

11. Transport and Communication

Road Transport

11.1 Construction of roads continued in fiscal year 2009/10, with the target of linking four district head quarters (Solukhumbu, Manang, Mugu and Bajura) to the road network. Construction of road continued to add to the 19,758 Km existing road length at the end of fiscal year 2008/09 comprising 6,094 Km black topped; 4,772 Km graveled; and 8,89 Km earthen (fair weather). During the first eight months of 2009/10, 210 Km of road has been upgraded to black top level, 60 km to graveled, and 110 Km is newly constructed with the road length extended to a total of 20,138 Km.

Table 11 (a): Road Networks in Nepal

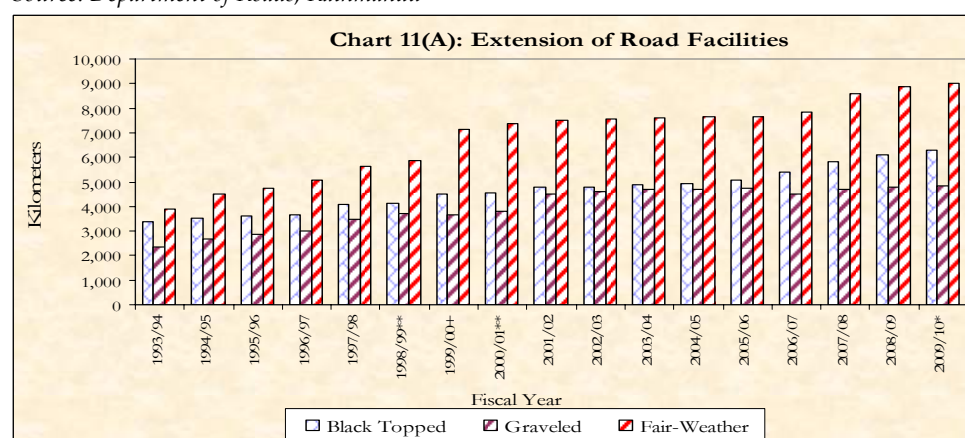
(In Km)

S.N	Types	Fiscal Year			
		2008/09	2009/10*	Until FY 2009/10**	
				Total	Share/Percent
1.	Black Topped	6094	210	6304	31.3
2.	Graveled	4772	60	4832	24.0
3.	Fair-weather	8892	110	9002	44.7
Total		19,758	380	20,138	100.00

* Extended road length up to mid-March of FY 2008/09, ** Total by mid-March 2008

Note: Only the roads constructed by Department of Roads are included

Source: Department of Roads, Kathmandu



Transport Vehicles

- 11.2 The number of vehicles (registered) across the country between fiscal years 1989/90 and 2008/09 stood at 805,614. This number, during first eight months of FY2009/10, increased by 117,981 (15%) reaching the total to 923,595. With this, by mid-March of FY2009/10, the average ratio of vehicles per Kilometer of road across the country is estimated to reach 45 from the previous year's 40.

Table 11(b): Number of Vehicles

Type of Vehicle	Fiscal Year		Total**	Growth percent First (8 months)
	FY 1990/91 - FY 2008/09	FY 2009/10*		
<i>Bus</i>	19685	3000	22685	15.2
<i>Minibus</i>	7497	797	8294	10.6
<i>Car/Jeep Van</i>	100123	7308	107431	7.3
<i>Tractor</i>	44767	6558	51325	14.6
<i>Motorcycle</i>	573020	99084	672104	17.3
<i>Tempo (3 Wheeler)</i>	7373	5	7378	0.06
<i>Microbus</i>	2,063	49	2112	2.4
<i>Truck/Dozer/Crane</i>	40437	359	40796	0.9
<i>Pick Up</i>	4706	107	4813	2.3
<i>Others</i>	5943	714	6657	12.0
Total	805614	117981	923595	14.6

*Added Till mid-March of FY 2009/10

** Total since FY 1989/90 through mid-March 2009/10

Source: Department of Transport Management, Tinkune, Kathmandu.

Policy and Institutional Progress

- 11.3 On the entire transport management part, processes are initiated for the improvement of working modality and the existing resources of Transport Management Offices (TMOs) and policies have been adopted to make the pollution testing process more scientific and systematic.
- 11.4 The process is initiated towards modernizing the transport management work through various measures including, regular departmental monitoring of TMOs, and making the record keeping system more scientific and systematic. Likewise, processes are underway to make transportation management work time-relevant, scientific, and modern.
- 11.5 Appropriate arrangements are being made for the repair and maintenance of roads on regular basis in pursuance of the National Transportation Policy and Periodic plans. Road Board is active in maintaining and

repairing roads by mobilizing such fund, minimizing the road maintenance cost, and making the repair and maintenance works transparent and effective.

- 11.6 The Road Board Nepal, established under the Road Board Act, 2058 (2002) is carrying out regular, periodic, and emergency maintenance works through the utilization of the amount collected as fuel tax, vehicle registration fee and tolls from road users and deposited in the Road Board Fund.
- 11.7 An Executive Committee with the representation of Road Users from various fields has been formed in the spirit of Public-Private Partnership as perceived in the Road Board Act, 2002. The Secretariat (of the Board) is actively engaged in the implementation of the Act, Regulations, and Executive Committee decisions. Priority based programs are being implemented through the road concerned agencies after securing approval from the Executive Committee.
- 11.8 The Department of Roads and local bodies (DDCs and Municipalities) receive necessary fund from the Road Board Fund for repair and maintenance of Strategic Roads Network and Local Roads Network respectively. Arrangements have been made for DDCs and Municipalities to contribute 20 percent and 30 percent respectively as matching funds for maintenance of roads in their respective jurisdiction. The entire amount required by the Department of Roads for regular and one-time maintenance of Strategic Roads Network is being ensured. Concerning repair and maintenance of local road network, funds are availed based on the length, type of the road surface, and vehicles density.
- 11.9 A process is initiated for providing conditional grant to the local bodies for repair and maintenance of local roads network based on the Principle of Devolution (of authority). Likewise, the allocated budget is disbursed directly to these entities.

Table 11 (c): Activities Under the Transportation Sector

<i>S.N</i>	<i>Major works completed</i>	<i>Until FY 2008/09</i>	<i>Achievements in First Eight Months</i>
1	Driving Training Centers (No.)	1089	133
	Numbers Registered	-	31
	Numbers Renewed	-	5
	Number of Vehicles Registered	805614	117981

S.N	Major works completed	Until FY 2008/09	Achievements in First Eight Months
2	Driving License (No.)		
	Numbers of new licenses Issued	1294602	144341
	Numbers Renewed	-	6888
	Duplicate copies issued/ Vehicle category added		25722
	Conversion into Nepali registration numbers / Zone changed	-	2060

Source: Department of Transport Management

Air Service

- 11.10 The Civil Aviation Authority of Nepal (CAAN), established with the objective of developing and expansion of Civil Aviation within and outside Nepal, and making air flights, air communication, air navigation and air transportation services safe, regular, standard, and effectively, has been undertaking safety and regular activities related to civil aviation together with other development and improvement works at airports as per the agreed Standard and Recommendation Practices (SARPS) of ICAO.
- 11.11 There are altogether 54 airports in the country including, 1 international airport, 5 regional hub airports (Nepalgunj, Biratnagar, Bhairahawa, Pokhara and Dhangadi), 43 other domestic airports with 5 airports that are under construction (Kalikot, Kamal Bazar, Masinechaur, Shitleshola and Simichaur). Of these, air services are operated at 34 airports.
- 11.12 The construction works under Corporate Social Responsibility (CSR) of CAAN, such construction of roads, sewerage management and drinking water facilities are being carried out as in the last fiscal year in the TIA vicinity (Gothataar, Koteshwor, Sinamangal etc.)
- 11.13 Overlay works of about 50 percent for TIA's runway, taxiway have been completed, while expansion of stopover facility for international flights has been fully completed. Similarly, as per the TIA's Master Plan, distribution of compensation is started for acquisition of homes, sheds and land in Koteshwor and Sinamangal areas for the development, extension and security.
- 11.14 Due attention is being paid towards making service provision at the airport more effective and efficient. Moreover, efforts are made for bringing extensive improvement in services for passenger arriving at or departing

from TIA in terms of sanitation, terminal management, trolleys and taxi services. The bids evaluation process is underway for introducing Common User Terminal Equipment (CUTE) system at the TIA, as is compulsory in international practice providing single software facility to airlines for passengers check-in and in e-ticketing in an integrated way. For the organized aircraft parking to accommodate increasing international flights at the airport, the international apron has been reevaluated, and works are being carried out for adding one more wide-body parking space to the current two, and making the total number of BAYs eight from the current seven. Arrangements of Executive Lounge and Restaurant have been made with a view to provide services of executive standard to tourists, travelers and service seekers. Likewise, 110 new trolleys are acquisitioned for travelers' comfort, while the administration is processing for the procuring other 250 trolleys.

- 11.15 Since operations of types of aircrafts and air services are on the rise, upgrading the quality and extension of services of internal airports is continued to make air service safer, regular and more reliable.

Airports with Infrastructure Development Programs	
Airports	Works Completed
Gautam Buddha Airport (Bhairahawa)	Overlay work has been accomplished at Gautam Buddha Airport where runway, taxiway and apron were in dilapidated condition. This was done in order to expand the airport as regional international airport and run the airport in a regular and safer way. Similarly, the program is set for the acquisition of 138 Bighas (approx. 87 Ha.) of land in FY 2009/10.
Pokhara Airport	Task of improving the runway, taxiway and apron of Pokhara airport has been accomplished
Chandragadhi Airport (Jhapa)	Task for improving runway, taxi way and apron has been accomplished at the Chandragadhi Airport, with sewerage construction work underway.
Dhangadhi Airport (Kailali)	Since Far Western Region lack Concrete runway airport facility and Dhanghadi being important hub in terms of maintaining regional balance, upgrading and extension works including construction of 1800 meter runway, taxiway and blacktopping of Apron have been completed so as

Airports with Infrastructure Development Programs	
Airports	Works Completed
	to run the airport throughout the year.
Surkhet Airport	In the process of upgrading Surkhet Airport at the headquarter of Mid-Western Development Region, blacktopping on 1040x30 meter runway, construction of parking apron where 5 airplanes of DHC-6 or others of same size can be parked and construction of rigid parking apron have been completed.
Janakpur Airport	The runway of Janakpur Airport has been extended to 1200 meter through the extension of additional 300 meter. Likewise, upgrading its runway, taxiway and apron has also been completed.
Simikot, (Humla) Airport	Distribution of compensation against land acquisition (29 Ropanis) required for the extension of Humla Airport is almost completed while blacktopping works on runway, taxiway and apron are underway.

Airports under construction at Remote Areas	
Airport	Works Completed
Mugu (Rara) Airport	Extension and improvement works on runway and improvement and partial construction of Apron are underway.
Kalikot Airport	Users' Committee is giving continuity to Earthen works in this year as well for the construction of Airport at Kotwada of Kalikot
Kangeldanda Airport	Majority of runway construction works at Kangeldanda is over. Airport services are continued though other infrastructures are yet to be completed.
Kamalbazar Airport	Construction work on Kamal Bazar Airport is over while the test flights are yet to be done.
ThamKharka Airport	Runway construction works have completed. Air services have started though other infrastructures yet to be completed.
Masinechaur (Dolpa) Airport	Construction works are underway after having

	agreement with local users' committee.
Dolpa (Jufal) Airport	Construction works are underway after having agreement with local users' committee.
Manamaya Rai Khanidanda Airport	Test flight was conducted on 2064/11/16 while the runway construction works are almost finished.

- 11.16 Of the Airline Operation Certificates (AOC) issued for the operation of air services, such AOC of only 25 companies are valid. In this fiscal year, four airline companies including Paranova Nepal Pvt. Ltd, Mountain Helicopters Pvt. Ltd., Muktinath Airlines Pvt. Ltd/ Annapurna Paragliding Pvt. Ltd. have been issued AOC. Among 4 airlines, Paranova Nepal Pvt. Ltd and Annapurna Paragliding Pvt. Ltd. are related to recreation and adventure (Aviation sports). In this way, the numbers of Aviation sports-related airlines and the remarkable extension in the service have given expected service to the tourists, resulting in significant contribution to the tourism industry.
- 11.17 Of the Airline Operation Certificates (AOC) issued so far to 54 companies for the operation of air services, only 25 companies have valid certificates. Of the 25 such valid companies, 10 such companies have Fixed Wing aircrafts, 7 Helicopters and 8 for recreational and adventurous sports. Air services are being provided by 21 such valid airlines companies while the rest four companies are in position to carry out its operation soon.
- 11.18 Viewing the flight schedule and the progress report provided by License Department, 5 domestic and international airline companies have extended their air services from the beginning of the current fiscal year. Among these 5 airline companies, China Eastern Airlines has extended its air services between Kungming-Kathmandu-Kungming, TUI (ARKE FLY) between Amsterdam-Kathmandu-Amsterdam, United Airways between Dhaka-Kathmandu-Dhaka and Fly Dubai Airlines between Dubai-Kathmandu-Dubai. Flight schedules of Kingfisher Airlines have been approved for it to carry out its regular air services between Delhi-Kathmandu-Delhi and Mumbai-Kathmandu-Mumbai.
- 11.19 Nepal has signed Bilateral Air Service Agreements (ASA) with 35 countries. Those countries are India, Sri Lanka, South Korea, Bhutan, Japan, Myanmar, Bangladesh, Brunei, China, Malaysia, Singapore, Thailand, Maldives, Philippines, Oman, Egypt, Saudi Arabia, Jordan, Qatar, Bahrain, Pakistan, Kuwait, United Arab Emirates, Israel, Austria, France,

Luxemburg, Russian Federation, Germany, Italy, Netherlands, UK, United States of America, and Croatia.

- 11.20 As per the policy of promoting air route in the leadership of ICAO for making the maximum use of Nepal's Trans Himalayan air space, and East-West International flights, necessary coordination effort with ICAO and other concerned countries is underway for setting up Trans-Himalayan Route and East-West (Kunming-Kathmandu-Delhi) Himalayan route with maximum coverage of Nepal's air space on long-distance international flights. Letter of Agreement (LOA) has been signed in September 2009 on Air Routes between China and India and ATS Coordination Procedures. The Air Route between Nepal and India (Kathmandu-Mahendranagar-Delhi) has been established and brought in operation since signing the agreement with India on November 19, 2009.
- 11.21 Necessary works, including Instrument Flight Procedures and Revision of Air Space, are underway for overall improvement on domestic air routes and air space of different airports. Likewise, the Aeronautical Chart of Nepal has been digitized and the database of the whole procedure, route, approach, and departure chart has been prepared. Necessary steps are underway taken for the publication of new Aeronautical Chart.
- 11.22 In the course of improving Nepal's air space, the preparation of new edition of AIP Nepal is going on together with reforms on different routes and working procedures. Likewise, the work on time relevant amendment of Air Traffic Control Manual is also underway. Infrastructural works are being carried out at Biratnagar and Chadragadhi Airports for the implementation of GPS Approach and Departure with the aim of implementing GPS-based navigation system. ICAO Audit Team has completed auditing works on Flighting Operations, Air Navigation Services and Aerodrome Operation including ICAO Universal Safety Oversight Audit Program (USOAP) on 5 - 15 May 2009.
- 11.23 In the context of implementing provisions on ICAO listed SARPs by contracting states, Civil Aviation requirements and guidelines have been prepared and implemented on the basis of ICAO Annexes by the Authority.
- 11.24 Necessary auditing of Air Traffic Safety was initiated in 2003 and completed in December 2007 under the ICAO Universal Aviation Security Audit Program (USAP) as per the decision to fully execute all the criteria of

Annex-17, the collection of air security measures propounded by ICAO, in all ICAO-member countries as a strategy to adopt to thwart changing features of threat against air transport security. In the process, Nepal's ICAO Aviation Security Audit has been completed in 2006. Implementation of the Corrective Action Plan is going on subsequent to preparation, submission, and receipt of the Report based on the Follow-Up-Audit by ICAO.

- 11.25 Separate Standard Operating Procedures (SOP) have been prepared, approved and implemented for Airport Safety Program, Quality Control Program for National Aviation Safety, National Aviation Security Training and aviation safety related matters as per the commitment made on Corrective Action Plan (CAP).
- 11.26 Security committees, established at all airports of Nepal in pursuance to the Aviation Security Arrangement Regulations 1991, remain active for the execution of policy decisions made by Civil Aviation Security Committee and National Civil Aviation Security Committee towards Air Traffic Safety related activities at airports and central level coordination required for effective implementation those decisions.
- 11.27 As domestic airports have air links with international airports, the security measures taken at domestic airport will have direct impact on the safety of international airports. Therefore, ICAO has recommended to fully executing all the criteria of Annex-17 at domestic airport as well. Hence, security arrangements need to be improved as in order to comply with the ICAO's recommendation and in this process, X-Ray machine has been installed at Pokhara Airport while processes are underway to install such machines at other airports as well.
- 11.28 It is a great challenge to keep flight safety at its highest level due to Nepal's geographical features and difficulties to set up the necessary communication and navigation equipment.
- 11.29 Safety culture is fully emphasized with every operator/maintenance organization made aware to mandatorily adopt Safety Management System as guided by ICAO. The existing NCAR, FOR have been revised and issued in January 2009 which are now brought into effect for the implementation of the Standard and Recommended Practices of ICAO. Likewise, Personnel Licensing Requirements (PLR) and Dangerous Goods Handling Requirements (DGHR), 2009 have been prepared and implemented. For upgrading Nepal Civil Aviation to international standard and bring

uniformity, NCAR parts 145, 147, and 66 have been prepared in line with ESA parts 145, 147, and 66 which are now in the process of implementation.

Information and Communication

- 11.30 A district level mechanism in each district and central level mechanism at the center have been established under the chairmanship of the Information and Communications Minister so as to deliver services through district level agencies under the jurisdiction of the Ministry of Information and Communications. Government of Nepal has approved guidelines necessary for the operation of these mechanisms and implemented accordingly.
- 11.31 Of the provision made to issue licenses for the operation of Direct to Home (DTH) service, 6 licenses have been issued so far. Likewise, there has been provisions for foreign transmission companies to secure license mandatorily to transmit their programs by down-linking them within Nepal's territory and persons or companies those are willing to distribute pay channel signal are also required to obtain license from the concerned authority.

Postal Service

- 11.32 Postal service has been the oldest and mostly used service by the public that has extended its institutional networks up to the remotest villages of Nepal. Besides delivery of letters and parcels, various other services like the publication of postage stamps, conducting Postal Saving Bank, Money Order Services, E-DV Form service, Express Mail Service and e-post service are rendered through the Department of Postal Services and the offices under it.

Table 11(d): Geographical Distribution of Postal Services

<i>Postal Service</i>	<i>Mountain</i>	<i>Hill</i>	<i>Tarai</i>	<i>Total</i>
<i>Regional Postal Directorate</i>				5
<i>District Postal Office</i>				70
<i>Ilaka Postal Office</i>	170	372	300	842
<i>Additional Post Offices</i>	492	1,541	1041	3,074
<i>Grand Total</i>				3,991

Source: Department of Postal Services

- 11.33 Four Postal Directorates under the Department of Postal Services, and Kathmandu General Post Office, have also been providing services that of District Post Offices. Central Money Order Office, Central Postage- Stamps Store, Postal Training Center, and Philatelic Bureau of Kathmandu are the

agencies of this Department. Aside from these postal services, the Department, in the current fiscal year 2009/10, has established 108 multipurpose Tele-centers at postal offices including 58 District Postal Offices and Area Postal Offices. Of the total 117 Postal Offices that were issued licenses to run Postal Saving Bank, 62 such postal offices are providing postal saving bank services.

Telecommunication Services

11.34 There have been both quantitative and qualitative improvements in telecommunication services since last few years. The number of telecommunication service providers and service users has been rising. Likewise, newer and modern telecommunication facilities are being provided. Among the total 3915 VDCs in Nepal, 3624 VDCs have access to telephone service while this service is yet to be provided to the rest 291 VDCs. During the first 8 months of the current fiscal year, 1,308,552 telephones lines of various technologies have been distributed and the total number of telephone subscribers reached 7,617,769 by mid-March, 2009 with telephone density of 27.70 percent.

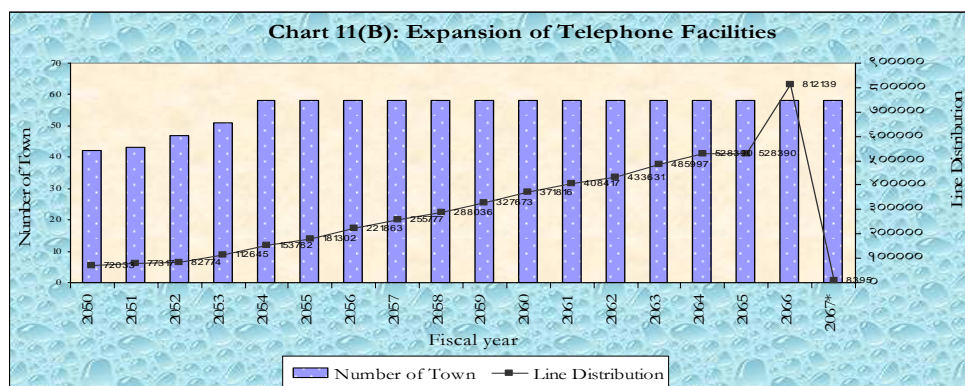


Table 11(e): Description of telecommunication services users/ service providers by mid March 2010

Type of Service	Customers (No.)	Service Type	Customers (No.)
<i>PSTN</i>	5,71,446	CDMA Fixed Phone	2,44,542
<i>GSM Prepaid</i>	57,65,662	VSAT Phone	4,546
<i>GSM Postpaid</i>	1,26,204	GMPCS	1,742
<i>CDMA Prepaid Mobile</i>	5,89,026	Limited Mobility	2,82,664
<i>CDMA Postpaid Mobile</i>	31,238	Other Technologies (3G Mobile)	699
Total:			76,17,769

Customer by Type of Services	
Service Type	Customer (No.)
Internet Subscribers	72,420
ADSL	31,047
GPRS	5,66,852
CDMA Sky DATA	85,118
Internet Users	37,77,185

Licensed Service Providers (No.)	
Service Type	Service Provider (No.)
Basic Telephone	3
GSM Mobile	2
Network Service Provider	8
VSAT Service User	111
Internet Service Provider (with email)	40
GMPCS	3
Rural Telecom	2
Limited Mobility	41
International Trunk Telephone	2
Rural VSAT Service User	8
Rural Internet Service Provider	4
Total	224

Telephone lines distributed by mid-March 2010	
Service Provider	Telephone liens distributed (No.)
Nepal Telecom	49,90,190
Spice Nepal Pvt. Ltd.	22,70,328
United Telecom Limited	3,50,963
STM Telecom Sanchar	4,505

Pvt. Ltd.	
Others	1783
Total	76,17,769

- 11.35 The total number of telephone service users provided by the authorized telephone service providers using various technologies such as dialup, wireless modem, optical fiber Ethernet, cable modem, cable, ADSL, GPRS and CDMA reached 755,437 by the mid March, 2009.

Data Service Users by mid-March 2010	
Service Provider	Number of Data Users
Nepal Telecom	1,95,239
Spice Nepal Pvt. Ltd.	4,72,375
United Telecom Limited	24,823
Internet Service Providers	63,000
Total	7,55,437

Information Dissemination

- 11.36 Department of Information, Gorakhapatra Corporation, Rastriya Samachar Samiti, and Press Council, agencies under the Ministry of Information and Communications, have been disseminating information through print media. Gorkhapatra Corporation has been publishing news and articles in 28 different national languages.

Description of Print Media	
Type	Number
Daily	426
Biweekly	19
Weekly	2133
Fortnightly	399
Monthly	1678
bi-monthly	313
Quartly	499
Four Monthly	28
Half Yearly	70
Yearly	83

Description of Print Media	
Type	Number
Total	5648

Number of Newspapers/Magazines by Language			
Nepali	3916	Bhojpuri	5
English	420	Urdu	3
Nepali/English	950	Tibetan	1
Newari	30	Tharu	8
Sanskrit	2	Limbu	2
Hindi	19	Doteli	2
Maithali	17	Tamang	4
Rai	1	Others	271
Total			5648

- 11.37 Interest subsidy on bank loans is being provided to various news media on procurement of their necessary machinery/equipment for the development of communications. Similarly, journalists are awarded on 6 disciplines including Gopal Das Journalism Award to motivate senior journalists significantly contributing to journalism.
- 11.38 Studio Acoustic equipment has been installed for broadcasting audio news from Rastriya Samachar Samiti (RSS). In the process of extending its services, RSS has started photo service with the arrangement of voice clip to provide support to the FM service recipients in.

Television Service

- 11.39 There are altogether 32 television channels issued with transmission license for operating services TV broadcast services including 2 Government-owned and 30 private sector-owned. However, only 11 television channels are in operation. Nepal Television has been extending its transmission signals domestically and internationally through the satellite medium. The transmission of NTV covers about 50 percent of the total land area of Nepal with 71.5 percent of people while NTV-2 covers 40 percent of the total population of the country with the total 27 percent of country's land area.
- 11.40 Nepal Television has extended its transmission signals to Palpa and Terathum and national transmission channel has been improved at Chamere Telecasting Center. Terrestrial transmission of NTV-2 is improved at Fulchoki and Daunne Telecasting Centers. NTV-2 has extended its telecast period to 18 hours daily since 17 September, 2009. Programs on 6

different national languages are being televised through Nepal Televisions' national transmission.

Radio Broadcasting Service

11.41 There are 368 licensed Frequency Modulation (FM) stations excluding government owned Radio Nepal, of which 225 such stations are now in operation. The government owned Radio Nepal has been broadcasting through Short Wave, Medium Wave and FM. Radio Nepal's coverage of MW broadcast is 85 percent, FM 40 percent and 100 percent that of SW. Process is underway to establish relay centers in Gulmi, Gorkha Darchula and Bajhang for the expansion of MW and FM transmissions. Radio Nepal broadcasts news in various national languages and other programs under the inclusiveness program.

Cable Television Telecasting Service

11.42 By the end of first eight months of the current fiscal year, the number of licensed Cable Television Operators has reached 615 with the addition of 21 such operators.

Printing Service

11.43 The Department of Printing has initiated its tender process for the procurement of press machine to enable it to function on security press concept with the realization that it is necessary to deliver professional printing services by developing press as an autonomous and competent body. Department of Printing carries out printing tasks like Nepali Citizenship Certificates, Visa Stickers, Economic Surveys, Budget Speeches, Question Papers, Reports of Constitutional Bodies, and Foreign Employment Permit Stickers and so on.

Motion Pictures

11.44 Motion Picture Development Board is active for the development, expansion, and promotion of motion pictures within and outside Nepal to preserve Nepalese Arts and Cultures. During this period, the Government has made 4th amendment to Motion Picture Development Rules 2057 (2000), while a Committee is formed in coordination of Board Chairman so as to Draft the Act on Motion Picture Development Board. During this period, 68 licenses have been issued to produce various kinds of movies, 18 for advertisement movies, 41 for the production of foreign movies.