



Kerung-Kathmandu Railway

Nepal Economics Olympiad | 2021
Business Case Analysis

Team **Irving Fisher**

 Belt and Road Initiative

World's Toughest Rail Route

Operating Speed: 120 km/hr

Total length: 72.25 km

Trade and Connectivity



Is Kathmandu a viable option?

YES

- High Population Density
- Opportunity for Trade
- Convenient

NO

- Pollution
- Social Cost

Hetauda as an
alternative



What are the Internal Factors ?

Strengths

- Increase in Trade and Connectivity
- Reduce Dependency on India
- Establish Domestic Product in International Market
- Low Cost and Price of Goods

Weaknesses

- Chinese Debt Trap
- Lack of Funds
- Limiting to a Transit Hub



What are the External Factors?

Opportunities

- Support to Tourism Sector
- Increase in Employment
- Skill enhancement of domestic HR

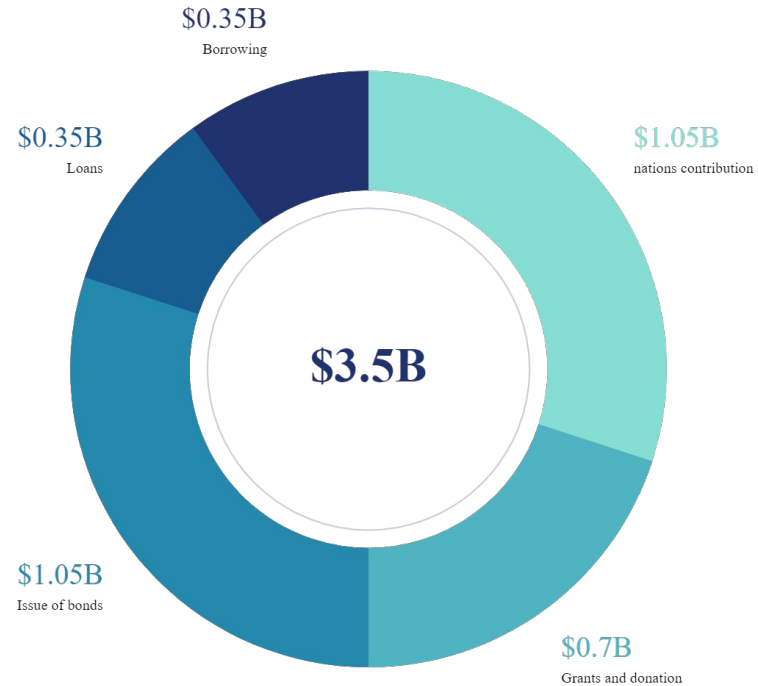
Threats

- Imbalance in ecosystem
- Political instability

Payback Period

	A	B	C	D	E
1	years	years	cashflow(cf) in billion	cumulative cash flow(ccf) in billion	
2	0	2022-2031	-3.5		
3	1	2032	0.2345	-3.2655	
4	2	2033	0.2345	-3.031	
5	3	2034	0.2345	-2.7965	
6	4	2035	0.2345	-2.562	
7	5	2036	0.2345	-2.3275	
8	6	2037	0.2345	-2.093	
9	7	2038	0.2345	-1.8585	
10	8	2039	0.2345	-1.624	
11	9	2040	0.2345	-1.3895	
12	10	2041	0.2345	-1.155	
13	11	2042	0.2345	-0.9205	
14	12	2043	0.2345	-0.686	
15	13	2044	0.2345	-0.4515	
16	14	2045	0.2345	-0.217	
17	15	2046	0.2345	0.0175	
18			pay back period	14.92537313	
19				14 years 11 months approx	
20					

Potential Funding Strategy





Is it feasible?

- Technical Feasibility ✓
- Economic Feasibility ✓
- Operational Feasibility ✓
- Time Feasibility ✗



Conclusion

From the above analysis, we see that the project is feasible but risky at the same time. If carried out well, the risks can be mitigated and the strength, benefits and the opportunities will provide handsome returns in long run.



References

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