

Introduction

Nepal is a landlocked country in South Asia and is bordered by China and India. It is located in the Himalayas and contains eight of the world's ten highest peaks. The government system is a federal parliamentary republic; the chief of state is the president, and the head of government is the prime minister. Nepal has a traditional economic system in which the majority of the population engages in subsistence agriculture, and the allocation of available resources is made on the basis of primitive methods. Nepal is a member of the South Asian Association for Regional Cooperation (SAARC).



Location: Southern Asia

Capital City: Kathmandu (+5:45 GMT)

Chief of State: President Bidhya Devi Bhandari

Head of Govt.: Prime Minister Khadga Prasad Oli

Currency: Nepalese rupee (NPR)

Major Languages: <p>Nepali (official) 44.6%, Maithali 11.7%, Bhojpuri 6%, Tharu 5.8%, Tamang 5.1%, Newar 3.2%, Magar 3%, Bajjika 3%, Urdu 2.6%, Avadhi 1.9%, Limbu 1.3%, Gurung 1.2%, other 10.4%, unspecified 0.2%</p>

Primary Religions: <p>Hindu 81.3%, Buddhist 9%, Muslim 4.4%, Kirant 3.1%, Christian 1.4%, other 0.5%, unspecified 0.2%</p>

Calling Code: 977

Voltage: 230

Key Websites

Main Government Page: nepal.gov.np

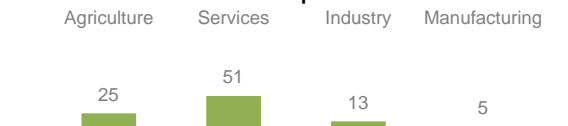
Commerce Ministry: doc.gov.np

Investment Promotion Agency: ibn.gov.np

Key Economic Facts

Income Level (by per capita GNI):	Low Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$93.55 billion (2018)
GDP growth (annual %):	6.66% (2018)
GDP per capita, PPP (current international \$):	\$3,330.62 (2018)
External debt stocks, total (DOD, current US\$):	\$5,478,096,692.90 (2018)
Manufacturing, value added (% of GDP):	4.99% (2018)
Current account balance (BoP, current US\$):	-\$2.77 billion (2018)
Inflation, consumer prices (annual %):	5.57% (2019)
Labor force, total:	16,885,870 (2019)
Unemployment, total (% of total labor force) (modeled ILO estimate):	1.41% (2019)
Imports of goods and services (current US\$):	\$13.44 billion (2018)
Exports of goods and services (current US\$):	\$2.59 billion (2018)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	124 / 180
Global Competitiveness Index	108 / 141
Global Enabling Trade Index	108 / 136
Index of Economic Freedom	135 / 179
International Logistics Performance Index (LPI)	114 / 160
Inward FDI Potential Index	133 / 139
KOF Index of Globalization	172 / 185
Networked Readiness Index (NRI)	118 / 139
Open Budget Index	43 / 115

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- Reliable remittance flows sustain consumption, the main driver of growth
- Expanding services sector, especially tourism
- Financial and technical support from India and China
- Recipient of vast sums of international aid
- Political transformation supports growing stability

Weaknesses

- Landlocked, poor accessibility
- Natural disasters and extreme climate events, economy still affected by the 2015 earthquakes
- Infrastructure shortcomings, electricity and fuel shortages, undiversified export basket (clothing and agriculture)
- Tensions between China and India could make relations difficult
- Excessive dependence on Indian economy, including a currency peg

U.S. Embassy

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<https://np.usembassy.gov>