

**TRIBHUVAN UNIVERSITY**  
**Faculty of Humanities & Social Sciences**



**A Research Report on The Topic**  
**Of**  
**“ Impact of Roadways on the Economy of Nepal ”**

Faculty of Humanities & Social Science  
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## **ABSTRACT**

This report examines how road infrastructure affects Nepal's economic performance, using India's successful highway projects as a benchmark. Nepal is a landlocked, hilly country where roads carry about 90% of all passenger and freight traffic. Despite this, Nepal's road network remains underdeveloped and vulnerable to disruptions, limiting farmers' access to markets and constraining trade and jobs.

We review India's major road programs — especially the Golden Quadrilateral (GQ) highways and the rural Pradhan Mantri Gram Sadak Yojana (PMGSY) — and their documented benefits. For example, manufacturing output rose by nearly 49% in regions along the GQ, while rural roads enabled farmers to travel 88% farther for better prices and expanded non-farm employment share by 33%.

This report uses secondary data (2010–2025) from government reports (Nepal's Ministry of Physical Infrastructure and Transport, CBS) and international sources (ADB, World Bank) to analyze trends. Findings indicate that Nepal could significantly boost trade, agricultural incomes, and employment by investing in all-weather rural roads and strategic highways. The report concludes with recommendations for Nepal to adopt similar policies, improve maintenance and planning, and engage stakeholders for integrated road development.

## **ABBREVIATIONS**

- ADB: Asian Development Bank
- CBS: Central Bureau of Statistics (Nepal)
- GDP: Gross Domestic Product
- MoPIT: Ministry of Physical Infrastructure and Transport
- PMGSY: Pradhan Mantri Gram Sadak Yojana
- WB: World Bank
- GQ: Golden Quadrilateral
- SDG: Sustainable Development Goals