

COUNTRY PRESENTATION OF NEPAL

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NEPAL

EVEREST



LUMBINI



PAHUPATINATH TEMPLE



INDUSTRIAL DEVELOPMENT POLICY OF NEPAL

VISION

To make remarkable contribution in national economy through sustainable and broad-based industrial development in an effective, coordinated and collaborative partnership of public, private and cooperative sectors thereby to support poverty alleviation.

MAIN OBJECTIVES OF THE POLICY

1. To increase export of industrial products along with growth in national income and employment through enhancement of quality and competitive industrial products and productivity.
2. To increase contribution of industrial sector in the balanced national and regional development by mobilizing local resources, raw materials, skills and means.
3. To establish industrial entrepreneurship as a sustainable and reliable sector by utilizing latest technology and environment friendly production process.
4. To create strong basis of investment having developed productive human resources and managerial capacity required for industrial development thereby establish Nepal as 10 attractive place for investment in the South Asian region and in the world.
5. To protect industrial intellectual property rights.

MCSI's IN NEPAL

Legal Provision

- Constitution of Nepal: Industrial policy of identifying competitive area and promoting export-oriented industries
- Industry Policy 2010: Focus on partnership among public, private and cooperative in industrialization and poverty alleviation
- Policy for small and cottage industry:
 - ❖ Business Development Service (BDS) in rural area
 - ❖ Development of industrial cluster
 - ❖ One village one product
 - ❖ Product development centers
 - ❖ Product specific industrial cluster
 - ❖ Collective mark
 - ❖ Use of information technology in SMEs
 - ❖ Industrial Village

PROFILE OF COTTAGE AND SMALL INDUSTRY IN NEPAL

- Total Number of resistered micro, cottage and small industry : 302113
- Employment generation : 2606086
- Export contribution :90%
- contribution on GDP (Industrial sector) :80%
- Sick industry : 30% above

PROBLEM OF MCSI's IN NEPAL

- Financial difficulties
- Raw materials
- Competition
- Import
- Premitive technology
- Infrastruture
- Knowledge and skill
- Protection policy

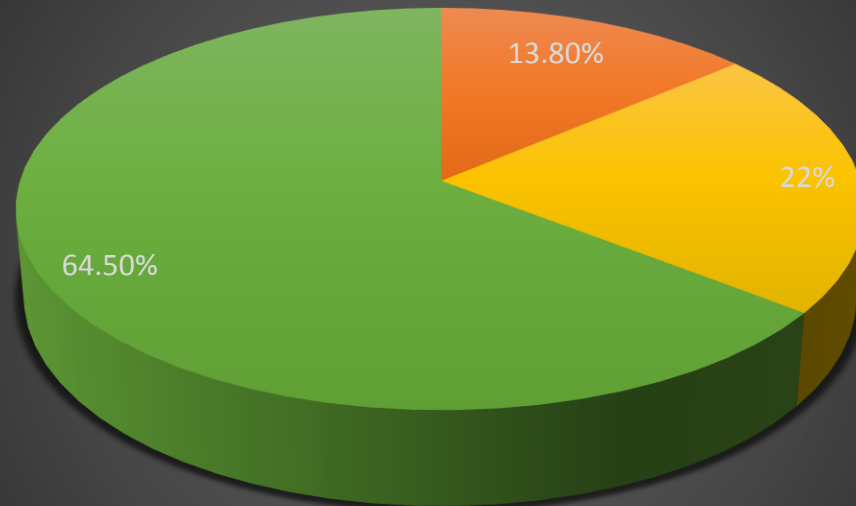
PROFILE OF COTTAGE AND SMALL INDUSTRY IN NEPAL

Main Sectors of Cottage Industry

- Agro Based
- Art and crafts
- Dhaka(Textiles)
- Forest based, furniture, handmade paper, herbal medicine, bamboo,cant craft
- Leather goods
- tourism related
- service oriented
- IT related

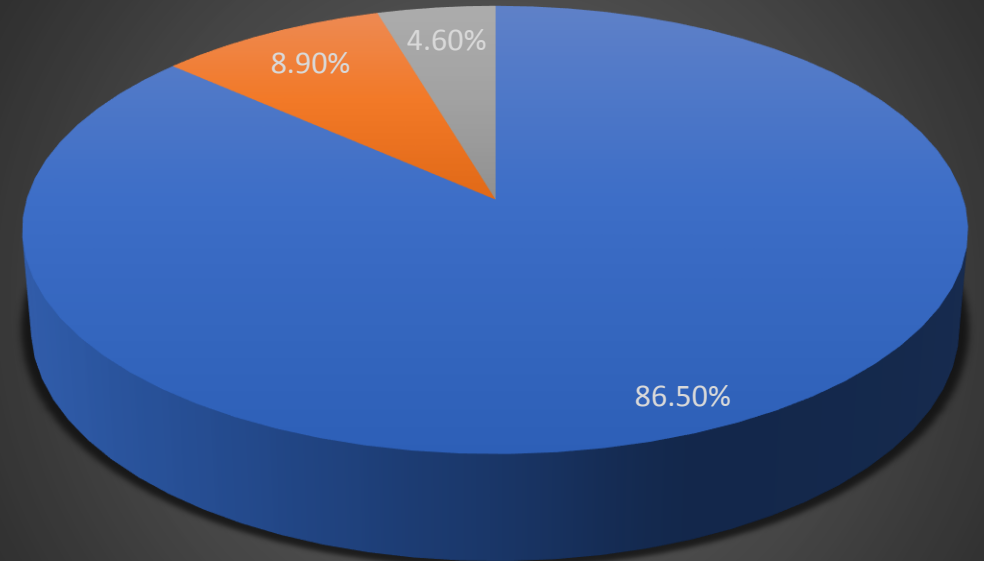
INDUSTRIAL FOREIGN INVESTMENT

Based on Number



■ LARGE ■ MEDIUM ■ SMALL

Based on Investment



■ LARGE ■ MEDIUM ■ SMALL

TECHNOLOGICAL SUPPORT SYSTEM OF NEPAL

Agriculture Based Industry : 50% grants to machine tools

- Infrastructure Development : 50% to 85% grants
- Technology Extension and Capacity Building : 50% grants

Classification

- Large : Rs 1,00,00,000
- Medium : Rs 50,00,000 to Rs 1,00,00,000
- Small : Rs 50,00,000

Tourism Industry : Trekking agency, resort, star hotel, private hospital, travel agency ;
50% reduction on custom duty for vehicle, machine tools and furniture.

Micro Cottage and Small Industry: Machine tools, maximum Rs 1,00,000 grant

People returning from Foreign Employment: Special Loan and up to 5% interest grant.

Women Entrepreneur: Special Loan and up to 5% interest grant.

TECHNICAL SUPPORT THAT MAY ENHANCE CAPACITY OF COTTAGE AND SMALL INDUSTRIES IN NEPAL

- Establishment of technological innovation and research center.
- Prioritize and special offer for production-oriented industries.
- Change of policies to improve forest and mining-based industries.
- Capacity building to entrepreneurship and skill development training institution.
- Support to change primitive to advance technology

SUGGESTION FOR APCTT

- Organize capacity building trainings and seminars to improve technological skills of government officials and private sectors.
- Establish IT network for technology transfer to potential entrepreneur.

THANK YOU

