



T&C Snapshots Data Note



Nepal

| GDP (US\$ billions) (2017) | Population (millions) (2017) | Land area (sq. km) (2014) | Income per capita (current US\$) (2017) | Poverty rate (2010) [1] | Unemployment rate (2014) | Ease of Doing Business Rank (2016) |
|-------------------------------|------------------------------------|------------------------------|---|----------------------------|-----------------------------|--|
| 27.6 | 29.2 | 143,350.0 | 945.4 | 14.9 | 2.7 | 99.0 |

Macro Indicators

| | Avg 2003-2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------------|-------|-------|-------|-------|--------|
| GDP growth (annual %) | 3.96 | 4.10 | 5.50 | 3.40 | 3.70 | 5.50 |
| Current account balance | -1.78 | 4.02 | 5.46 | 5.67 | 2.59 | -1.70 |
| Fiscal balance (% of GDP) | -1.04 | 0.81 | 0.76 | -0.89 | -0.75 | -1.77 |
| Remittances, received (% of GDP) [1] | 18.56 | 29.00 | 29.18 | — | — | — |
| Real Effective Exchange Rate (2010=100) | 86.06 | 90.72 | 93.88 | 95.87 | 99.13 | 102.90 |
| Consumer Price Index, annual percent change | 6.90 | 9.04 | 8.37 | 7.50 | 8.20 | 8.60 |

Investment indicators

| | Avg 2003-2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------------|-------|-------|-------|-------|-------|
| Gross domestic investment (% GDP) | 19.22 | 21.13 | 21.51 | 23.32 | 25.64 | 30.25 |
| Gross domestic investment, of w: Private investment (% GDP) [1] | 30.07 | 36.85 | 36.83 | — | — | — |
| Inward FDI (% of GDP) [2] | 0.18 | 0.39 | 0.15 | — | — | — |
| Inward FDI, % of private investment [2] | 0.86 | NA | — | — | — | — |

Trade Indicators

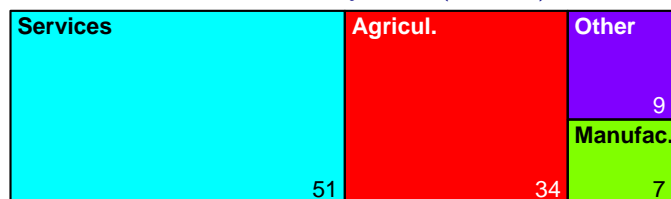
| | Avg 2003-2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---------------|-------|-------|-------|-------|-------|
| Total Trade in Goods and Services (% of GDP, real terms) | 47.9 | 51.4 | 58.1 | 60.8 | 63.9 | 68.8 |
| Trade balance (% GDP, real terms) | -16.4 | -28.5 | -31.2 | -33.4 | -36.1 | -40.1 |
| Exports, Goods and Services, annual percent change (real terms) | -2.8 | 10.3 | 23.7 | 5.4 | 5.0 | 9.0 |
| Imports, Goods and Services, annual percent change (real terms) | 4.5 | 14.2 | 18.0 | 9.0 | 10.0 | 15.0 |
| Total reserves in months of imports [1] | 6.8 | 8.6 | — | — | — | — |

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) | Fabrics, woven, of synthetic filame | Edible nuts (excluding nuts chiefly | Spices (except pepper and pimento) |
|--|------------------------------------|--|---|--|
| 8 | 8 | 6 | 4 | 4 |

Imports Categories by % of Total Value, 2014

| Consumer goods | Intermediate goods | Capital goods | Raw materials |
|----------------|--------------------|------------------|------------------|
| 38 | 35 | 18 | 10 |

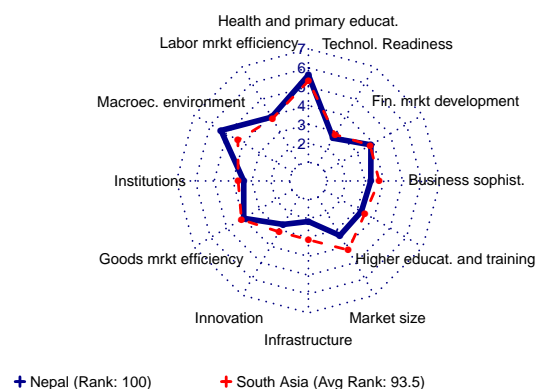
Source: World Integrated Trade Solution (WITS)

Doing Business 2015 Distance to Frontier (DTF) and Rank

| | 2015 | DTF 2016 | Change | 2015 | Rank 2016 | Change |
|-----------------------------------|-------------|--------------|-------------|-----------|--------------|-----------|
| Ease of Doing Business | 60.3 | 60.41 | 0.11 | 94 | 99 | -5 |
| Dealing with Construction Permits | 68.88 | 70.25 | 1.37 | 85 | 78 | 7 |
| Enforcing Contracts | 45.26 | 45.26 | 0 | 152 | 152 | 0 |
| Getting Credit | 30 | 30 | 0 | 128 | 133 | -5 |
| Getting Electricity | 57.05 | 57.51 | 0.46 | 128 | 131 | -3 |
| Paying Taxes | 66.52 | 66.5 | -0.02 | 124 | 124 | 0 |
| Protecting Minority Investors | 58.33 | 58.33 | 0 | 54 | 57 | -3 |
| Registering Property | 66.9 | 66.96 | 0.06 | 73 | 72 | 1 |
| Resolving Insolvency | 45.41 | 44.19 | -1.22 | 78 | 86 | -8 |
| Starting a Business | 83.01 | 83.48 | 0.47 | 104 | 105 | -1 |
| Trading Across Borders | 81.6 | 81.6 | 0 | 59 | 60 | -1 |

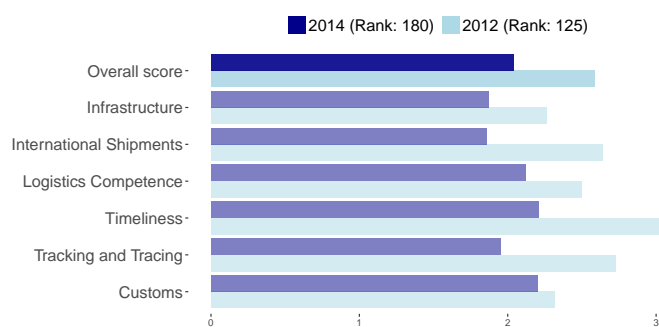
Source: Doing Business Report 2015

WEF Competitiveness Indicators (Scale 1-7, 7=best)



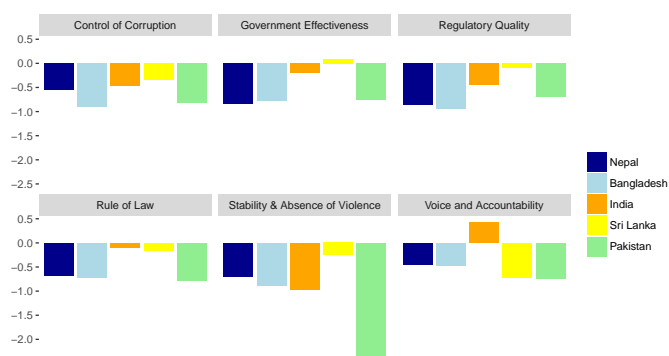
Source: WEF Global Competitiveness Report 2015

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 (Agriculture) | 14 | 14.0 |
| MFN Tariff (Non-Agriculture) | 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

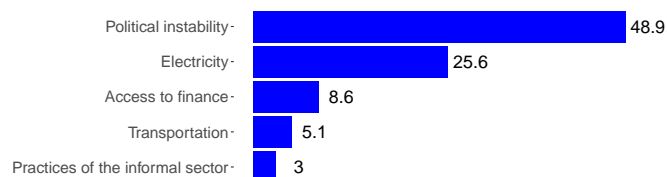
Private Sector View

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



T&C Snapshots Operations Note



Nepal

SCD/CPF

Most Recent

| Product | Document Date |
|--|---------------|
| Nepal - Country partnership strategy for the period FY 2014-2018 | 2014-05-30 |

Planned

| Product | Concept Review Date | Board Date |
|---------|---------------------|------------|
| None | | |

WB Lending Pipeline

[illegible]

WB Portfolio

Active

| Project ID | Project Name | Team Leader | Approval Date | Lending Inst. Type | Closing Date | Commitment (US\$M) | Undisbursed Balance (US\$M) | Project Rating DO | Project Rating IP | Overall Risk | Months in Problem Status |
|------------|--------------|-------------|---------------|--------------------|--------------|--------------------|-----------------------------|-------------------|-------------------|--------------|--------------------------|
| None | | | | | | | | | | | |

Closed

[illegible]

WB ASA

Active

| Task ID | Task Name | Team Leader | Concept Approval Date | Output Approval Date | Product Line | RAS (Y/N) | Current Expenditure BB (US\$K) | Current Expenditure Total (US\$K) | Lifetime Expenditure BB (US\$K) | Lifetime Expenditure Total (US\$K) |
|---------|---|--------------------|-----------------------|----------------------|--------------|-----------|--------------------------------|-----------------------------------|---------------------------------|------------------------------------|
| P158247 | Nepal Export Incentive Program | Jose Daniel Reyes | 2016-03-16 | 2016-11-30 | IE | N | 0 | 5 | 0 | 5 |
| P154536 | Supporting Nepal's Trade Int. Strategy | Gonzalo J. Varela | 2015-04-20 | 2016-06-06 | TA | N | 12 | 79 | 12 | 81 |
| P155116 | Enhancing Investment Climate in Nepal | Celia Ortega Sotes | 2015-05-18 | 2016-05-25 | TA | N | 0 | 0 | 80 | 80 |
| P155037 | Enhancing Investment Climate in Nepal | Celia Ortega Sotes | 2015-04-10 | 2015-10-30 | EW | N | — | 0 | — | 0 |
| P121928 | Nepal Business Incubator Feasibility As | Ellen Olafsen | — | 2011-01-31 | PT | N | — | 0 | — | 306 |

Closed

| Task ID | Task Name | Team Leader | Concept Approval Date | Output Approval Date | Product Line | RAS (Y/N) | Current Expenditure BB (US\$K) | Current Expenditure Total (US\$K) | Lifetime Expenditure BB (US\$K) | Lifetime Expenditure Total (US\$K) |
|---------|--|--------------------|-----------------------|----------------------|--------------|-----------|--------------------------------|-----------------------------------|---------------------------------|------------------------------------|
| P133457 | Competitive Industries (CI) Diagnostic | Gabi George Afram | 2012-12-25 | 2013-11-19 | EW | N | — | 0 | 140 | 219 |
| P084657 | Nepal Trade Study - Dissemination | Ahmad Ahsan | — | 2004-06-29 | TA | N | — | 0 | 53 | 53 |
| P076653 | Nepal-Integration & Comp. Study | Leendert Solleveld | — | 2003-02-14 | EW | N | — | 0 | 11 | 252 |

IFC ASA

Active

| Project ID | Project Name | Team Leader | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Total Expenditures (in US\$K) | Current FY Expenditure (in US\$K) |
|------------|---|----------------------|------------------|-------------------|---------------------------|-------------------------------|-----------------------------------|
| 593787 | Nepal Investment Climate for Industry | Ahad, Taneem | 2013-05-16 | 2016-06-30 | 2,485 | 1,959 | 322 |
| 575068 | Nepal ICRP Regulatory Reform | Rabbany, Raihana | 2010-07-01 | 2016-06-30 | 3,653 | 3,260 | 135 |
| 575070 | Nepal Investment Climate Reform Program - Public Private Dialogue | Azhar, Shihab Ansari | 2010-05-21 | 2014-06-30 | 2,659 | 2,148 | 37 |

Pipeline

| Project ID | Project Name | Team Leader | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Total Expenditures (in US\$K) | Current FY Expenditure (in US\$K) |
|------------|--|-----------------|------------------|-------------------|---------------------------|-------------------------------|-----------------------------------|
| 600688 | South Asia Energy - Business Development | Mehrotra, Bhanu | — | 2015-06-30 | 410 | 339 | 139 |

Closed

| Project ID | Project Name | Team Leader | IP Approval Date | Expected End Date | Approval Value (in US\$K) | Total Expenditures (in US\$K) | Current FY Expenditure (in US\$K) |
|------------|--|------------------------|------------------|-------------------|---------------------------|-------------------------------|-----------------------------------|
| 557305 | Nepal Investment Climate Reform Program | Niederberger, Irina | 2008-06-17 | 2010-03-31 | 800 | 801 | 0 |
| 553585 | NEPAL Investment Climate Mini-Diagnostic | Shah, Fatima Zehra | 2007-01-05 | — | 0 | 0 | 0 |
| 550245 | Nepal EZ Project - Initial Support to the SEZ Project Office | Shakir, Mustafizul Hye | 2006-09-08 | 2009-06-30 | 0 | 31 | 0 |