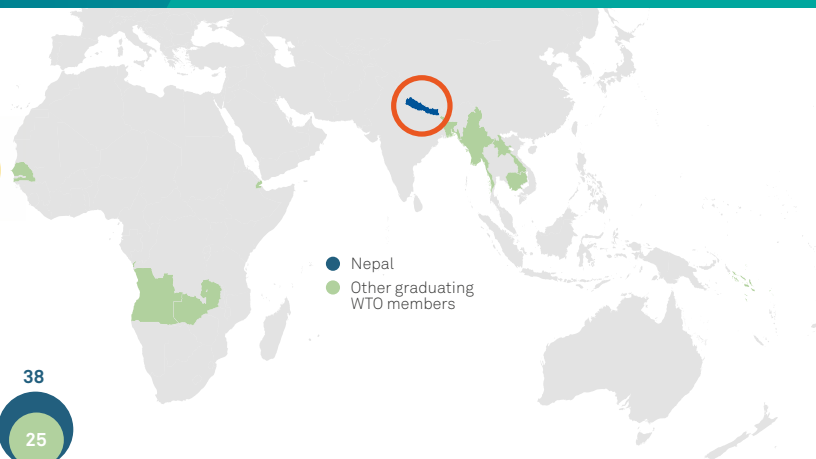
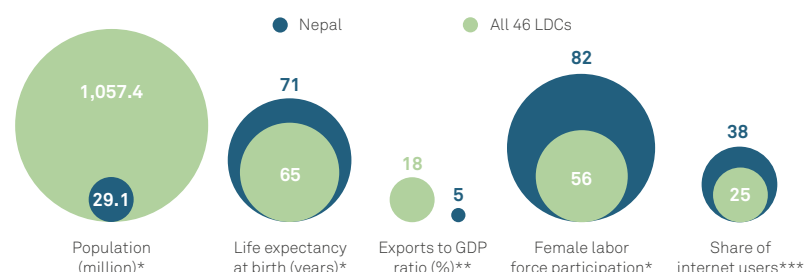
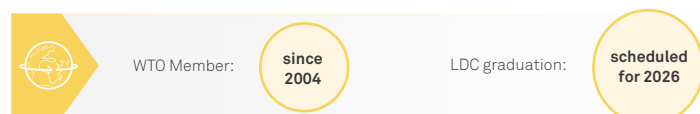


OVERVIEW



Sources: * World Bank (WDI), ** WTO, *** ITU; 2020 or 2019.

GRADUATION PROGRESS

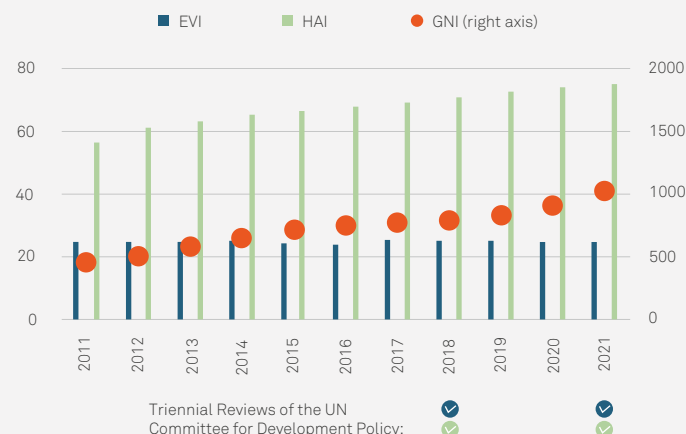
Criteria monitored by the United Nations for graduation from the LDC category:

- **GNI:** Gross National Income per capita, \$
- **EVI:** Economic Vulnerability Index
- **HAI:** Human Assets Index

Nepal met the criteria for graduation in the UN triennial reviews of in 2018 and 2021. It is scheduled to graduate in 2026. (Resolution adopted by the General Assembly: A/76/L.6/Rev.1)



[Trade Impacts of LDC Graduation](#) examines the implications of graduation in terms of LDCs' participation in the multilateral trading system, market access opportunities and development assistance.



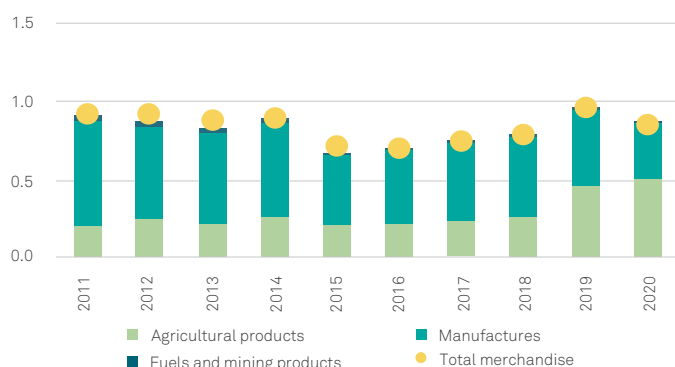
An LDC is eligible for graduation, if: i) it meets two of the three graduation criteria, or ii) its income per capita doubles the income graduation threshold. The graduation criteria should be met at two consecutive triennial reviews of the UN Committee for Development Policy for a country to be recommended for graduation.

Source: United Nations (DESA).

EVOLUTION OF EXPORTS

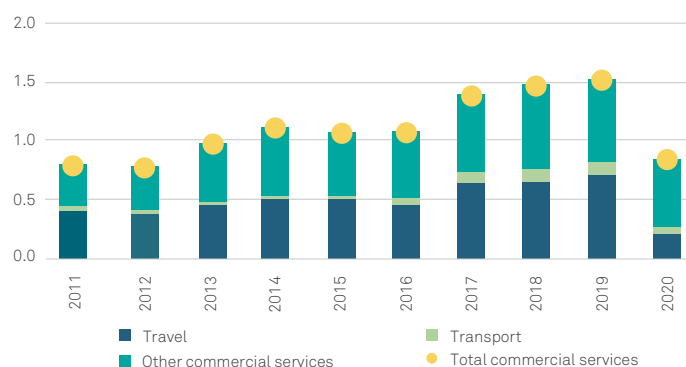
Merchandise exports of Nepal averaged USD 835 million during 2011-2019. With the onset of the COVID-19 pandemic, they decreased from USD 968 million in 2019 to USD 856 million in 2020, below the 2011 level.

Merchandise exports (USD billion)



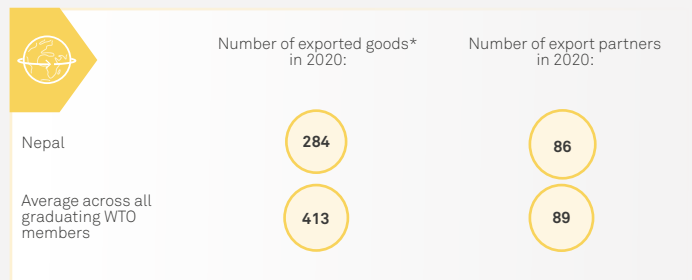
Commercial services exports of Nepal almost doubled from USD 775 million in 2011 to USD 1.5 billion in 2019 but decreased to USD 830 million in 2020, mainly due to a collapse of travel services induced by the pandemic.

Commercial services exports (USD billion)



Source: WTO.

TRADE STRUCTURE

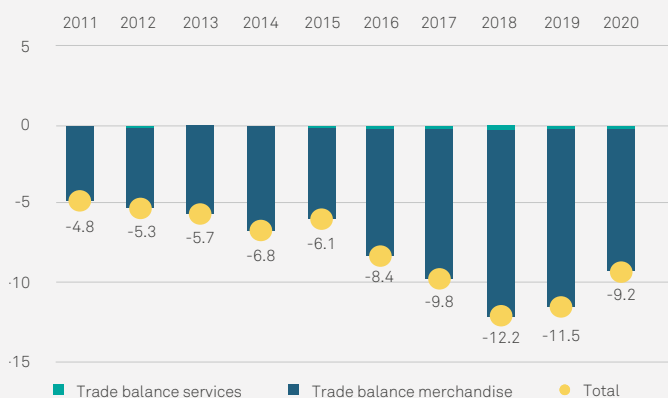


* HS 4-digit products based on export statistics; latest available data for Nepal refer to the year 2019.

Source: UN COMTRADE.

Over the past decade, Nepal recorded a widening **trade deficit**. It more than doubled from USD 4.8 billion in 2011 to USD 12.2 billion in 2018 but has decreased to USD 9.2 billion in 2020.

Trade balance (USD billion)



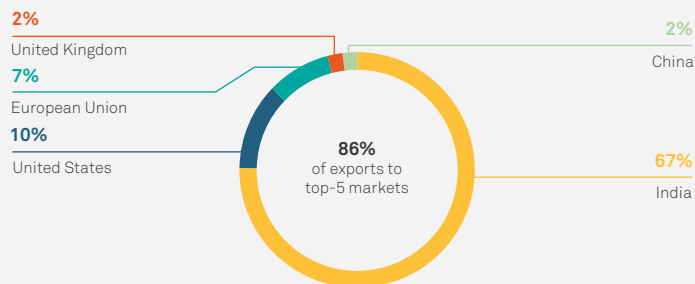
Source: WTO.

Top-5 export destinations accounted for more than 80% of all goods exports of Nepal in 2020.

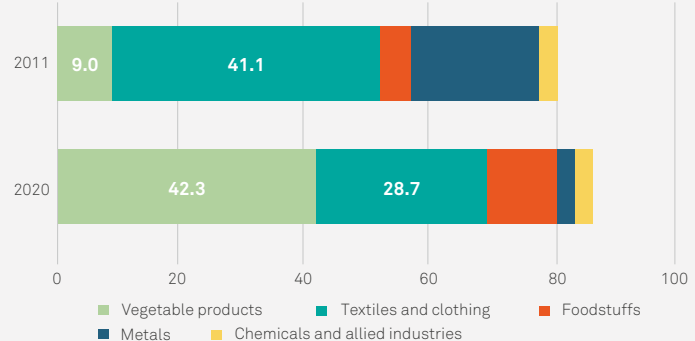
The biggest market was India, accounting for roughly two thirds of its goods exports.

Vegetable products represented more than a third of its goods exports, followed by textiles and clothing.

Top-5 export markets in 2020 Share of global imports from Nepal



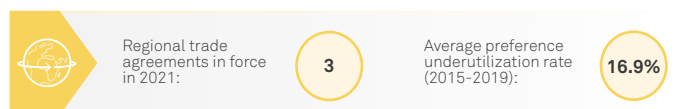
Top-5 export product groups, 2020 Share of global imports from Nepal



HS sections.

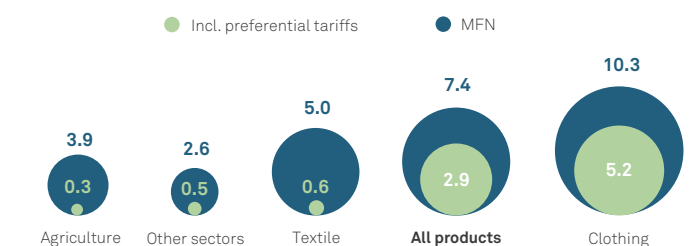
Source: UN COMTRADE, based on import statistics.

TRADE POLICY



Preference underutilization refers to the share of imports from Nepal facing MFN duties despite being eligible for trade preferences.

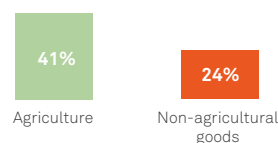
Tariffs applied to exports of Nepal (weighted average, 2019)



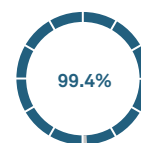
Other sectors summarize all product groups that do not belong to agriculture, textiles, clothing, or fuels.

Notes: Information as of January 2022. Figures for the year 2020 include estimates. Number of traded goods at 4-digit product level of the harmonized system (HS) and number of trading partners in 2020 based on trade data exceeding USD 10,000 retrieved from UN COMTRADE. Regional trade agreements in force and notified to the GATT/WTO taken from the WTO RTA database. Preference underutilization rates based on data of the WTO Integrated Database (G/RO/W/204).

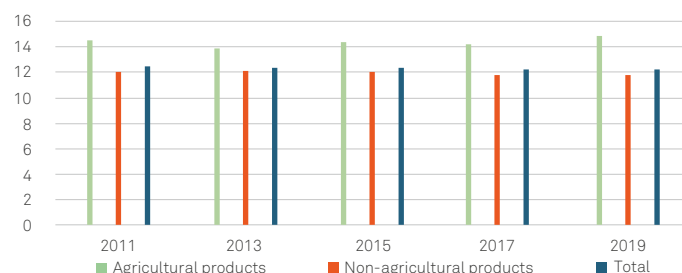
Bound tariffs (simple average)



Binding coverage Total



Tariffs applied by Nepal to its imports (simple average)



Including interpolated data.

Sources: WTO and SDG Trade Monitor.