that the automobile sector also are in short supply of skilled mechanics, engine

repairing, electrical/mechanical/ electrical wiring helpers, denting, painting, body building etc. This sector is also found potential for employment generation. Summarizing the findings of the survey, there exist training and employment opportunity for about 200 people in this vocation.

Furniture sector:

Wooden furniture making has high potential of growth and the resultant employment to the workers is sizeable in Butwal and Bhairahawa. President of Furniture Association of Rupandehi (FAR) was interviewed to get an idea about the employment opportunity and labor market situation in furniture sector of Rupandehi. As per him, there are more than 2,000 (small to big / registered and none registered) furniture industries running in Rupandehi. He is of the opinion that the employment opportunity in furniture sector is sizeable in Rupandehi.

He also told that, the furniture sector has employment opportunity for about 2,000 skilled workers in Butwal and Bhairahawa area. As is the job situation at present more than 60% opportunity is captured by Indian workers. Indians are given lead and skilled job of mechanics, engine repair, denting etc., whereas Nepalese workers are given the job of helpers and semi skilled vocation.

FAR is interested to get involved in the skill transfer training to potential Nepalese workers. As was told to the team the duration of basic course to be organized in the workshop should be minimum of 4 months and weekly training would comprise of one day theoretical course followed by 5 days practical. After completing the course, the trainees will be placed in the job in the same workshop.

Cement:

Rupandehi district and its neighbourhood has about half a dozen of mini-cement industries operated mainly on the basis of clinker produced elsewhere or imported. Cement production enterprises need a number of manpower in the vocation of production supervisors, technicians, machine operators and dozens of semi-skilled workers. The existing cement making units in the district are employing many Indian workers. Also, it has been reported that because of high demand in India and Nepal for workers experienced in cement plants, there is quick labour turnover and they frequently leave the job. One estimate of employment opportunity and training requirement in the cement entities in the district is put at a minimum of 500, broken down into semi-skilled mechanics, machine operators, mistris, and helpers.

Concrete/Aggregate/Stone Crushers:

Rupandehi has more than 50 enterprises in stone crushing business. The products find easy export market to India. There is huge demand for stone aggregates, boulders and concrete in the Indian market and therefore, there is significant opportunity for this enterprise to prosper in the area. Stone crushing enterprises employ large number of skilled and semi skilled workers. The skilled jobs like machine operators, crusher operators, loaders, graders, etc. , are occupied by Indians and the unskilled manual workers by Nepalese. This sector is reportedly has employment opportunity for a minimum of 100 crusher operator and machine operators.

Iron metal (grill, shutter, furniture) sector:

Due to rise in the construction and repair of residential and commercial building, the demand for iron metal fabrication (iron grill and shutter) products has been growing. The number of iron metal fabrication enterprises are 245 till the fiscal year 2061, it was reported during the survey. There are equal number of small iron metal fabrication in the informal sector (not registered) operating in the area. The survey had covered 7 enterprises in Butwal and Bhairahawa and it was reported that there is training and employment opportunity for more than 650 in all over the district.

Sweets and snacks sector:

Sweets produced in Bhairahawa are famous for its purity and taste. Expansion of small market centers throughout the corridor of Bhairahawa and Butwal, has created many opportunities for small enterprises and employment in this business. Most of the sweet shops are established by the people of Terai community as well as people from India. Similarly, the sweet makers are also from the same group since the skill is learned by them in Indian market. As reported about 50 people have immediate training and employment opportunity. This sector can also developed as a prospective area for self employment

Beauty parlor and saloon sector:

Four hair cutting enterprise were consulted during the market study. In Butwal and Bhairahawa, most of the hair cutters are from India. It is reported that local Nepalese have not yet entered this vocation because of their attitude towards dignity of labor, feeling of low level job and above all lack of skill and training exposure. Wage employment as well as self employment in this vocation should be supported.

Brick making:

45 Brick industries have been registered in Ruapndehi as at the year 2061 according to OCSI. During the meeting with different stakeholders, it is found that, Indian workers have dominated brick making factories in this area too. The molders, technicians are highly needed vocation in brick making industries. The bricks made in this district are supplied to Palpa, Arghakhachi and Syangja districts besides the growing local market. Hence, to meet the labor market demand in this vocation, training program should be provided targeting people from the Terai communities of the project area. Member and officials of Siddarthanagar CCI told during the study that, more than 650 trained people can have employment opportunity both by replacement of Indian workers and new enterprises .

7.5 KAILALI:

Brief Profile:

District Area:	3,235 Sq. KMs.
Distribution of Land:	Mid Mountain: 1,847 Hectares Siwalik: 130,156 Hectares Terai: 192,788 Hectares
	Cultivated: 69,667 Hectares Pasture: 4,837 Hectares Forest: 23,109 Hectares
Total Population:	616,6979 (2001 Census)
Literacy Rate:	52.06% (2001 Census)
No. of Municipalities/VDCs:	44
Economically Active Population:	280,077 (2001 Census)
Economically Inactive Population:	164,601 (2001 Census)
Major Groups of Economically Active Population (2001 Census):	
Legislators/Senior Officials/Managers:	833
Prof./Semi Prof./Technical Workers:	6,451
Adm. and Clerical Workers:	7,338
Services/Sales Workers:	18,662
Farm/Fishing/Forestry Workers:	149,991
Craft and Trade Workers:	14,453
Production Labor Workers:	2,333
Others and not stated:	39,405
No. of Migrated People (from outside) (2001):	177,094
No. of Industries Registered and Approved for Foreign Investment:	15 (2005/06) (Approved: 1)
No. of Small & Cottage Industries Registered:	126 (Fiscal Year 062/63)

Entrepreneurs trained by Small &
Cottage Industries:

223 (Fiscal Year 062/63)

Agricultural Production (in 2005/06):

Paddy:	149,205 Metric Ton
Maize:	247,750 Metric Ton
Millet:	180 Metric Ton
Wheat:	49,742 Metric Ton
Barley:	160 Metric Ton
Oil Seed:	14,900 Metric Ton
Potato:	35,900 Metric Ton
Tobacco:	10 Metric Ton
Sugarcane:	132,000 Metric Ton
Lentil:	12,500 Metric Ton
Chick Pea:	170 Metric Ton
Pigeon Pea:	176 Metric Ton
Black Gram:	155 Metric Ton
Soya bean:	130 Metric Ton
Other pulses:	85 Metric Ton
Fruits:	6,576 Metric Ton
Vegetables:	29,989 Metric Ton
Milk:	37,385 Metric Ton
Meat:	6,301 Metric Ton
Egg:	9420,000 Nos.
Wool:	13,903 Kg
Fish:	355,000 Kg

Infrastructures: Road: 449.8 Km (2004)
No. of Airport: 2

No. of schools (2005): 800

No. of Campus: 4 (Private)

No. of Banks (2006): 15

No. of Households consuming
Electricity (2007): 25,938 (24.6% of Total Households)

Details of finding of RMA – Dhangadhi, Kailali:

Dhangadhi in Kailali is the gateway to India for far western region. People of hilly districts Dadeldhura, Doti, Baitadi, Darchula, Accham, Bajhang and Bajura generally visit Dhangadhi for business purpose and also transit to India. Kailali is also demographically chaudhari dominated district. Mahendra Highway has crossed district from east to west and 8 small market centers

exist in highway where ample opportunity for self-employment and wage employment are available. Dhangadhi and other market centers are also highly influenced by the Indian workers and Nepalese people mostly Chaudharies are occupied in semi-skilled and unskilled work.

In Dhangadhi, furniture, cycle rickshaw assembling and repairing, automobile workshops, iron metal fabrication, construction, hotel restaurant, tea shop, retail shop, auto mechanical, tailoring are the leading business ventures. Many people from Dailekh, Surkhet, Jajarkot, Kalikot are settled in and around Dhangadhi for work for income generation.

Information gathered from the district Cottage Industry Office and the Municipality, shows that major enterprises in Dhangadhi are rice & oil mills, wooden furniture, construction and construction material, brick making etc. Like other transit points, the hotel and restaurants, sweets and snack shops, are also on the rise. Most of the workers engaged in the business and industrial enterprises are from the adjoining hill districts. In hair cutting, brick-making, sweetshops and snack shops majority of people are from India and Terai community.

Vocational training institutes providing quality skill training are limited in the area. Local CCIs and the business membership organizations reported that the existing technical training providers in the area do not have capability and infrastructure for market driven and customized training..

In the course of RMA, the FNCCI's Assessment and Survey team contacted 34 business and industrial enterprises, CCIs/BMOs, Employers, knowledgeable persons, and development organizations in Dhangadhi to get feedback about the existing job market/activities, type of job mostly in demand and information on future employment opportunity. The feedback received during RMA is provided in the two Annexes containing "Integrated Summary" and "Details about Surveyed Enterprises" attached herewith. Altogether about 640 employment opportunity by job type and level (skilled, semi-skilled) is reported in the district.

Information about the major areas of employment opportunities and information on present supply of labor in the township and market centers in Kailali are furnished hereunder :

Hotel / Restaurant sector:

In Kailali, Dhangadhi, there are 10 leading hotels and many small hotels and restaurants at economy level. Very few hotel have trained and professional workers to satisfy the need of the customers. During the survey it was reported by the concerned that about 100 opportunities especially in cook and waiters, exist in Dhangadhi.

Construction sector:

In construction sector, mason, house wiring, plumber and tile fitting are the major sub sector. Since the urbanization process is increasing in Kailali, the opportunity in construction sector is increasing. Nepalese people mainly Chaudharies work as a helper and labor in construction sector. If the skills training based on labor market need is provided to unemployed youth, they will surely get work in different vocation of construction in different market centers of Kailali.

Automobile repair and mechanical workshop:

Dhangadhi is the regional center of far western region. It has heavy traffic of vehicles with major cities of Nepal. The number of automobile workshops are about eight in Dhangadhi at present. There is high demand for skilled job in this vocation. Skill workers have the opportunity to get the job in workshop such as engine repairing, body making, servicing, tyre repairing etc.

Furniture sector:

It is reported that about 100 furniture industries are running in Dhangadhi and about the same number in other market centers of Kailali. There is downright shortage of skilled workers in Kailali in this vocation. Forecast about the requirement in the labor market in this vocation is put at 250 opportunities. At present, skilled workers come from Bareli and other parts of India. Some time, the Indian workers go to their home and the business gets highly affected.

Iron metal (grill, shutter, furniture) sector:

Of the 35 units, five iron metal fabricator (grill, shutter maker) were consulted during the survey in Dhangadhi. Presently, almost all workers are learning by doing type of cadres. Formal training institutes are not available to provide training and transfer of skills in this vocation. There is training and employment opportunity for about 70 people in this vocation in the area.

Agro product processing:

Major agricultural produce of the Dhangadi district are maize, paddy, sugarcane, wheat, lentil and oil seeds. A number of rice and pulse milling, oil extraction and flour mills are in existence in Kailali and its vicinity. There are few modern dal, flour and rice mills in addition to small scale rice, flour, oil extraction mills in the area. Like in other districts, these enterprises employ unskilled workers for loading, unloading, and stacking, and skilled and semi skilled workers as machine operator (mistri), weighing & packaging and also cleaning and maintenance of machines. Estimate about the training need and employment opportunity in these enterprises is put at 60.

Agriculture based vocation:

Agro-based products in Dhangadhi are milk, fish, fruit and vegetables. Increasing consciousness to enhance productivity in agriculture sector is noticed in this districts too. This has created demand for large number of agriculture technicians like extension service provider (junior technician), poultry technicians, Village Animal Worker (VAW)..

Sweets and snacks sector:

Dhangadhi is popular in sweets and snacks items. Many visitors and local people consume sweets and salty light food during breakfast and daytime meal. The survey has shown about 70 sweet shops established in Kailali and are reportedly potential for self entrepreneurship.

Beauty parlor and saloon sector:

Very few Chaudhary people have started the hair cutting business as a profession in Kailali. Mainly Land Reform Office has conducted skill transfer program in hair cutting targeting to Ex-Kamaiyas with tools and equipment after training. But the very less people have started the business. One of the major reasons of less number is the lacking of knowledge on business literacy to start and run the business. This is the very potential area for self employment.

Bricks:

In Kailali, 40 chimney kilns are running and the number of Bhuse kiln is also high in the district. F-SKILL had conducted brick molding training to Chaudhary youths to replace the Indian workers. This has helped some industries to hire locally trained molders. It is reported that, still now, there exists some opportunity for employment of brick molders and brick making technicians.

Tailoring / local garmenting:

Tailoring and local garment is highly potential areas for income generation in this area people. Trained and high skilled workers in modern fashion designing and suit stitching are still in short supply in the market of Kailali. This is a potential area for self and wage based employment to the skilled worker.

8. Summary of Findings and Recommendations:

Based on our quick and rapid assessment, the report provides indication of employment opportunity and requirement of vocational training in the major manufacturing, production oriented and service enterprises in the mid western region. Besides these activities covered in this RMA, as per our study and information supplied by the CCIs and knowledgeable business persons, there are large infrastructure projects and enterprises such as completion phase of Surkhet-Jumla highway, initiation of north-south roads, West Seti hydropower generation and transmission lines, irrigation projects, proposed large scale cement factories (one in Dang and another in Surkhet) and a number of reconstruction and rebuilding programs in the area. It is reported that one 1000 M.Ton/day cement plant will generate employment opportunities for at least 1500 workers. The number of the job for semi-skilled and unskilled workers will range from 500-700 per entity. These all will open up enormous opportunities (one estimates suggest a requirement of about 8000 to 10,000 fresh hands) for the jobs like electricians (building and industrial), masons, plumbers, scaffolders, carpenters, plasterers, masons, block makers, earth moving equipment operators, drivers (light/heavy), gas welders, machine operators, industrial workers(weighing, packaging, loading), general administrative staffs, utility equipment operators, waiter and waitresses, tour guides etc. Even if these planned projects and enterprises may not get materialized within the time frame of this project, the skills imparted through EIG-CM training programs will prepare targeted youths to take advantage of the employment opportunities such enterprises and projects will bring.

There are many opportunities for self employment in the location covered by this RMA. The small enterprises, which can be taken with small investment, local resources and targeted to local market are the most appropriate for self employment. These enterprises can bring significant economic benefit to the local population and local economy. List of the potential enterprises for self employment in the area are given in the Annex III attached.

The Study has also found many vocational opportunities suitable to women employment in all the market centers. Women can take up many jobs along with male candidates if they got the opportunities to attain skill through training and education. Annex IV, provides list of appropriate vocations areas for employment to women target group. Women can be gainfully employed in household level enterprises producing utility items, and craft products or in a sub contracting model, where, they can work at home to supply the products to bigger units who do the labeling, branding and packaging of these products in bulk.

There is also large exodus of youths from the region to seek job opportunities abroad. Region wise information is not available. The remittance money received by the country from these workers exceeds more than NRs.125 billion a year. Department of Labor and Employment Promotion shows a total overseas employment figure of 591,400, during 2004/05 with the largest number going to Malaysia followed by Qatar, Saudi Arabia, and United Arab Emirates. A recent World Bank report shows that that remittance had a major role to play in maintaining the economy and reduction of poverty level.

According to the report between 1996 and 2004, remittance inflows soared from 3% of GDP (US\$203 million) to 12% of GDP (US\$794 million), mainly contributed by foreign employed workers.

At present vast majority of Nepalese going for foreign employment land in the job of 'unskilled' categories. Very few percentage get semi-skilled jobs in electric & mechanic assistants, hospitality, healthcare, light and heavy vehicle drivers, equipment operators. Many of them languish in unskilled jobs such as construction workers, glass cutters, food preparation assistants, waiters & kitchen helpers, laundry, gardeners, cleaners, guards & watch men, and other similar types of menial works. This is where the EIG-CM can extend a helping role for the future foreign employment seekers. Focusing on identified vocational and skill-upgrading trainings and making them skilled or semi-skilled workers, the remittance from these foreign workers can be significantly increased. This will not only contribute to creating better living conditions of these workers in the respective destinations, but even more importantly, also providing these youths of more choices and opportunities of employment even within the country itself.

It is also reported that only about 10 per cent of the people going on foreign employment have taken training and have some skills to handle the job. Since 90 per cent are unskilled workers they are paid lowly. By focusing to the potential foreign employment seekers in the target groups and training them as per need of the foreign market, EIG-CM will significantly contribute to make them earn higher salaries (higher remittances), and at the same time preparing a skilled workforce who can also initiate self-employment generating additional wage employment.

Below is provided some broad points and concern of the FNCCI/ CCIs / Industry and Commodity Associations including the employers in the areas to be addressed in order to bring reform in the labor market and providing quality training for enhancing trainees' employability:

- The micro, small and medium and large manufacturing sector is likely to remain an important source of sustainable new jobs. They are also well placed to receive workers transitioning out of agriculture.
- Due to long period of conflict and lingering transition, formal sector employment growth has been at a standstill in the area. After the election of Constituent Assembly and formation of elected government, there is high hope for improvement in the general development environment. The project area has high potential in commercialization of agriculture and forest products, energy generation, exploitation of mines and minerals and infrastructural development. Thus in the coming days, with peace and focus on development there will be greater surge in additional employment opportunity in the area.
- The trade unions in Nepal which represent various lobbies of political parties has intruded in almost every industrial and business establishments and have persuaded Nepalese workers into their fold.

The current labour law asserts the protection and welfare of the workers without any mentioning of work orientation, discipline, productivity based incentives and better industrial relations. Rigid employment provisions (compulsion to provide permanent employment status, after 240 days), blanket security of job and virtually inflexible rules to take disciplinary action to the erring workers are some major concern of the business community. During recent days, it has been a common phenomenon to indulge in frequent serial strikes, gherao, lockout, and flash demand to raise salaries and employment benefit by the laborer affiliated to the trade unions. These types of disturbances at the work place raises transaction cost for producers and makes their business uncompetitive and can cause business failures. To avoid this, management/employers opt for hiring Indian workers who have no demand for permanency and also refrain to form group or join trade unions to press for grievances. Business community has been stressing reform in labour laws with focus on better industrial relation, no work no pay, productivity linked security and employment benefits. Once this is conceded, the employer will be equally encouraged to hire Nepalese and replacement of Indian workers can take place.

- In the area, most workers at present learn trade on the job at their place of work from other fellow workers. These apprenticeship are based on traditional technologies and ideas from previous generations. The quality of training is thus only as good as the skills of the master and his willingness and ability to pass them on. Hence the importance of theoretical aspect of learning which will make the worker more skilled to produce high quality products and services.
- Quality vocational training institute are very limited in the region. The few technical institutes launching training at present are lacking in curricula and training infrastructure linked to the labor market and are constrained to develop the skills that employers seek.
- Due to absence of specialized TTP producing skilled workers and general absence of skilled manpower in the labor market, the practice followed by many entrepreneurs is hiring of new entrants in labor cadre or as junior level work and later after a while when they attain experience in the job they are given job of mistri, head mistri etc.
- The TTPs need to convince the stakeholders of labor market that they are sufficiently capable to produce required skill cadres within a set time frame of training period and present better substitutes than the “learning-by-doing cadres”.
- Employer would prefer to recruit a new workers after having impression of his attitude to work and chances of affable relations with potential candidate. For this internship and OJT is accepted by most of the employers/entrepreneurs. The OJT/internship can help nurture better relation between trainees and potential employer and lead to job placement.

- Collaboration and participation of local Chamber of Commerce and Industry (CCI) and other Industry and Commodity Associations can play vital role for job placement after OJT / Internship.
- Skill training programs should also encompass sensitizing about employer-labor relations labor law and rules, workers code of conduct, retraining, career planning etc.
- Indian skilled workers occupy major areas of employment in many areas of Nepal especially in the bordering and hinterland districts of Nepal. 7 urban market centers under reference in the mid western region of Nepal are no exception to this. As reported by the employers and entrepreneurs they prefer Indian workers because they have skill to better handle the job, have high work ethics and higher productivity and they do not get involved with group interest and trade unions. TTPs need to pay special attention to this behavior while grooming them for the labor market.
- Exposing target group and trainees about self-employment opportunities in enterprise sectors and mechanism to facilitate entry to entrepreneurship is also an equally effective approach to achieve income generation. In the coming days, this area needs more focus and EIG-CM need to expand activities to identify potential self-employment enterprises; provide appropriate skill trainings and extend post training support to facilitate start-up of the enterprises. FNCCI, CCIs and Trade & Industry Associations are better placed to undertake package of these interventions.
- Presently, the activities in the rural areas of mid west region are primarily agriculture oriented and the opportunity for employment in the non farm sector will be insignificant for certain years to come. Initiation of infrastructure projects like hydro power, roads, irrigation, quarrying and mineral based cement industries etc., can enhance the possibility for wage employment. As is the situation now, there exists potentiality to promote some micro and small scale enterprises based on local endowments and raw materials, and which will be self employment type rather than providing significant number of wage employment. Therefore, in our opinion, the immediate strategy for rural youth training need to focus on trainings which can assist and motivate to start self employment enterprises and skills and practices for commercialization of agriculture specifically high value crops, off-season vegetables and neighboring market oriented production.

FNCCI and CCIs are willing and committed to work with EIG-CM Project to address the challenges and contribute to facilitate growth and reform of labor market and enhance employment opportunity of trained and skilled Nepalese youths.

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Annexes

Details about Surveyed Enterprises

List of Potential Enterprises for Self-employment

- Bee-keeping and Honey
- Candle Making
- Masala(Spices) production
- Incense and scented sticks
- Allo spinning and cloth making
- Embroidery
- Hosiery and socks
- Hair & Body Saloon
- Beauty parlor
- Local vegetable processing, drying and packing
- Noodles, Potato chips and Pulse Snacks
- Fruit processing (juice, marmalade, candies etc.)
- Stationery products, envelopes and printing works
- Fibre handicrafts
- Paper bag making
- Handmade paper
- Retail shops
- Carpenter shop & Wooden Furniture
- Signboard, hoarding board painting
- TV, radio, electronic repair shops
- Plumbing, Sanitary fittings
- Cycle rickshaw repairing
- Motor-cycle repairing (urban centers)
- Tyre repairing workshops
- Mechanical workshops
- Small hotels & restaurants
- Sweet snacks shop
- Local snacks
- Apparel tailoring
- Block printing
- Leather products, shoes & repair shops
- Tea shop
- Vending business (vegetables, masalas etc)
- Collection of vegetables, fish, chicken & egg and other products from rural areas and selling in city market centers.

List of Appropriate Vocations for Women

- Embroidery works
- Bead products weaving
- Thread crafts, knot-crafts
- Apparel and readymade garments
- Incense sticks
- Tika making
- Allo processing spinning and textile weaving
- Hosiery products
- Fruit marmalade
- Fruit candies,
- Ketchup, Pickles,
- Food spices (Masalas)
- Noodles, Potato chips and Pulse Snacks
- Cook, Bakers
- Waiters and maid services in hotel/restaurant
- Vegetable drying and packing
- Ginger drying and processing
- Caretaker and health workers
- Painting in automobile sector
- Jewelry making
- Beauticians and beauty parlor
- Laundry
- Shop assistants
- Brick molding
- Light masonry works

Name of the persons and organizations visited and interviewed

Banke:

<i>SN</i>	<i>Name</i>	<i>Office</i>	<i>Designation</i>
1	Khagendra Baral	OCSI	Chief
2	Dilli Bikram Malla	Hotel Organization of Nepalgunj	President
3	Bhim Neupane	Agro-vet Entrepreneurs Association	„
4	Damodar Acharya	Nepalgunj CCI	„
5	Ashok Karmacharya	„	Secretary General
6	Gopal Singh	Nepalgunj Industrial District Management	
7	Nepal Bhushan Baidhya	„	
8	Suraj Rauniyar	Nepalgunj Municipality	Engineer
9	Jeetendra Hamal	Construction Association of Banke	Secretary General
10	Jeebnath Sapkota	FNCSI, Banke	Chairperson
11	Khem Kumari Neupane	„	Secretary
12	Maya Pyakurel	„	Member
13	Subhash Shrestha	Tempo Entrepreneurs Association, Nepalgunj	Chairperson
14	Bishow Yadab	Labor Market Center	Mistri
15	Pradeep Gupta	Nepalgunj Industrial District Management	Secretary
16	Purnananda Bhatta	Custom office	Acting chief
17	Kumar Koirala	Custom office	
18	Ishori Gyewali	IEDI	

Surkhet:

<i>SN</i>	<i>Name</i>	<i>Office</i>	<i>Designation</i>
1	Binod Dev Panta	CSIDB	Chief
2	Prem Thapa	Hotel Organization of Surkhet	President
3			
4	Surya Bahadur K.C.	Surkhet CCI	„
5	Purna Prasad Sapkot	„	Secretary General
6	Mitra Pykurel	Surkhet CCI	Officer
7	Rajendra Gupta	„	„
8	Tilam Biswakarma	Jewellery Association of Surkhet	President
9	Yam Bahadur B.C.	Construction Association of Banke	Secretary General
10	Dambar Basnet	Construction Association of Banke	President
11	Dilli Prasad Sharma	FNCSI, Sukhet	Member
12	Chandra Bahadur BC	FNCSI Surkhet	Chairperson
13		Birendranagar, Municipality	Engineer

Dang:

SN	Name	Office	Designation
1	Jit Bahadur K.C.	Hotel Organization, Dang	President
2	Netra Dahal	„	Member
3	Madhusudhan Baidhya	Dang CCI	General Secretary
4	Dhruba Shrestha	„	President
5	Damodar Regmi	„	Office Secretary
6	Laxmi Prasad Adhikari	Office of Cottage and Small Industry	Sr. Enterprise Officer
7	Dan Bahadur Adhikari	Furniture Association of Dang	Treasurer
8	Dipendra K. Khatri	Tulasipur CCI	President
9	Dev Raj KC	„	Vice president
10	Min Raj Olee	„	„
11	Khagendra Pokharel	„	General Secretary
12	Bishnu Pun	Hotel Organization of Tulasipur	President
13	Indra B. Dangi	Tulasipur CCI	Treasurer
14	Pareshore Bhattarai	„	Office Secretary
15	Hari Bansa Dahal	Constructor Association of Dang	Member
16	Rajendra Basnet	„	Member
17	Tika Olee	„	Member
18	Bir B. Olee	Tribhuvan Municipality	Engineer
19	Keshab Rijal	Coal Entrepreneurs Association	Member
20	Puspa Neupane	„	Member
21	Basudev Rijal	District Development Committee	Planning Officer

Butwal and Bhairahawa (Rupandehi):

<i>SN</i>	<i>Name</i>	<i>Office</i>	<i>Designation</i>
1	Tara Bhattarai	OCSI	Chief
2	Bishuhari Devkota	BTI	Vice Principal
3	Navaraj Shrestha	BuCCI	President
4	Sanjaya Genwali	„	Executive Officer
5	Kamal Shrestha	„	Officer
6	Tikaram Sharma	RIA	Executive Secretary
7	Madhav Nepal	Hotel Organization of Butwal	President
8	Bishnu Shrestha	Furniture Association of Butwal	President
9	Harihar Thapa	FNCSI	Member
10	Mahendra Shrestha	SCCI	President
11	Khagendra Sharma	„	Executive Secretary
12	Mira Karmacharya	„	Officer
13	Tanka Gaire	Automobile Association	President
14		Constructor Association	Executive Secretary
15	Rajendra Pant	Nirdhan Technical Institute	Vice Principal