

# Federal Democratic Republic of Nepal

The Federal Democratic Republic of Nepal lies along the southern slope of the Himalayan mountain ranges, bordering Tibet, China on the north and India in the south, east, and west. It has a population of 29,033,914 (July 2016) and covers an area of 147,181 square kilometres. Nepali is the official language of the country. The Capital, Kathmandu, is a famous historical city, as well as the national political, economic, culture centre and transportation hub.

Being the home of many high mountains, Nepal is a mountain kingdom. Eight out of the ten highest mountains in the world are located in Nepal, including Mount Everest which is the highest in the world. Being an ancient country in Asia, Nepal possess many historical cultural heritage. The founder of Buddhism, Buddha Shakyamuni, was born in Nepal.

According to the estimate of CIA in 2015, Nepal is one of the poorest and the least-developed countries in the world with the production capacity of its economic structure, namely the agriculture, industrial and service sectors accounted for around 29.4%, 13.8%, 49.4% of the GDP. Although the government has been constantly promoting the growth of national economy in recent years and maintained an economic growth between 3% to 4% but still failed to contain the increase in the number of poor people. According to statistical data, currently over 45% of the population live in absolute poverty, with more than 10 million people living on less than USD1 per day, resulting in an enormous amount of issues causing social instability.

## Resources

The country is rich in water, flora and fauna resources and has limited mineral resources and infrastructure facilities. Natural resources mainly included quartz, water, timber, hydroelectric power, lignite, copper, cobalt and iron ore. Mining industry accounted for 0.2% to 0.5% of the GDP and it is only sufficient to meet domestic demand.

## Agriculture

Agriculture is the mainstay of the domestic economy with 80% of the population engaging in agriculture. Agricultural land accounted to 28.8% of the total land area with 15.1% being arable land. Major agricultural products are beans, rice, maize, wheat, sugar cane, jute, root crop, cow's milk and buffalo meat.

## Foreign trade

Being a landlocked country, Nepal's foreign trade relies heavily on India. During the fiscal year 2014/2015, trade volume between Nepal and India amounted to 63.8% of Nepal's foreign trade volume, with India being the largest origin of imports, and also the most important export destination. Due to the limitation in transportation factors, Nepal's imports and exports are mainly conducted through Port Calcutta in India. Nepal and India revised the bilateral trade agreement on 6 March 2007 and 27 October 2009 respectively. Nepalese commodities enjoy unilateral zero tariff treatment with the exception of 4 types of commodities namely tobacco, perfume, zinc oxide and yarn. In 2013, a transit agreement was signed between the two countries.

Nepal became the 147<sup>th</sup> member of the World Trade Organisation (WTO) on 23 April 2004, being the first least-developed country to join the WTO. Being a founding member of the South Asian Association for Regional Co-operation (SAARC), Nepal signed the Agreement on South Asian Free Trade Area (SAFTA) on 1 January 2006, members committed to reduce the tariffs to the same level by 2016. In February 2004, Nepal joined the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) which committed to develop free trade between the member states by 2017.

Other major trade partners of Nepal are Argentina, China, France, Germany, Japan, Indonesia, Malaysia, Thailand, the United Arab Emirates and the United States.

## Main Economic Indicators 2015

Gross Domestic Product (US\$ Billion)	71.52
Real GDP growth (%)	0.6
GDP per capita (US\$)	2,500
Inflation (%)	9.1
Land area (sq km)	147,181
Population (Million)	29,033,914

Source: CIA-The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook/>

## Foreign Trade

(unit: US\$ Billion)

Year	Total Trade	Exports	Imports
2016	8.0144	0.8984	7.116
2015	7.3241	0.8131	6.511

**Major Export Commodities:** clothing, pulses, carpets, textiles, juice, jute goods

**Main Import Commodities:** petroleum products, mechanical equipment and accessories, gold, electronic goods, medicine

Source:

1.CIA-The World Factbook, <https://www.cia.gov/library/publications/the-world-factbook>

2.Index Mundi-Country Fact, <http://www.indexmundi.com>

## Main Trading Countries/ Territories with Nepal 2015

Main Destinations for Exports	%
India	61.3
US	9.4
Main Origin for Import	%
India	61.5
China	15.4

Source:

<https://www.cia.gov/library/publications/the-world-factbook/>

## Mainland China- Nepal

(unit: US\$ 100 million)

Year	Total	Exports	Imports
First half of 2016	3.82	3.71	0.11
2015	8.66	8.34	0.32

Source: Ministry of Commerce of the People's Republic of China, <http://mds.mofcom.gov.cn/article/Nocategory/>

## Macao- Nepal Bilateral Trade 2015

Type of Trade	Weight (KG)	Patacas
Imports	510	13,534
Exports	1,683	659,152

Source: The Macao Statistics and Census Service, <http://www.dsec.gov.mo/>

## SOURCE

The Ministry of Foreign Affairs of the People's Republic of China  
<http://www.fmprc.gov.cn/chn/default.htm>

The Ministry of Commerce of the People's Republic of China  
<http://zhhs.mofcom.gov.cn/>

The Economic and Commercial Counselor's Office of the Embassy of the People's Republic of China in the Federal Democratic Republic of Nepal  
<http://co.mofcom.gov.cn/>

The Statistics and Census Service  
<http://www.dsec.gov.mo/>

The World Factbook  
<http://www.cia.gov/>

<http://www.nepal.gov.np/>