

Panchkhal
Special Economic Zone





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.





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



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.)

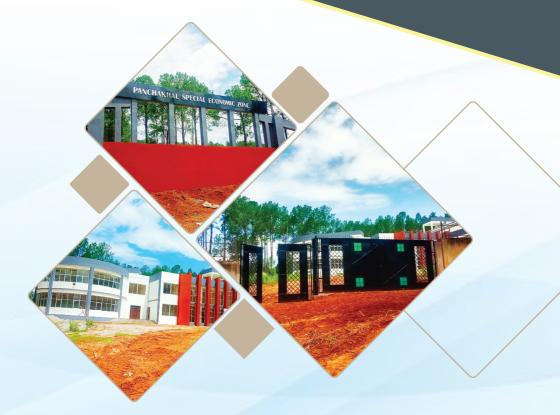
Project Implementation Modality



Public Private Partnership (PPP model)

Project Implementation Timeline





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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