

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

INVESTMENT POLICY REVIEW

NEPAL



UNITED NATIONS

United Nations Conference on Trade and Development

Investment Policy Review

Nepal



UNITED NATIONS
New York and Geneva, 2003

Note

UNCTAD serves as the focal point within the United Nations Secretariat for all matters related to foreign direct investment and transnational corporations. In the past, the Programme on Transnational Corporations was carried out by the United Nations Centre on Transnational Corporations (1975-1992). UNCTAD's work is carried out through intergovernmental deliberations, research and analysis, technical assistance activities, seminars, workshops and conferences.

The term "country" as used in this study also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage of development reached by a particular country or area in the development process.

The following symbols have been used in the tables:

- Two dots (..) indicate that data are not available or are not separately reported. Rows in tables have been omitted in those cases where no data are available for any of the elements in the row;
- A dash (-) indicates that the item is equal to zero or its value is negligible;
- A blank in a table indicates that the item is not applicable;
- A slash (/) between dates representing years, e.g. 1994/95, indicates a financial year;
- Use of a hyphen (-) between dates representing years, e.g. 1994-1995, signifies the full period involved, including the beginning and end years.

Reference to "dollars" (\$) means United States dollars, unless otherwise indicated. Annual rates of growth or change, unless otherwise stated, refer to annual compound rates. Details and percentages in tables do not necessarily add to totals because of rounding. The material contained in this study may be freely quoted with appropriate acknowledgement.

UNCTAD/ITE/IPC/MISC/2003/1/Rev.1
UNITED NATIONS PUBLICATIONS
Sales no. E.04.II.D.12
ISBN 92-1-112619-3

Copyright © United Nations, 2003
All rights reserved

Preface

The UNCTAD Investment Policy Reviews are intended to help countries improve their investment policies and to familiarize Governments and the international private sector with the investment environment in those countries. The Reviews are considered by the UNCTAD Commission on Investment, Technology and Related Financial Issues.

The Investment Policy Review of Nepal was initiated at the request of the country's National Planning Commission. In preparing the Review, UNCTAD received the full support and cooperation of the Vice-Chairman of the National Planning Commission, officials of the Ministry of Industry, Commerce and Supplies, the Inland Revenue Department, the Department of Customs, the Department of Labour, the Nepal Tourism Board and the Department of Immigration, as well as the Permanent Mission of Nepal to the United Nations in Geneva. The findings and recommendations were discussed at a national workshop held on 25 March 2003 in Kathmandu, in cooperation with the Department of Industry and the Nepal Chamber of Commerce.

The views of the international donor community in Nepal and the international and domestic private sectors were sought at various stages of the project and are reflected in the report.

The report was prepared by a team that included Rory Allan, Diana Barrowclough, Azizul Islam and Joseph Mathews, headed by Khalil Hamdani. The team benefited from the contributions of experts within and outside Nepal that included David Oldfield, Peter Brimble, Bishwambher Pyakuryal and Rajiv Bhatnagar. Lang Dinh provided research assistance and Deborah Wolde-Berhan provided production assistance.

The United Nations Development Programme provided funding for the project.

It is hoped that the analysis and recommendations in this Review will contribute to an improvement in policies, promote awareness of investment opportunities and serve as a catalyst for increased investment in Nepal.

UNCTAD has also produced *An Investment Guide to Nepal* in cooperation with the International Chamber of Commerce, intended for prospective investors in Nepal.

Geneva, January 2003



NEPAL

Key economic and social indicators

Indicator	2000	2001
Population (million)	23.0	23.6
GDP at market prices (billions of current dollars)	5.5	5.6
Annual GDP growth (percentage)	6.2	4.8
Inflation (percentage)	3.4	2.4
GDP per capita (dollars)	238.7	237.4
GDP by sector (percentage):		
Agriculture	40.7	39.1
Industry	22.1	22.0
of which: Manufacturing	9.4	9.3
Services	37.2	38.9
FDI inflows (millions of dollars)	-0.48	19.3
Exports of goods and services (percentage of GDP)	24.2	24.3
Imports of goods and services (percentage of GDP)	32.4	32.0
Gross domestic investment (percentage of GDP)	24.2	24.3
National poverty line (percentage)	42.0	42.0
Human development index ^a	0.48	0.50
Adult illiteracy rate (percentage of people aged 15 and above)	58.0	57.0

Sources:

UNCTAD (World Investment Report (2002)), Human Development Report, 2001 (UNDP). World Bank (2001).

^a HDI value, 1999.

CONTENTS

ABBREVIATIONS.....	viii
INTRODUCTION.....	ix
I. FDI TRENDS AND PERFORMANCE.....	1
A. Trends.....	1
1. FDI size and growth.....	1
2. Form of FDI.....	3
3. Distribution by sector, origin and geographical location.....	4
4. Profile of the largest enterprises with FDI.....	5
B. Impact.....	6
1. Access to export markets.....	6
2. Technology transfer and linkages.....	8
3. Employment generation.....	11
C. Overall assessment.....	11
II. INVESTMENT FRAMEWORK.....	13
A. Norms Applicable to foreign investors.....	13
1. Entry and establishment.....	13
2. Treatment and protection of foreign investors.....	16
3. Incentives and performance requirements.....	17
B. Operating conditions.....	18
1. Taxation.....	18
2. Foreign exchange regulation.....	23
3. Labour law.....	24
4. Employment of expatriates.....	26
5. Corporate and commercial laws and standards.....	27
6. Land law.....	27
7. Intellectual property protection.....	28
8. Competition law.....	28
9. Environmental protection law.....	28
10. Individual industry regimes.....	28
C. Overall assessment: Open or liberal?.....	29
1. Revise the foreign investment law.....	30
2. Selectively relax entry restrictions.....	30
3. Improve the administration and design of business taxation.....	32
4. Reform labour regulation.....	33
5. Appoint a champion of investors' rights.....	34

III.	FDI STRATEGY	35
A.	Introduction.....	35
B.	Overview of FDI potential and constraints.....	36
C.	FDI potential in the short-term.....	37
1.	Tourism.....	37
2.	Export manufacturing under trade preferences	41
3.	Herbal products.....	49
D.	FDI potential in the medium term	51
1.	Hydropower for the Indian and domestic market	51
2.	Agro-based industries	52
3.	Privatization.....	53
E.	FDI potential in the long term.....	54
1.	ICT-based services	54
2.	Regional services.....	54
F.	Implementation of the recommended FDI strategy	55
G.	Summary of the recommended FDI strategy	56
IV.	MAIN FINDINGS AND RECOMMENDATIONS	59
1.	Attack the key obstacle: The investment framework.....	59
2.	Create industry promotion packages to tap immediate FDI potential	60
3.	Mandate a special investment agency to implement 1 and 2.....	60
ANNEX I	FDI and trade data.....	61
ANNEX II	Criteria for tax modelling.....	63
ANNEX III	Nepal's weakness in infrastructure and services.....	65
ANNEX IV	Survey of investor perceptions.....	69
References	77
Selected UNCTAD publications on transnational corporations and foreign direct investment		79
Questionnaire		89

Boxes

I. 1.	Nepal Bayern Electric Company: A unique exporter.....	7
I. 2.	Nepal Lever Limited.....	7
I. 3.	Dabur Nepal Private Limited: An example of backward linkage.....	10
II. 1.	Overview of business operating conditions.....	18
II. 2.	Tax administration: Investors' views.....	20
II. 3.	Mandatory labour payment.....	24
III.1.	The Nepal investment guide.....	38
III.2.	Indian firm perspectives on investing in Nepal.....	45
III.3.	The Alcoa/Nilkamal joint venture.....	45
III.4.	Sri Lanka sees FDI potential in its trade agreement with India.....	46
III.5.	The growing world market for herbal products and remedies.....	49
III.6.	The phenomenal growth of the IT sector in India.....	55
III.7.	Mandate of the proposed Investment Agency.....	57

Figures

I. 1.	FDI inflows into Nepal, 1980-2000.....	1
I. 2.	Nepal's share of FDI inflows into South Asian LDCs.....	3
II. 1.	Comparative taxation and fiscal incentives for investment.....	22
II. 2.	Housing levy burden.....	25
III.1.	Representation of FDI potential.....	36
III.2.	Direction of Nepal's exports.....	44
III.3.	Industry Promotion Package.....	48

Tables

I. 1.	FDI inflows into three Asian landlocked countries, 1989-2000.....	2
I. 2.	FDI stock in three Asian landlocked countries during the 1990s.....	2
I. 3.	FDI inflows per \$1,000 GDP for selected Asian economies.....	3
I. 4.	Sectoral distribution of all approved FDI projects until 2001.....	4
I. 5.	Home economy distribution of FDI in Nepal.....	5

预览已结束，完整报告链接和

<https://www.yunbaogao.cn/report/index/report?r>