

Solidarity in times of need

Nepal's only billionaire is rallying the private sector to help in the country's disaster relief



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THE two earthquakes – and 300 severe aftershocks – that rocked Nepal this year caused unprecedented disaster. The coming monsoon season will leave thousands more vulnerable unless adequate measures are taken, according to Nepal's only billionaire.

Binod Chaudhary, the country's first – and only – billionaire, was in Hong Kong recently urging the private sector to action. Mr Chaudhary owns brands from Wai Wai Noodles to a stake in the luxury Alila Hotel Group. He has donated US\$2.8 million so far and pledged US\$12.5 million, making him the most generous individual donor to the crisis to date.

"Homes can't wait, schools can't wait. This is where the private sector like ourselves come in. We can ensure resources are optimised with an immediate on-the-ground response," he said.

The shortcomings of Nepal's governmental reaction to the disaster have been widely documented. Funds sent to NGOs (non-governmental organisations) set up for earthquake relief were reportedly "re-routed" into the prime minister's relief fund, causing widespread scepticism and the loss of millions of dollars in aid.

Government bureaucracy meant that, a week after the quake, relief supplies were stockpiling at the airport due to the insistence on routine customs inspections.

There were even stories of local charities pocketing funds. "There has been some misappropriation," said Mr Chaudhary. "The difficulty with the government is that it operates as a coalition, so decisions take longer."

Help from non-profits has poured into the country, but many charities have paused donations until they can be sure that aid is not being misused.

In natural disasters, the private sector must take responsibility to provide immediate relief, said Mr Chaudhary. "We need individuals who can liquidate assets and make decisions faster than a government hamstrung by red tape."

Third-generation Mr Chaudhary is Nepal's wealthiest man, with total family assets of US\$1.1 billion according to Wealth-X. The 59-year-old father of three made his fortune in an unusual sector – ready-to-eat noodles. As a young man he spotted an opportunity to start producing noodles from his family's biscuit factory, initially to use up excess flour. Today, his Wai Wai Noodle brand occupies 2 per cent of global market share and produces billions of packets a year.

Noodles were just the beginning. With the onset of the Nepalese Civil War in the 1990s, Mr Chaudhary realised the need for global diversification. "We wanted to create the first Nepalese multinational."

So he laid plans for what became his billion-dollar conglomerate business, Cinnovation. Mr Chaudhary started with a joint venture with Taj Hotels Group, delved into Alila Hotels & Resorts and also has his own hotel brand Zinc, that includes The Farm health retreat in the Philippines.

His empire has since expanded into financial services business, hospitality, food

and beverage, real estate, biotech and education, with offices and factories all over the world. Mr Chaudhary has plans to take the company public, probably with a listing in Hong Kong in the next one or two years.

So in a country of just 30 million people, how did he become the first and only billionaire?

"At age 18 when I took over in adverse circumstances, I had to be aware that I was in a small country with limited resources – but I always planned to turn my grandfather's 100-year-old textile business into the country's first multinational. Sheer hard work, coupled with clear-headed thinking got us here. Plus my sense of determination," added Mr Chaudhary. "Nothing was fluke, it was a well thought out strategy."

Disaster strikes

But no planning could have prepared him for the disaster that struck his homeland in April.

At the time the quake struck, Mr Chaudhary was in the Chitwan jungle with two of his three sons, inspecting a new project that he is developing with Taj Hotels. The first few days were nightmarish, Mr Chaudhary recalled. His own headquarters were crumbling and his 500 staff had to be relocated. "Our foundation was not equipped to handle such disaster so it wasn't until three days later that we could start proprietary relief aid distribution. Until then we worked with third parties, PricewaterhouseCoopers' India Foundation and SEEDs India."

Cash donations at that point were fairly irrelevant, he said. "When people are starving and have nowhere to live, writing a cheque should be secondary to on-the-ground relief. All of our middle and top

management were directly involved with US\$300,000 worth of relief distribution of water, medical supplies, blankets and food." Mr Chaudhary was uniquely placed as a food distributor to disburse thousands of packs of Wai Wai noodles, as well as rebuild homes and schools.

The Chaudhary Group has now moved onto the third phase of its rescue efforts. Chaudhary Foundation is rebuilding 1,000 transitional homes (each costing US\$750 and taking eight days to construct), and 100 community primary schools in affected areas such as Kathmandu, Lalitpur, Bhaktapur and Kavre.

Mr Chaudhary has used his connections to motivate others. Jack Ma, the billionaire founder of Chinese Internet giant Alibaba, has pledged to support his friend Mr Chaudhary by building a further 1,000 transitional homes in affected areas.

Mr Chaudhary said that he has always been motivated by a vision to help his country reach the next level of development, ultimately competing on a global stage as a strong economy. "I'm a small man from a small country, but I have big dreams."

His dreams are for Nepal to reach a point where the world sees it as a stable investment choice unfettered by corruption and bureaucracy. "The government must become investment friendly and appreciate wealth creation and entrepreneurship. We need to give investors confidence in us to take Nepal forward. That's my single biggest priority." **W**

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BUILDING HOPE

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PHOTOS: CHAUDHARY GROUP

