Event Report: Post-Budget Panel Discussion Session

Theme: ***Budget 2083/84: Expectations and Challenges in Execution***
Date: June 29, 2026
Venue: Campus Auditorium, South Western State College (SWSC)
Organizers: SWSC
Target Audience: SWSC & SWSMT University Program Students (Management, Science & Technology and Social Science), Faculties
Moderator: Mr. Nabin Kaphle

Distinguished Panelists:

- **Prof. Dr. Sanjaya Acharya**, Member, National Planning Commission (NPC)
- **Mr. Bhuvan Dahal**, Former President, Nepal Bankers' Association (NBA)
- **Mr. Naresh Lal Shrestha**, Vice President, Federation of Nepalese Chambers of Commerce and Industry (FNCCI)
- **Mr. Rajendra Malla**, Immediate Past (IP) President, Nepal Chamber of Commerce (NCC)

Executive Summary

To bridge the gap between academic theory and macroeconomic reality, Southwestern State College (SWSC) organized a high-level panel discussion analyzing the newly tabled Federal Budget for the Fiscal Year 2083/84 (2026/27). The forum brought together apex national planners, veteran bankers, and prominent industrial leaders to analyze whether the fiscal blueprint matches public expectations or faces structural hurdles in execution.

The event offered management students particularly those specializing in finance, taxation, and statistics a practical look at how budgetary figures influence market dynamics, regulatory adjustments, and broader socioeconomic shifts.

Welcome Address

Opening the session, Assistant Campus Chief Dr. Hari Singh KC welcomed the dignitaries and set the intellectual tone for the afternoon. He noted that a national budget functions as an organic policy framework rather than a static financial spreadsheet. For academic observers, understanding the budget requires grasping the balance between revenue mobilization, resource allocation, and operational distribution. He emphasized that the ultimate success of fiscal policy rests on ground-level implementation speed rather than ambitious paperwork.

Core Panelist Insights

Distinguished Panelist Insights

1. The State's Roadmap: Economic Relief, Digitization, and Modernization

Prof. Dr. Sanjaya Acharya (*Member, National Planning Commission*) outlined the strategic intent behind the Rs 2.124 trillion fiscal layout:

- **Enterprise Subsidies:** The budget introduces targeted financial concessions for domestic food production units and subsidized startup credit to foster youth entrepreneurship. To encourage corporate participation in modern farming, specialized grants are available for agricultural projects exceeding Rs 20 million.

- **Tech Infrastructure:** Dr. Acharya highlighted funding designated for building regional IT hubs and modernizing state data infrastructure. The plan includes setting up generative Artificial Intelligence (AI) facilities within academic institutions to prepare the workforce for a digital economy.

2. Fiscal Reality Check: The Middle-Class Tax Burden

Mr. Rajendra Malla (*Immediate Past President, Nepal Chamber of Commerce*) offered a critique of the budget's revenue strategies, highlighting systemic economic friction:

- **The Cost of Progress:** Mr. Malla argued that while the budget introduces positive technology incentives, it simultaneously impacts household disposable income by expanding the Value Added Tax (VAT) net to essential sectors like education, healthcare, and electricity.
- **Compounding Inflation:** Levying VAT on basic human services acts regressively, impacting fixed-income demographics. Applying VAT to domestic hydropower also contradicts national green energy goals and risks raising household utilities and corporate operating costs.

3. Macroeconomic Sovereignty: Remittance Mobilization & Procurement Reform

Mr. Bhuvan Dahal (*Former President, Nepal Bankers' Association*) presented a framework centered on fiscal self-reliance and domestic capital retention:

- **Productive Remittance Allocation:** Mr. Dahal noted that over 80% of migrant worker remittance is currently spent on imported consumption and real estate. He proposed a framework to channel a mandatory 10% of remittance inflows directly into equity funds for major national projects like the Kathmandu-Terai Fast Track, building wealth through direct citizen ownership.
- **Local Subcontractor Protections:** To prevent multinational construction firms from exporting entire project profits while local entities operate on minimal margins, he proposed a mandatory 10% domestic Joint-Venture (JV) policy. This ensures infrastructure funds circulate within the local economy and aids technical skill transfer.
- **Public Sector Responsibility:** He maintained that education and healthcare are fundamental constitutional rights that should be state-managed or insulated from volatile, profit-driven market forces.

4. Private Sector Morale: Capital Absorption and Market Confidence

Mr. Naresh Lal Shrestha (*Vice President, FNCCI*) analyzed how industrial sentiment influences broader economic growth:

- **The Capital Spending Gap:** Mr. Shrestha raised concerns over the reduction in capital expenditure allocation, which fell from 20.8% to 20.3% of the total outlay. He noted that the primary challenge is a structural inability to spend development budgets, leaving a portion of capital funds unspent annually.
- **Monetary Synchronization:** He observed that despite high liquidity in commercial banking channels, private credit growth remains low due to soft market confidence. He urged the state to replace restrictive regulatory bans on opening new institutions with smart regulatory frameworks to encourage corporate reinvestment.

Technical Exchange & Discussion

The session was moderated by Mr. Nabin Kaphle, who synthesized the diverse insights and questioned the panel on the feasibility of the government's 7% GDP growth target. He cautioned against optimistic initial projections, pointing out the historical pattern where targets are downsized during mid-term reviews due to domestic revenue shortfalls.

A central theme emerged from the audience interaction: How the government can adjust its administrative machinery to treat the private sector as a collaborative economic partner rather than an object of suspicion, particularly when pursuing ambitious revenue collection goals.

Concluding Remarks & Academic Value

In his closing address, Campus Chief Dr. Rajendra KC commended the panel for delivering unfiltered market insights to the academic community. Addressing the student body, Dr. KC remarked that while modern AI tools can retrieve economic data instantly, they lack the original human judgment and analytical depth required to navigate real-world financial crises.

He reiterated that sustainable economic transformation comes through systemic accountability, performance-linked metrics (KPIs) for civil servants, and an environment that supports honest entrepreneurship.

Thematic Matrix Summary

Core Structural Challenge	Prevailing Policy Bottleneck	Recommended Strategic Execution
Capital Allocation	Remittance lost heavily to imported consumption goods.	Channel 10% of remittance into citizen-owned infrastructure equity.
Procurement Leaks	Multinational firms repatriating total project profits.	Implement mandatory domestic joint-ventures (Minimum 10%).
Revenue Generation	Regressive VAT expansion on health, education, and utilities.	Transition to progressive income tax models; shield core human needs.
Development Velocity	Consistently unspent capital budgets and policy stalls..	Deploy corporate-style KPIs for bureaucratic outputs.

Further Collaborative Actions: To advance this policy dialogue, our academic community can focus on the following exploratory steps:

To build on the insights shared during this session, SWSC's internal committees will pursue the following steps:

- **Policy White Paper:** Compiling a formal synthesis of these recommendations to submit to the National Planning Commission.
- **Curriculum Integration:** Embedding the practical case studies discussed here into upcoming finance and economic seminars.
- **Research Focus:** Directing student thesis projects toward exploring localized remittance pooling and local infrastructure joint-ventures.

<u>Event photos</u> -