



Panchkhal Special Economic Zone



Government of Nepal
Ministry of Industry, Commerce & Supplies
Special Economic Zone Authority



Background

The Panchkhal SEZ project is a strategic initiative aimed at fostering economic development and enhancing the export capabilities of Nepal. By establishing a Special Economic Zone (SEZ) in the Panchkhal area, the project seeks to attract foreign and domestic investments, stimulate job creation, and promote the growth of export-oriented industries. It is designed to leverage local resources and geographical advantages, offering a conducive environment for industries such as agro-processing, manufacturing, and technology.



Sector
Industry



Location
Panchkhal Municipality
Kavrepalanchok District, Bagmati Province



Area
50 hectares

Salient Features:

- Strategic Location
 - 50 km west of Kathmandu and 70km south of Chinese Border
- Products focused on Tibetan Region of China
- Proposed for 25 small and medium sized industries
- Focus on Five major Industries:
 - Milk and Milk Products
 - Natural and Herbal Medicines
 - Natural Vegetable Dyes
 - Noodles and Pasta
 - Vegetables, Ghee, Juice, Jam, etc.

Project Rationale:

- Limited industrial development and diversification outside Kathmandu Valley
- Promote export trade products
- Address technological and skill gaps
- Streamline policy and bureaucratic processes
- Attract foreign investments

Project Components



52 Industrial
Plots



Internal
Circulation Road



Earthen
Peripheral Tracks



Water Supply and
Treatment System



Electricity and
Telecommunication
Infrastructures



Administrative and
Supportive Facilities



Parking and
Logistical Services

Project Outcomes



Direct Employment
for 2600 Persons



Anticipated Job Creation
for 10,000 People



Industrial
Development



Export
Growth



Technology Transfer
and Skill Development



Infrastructure
Improvement



Minimizes Environmental
Degradation

Financial Indicators

Estimated Project Cost
NPR 1.57 Billion (\$ 18.38 Million)



Economic IRR
25.21 %



NPV
1.94 billion



Benefit Cost
Ratio
2.49

Note: 1 USD = NPR 85.4, 2012

*(Based on economic analysis)

(Information is based on Feasibility Study report prepared in 2069 B.S.)

Project Implementation Modality



Public Private Partnership
(PPP model)

Project Implementation Timeline



Project Ideation/
Concept Note



Desk
Study

2069 B.S.



Feasibility
Study



Solicitation

April 28, 2024



Relevant Agencies

- Special Economic Zone Authority
- Department of Industry

About the Agency

Special Economic Zone Authority was established under the Ministry of Industry (MoI), Government of Nepal, to prepare the SEZ law and relevant rules and regulations, to conduct the pre-feasibility and feasibility studies for the establishment of SEZ in different areas of the country, and to construct required infrastructure in SEZ areas, throughout Nepal. The SEZ is envisioned by the government to create a specific commercial area for the promotion of foreign trade. The regulation within this commercial area is more liberal which intends to avoid restrictions placed within the domestic legislation of Nepal.

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