

Nepal to establish SEZs and Industrial Estates near Nepal-India border to facilitate trade and investment: Prime Minister of Nepal

NEW DELHI, February 22, 2016. “We have planned to set up Special Economic Zones and Industrial Estates in major business hubs of the country. Most of these will be established in the plain land next to Nepal-India border. Investing within SEZ has multiple benefits that include flexible and investment friendly labour laws,” said **Mr. Khadga Prasad Sharma Oli, Prime Minister of the Federal Democratic Republic of Nepal at a business meeting** organized by FICCI jointly with CII and ASSOCHAM.

Mr. Oli, who is on his maiden trip to India after becoming Prime Minister with his business delegation to promote Indo-Nepal relations, said that Nepal provides sector-specific incentives of various kinds and scope. He added, “Nondiscrimination between Nepalese and Indian investors is our firm policy.”

Mr. Oli said that export and import rules and procedures have been made open and liberal. Trade facilitation measures have been improved. Nepal and India have exchanged four different letters to expand, simplify and streamline transit facilities during this visit. He added, “We must emphasize that commerce and connectivity between our two countries must not be affected by consideration other than economic development.”

Mr. Oli said that Nepal’s doors are open for investment in almost every sector. These include manufacturing, hydropower, tourism, services, IT, mining and agro based industries. He added, “We invite the private sector domestic and foreign, to invest resources, produce goods and services and create jobs. My government will extend all needful support to facilitate your investments in Nepal.”

Mr. Harshvardhan Neotia, President, FICCI and Chairman, Ambuja Neotia Group, said that India is the largest trading partner of Nepal and ironically Nepal also has the largest trade deficit with India, and this figure is increasing from year to year. To address this issue, Nepal should attract Indian investments in Nepal so that it may industrialize faster and also create a favorable trade balance. He added that FICCI would be happy to work together with the Government of Nepal as well as through its counterpart chamber – FNCCI and CNI to further enlighten Indian investors on the various opportunities and incentives available in Nepal.

Mr. Vinayak Chatterjee, Chairman – CII Task Force on Railways & Chairman, Feedback Infra Private Limited, said that India can play a key role in structuring infrastructure financing bank for Nepal. India possesses the requisite experience and can assist Nepal. He added that there are many potential areas of engagement. The need of the hour is for a stable policy environment, liberalization of the parameters for doing business, and encouragement to foreign capital. This would enable both the countries to move towards faster and more inclusive growth together.

Mr. Sunil Kanoria, President, ASSOCHAM and Vice Chairman, SREI Infrastructure Finance Limited, said that entrepreneurship is not new to Nepal. Tourism, which is a such a big part of your beautiful country’s economy, is essentially driven by local entrepreneurs. As Nepal

rebuilds, it should restart marketing itself as a potential tourist destination. He suggested that Indian government should send a team of officers to work with Nepal government and with its provinces to help them take steps as the Indian government is taking for promoting 'ease of doing business'. Agribusiness, education, retail, healthcare, leisure and others services are also other ways to promote entrepreneurship.

Mr. Pashupati Murarka, President, Federation of Nepalese Chambers of Commerce and Industry (FNCCI), called upon the governments of Nepal and India to further economic cooperation between the two countries. He said that India commanded two-third of Nepal's trade and it was a one-way affair with Nepal's imports from India was nine times its export to India. He added that Nepal was over-stressed in managing this trade deficit and there was an urgent need to correct this. Mr. Murarka invited Indian industry to work with and in Nepal.

Earlier a presentation on 'Investment Opportunities in Nepal' was made by **Mr. Radhesh Pant, Member Secretary, CEO, Investment Board of Nepal**. He said that Nepal was undergoing an economic transformation and offered immense opportunities to Indian investors. Hydropower, road & transport infrastructure, agriculture, tourism, ICT, health and education were some of the priority sectors on which Nepal was focusing, he added.

To highlight the reconstruction work of Nepal after the devastating earthquake, **Mr. Sushil Gyawali, CEO, Reconstruction Authority of Nepal** while making a presentation on 'Reconstruction of Nepal after the recent earthquakes' said that Nepal needed innovative and cost-effective technologies for the country's reconstruction. He added that in such a time of crisis the international community showcased solidarity towards Nepal and countries like India contributed significantly towards rescue missions and Nepal's reconstruction.

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