

NEPAL

SUMMARY STATISTICS

Region	South-central Asia
Currency	Nepalese Rupee (NPR)
Surface area (square kilometres)	147181
Population in 2011 (estimated, 000)	30486
Population density in 2011 (per square kilometre)	207.1
Capital city and population in 2011 (000)	Kathmandu (1015)

ECONOMIC INDICATORS

Indicators	Year	
GDP: Gross domestic product (million current US\$)	2011	18501
GDP: Growth rate at constant 2005 prices (annual %)	2011	3.9
GDP per capita (current US\$)	2011	607.0
GNI: Gross national income per capita (current US\$)	2011	610.0
Gross fixed capital formation (% of GDP)	2011	21.2
Exchange rates (national currency per US\$)	2011	85.51
Balance of payments, current account (million US\$)	2011	49
CPI: Consumer price index (2000=100)	2011	210
Agricultural production index (2004-2006=100)	2011	123
Food production index (2004-2006=100)	2011	123
Labour force participation, adult female pop. (%)	2011	80.4
Labour force participation, adult male pop. (%)	2011	87.6
Tourist arrivals at national borders (000)	2011	736
Telephone subscribers, total (per 100 inhabitants)	2011	46.6
Internet users (per 100 inhabitants)	2011	9.0
Exports (million US\$)	2011	907.6
Imports (million US\$)	2011	5915.9
Balance (million US\$)	2011	-5008.3
Major trading partners (% of exports)	2011	India (67.7), United States (7.7), Germany (4.5)
Major trading partners (% of imports)	2011	India (63.4), China (11.7), United Arab Emirates (5.6)

SOCIAL INDICATORS

Indicators	Year	
Population growth rate (average annual %)	2010-2015	1.7
Urban population growth rate (average annual %)	2010-2015	3.6
Rural population growth rate (average annual %)	2010-2015	1.3
Urban population (%)	2012	17.3
Population aged 0-14 years (%)	2012	34.8
Population aged 60+ years (females and males, % of total)	2012	7.1/5.8
Sex ratio (males per 100 females)	2012	98.4
Life expectancy at birth (females and males, years)	2010-2015	70.1/68.1
Infant mortality rate (per 1 000 live births)	2010-2015	32.0
Fertility rate, total (live births per woman)	2010-2015	2.6
Contraceptive prevalence (ages 15-49, %)	2006-2010	48.0
International migrant stock (000 and % of total population)	mid-2010	945.9/3.2
Refugees and others of concern to UNHCR	end-2011	874123
Education: Government expenditure (% of GDP)	2006-2012	4.7
Education: Primary-secondary gross enrolment ratio (f/m per 100)	2006-2012	67.5/82.0
Education: Female third-level students (% of total)	2006-2012	40.7
Seats held by women in national parliaments (%)	2012	33.2
HDI Ranking	2013	157

Source: World Statistics Pocketbook | United Nations Statistics Division

TRADE AND INVESTMENT SCENARIO

- Nepal recorded \$2.06 billion total exports in 2013, a 6 percent growth rate over 2012. On the other hand, total imports were \$7.24 billion, registering a 12 percent growth over 2012, mainly due rise in fuel imports in 2013. However, current account remained in surplus in 2013, although by a smaller margin than in 2012. Due to rise in imports, trade as ratio of GDP increased from 43 percent GDP 2012 to 48 percent GDP in 2013.
- Manufacturing products constitutes major percentage of both exports and import basket. Nepal is landlocked and its currency is pegged against Indian rupee. Nepal's main trading partner is India (accounting for 66 percent of all exports and 51 percent of all imports in 2013). After India, USA remained the second largest trading partner.
- Nepal got WTO accession in 2004 and has signed four free trade agreements. Recently, Nepal is in discussion to sign bilateral trade agreement with Pakistan.

Foreign Direct Investment

- Nepal attracted \$74 million FDI in 2013 which was 27 percent lower than 2012. Services and manufacturing sector dominates in term receiving majority of FDI inflows. India, China and USA remained the major sources of FDI inflows to Nepal.
- Nepal had signed Bilateral Investment Promotion and Protection Agreement (BIPPA) and Double Taxation Avoidance Agreement (DTAA) agreements with India in 2011 and as result many companies have invested in Nepal.
- Most sectors in Nepal have been opened up to foreign investors, allowing 100 per cent equity or joint ventures with Nepalese investors subject to environmental clearance. The sectors that have been opened up to 100 foreign investment are manufacturing, energy, tourism, mineral resource based industries, and agro-based industries and services.
- Nepal provides many incentives for private investment but problems such as insurgency, lack of infrastructure facilities, unskilled work force, landlocked economy, and political instability have limited FDI inflows. But Nepal's business environment is getting better and, to attract investors, the Government of Nepal had declared the year 2012 as "Nepal Investment Year". The World Bank's 2013 Doing Business Report ranks Nepal at 103th out of 189 economies for the ease of doing business overall.

WOMEN EMPOWERMENT SCENARIO

- Nepal gets financial and technical support from bilateral and multilateral organizations like DFID, UNICEF, US-AID, UNFPA, World Bank, UN Women.
- Nepal has ratified the Convention on the Elimination of All Forms of Discrimination against Women in 1991. The 1995 Beijing Platform for Action has also provided impetus to address gender inequality. Other important international agreements related to gender equality include the outcome of the 1994 International Conference on Population and Development (ICPD) and ICPD+10, which set out commitments to ensuring women's reproductive health and rights as well as other health services.
- Education: According to the Nepal Demographic and Health Survey, between 2001 and 2006 the percentage of women without any education declined from 60% to 50%; the decline for men was even more significant, from 32% to 18%. The literacy rate has also improved to 81% for men and 55% for women.¹

¹ <http://www.adb.org/sites/default/files/pub/2010/cga-nep-2010.pdf>

- Although the civil code act defines the legal age of marriage as 20 (18 with parental consent), early marriage is prevalent. Forty per cent of all girls are married by age 15, and 51.4 per cent before the age of 18. Other harmful practices include dowry payments and the custom requiring women to stay in separate sheds during menstruation and after deliveries.²
- From 2006-2011, the total fertility rate declined from 3.1 children per woman to 2.6. The contraceptive prevalence rate for modern methods has stagnated at 43.2 per cent.³
- One in three women faces physical violence after the age of 15. A UNFPA-funded study of 1,296 married women aged 15-24 found that 46 per cent of them had experienced sexual violence.⁴
- Nepal has implemented the Domestic Violence (Offence and Punishment) Act (2066 BS) of 2009 and the Domestic Violence (Offence and Punishment) Regulation (2067 BS) of 2010. It has also implemented a national action plan (2010) against gender-based violence with the Prime Minister's declaration of 2010 as the gender-based violence free year (Office of the Prime Minister and Council of Minister, 2009) and introduced a hospital-based one-stop crisis management center in 15 selected districts.⁵ Gender Equality Act (2006) brought tangible changes in laws related to sexual violence against women.

HEALTH SCENARIO

- Nepal continues to be afflicted by communicable diseases and upward trends of lifestyle related non-communicable diseases. Although there were no major outbreak of diarrheal cases and only sporadic cases reported in 2011, the incidence of diarrheal diseases and acute respiratory tract infection continue to be high. Vector borne diseases like malaria, visceral leishmaniasis, lymphatic filariasis, Japanese encephalitis and recent emergence of dengue infection are major public health problems together with TB and some cases of HIV/AIDS.

² UNFPA Nepal

³ ibid

⁴ ibid

⁵ DHS Nepal 2011

- Increasing incidence of diabetes, hypertension, CVD and cancer have been observed. Maternal, child and adolescent health: There has been significant reduction in the maternal mortality ratio, and under-5 and infant mortality rates have also improved over years. However, neonatal mortality rate has been stagnant at 33/1000 live birth since 2006. The neonatal mortality accounts for two-thirds of infant mortality rate. Hence, reduction in neonatal mortality is crucial in achieving MDG 4. The major challenge is to ensure skilled and continuum of care to all women, newborns and adolescents.⁶
- Malnutrition among children, adolescents and women is still a serious public health problem. About half of under-five children are affected by stunting. The proportion of underweight children is around 29% (DHS 2011). Of them, 10% suffer from acute malnutrition and 13% by a combination of stunting, vitamin A deficiency and iron deficiency. Food availability and security remains uneven particularly in hill and mountain regions. Coordinated efforts from all relevant sectors addressing the social and economic determinants of malnutrition are necessary for sustained improvement in the nutritional status along all stages of the life cycle.
- There are many partners working for the health sector and other development initiatives. The main donor agencies are: the World Bank, DFID, USAID, GTZ, KFW, ADB, JICA, AUS Aid and SDC. There are 137 international NGOs and thousands of NGOs, many of them working in health. The UN agencies collaborating with the government in health and related fields are: UNDP, UNICEF, UNFPA, UNAIDS, WFP, FAO, ILO and WHO. A Country Coordination Mechanism has been established in the country for coordinating GFTAM grant for HIV/AIDS, malaria and tuberculosis. A collaborative framework is in place for coordination of development assistance and partnerships. The Poverty Reduction Strategy Paper (PRSP), United Nations Development Assistance Framework (UNDAF) and Peace and Development Strategy are the coordinating mechanisms at the national level.
- According to the last three rounds of the National Health Accounts (2001–2009), unregulated out-of-pocket payments by private individuals when receiving health services exceed prepayments by governmental and non-governmental organizations. The need for such out-of-pocket payments prevents a substantial

⁶ http://www.who.int/countryfocus/cooperation_strategy/ccsbrief_npl_en.pdf?ua=1

proportion of the population from accessing health care services and puts them at risk of impoverishment from catastrophic spending.⁷

RESOURCE SCARCITY, FOOD SECURITY & CLIMATE CHANGE SCENARIO

- Nepal facing acute shortage of drinking water and this makes it as one of the poorest country in the world.
- The total renewable water resource including the groundwater adds up to 210.2 billion km³/year, which makes Nepal one of the Asian countries with the highest level of water resources. Whereas, only 10% of the country's groundwater potential is utilized.
- Nepal faces a high number of water-borne diseases such as diarrhoea, dysentery, typhoid, gastroenteritis and cholera. Every year around 44,000 children under the age of 5 are dying from the water-borne diseases.
- The ground water is contaminated by arsenic that is a big issue towards the health sector of the country.
- In Nepal, only 40% of population is able to access electricity. The major share of fuel energy is coming from the wood in Nepal. They import the fuels like coal, diesel and petroleum from the other countries.
- Nepal natural resources which can be used to produce electricity are still unexploited, economic and technological barrier could be one of the reasons.
- Nepal is very well blessed with the hydropower; therefore they can utilize available hydropower to produce electricity. So far only 253 MW of hydropower has been generated which is 0.3% of the total potential.
- Renewable energy generation capacity of the country is significantly very low because of economic and technology barriers.
- More than 90% of Nepal population is depend upon the land for fulfillment of their basic requirement either it is in form of agriculture services, fodder or wood as fuel.
- The land area is divided into three geographic areas, i.e., terai, hills and mountains. Around 83% of country land is covered by hills and mountains while the remaining terai area is majorly affected due to the flood in the country.
- Nepal practices the step farming which is more vulnerable to soil erosion due to the heavily raining.

⁷ http://www.who.int/providingforhealth/countries/2013_03_Nepal_Health_Insurance_Policy_fin.pdf?ua=1

- The land degradation problem is increasingly becoming a challenge for the economy and natural ecosystems in Nepal.
- The major causes of land degradation are fragile geological structure, forest fire, avalanches, landslides in the hills, river-damaged areas, deforestation, excessive use of chemical fertilizers, overgrazing and unscientific farming in steep slope, flooding in the plain areas, and shifting cultivation in the mountains.
- Forest and tree cover is declining at alarming rates in Nepal. As a result, essential source of food, fuel, shelter, fodder, medicines, and many other products are disappearing, and the soil and water base for food production is being degraded.

Food Security:

- Food insecurity and hunger remain pervasive in Nepal, not only in food deficit districts but also within marginalized communities in districts with surplus food production.
- Food and financial crisis is gradually increasing, chronic food insecurity since 1990 in Western hills (Adhikari and Bhole, 1999), and total number of food insecure people are 6.9 million (OCHA, 2008)
- Nepal ranks 3rd in terms of poor nutrition among the 12 countries of South Asia (WHO, 1988-2004 and NNSP and MOHP, 2004).
- Food Insecurity is also because of poor access of food like unequal food distribution; poor road/ network connectivity; Lack of emergency services; poor purchasing capacity of people; Social and geographical disparities and exclusion.
- Lack of Policy coordination towards adequate attention to security at the national level.

Climate Change:

- Global circulation model (GCM) projections indicate that the temperature over Nepal will increase between 0.5°C and 2.0°C with a multi-model mean of 1.4°C, by the 2030s and between 3.0°C and 6.3°C, with a multi-model mean of 4.7°C, by the 2090s. (NCVST, 2009)
- GCM outputs suggest that extremely hot days (the hottest 5% of days in the period from 1970 to 1999) are projected to increase by upto 55% by the 2060s and up to 70% by the 2090s. (NCVST, 2009)
- GCM outputs suggest that extremely hot nights (the hottest 5% of nights in the period from 1970 to 1999) are projected to increase by up to 77% by the 2060s and 93% by the 2090s. (NCVST, 2009)

- GCMs project a wide range of precipitation changes, especially during the monsoon: from a decrease of 14% to an increase of 40% by the 2030s and from a decrease of 52% to an increase of 135% by the 2090s. (NCVST, 2009)
- Nepal is highly vulnerable to climate change because of higher number of extreme climatic incidents is likely to occur resulting in more loss of lives, properties and source of livelihoods.
- Nepal is already facing resource crisis, and also not in position to afford huge costs of implementing adaptation measures, thus, very likely to remain trapped in vicious cycle of poverty.
- Nepal has already been suffering from climate change-led impacts such as depletion of snow cover, glacier retreat and glacial lake out-burst flood.

More to read:

World Trade Organization (2012), Country trade Profile, 2013, WTO, Geneva.

World Bank (2013), Doing Business Report, World Bank. Washington D.C.

UNCTAD, Country fact Sheet, 2014, UNCTAD, Geneva.

Acharya, A.K., and Kafle, Narayan.,: Land Degradation Issues In Nepal And Its Management Through Agroforestry

Sah, S.P.,: Problems and Issues of Present Land Use Systems in Nepal

Upadhyay, Suraj., : Energy Crisis and Nepal's Potentiality

Assessment of Food Security and Nutrition Situation in Nepal by FAO, 2010

Dahal, Ngamindra., : Understanding Climate Change Adaptation Issues in Nepal

Dixit, Ajaya., : Climate Change in Nepal: Impacts and Adaptive Strategies

Nepal's Initial National Communication to UNFCCC, July 2004
(<http://unfccc.int/resource/docs/natc/nepnc1.pdf>)