

Flash Alert

12 August 2021



*Incentive to industries
producing vaccine and
oxygen plants*

Incentive to industries producing vaccine and oxygen plants

With the view of encouraging the production of vaccines against COVID-19 and other contagious diseases and setting up oxygen plants within Nepal, Ministry of Industry, Commerce and Supplies has introduced financial rebates and incentives and procedures and conditions for approval of clinical trial, determination of market price and providing purchase guarantee through its notice in the Nepal Gazette dated 9 August 2021 (25 Shrawan 2078).

For industries producing vaccine

Financial incentives

Some financial incentives include:

- a. Loan to be disbursed at base rate, interest capitalization facility as well as loan renewal facilities.
- b. Reimbursement of up to 75% of cost incurred by the industry itself on construction of infrastructure such as road reaching the industry, drinking water and drainage.
- c. Rebate on the electricity expense by 40% for usage up to 20 MW and by 50% for usage in excess of the 20 MW for first 5 years of operation.

Clinical trial

The vaccines produced can obtain permission to complete third phase of clinical trial from Nepal Health Research Council after completion of necessary procedures and vaccine standardization, accreditation and quality certification c-GMP will be made easier by the Council and Department of Drug Administration (DDA).

Market price determination and purchase guarantee

The industry shall apply for approval of market price of the vaccine to the committee formed for the purpose along with basis taken for determining the competitive market price after obtaining recommendation DDA. The market price approved by the committee shall then be made public.

60% of the vaccines produced following the conditions specified in the notice will be purchased by the Ministry of Health and Population and other public entities.

For industries producing liquid oxygen gas

Financial incentives

Some financial incentives include:

- a. Concessional loan at special refinancing rate shall be provided;
- b. Rebate on the electricity expense up to 40% for usage up to 2 MW and up to 50% for usage in excess of the 2 MW for first 5 years of operation.

Market price determination

The industry shall apply for approval of market price of the liquid oxygen gas to the committee formed for the purpose along with basis taken for determining the competitive market price after obtaining recommendation from Department of Commerce, Supply and Consumer Protection Management. The market price approved by the committee shall then be made public.

For the notice [click here](#)

Addition to Schedule 9 of the Industrial Enterprises Act, 2076

Ministry of Industry, Commerce and Supplies through its notice dated 9 August 2021 (25 Shrawan 2078) in Nepal Gazette has added industries producing vaccine and industries manufacturing liquid oxygen in Schedule 9 of the Industrial Enterprises Act, 2076.

For the notice [click here](#)

PKF TR Upadhyaya & Co., 124 Lal Colony Marg, Lal Durbar, Kathmandu, Nepal
Phone: +977 1 4410927 | 4420026 | Fax: +977 1 4413307 | Email: trunco@ntc.net.np |
www.pkf.trunco.com.np

PKF TR Upadhyaya & Co. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firm.

