

# DEVELOPMENT OF SPECIAL ECONOMIC ZONE (SEZ) IN SIMARA, BLOCK B AND C

## SALIENT FEATURES

SN	FEATURES	CHARACTERISTICS
<b>GENERAL</b>		
1	Name of Project	Development of Special Economic Zone (SEZ) in Simara, Block B and C
2	Type	Special Economic Zone
3	Sector	Industry
<b>PROJECT LOCATION</b>		
1	Province	Province 2
2	Project Location	Gadhimai Municipality, Bara ( <a href="#">Location Map</a> )
<b>PROJECT COMPONENT/TECHNOLOGY</b>		
1	Proposed Site area	120.34 Hectare (Block B: 86.78 Hectare; Block C: 33.56 Hectare)
2	Category of industries	Agro & Forest; Construction; Energy; Manufacturing; Service; IT Industries; Garment
3	Electric Supply	<ul style="list-style-type: none"><li>■ Simara Substation (2*15MVA): Approx. 3 km from SEZ area</li><li>■ Pathlaiya 132kV/11kV Substation (22.5MVA): Approx. 7 km from SEZ area; maximum power that can be used by SEZ is 13.2 MVA</li></ul>

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4	Potential Industries	Noodles, Dairy Products, Baby Food, Leather, Herbal, Lentils (Dal), Oil and Ghee, Fruits and Vegetables Juices, Processed and Packaging goods (food and meat), Textile, Spinning mills, Iron, Steel, Aluminum and Metal Manufacturing, Cement Factory, Animal food, Sugar Mills and Distillery

## MARKET ASSESSMENT

1	Demand	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.
2	Supply	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.
3	Opportunity	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. Raxaul (India) which is boarder area of Simara (Nepal) has advantages for the export of goods as it is one of the busiest point among 26 entry/exit points. There is an opportunity to develop SEZ that can build on these competitive advantages of the region and further facilitate industrial development.

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

#### INDICATIVE FINANCIALS

1	Total Project Cost	~ USD 44.86 Million
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