

STRATEGIC ADVANTAGES

STRATEGIC LOCATION AND GEOGRAPHIC ADVANTAGE

- Strategically located between two large and rapidly growing economies – China and India – with easy access to markets of more than 2.6 billion people
- Duty free and open border access to India
- Duty free access to China for over 4,000 products
- Enjoys various duty and tax free arrangements in the region as a Member of South Asian Free Trade Area (SAFTA) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Free Trade Agreement
- Contains the Himalayas, which is the highest mountain range on Earth, and 8 of the world's 10 highest peaks, combined with unique cultural heritage, creating potential for tourism
- Incredibly rich biodiversity, creating potential in agriculture and medicinal and aromatic plant research
- The topography and abundant water resources give rise to vast untapped hydropower potential

LARGE POOL OF CAPABLE WORKERS

- Of the population of 28 million, 61% are working age (aged 15–65 years)
- Large English speaking population, especial in the capital, Kathmandu
- High participation of women in the workforce, compared to other South Asian countries
- Relatively low cost of labour; minimum monthly wage being NPR 8,000 (approx. USD 76) as at February 2016

EASE OF DOING BUSINESS

- Ranked 2nd after Sri Lanka among South Asian countries in the 'Ease of Doing Business Report 2015' by the World Bank Group
- Foreign investors are allowed 100% ownership of a company in almost all sectors³
- Repatriation of capital and profits to the investor's home country is allowed⁴
- Importance of the private sector recognised by the Constitution of Nepal (2015)
- Various bilateral investment protection and double tax avoidance arrangements are in place:
 - Bilateral Investment Promotion and Protection Agreement (BIPPA) signed with Finland, India, Germany, Mauritius, United Kingdom, and France
 - Double Taxation Avoidance Agreement signed with Austria, China, India, Korea, Mauritius, Norway, Pakistan, Qatar, Sri Lanka, Thailand
- Member of Multilateral Investment Guarantee Arrangement (MIGA) of the World Bank Group
- Member of World Trade Organization (WTO)

LOW COMPETITIVE ENVIRONMENT WITH POTENTIAL FOR HIGH PROFITABILITY

- Market competition is low; there are low levels of foreign direct investment (FDI) inflows into Nepal
- Major multilateral companies incorporating in Nepal tend to record high profitability
- Disposable income of locals is increasing rapidly due to remittances from abroad, which contribute more than 30% of GDP, creating new local markets for products as well as new pools of talent within the labour market

³ *Foreign Investment and Technology Transfer Act (FITTA) 1992*

⁴ *Ibid.*