

















Trade and Competitiveness Monitoring Note



Nepal

GDP (US\$ billions) (2015)	Population (millions) (2015)	Income per capita (current US\$) (2015)	Poverty rate (2010)	Unemployment rate (2015)	Ease of Doing Business Rank (2015)
21	29	732	15	NA	94

Macro Indicators

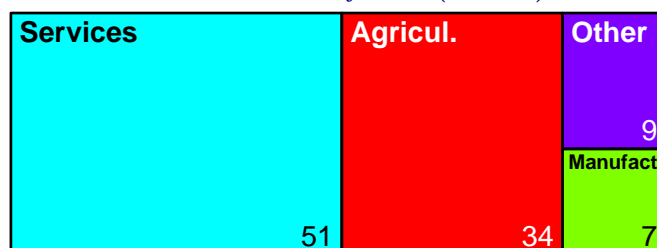
	Avg 2002-2011	2012	2013	2014	2015	2016	
GDP growth (annual %)	3.88	4.78	4.10	5.50	3.40	3.70	
Current account balance	-2.39	5.45	4.02	5.46	5.67	2.59	
Cash surplus/deficit (% of GDP)	-1.08	-0.63	0.81	0.76	-0.89	-0.75	
Gross Fixed Investment (% GDP)	19.33	17.87	21.13	21.51	23.32	25.64	
Gross capital formation (% of GDP) [1]	28.64	34.50	36.85	36.83	—	—	
Foreign direct investment, net inflows (% of GDP) [2]	0.15	0.51	0.39	0.15	—	—	
Private capital flows, total (% of GDP) [2]	0.69	2.55	—	—	—	—	
Total Trade in Goods and Services (% of GDP, real terms)	47.99	47.25	51.43	58.14	60.81	63.85	
Trade balance (% GDP, real terms)	-15.62	-25.61	-28.49	-31.25	-33.41	-36.11	
Exports, Goods and Services, annual percent change (real terms)	-3.22	1.92	10.33	23.66	5.39	5.00	
Imports, Goods and Services, annual percent change (real terms)	4.60	3.39	14.20	18.00	9.00	10.00	
Personal remittances, received (% of GDP) [1]	17.14	25.43	29.00	29.18	—	—	
General government gross debt [3]	47.26	34.46	31.95	27.70	23.45	24.50	
Total reserves in months of imports [1]	6.68	7.61	8.56	—	—	—	
Real Effective Exchange Rate (2010=100)	85.67	90.75	90.72	93.88	95.87	99.13	
Consumer Price Index, annual percent change	6.67	9.45	9.04	8.37	7.50	8.20	

Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

Goods Export and Import volume growth, 2012-2015

Data not available

Gross Value Added by Economic Activity 2013 (% GDP)



Source: Development Prospects Group (DECPG)

Source: World Development Indicators (WDI)

Top 5 Exports by % of Total Value, 2014

Carpets and other textile floor cov	Yarn (other than sewing thread) of	Fabrics, woven, of synthetic filame	Edible nuts (excluding Spices (except pepper and pimento)
8	8	6	4

Imports Categories by % of Total Value, 2014

Consumer goods	Intermediate goods	Capital goods	
38	35	18	10

Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Ranks (among all countries)

	DB 2015 Rank	DB 2016 Rank	Change in Rank
Dealing with Construction Permits	85	78	7
Ease of Doing Business Rank	94	99	-5
Enforcing Contracts	152	152	0
Getting Credit	128	133	-5
Getting Electricity	128	131	-3
Paying Taxes	124	124	0
Protecting Minority Investors	54	57	-3
Registering Property	73	72	1
Resolving Insolvency	78	86	-8
Starting a Business	104	105	-1
Trading Across Borders	59	60	-1

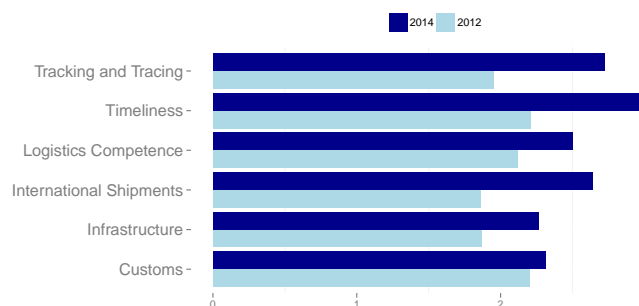
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-5, 5=best)



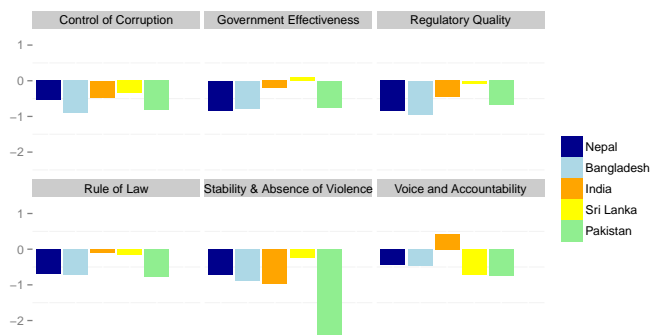
Source: WEF Global Competitiveness Report 2015

Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

Trade Policy

	2010	2014
Applied Tariff (Incl. Prefers. and Trade-Weighted)	13	12.7
Binding (%)	99.4	99.5
Dispersion (Standard Deviation)	10.7	10.2
Import duties collected (%; 2012-2014) [1]	—	7.8
MFN Tariff (Agricul.)	14	14.0
MFN Tariff (Non-Agricul.)	12.1	12.1
MFN Tariff (Simple Average)	12.3	12.3
Services sectors with GATS commitments [1]	—	77.0

Sources: WITS, [1] WTO Trade Profiles

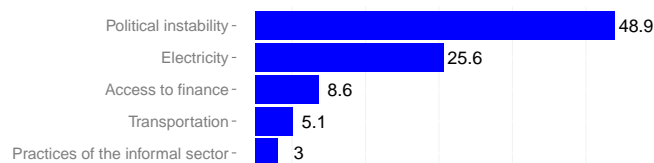
Private Sector's Views

Enterprise Survey 2013

	South Asia	Nepal	All Countries
Number of electrical outages in a typical month	25.40	8.70	6.30
Percent of firms with a bank loan/line of credit	27.00	35.00	34.30
Proportion of investment financed by banks (%)	14.40	12.80	14.30
Proportion of investment financed internally (%)	73.90	70.30	71.80
Senior management time spent dealing with the requirements of government regulation (%)	7.20	1.40	9.90

Source: Enterprise Survey 2013

Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015