

DEVELOPMENT OF INDUSTRIAL PARK IN NAUBASTA, BANKE

SALIENT FEATURES

SN	FEATURES	CHARACTERISTICS
GENERAL		
1	Name of Project	Development of Industrial Park in Naubasta, Banke (224.1 hectare)
2	Type	Industrial Park development and operation
PROJECT LOCATION		
1	Province	Province 5
2	Project Location	Baijyanath Rural Municipality, Banke (Location Map)
PROJECT COMPONENT / TECHNOLOGY		
1	Proposed Site area	224.1 Hectare
2	Proposed number of Plot	111
3	Plot Size	~ 1 to 4 acres
4	Category of industries	Agro based Industries, Forest based Industries, Livestock based Industries, Textiles, Mineral based Industries, Engineering Industries, Chemical Industries
5	Type of Industries	Noodles Industries, Dairy Products Industries, Baby Food Industries, Leather Industry, Herbal Industry, Lentils (Dal), Oil and Ghee, Fruit and Vegetables Juices, Processed and Packaging goods (Food and meat), Textile Industries, Spinning Mills, Iron, Steel, Aluminum and Metal Manufacturing Industries, Cement Factory, Animal Food Industry, Sugar Mills and Distillery, Rice and Oil Mill, Furniture Industry, Drinking Water and Cold Drink Industries, Brick Industries, Soap Industries, Electro Mechanical Works

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MARKET ASSESSMENT

1	Demand	<p>Land is a primary factor that adds to the cost of doing business in Nepal. Cheap land with accompanying infrastructure has been one of the major demands of industrialists and entrepreneurs. For example: recently, the Request for Proposals called by the Special Economic Zone Authority received an overwhelming positive response from the private sector. Such land is also one of the major requirements of foreign investors.</p>
2	Supply	<p>GoN has formulated and is implementing various place-based policies all directly linked with boosting Nepal's industrial production and exports. The Government is planning to build 14 SEZs with the vision to promote export industry sector. In addition, GoN has committed to establishing industrial estates in each of the seven provinces. However, there are only a few that have been completed and all of them are run by the Government. As of now, no such facility exists that is operated by the private sector.</p>
3	Opportunity	<p>The southern region of Nepal holds an immense potential to be developed as an area of competitive advantage for industry due to connectivity and distance from India. Providing specialized infrastructure for industrial firms to co-locate will help firms reap spillovers from agglomeration effects and make them further competitive. This is especially true for the southern region in Province 5 which already has a bustling industrial scene. There is an opportunity to develop an industrial park that can build on these competitive advantages of the region and further facilitate industrial development.</p>

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DEVELOPMENT MODALITY

1	Development modality	Public Private Partnership
2	Role of the Government of Nepal	<ul style="list-style-type: none"> ■ Provision of government land, land acquisition, facilitation and project security ■ Facilitating legal approvals/permits ■ Review & monitoring
3	Role of the Private Sector	<ul style="list-style-type: none"> ■ Plan, design, build, finance and operate the facilities during the Concession Period ■ Collection of revenues from the project during the Concession Period ■ Handover to the Government after the Concession Period
4	Development Period	a. Pre- Construction Period: 1 year b. Financial Closure: 1 year c. Construction Period: 5 years d. Concession Period: 30 years

INDICATIVE FINANCIALS

1	Total Project Cost	~ USD 77.60 million
2	Interest Rate (including hedging cost)	10%
3	Project IRR	11.83%