



GOVERNMENT OF NEPAL  
**National Economic Census 2018**

**Analytical Report**  
**Wholesale and Retail Trade Industry**



National Planning Commission  
**Central Bureau of Statistics**  
Kathmandu, Nepal  
March 2021







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## Government of Nepal National Planning Commission

**Vice-Chairman**

### MESSAGE

It is my pleasure to state that Central Bureau of Statistics (CBS) has successfully conducted the nationwide first historic National Economic Census (NEC) from April 14 to June 14 2018. The National Planning Commission is happy to share this report based on the results of National Economic Census of Nepal. This report provides various economic, industry and business information in different dimensions for the users in national and sub-national levels. The report contains the statistical information on establishments, persons engaged and other related characteristics. The result of this census will be the framework for further statistical surveys to generate advanced thematic characteristics. The census results play a key role in the development planning, monitoring and evaluation of the programs. Hence, this report will also be instrumental for the Sustainable Development Goals (SDGs) progress monitoring. I hope that this report will be an important source of data for policy makers, planners, business communities, development partners, researchers, civil society, media etc. in formulating policies, undertaking development programs and studies.

On behalf of the National Planning Commission, I would like to extend my sincere thanks to all members of steering committee and technical committee for their valuable guidance throughout the census process. My heartiest thanks go to all the concerned leadership and staffs of CBS for bringing out the series of reports in time. I sincerely acknowledge JICA for technical support in this census. I would also like to thank persons both within and outside the government who contributed the smooth implementation of the census programme and made it a success.

2021

**Prof. Dr. Puspa Raj Kadel**





**Member**

# **Government of Nepal National Planning Commission**

## **FOREWORD**

It is my immense pleasure to write few words on the publication of the analytical reports of National Economic Census (NEC) 2018. Being the first economic census, it has great scope and importance providing disaggregated data on Nepalese economy and its sectoral dimensions. The analytical report provides various indicators and data in varied dimensions for the users in national, provincial and local levels. It includes the statistical information on number of establishments, persons engaged and other related characteristics. The result included in this report will serve as the framework for further statistical surveys to generate advanced thematic characteristics. The census results play the key role in the development planning, monitoring and evaluation of development programs carried out by three tiers of the government. Therefore, this report will also be instrumental for the monitoring of Fifteenth periodic plan, provincial and local level plans, Sustainable Development Goals (SDGs) and other development initiatives. I hope that this analytical report will be a leading source of data for planners, policy makers, private sectors, development partners, researchers, civil society, media and the general public in formulating policies, managing development programs, civic information and studies.

Central Bureau of Statistics (CBS) is thankful for the effort of implementing first Economic Census and carrying out this analytical report. I would like to extend my sincere thanks to Honorable Vice-Chairman Prof. Dr. Puspa Raj Kandel for his appreciable leadership in Census Steering Committee. All the members of steering committee, technical committee and thematic committees are also thankful for their valuable guidance throughout the census process. My heartiest thanks go to all concerned leadership and staffs of CBS for bringing out the series of reports in time. I also want to sincerely acknowledge the Japan International Cooperation Agency (JICA) for the technical support in this census. I would also like to thank all stakeholders in entire government and elsewhere who contributed the smooth implementation of census.

**Dr. Ram Kumar Phuyal**

2021







# Government of Nepal National Planning Commission

**Secretary**

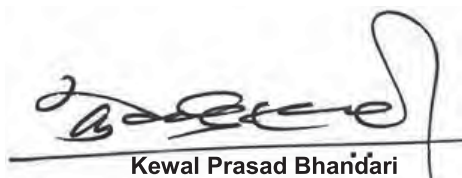
## PREFACE

Data are the heart of planning and policy formulation. An informed decision-making process is only possible with official statistics that present the accurate picture of the nation's economy. Hence, it becomes a responsibility of the government to make official statistics of all the sectors easily available and accessible to all so that the decisions made by individuals and institutions can be effective and subsequently lead to yield desired results within the targeted period of time. The National Economic Census is the statistical operation covering the establishments of agriculture, forestry and fisheries (formal) and various non-agriculture sectors (formal and informal) of the economy. The census was conducted with the aim to fulfill basic data gaps on economic statistics of the country.

Central Bureau of Statistics has brought a series of reports on National Economic Census 2018, conducted during the period of April to June, 2018. I believe that the different publications on economic census providing variety of key information on the economic characteristics of the economic entities will be useful to a wide range of stakeholders for evidence-based decision making as well as policy formulation for overall development of the country. The census results will also be more useful in formulating policies and programs at three tiers of the government: local, provincial, and federal. Further, it is equally important for monitoring development progress particularly of on Sustainable Development Goals (SDGs).

I would like to extend my sincere thanks to the Director General of CBS and its team for their great effort for successfully completing the Economic Census on time. I would also like to acknowledge and appreciate the support provided by Japan International Cooperation Agency (JICA) for through technical assistance in carrying out first of its kind Economic Census in the country. Finally, I offer our cordial appreciation to our valued people, respondents and the stakeholders who extended their full cooperation for the smooth and successful completion of the census.

2021



Kewal Prasad Bhandari





**Director General**

**Government of Nepal  
National Planning Commission  
Central Bureau of Statistics**

**ACKNOWLEDGEMENT**

It is my pleasure to release **Analytical Report on Wholesale and Retail Trade Industry** of National Economic Census 2018. Central Bureau of Statistics (CBS) conducted the first National Economic Census 2018 (NEC2018) from April to June 2018, covering the entire territory of Nepal. Its main objective was to know the nature of the economic characteristics on the Nepalese economy. CBS has already released National Report Series 1, 2, and 3, Provincial Summary Reports, National Summary Reports in Nepali language, National Profile series 1, 2, and 3, Analytical Report No.1 and No. 2, Ward Profile Series 1 and 2 for the users. This report contains detail analysis on wholesale and retail trade industry with the focus on number, employment, and financial status based on the results of Economic Census 2018. It is hoped that the analysis on wholesale and retail trade industry with diverse business characteristics will be beneficial for various users to grasp the economic situation of the wholesale and retail trade sector.

I would like to thank Dr. Hem Raj Regmi, Deputy Director General, economic statistics division of the Bureau for his valuable contribution and leading role in the census. Mr. Anil Sharma, and Mr. Mahesh Chand Pradhan, Directors of the economic census section deserve special thanks for their lead role in the report and driving the overall census planning, implementation, data processing and data dissemination activities. I also would like to thank Mr. Prakash Pokharel, Mr. Bikash Malla, statistics officers of the Economic Census section for supporting census administration and management.

I would like to thank all members of Economic Census Steering Committee, Technical Committee, Joint Coordinating Committee, Media Campaign Committee, and District Economic Census Coordination Committee, which provided support for the implementation of the NEC2018. I would like to thank all respondents for providing invaluable information during the census enumeration. I heartily appreciate district census officers and their team, all the staff of the Bureau and National Planning Commission who had extended support in this national endeavor.

I gratefully acknowledge technical assistance provided by the Government of Japan via Japan International Cooperation Agency (JICA) in the Project on capacity development for the implementation of Economic Census 2018 in Nepal. Special thank goes to Mr. Masahito AOKI, JICA consultant for support in preparing this report. Our deep thanks are due to Mr. Fumihiko Nishi, Chief Adviser and other experts of the Project, who made all the best efforts in preparation of the reports and in successful implementation of NEC2018.

CBS always welcomes comments and suggestions from users which would be valuable for the improvement of our future publications.

March 2021

**Nebin Lal Shrestha**





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### Map of Nepal by District



#### Code of Province / District

##### 1 PROVINCE 1

101 Taplejung  
102 Sankhuwasabha  
103 Solukhumbu  
104 Okhaldhunga  
105 Khotang  
106 Bhojpur  
107 Dhankuta  
108 Terhathum  
109 Panchthar  
110 Ilam  
111 Jhapa  
112 Morang  
113 Sunsari  
114 Udayapur

##### 2 PROVINCE 2

201 Saptari  
202 Siraha  
203 Dhanusa  
204 Mahottari  
205 Sarlahi  
206 Barahat  
207 Bara  
208 Parsa

##### 3 BAGMATI PROVINCE

301 Dolakha  
302 Sindhupalchok  
303 Rasuwa  
304 Dhading  
305 Nuwakot  
306 Kathmandu  
307 Bhaktapur  
308 Lalitpur  
309 Kavrepalanchok  
310 Ramechhap  
311 Sindhuli  
312 Makawanpur  
313 Chitawan

##### 4 GANDAKI PROVINCE

401 Gorkha  
402 Manang  
403 Mustang  
404 Myagdi  
405 Kaski  
406 Lamjung  
407 Tanahu  
408 Nawalparasi East  
409 Syangja  
410 Parbat  
411 Baglung

##### 5 LUMBINI PROVINCE

501 Rukum East  
502 Rolpa  
503 Pyuthan  
504 Gulmi  
505 Arghakhanchi  
506 Palpa  
507 Nawalparasi West  
508 Rupandehi  
509 Kapilbastu  
510 Dang  
511 Banke  
512 Bardiya

##### 6 KARNALI PROVINCE

601 Dolpa  
602 Mugu  
603 Humla  
604 Jumla  
605 Kalikot  
606 Dailekh  
607 Jajarkot  
608 Rukum West  
609 Salyan  
610 Surkhet

##### 7 SUDURPASHCHIM PROVINCE

701 Bajura  
702 Bajhang  
703 Darchula  
704 Baitadi  
705 Dadeldhura  
706 Doti  
707 Achham  
708 Kailali  
709 Kanchanpur

\* Codes and boundaries are as of May 2020.





## Figures at a Glance

Number of Provinces <sup>1)</sup>	7	
Number of Districts <sup>1)</sup>	77	
Number of Metropolitan Cities <sup>1)</sup> (maha-nagarpalika)	6	
Number of Sub-metropolitan Cities <sup>1)</sup> (upa-maha nagarpalika)	11	
Number of Municipalities <sup>1)</sup> (nagarpalika)	276	
Number of Rural Municipalities <sup>1)</sup> (gaunpalika)	460	
Number of Wards <sup>1)</sup>	6,743	
Number of Establishments	923,356	
Registered	462,605	establishments
	50.1	%
Not registered	460,422	establishments
	49.9	%
Female manager	273,436	persons
	29.6	%
Female owner	247,880	persons
	29.8	% <sup>2)</sup>
Young manager <sup>3)</sup>	498,646	persons
	54.0	%
Young owner	450,464	persons
	54.5	% <sup>2)</sup>
Foreign owner	10,265	persons
	1.2	% <sup>2)</sup>
New establishments <sup>4)</sup>	394,219	establishments
	42.7	%

1) The final results are sorted out based on the new administrative areas as of 14 April 2018.

2) Excludes "Not applicable", "Not stated", "Unknown", and others from the denominator.

3) Young managers (or owners) mean those who are under 40 years old, herein.

4) New establishments mean which started business between April 2015 and April 2018.

Number of Establishments (continued)	923,356	
Owned (Building/Room)	400,848	establishments
	46.7	% <sup>2)</sup>
Rented (Building/Room)	426,380	establishments
	49.7	% <sup>2)</sup>
Street business	34,101	establishments
	3.7	%
Home business	386,323	establishments
	41.8	%
Area of business place (building/room)		
Under 100ft <sup>2</sup> (9.3m <sup>2</sup> )	172,985	establishments
	20.8	% <sup>2)</sup>
Single unit	898,996	establishments
	97.4	%
Number of Persons Engaged	3,228,457	persons
Number of Persons Engaged per Establishment	3.5	
Number of Entities <sup>5)</sup>	900,924	entities
No accounting record	472,350	entities
	52.4	%
Number of Persons Engaged in Entities	3,115,112	persons
Annual Sales (S)	2,915,609	million Rs.
Annual Expenses	2,062,396	million Rs.
Annual Profit and Loss (P)	853,213	million Rs.
per Entity	947	1,000 Rs.
per Persons Engaged in Entities	274	1,000 Rs.
(P) / (S)*100	29.3	%
Number of Entities with Paid Employees	219,303	entities
Number of Paid Employees	1,709,101	persons
Annual Salaries and Wages	421,314	million Rs.
per Entity	1,921	1,000 Rs.
per Paid Employee	247	1,000 Rs.

5) An entity consists of a single unit or a head office only.

## Outline of National Economic Census 2018 (NEC2018) of Nepal

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### 1. Background

A reliable and strong statistical infrastructure like database is the foundation of organized and proper policy formulation, developing plans and programs. Central Bureau of Statistics (CBS), has been contributing the data for various sectors of the economy to meet the requirements of the policy makers and planners. At present days, demand of enormous data requirements exists in various sectors, the collection and update of data for various sectors are a challenge. Fairly reasonable data for the agriculture and non-agriculture sectors is highly desired. Keeping in view the importance of the various sectors of economic activities and non-availability of basic frame for adoption in various sampling methods for collection of data and estimation of various parameters or establishing business directory, it was necessary to conduct an economic census in the country as a benchmark source. With this background, CBS initiated to start the first economic census for preparing frame of establishments which can be used for various thematic surveys for collection of data on detailed characteristics of the economy. The basic purpose of conducting the economic census was to prepare a frame for follow up surveys intended to collect more detailed sector specific information. In view of the rapid changes in the economy, it is necessary to conduct the economic census periodically in order to update the frame.

An economic census is the complete enumeration of all establishments belonging to a given population at a particular time with respect to well defined characteristics located within geographical boundaries of a country. Basically, it is the whole process of collecting, compiling, processing, analyzing, and publishing economic data related to all economic units of the country. A census is a well-structured statistical operation providing timely, reliable, accurate and detailed data on the size and distribution of economic units of different

categories. The first National Economic Census (NEC) of Nepal was conducted from 14 April to 14 June 2018 in all over the country. This will also be a major source of statistics on economic activities in the country. The NEC essentially develops a sample frame for conducting various thematic economic surveys, and develops business registers for large and small scale establishments in different sectors like agriculture, mining and quarrying, manufacturing, wholesale and retail trade, education, health etc. A large number of new economic establishments emerge and diminish over time. It is imperative to conduct an economic census covering all establishments conducting different sectors of economic activities as mentioned in International Standard Industrial Classification of all economic activities (ISIC revision 4) in order to know the real picture of the economy. It was one of the reasons that Government of Nepal decided to conduct the NEC of the country realizing to fulfill the shortfall of economic data in the country and to develop statistical business register in Nepal.

The NEC is a primary source of benchmark economic statistics providing major data about the structure and functioning of the national economy about both the formal and informal sectors. The NEC will play an important role in the improvement of national accounts statistics, production and price indices, and other statistical areas, which are used to measure short-term changes in the economy. The major benefit is that the census results will support in developing the statistical business register of the country which will enable CBS to conduct a large number of economic surveys such as Integrated (Large Scale) Manufacturing Industries Survey, Distributive Trade (Whole Sale, Retail Trade), Accommodation and food service activities Surveys, Services Survey, etc. The NEC data will be the basic economic data up to the local levels.

### **1.1. Objectives**

The main objective of the NEC was to know the nature of the economic structure of the Nepali economy at preset and to provide comprehensive statistical information for policy makers, planners, researchers, business communities, and other users for policy formulation and development planning, research and study. In general, the basic objective is to provide information on number of establishments and number of persons engaged, industry wise, of all the sectors (excluding unregistered *agriculture, forestry and fisheries, public administration, defense and compulsory social security, Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use and Activities of extraterritorial organizations and bodies*) of the country.

Other objectives are:

- a. to provide with the fundamental statistics on the status of the business activities of the establishments and enterprises including the financial aspects;
- b. to provide statistics to central, provincial and local governments for the formulation of plan and policy-making;
- c. to provide statistics to strengthen national accounting system;
- d. to make a base for statistical business register;
- e. to provide statistics of related field to the business owners or experts, researchers and other statistics users to formulate plans and policies for the prosperity of their business; and
- f. to provide with the directories of establishments and enterprises for the sampling frame of various sample surveys on businesses.

### **1.2. Reference date of the Census**

The census was taken as of 14 April 2018. The confirmation of Enumeration Area, the establishment listing, e-Census, and the enumeration were

simultaneously conducted within a two-month period from 14 April to 14 June 2018.

### **1.3. Scope**

All the establishments engaged in non-agriculture economic activities and (registered) agriculture, forestry and fishery economic activities according to Nepal Standard Industrial Classification (NSIC) 2018, except Section-O (*Public administration and defense; compulsory social security*), Section-T (*Activities of households as employers; undifferentiated goods- and services- producing activities of households for own use*) and Section-U (*Activities of extraterritorial organizations and bodies*), were included in the scope of the NEC. Not registered Agriculture activities of Section A was not covered as such activities have been or under the scope of National Sample Census of Agriculture. Similarly, Section-O was excluded considering the information on the activities are covered from the government sector. As such, Section-T was excluded considering that activities under this section have been conventionally covered partly by the Agriculture Census and partly by the Labor Force Survey. The establishments under Section-U were not covered in the scope of the NEC as the activities under this section are not practically taken into account to the national accounts aggregates globally and kept outside the scope of the NEC. All establishments engaged in the activities under the sectors of NSIC-2018 mentioned above for revenue generation or for serving the community were considered in the scope of the NEC. However, the establishments of mobile nature which keep on moving from one place to another place not having fixed location to operate the activities, illegal activities like smuggling, gambling, beggary, prostitution, *etc.*, and domestic paid helpers, whether they work in one household or in a number of households, drivers, *etc.* who undertake jobs for others on wages or salaries, and individuals engaged in different types of jobs depending on the availability of work *e.g.* loading, unloading, helping a mason

or a carpenter, doing earthwork for a contractor or individuals working without associated in establishments were kept out of the purview of the NEC.

#### **1.4. Coverage**

Geographically, the NEC has covered the entire area, that is, 753 Local levels under 77 districts and seven provinces of the country. All establishments except the mentioned excluded sectors were completely enumerated in the NEC.

#### **1.5. Enumeration units**

The enumeration unit in the NEC was considered as “establishment”. The establishment was defined as follows, according to UN definition:

The establishment is defined as an economic unit that engages, under a single ownership or control - that is, under a single legal entity - in one, or predominantly one, kind of economic activity at a single physical location – for example, a mine, factory or workshop.

### **2. Concepts and Definitions of NEC2018**

#### **2.1. Economic Activities**

All activities related with production, distribution, marketing, and sales of goods or services are referred to as economic activities. That is, the activities which are carried out for profit or own consumption are considered as the economic activities. Such activities will contribute to the value added of the national production.

#### **2.2. Economic Unit**

A unit which performs one or more economic activities for profit, own consumption, or indirect benefit to a community is defined as an economic unit. Such economic unit is used to be a single establishment.

### **2.3. Establishment**

An establishment is defined as an economic unit that engages, under a single ownership or control - that is, under a single legal entity - in one, or predominantly one, kind of economic activity at a single physical location – for example, a mine, a shop, a factory or workshop. It is an establishment that is situated in a single location and in which only a single (non-ancillary) productive activity is operated or in which the principal productive activity accounts for most of the value added.

### **2.4. Broad Industrial Classifications of Economic Activities**

Nepal Standard Industrial Classification (NSIC) has been developed on the basis of International Standard Industrial Classification (ISIC), Rev.4 of all economic activities which classify 21 broad sections (United Nations, 2008). The information on economic activities is collected, tabulated on the basis of NSIC. The results of the NEC2018 are based on the NSIC broad classifications. The broad industrial sections included in the NEC2018 are as listed below:

1. Section-A: Agriculture, forestry and fishing

In the National Economic Census 2018, only the agriculture, forestry and fisheries establishments registered at government agencies have been considered as economic activities.

2. Section-B: Mining and quarrying

3. Section-C: Manufacturing

4. Section-D: Electricity, gas, steam and air conditioning supply

5. Section-E: Water supply; sewerage, waste management and remediation activities

6. Section-F: Construction

7. Section-G: Wholesale and retail trade; repair of motor vehicles and motorcycles



8. Section-H: Transportation and Storage
9. Section-I: Accommodation and food service activities (hotel and restaurant)
10. Section-J: Information and communication
11. Section-K: Financial and insurance activities
12. Section-L: Real estate activities
13. Section-M: Professional, scientific and technical activities
14. Section-N: Administrative and support service activities
15. Section-P: Education
16. Section-Q: Human health and social work activities
17. Section-R: Arts, entertainment and recreation activities
18. Section-S: Other service activities

## **2.5. Single Entity**

Economic activities are either carried out by single-unit establishment or head offices with plural establishments (branches or sub-branches). The single-unit establishments are those which do not have their head offices or branches under the same management. The head offices are those which controls all their respective branch office(s) under the same management. The economic census also collected some financial information like average monthly revenues or sales, monthly operating expenditures, and average monthly salary or wages from single-unit establishments and head offices only. The financial information was not collected from branch offices or sub-branch offices. The establishment having a status of single-unit or head office are termed as one entity throughout the report, for which tables on financial information are generated.

## **2.6. Sales, Expenses, and Profit/ Loss**

The economic census collected information on average monthly revenues/sales and operating expenses for the fiscal year 2017/18<sup>1</sup> from the single entities. The revenues or sales amount includes all income or revenues gained from operating activities such as selling of good, providing services, etc. In case of a bank, the average revenue is the sum of “total interest income” and “total noninterest income”. In case of a life insurance company, the average revenue includes as the following items: premiums; policy and contract fees; net investment income (it removes the expenses associated with generating the investment income). In case of Government office such as Central Bank, Post Office etc., the salary of its officers should be included into its revenues.

Similarly, operating expenses include all expenses being paid for operating activities. Operating cost such as costs of products sold (cost of raw materials, etc.) in production establishment, and costs of goods sold in non-production establishment are included. In addition, other operating costs such as salaries and wages for employees, fuel, gas, electricity, and water expenses, transportation expenses, rental expenses, commissions, tax expenses, and so on are the examples of operating expenses. In case of a bank, the average expenses is the sum of “total interest expense”, “total noninterest expense”, and “provision for loan and lease losses”.

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<sup>1</sup> The average monthly revenues or sales is multiplied by 12 months to derive average annual revenues or sales for the tabulation. Similarly, the average monthly operating expenses is multiplied by 12 months to derive average annual operating expenses. Here, average annual revenues/sales and average annual operating expenses are simply termed as annual sales and expenses respectively. The profit/ loss has been derived as the difference of annual sales and expenses.

## Chapter 1 Overview of the wholesale and retail trade industry

### 1-1 Significance of the wholesale and retail trade industry in the Nepalese economy

The service sector is the largest segment in the Nepalese economy and it is the major driver of the steady and continuous economic growth over the last decade, as depicted in Figure 1.1. The average annual growth rate of GDP from 2011-12 to 2018-19 is 5.1%; the service sector, however, has expanded faster during the period and the value added generated by the service sector increased from Rs. 318.5 million in 2011-12 to Rs. 476.0 million in 2018-19.

The average annual growth rate of the value added of the service sector during the period is 5.9%, although those of the agriculture and industry sectors expands annually at 2.8% and 4.8% respectively.

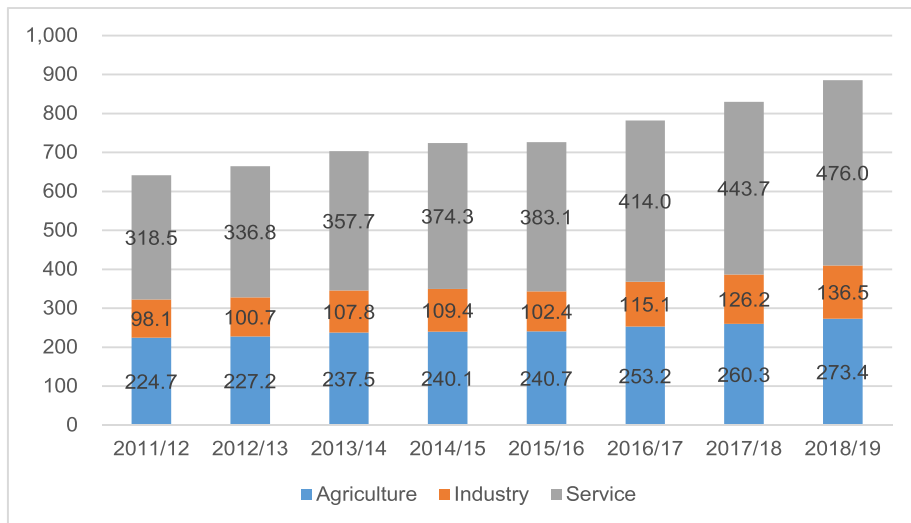
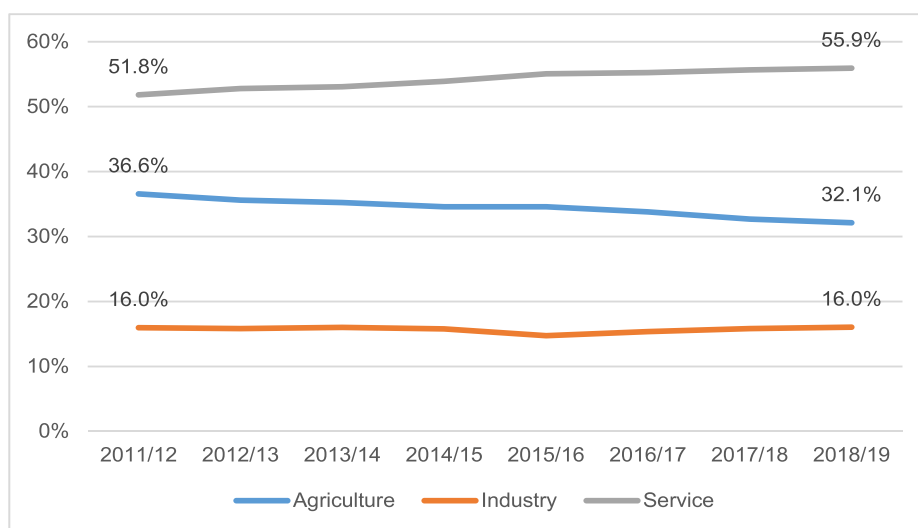


Figure 1.1 Real GDP at basic price by sector (million Rs. at 2000/01 price)<sup>2</sup>

<sup>2</sup> Source: Macroeconomic indicator of Nepal, Nepal Rastra Bank Nov 2019

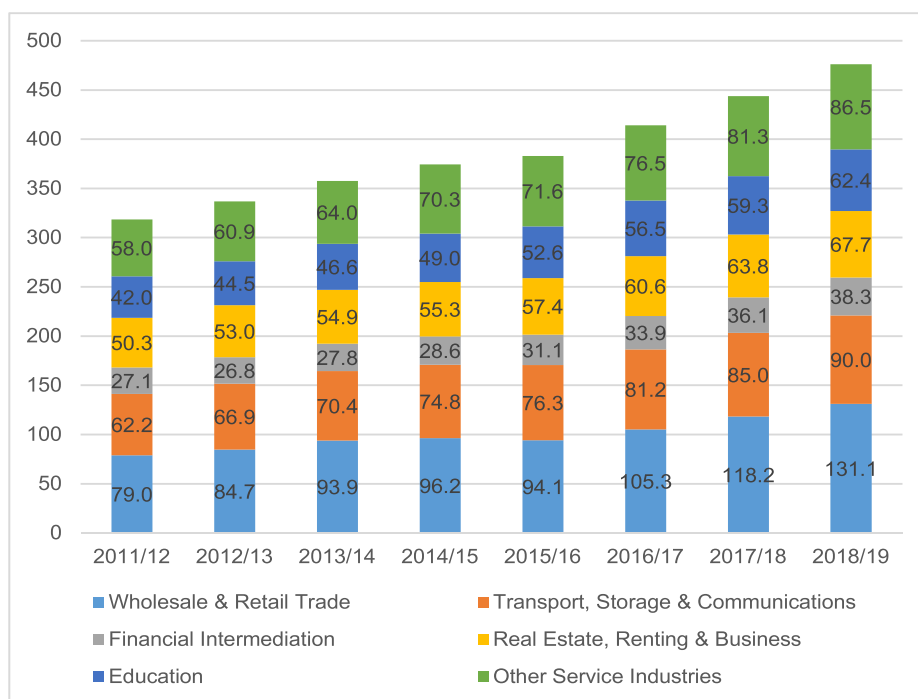
As depicted in Figure 1.2, the value added generated by the service sector as percentage of GDP tends to grow gradually since 2011-12, while that of the agriculture sector is decreasing and that of the industry stays around 16%. In 2018-19, the value added generated by the service, industry and agriculture sectors are 55.9%, 16.0% and 32.1% respectively.



**Figure 1.2 Value added as percentage of GDP by sector<sup>3</sup>**

<sup>3</sup> Source: Macroeconomic indicator of Nepal, Nepal Rastra Bank Nov 2019

The major industries of the service sector are the wholesale and retail trade and transport, storage and communications industries as depicted in Figure 1.3. The wholesale and retail trade industry has grown by 66.0% from 2011-12 to 2018-19 and the average annual growth rate is 7.5% which surpasses that of the service sector, while the transport, storage and communications industry increased by 44.9% during the same period and the average annual growth rate is 5.4%.



**Figure 1.3 Real GDP at basic price in the service sector (million Rs. at 2000/01 price)<sup>4</sup>**

<sup>4</sup> Source: Macroeconomic indicator of Nepal, Nepal Rastra Bank Nov 2019

The value added as percentage of GDP by industry in the service sector is described in Figure 1.4 and it also shows that the wholesale and retail trade industry augmented the growth of the service sector. The value added as percentage of GDP generated by the wholesale and retail trade industry increased from 12.8% in 2011-12 to 15.4% in 2018-19, while those of the other industries does not show any remarkable changes.

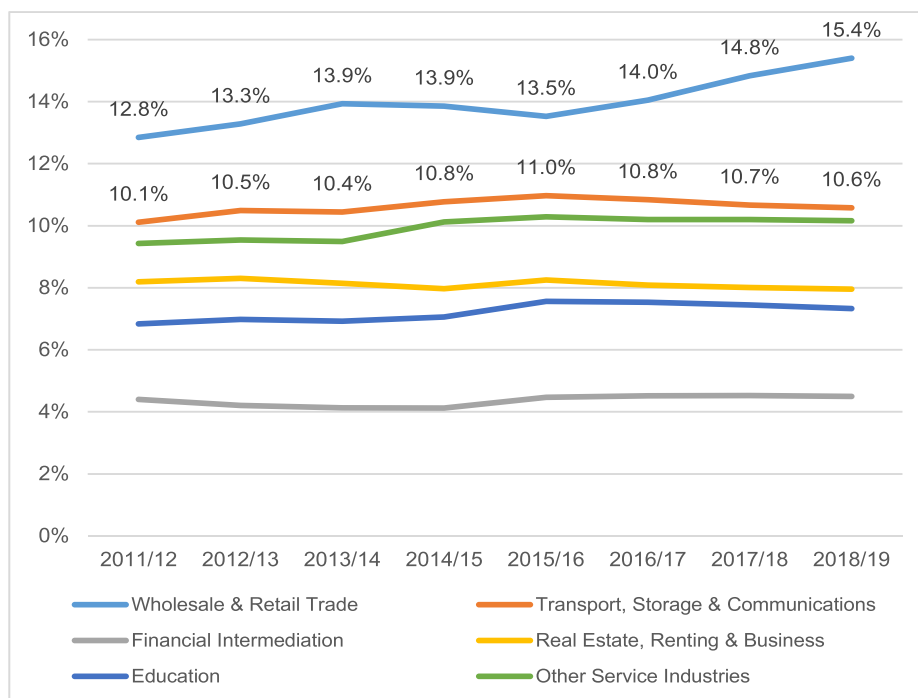
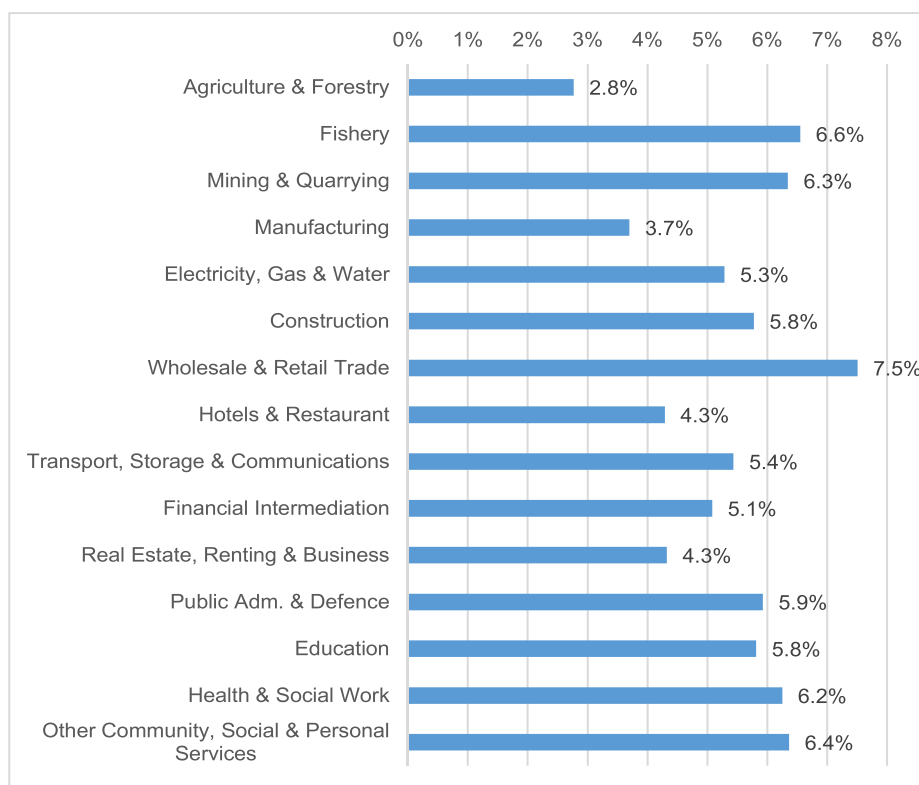


Figure 1.4 Value added as percentage of GDP (Industry)<sup>5</sup>

<sup>5</sup> Source: Calculated based on Macroeconomic indicator of Nepal, Nepal Rastra Bank Nov 2019

The average annual growth rate of the value added of various industries in Nepal from 2011-12 to 2018-19 are as described in Figure 1.5. The average annual growth rate of the wholesale and retail trade industry was 7.5%, and this was the highest among all industries and was followed by the fishery (6.6%) and the other community, social and personal services (6.4%). The wholesale and retail trade industry can be recognized as one of the notable industries in the Nepal economy in terms of the volume and growth rate.

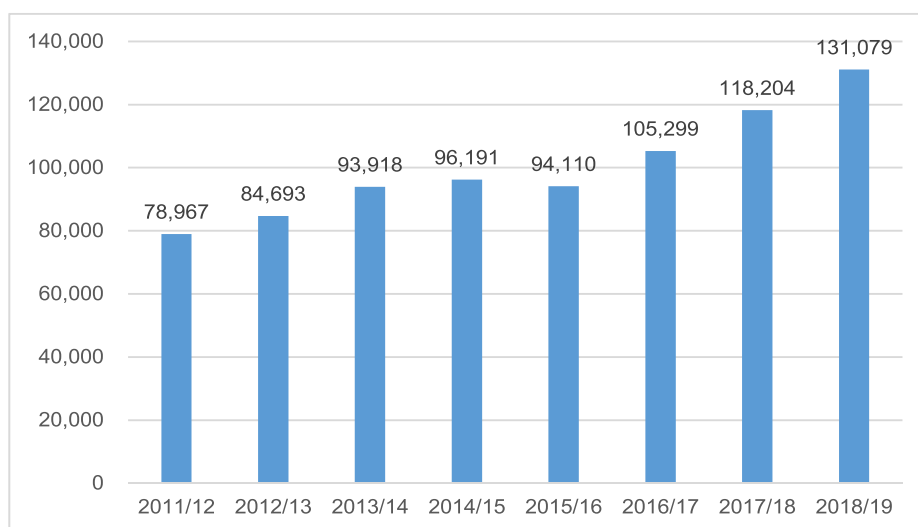


**Figure 1.5 Annual growth of value added in each industry<sup>6</sup>**

<sup>6</sup> Source: Calculated based on Macroeconomic indicator of Nepal, Nepal Rastra Bank Nov 2019

## 1-2 Prospects of the wholesale and retail trade industry

The value added earned in the wholesale and retail trade industry has been gradually expanding, increasing from Rs. 78,967 million in 2012-13 to Rs. 131,079 million in 2018-19 at 2001 price. The average growth rate of the wholesale and retail trade industry was 7.5%, which was significantly higher than the GDP growth rate (5.1%) during the same period.



**Figure 1.6 Value added earned in the wholesale and retail trade industry (Million Rs. at 2001 price)<sup>7</sup>**

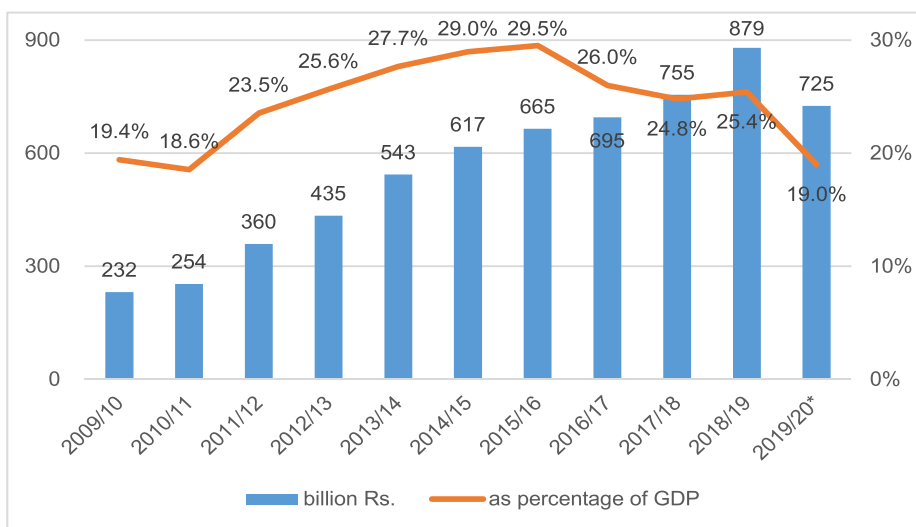
One of the reasons behind such a rapid growth of the wholesale and retail trade industry is the steady inflow of the remittance from overseas Nepalese workers which boosts the consumption of the private sector, as World Bank (2019)<sup>8</sup> and Asian Development Bank (2019)<sup>9</sup> point out. As depicted in Figure 1.7, the volume of the remittance inflow has grown dramatically from 2009/10 till 2018/19. The percentage of the remittance inflow to GDP also rose from less than 20% in 2009/10 and 2010/11 to nearly 30% in 2015/16 and tends to stay around 25% afterwards until 2018/19.

<sup>7</sup> Source: Macroeconomic indicator of Nepal, Nepal Rastra Bank, November 2019

<sup>8</sup> Source: Nepal Development Update, World Bank, December 2019

<sup>9</sup> Source: Macroeconomic Update Volume 7, No.1, Asian Development Bank, April 2019





**Figure 1.7 Inflow of remittance from overseas Nepalese workers<sup>10</sup>**

As also depicted in Figure 1.7, however, the remittance inflow in 2019/20 decreased appreciably due to the pandemic of COVID-19 since the first half of 2020. Furthermore, the service sector is likely to be adversely affected by the stoppage in the inflow of the foreign tourists and the nationwide lockdown in Nepal. World Bank (2020)<sup>11</sup> expects that the service sector will expand marginally by an 18-year low of 0.7% and the growth of GDP will decelerate swiftly to 0.2% in 2020/21 from 7.0% in 2019/20.

World Bank (2020) also envisages that the economy will be only moderately on the road to recovery and the pandemic and lockdown will cause disproportionate and lagged effects on the poor and households engaged in informal sector including street and home business of the wholesale and retail trade industry. Since the NEC2018 provides detailed information on enterprises in the wholesale and retail trade industry, it will contribute invaluable suggestions for policymakers on the revival of the industries and economy.

In order to evolve the commerce sector including the wholesale and retail trade industry, the Fifteenth Plan for fiscal year 2019/20 till 2023/24

<sup>10</sup> Source: Economic Survey 2019/20, Ministry of Finance

\* Estimated

<sup>11</sup> Source: Beaten or Broken? Informality and COVID-19, World Bank, October 2020

develops working policies to build necessary infrastructure for the development, storage and marketing of local products, to utilize information technologies and e-commerce in the promotion and marketing of local products, to achieve the collaboration with provincial and local levels to establish market management and promotion centers in provincial capitals and main cities, and so on. The analysis of the NEC 2018 will also give policymakers a good insight into materializing these policies by providing the distinctive characteristics of the industry.

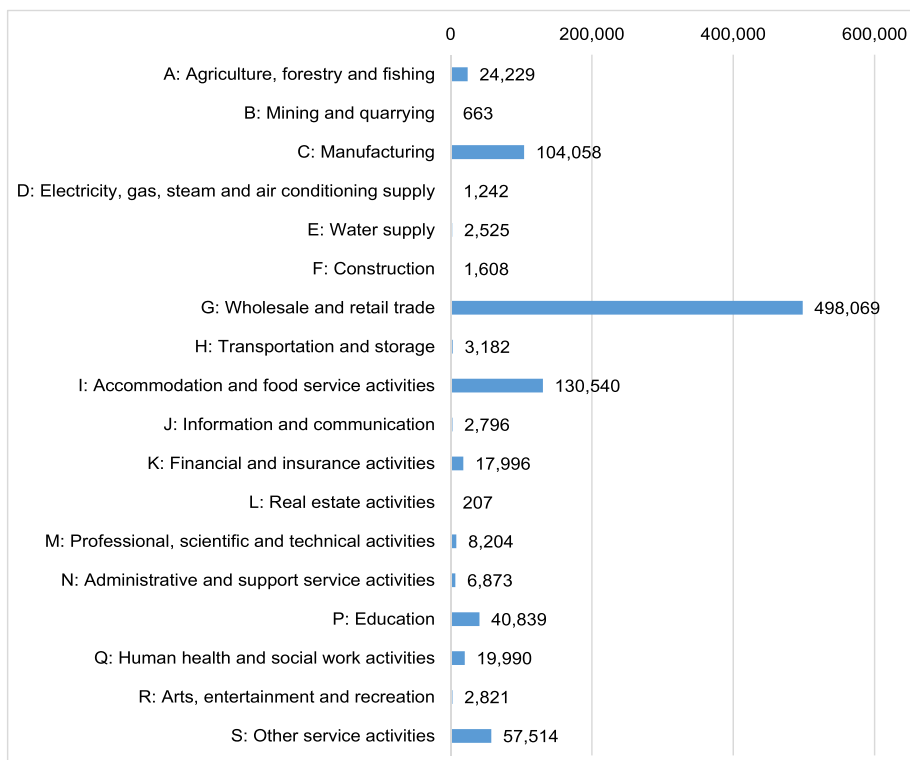
## Chapter 2 Number of establishments

This chapter briefly describes the basic characteristics of establishments which were the basic units of enumeration in the National Economic Census 2018 (the NEC2018).

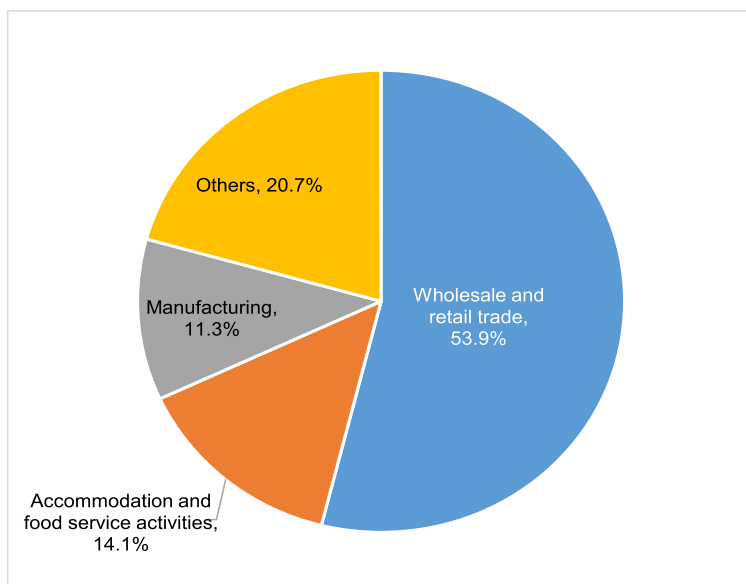
The NEC2018 followed the UN's definition of "establishment". In this definition, an establishment is an economic unit that engages, under a single ownership or control in one or predominantly one kind of economic activity at a single physical location. Therefore, an establishment can be any size, any type, and any kind of economic unit.

### 2-1 Number of establishments in the wholesale and retail trade industry

The number of establishments in the wholesale and retail trade industry is 498,069, and this is the largest among all industries and comprises 53.9% in Nepal. This is followed by accommodation and food service activities (130,540 establishments, 14.1%) and manufacturing (104,058 establishments, 11.3%).



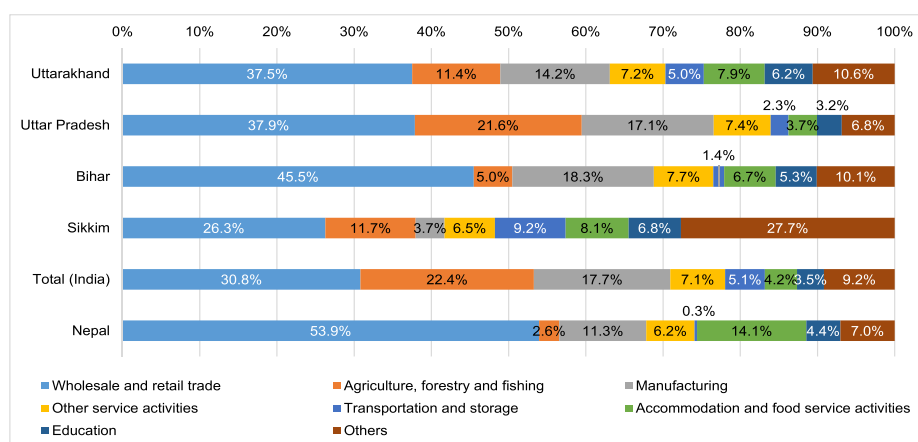
**Figure 2.1 Number of establishments by Section of NSIC**



**Figure 2.2 Distribution of establishments by Section of NSIC**

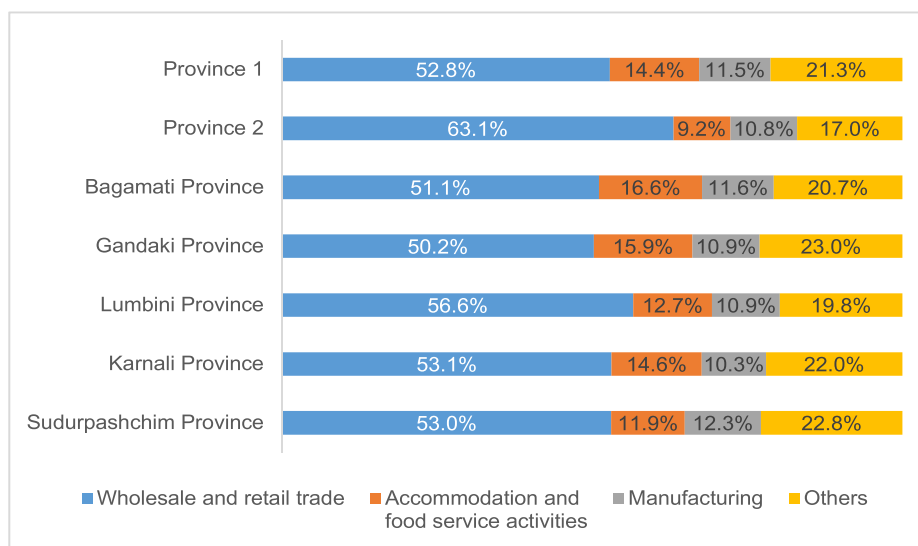
Figure 2.3 compares the distribution of industries of Nepal with those of four Indian states, Uttarakhand State, Uttar Pradesh State, Bihar State and Sikkim State.

The coverage of the NEC2018 in Nepal and that of India might be different; however, this chart indicates that 1) the proportion of wholesale and retail industry in Nepal is much bigger than the Indian States, 2) the proportion of the manufacturing industry in Nepal is lower than these Indian States, except Sikkim State, and 3) the proportion of accommodation and food services activities is higher in Nepal.



**Figure 2.3 Distribution of establishments by industry in Nepal and four northern Indian states**

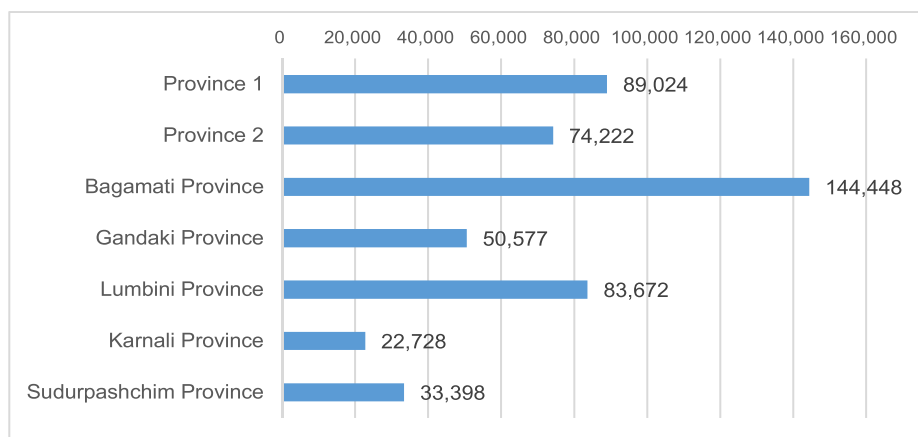
The distributions of establishments categorized by Section of NSIC in each province are as described in Figure 2.4. The proportion of the wholesale and retail trade industry is the highest among those of all industries in any province, and Gandaki Province indicates the lowest proportion (50.2%) and Province 2 shows the highest (63.1%).



**Figure 2.4 Distribution of establishments by Section of NSIC in each province**

## 2-2 Number of establishments by province

Figure 2.5 and Table 2.1 show the number of establishments in the wholesale and retail trade industry of each province. Bagamati Province keeps the largest number of establishments (144,448), which comprises 29.0% in the wholesale and retail trade industry.



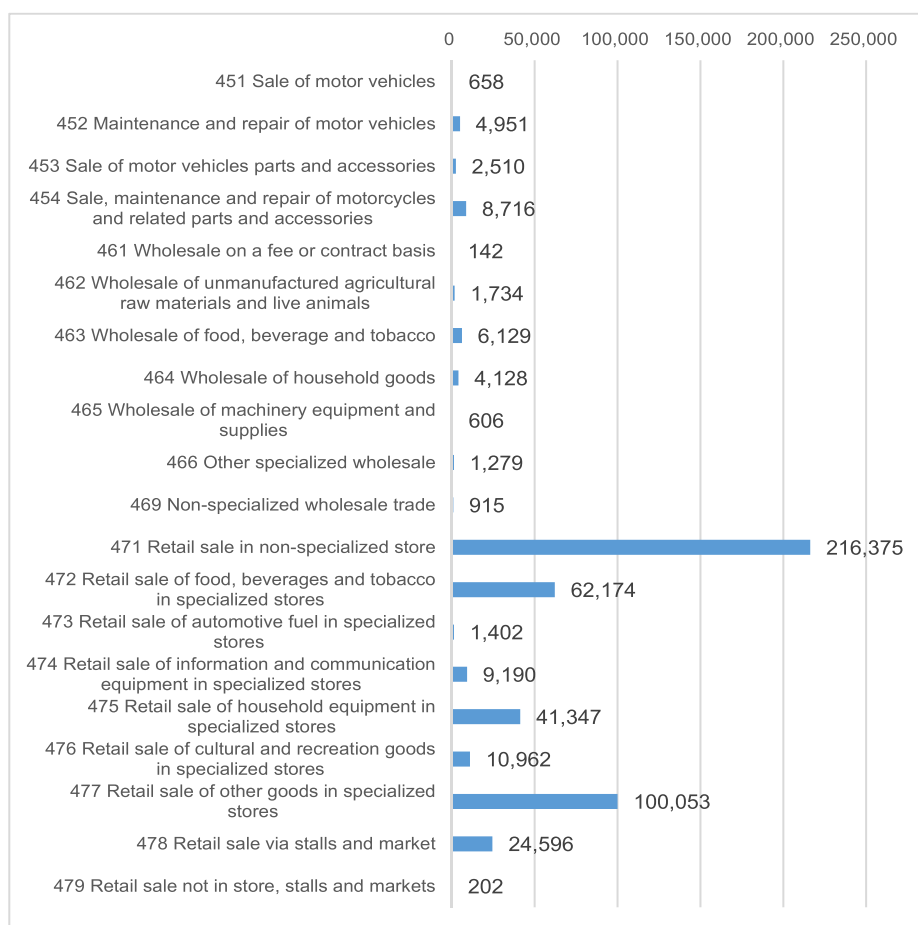
**Figure 2.5 Number of establishments in each province in the wholesale and retail trade industry**

**Table 2.1 Number and distribution of establishments in each province in the wholesale and retail trade industry**

Province	Number of Establishment	Share (%)
Province 1	89,024	17.9
Province 2	74,222	14.9
Bagamati Province	144,448	29.0
Gandaki Province	50,577	10.2
Lumbini Province	83,672	16.8
Karnali Province	22,728	4.6
Sudurpashchim Province	33,398	6.7
Total (Wholesale and retail trade)	498,069	100.0

## 2-3 Number of establishments by Group or Division of NSIC

Figure 2.6 shows the number of establishments in the wholesale and retail trade industry categorized by Group of NSIC. Retail sale in non-specialized store (code 471) keeps the largest number of establishments, which is followed by Retail sale of other goods in specialized stores (code 477) and Retail sale of food, beverages and tobacco in specialized stores (code 472).

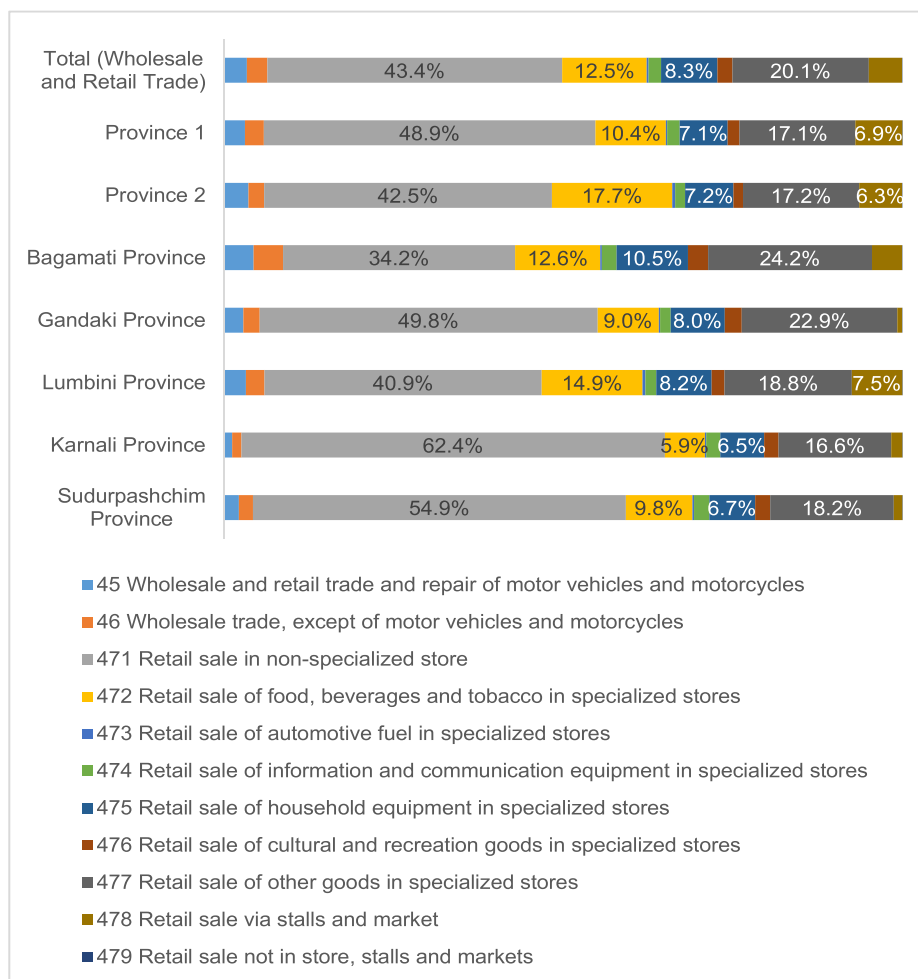


**Figure 2.6 Number of establishments in each Group of NSIC in the wholesale and retail trade industry**



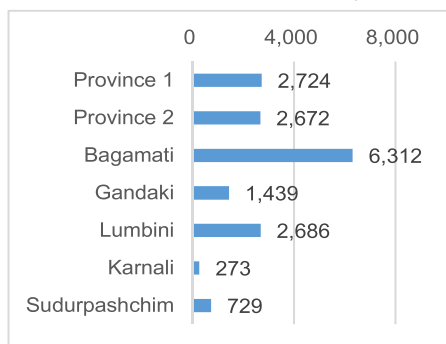
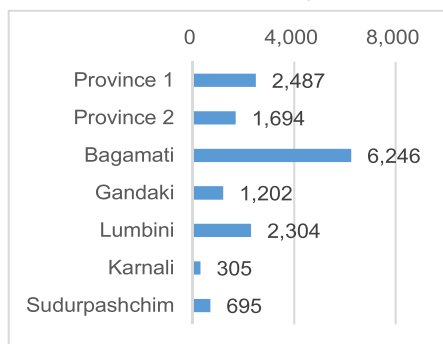
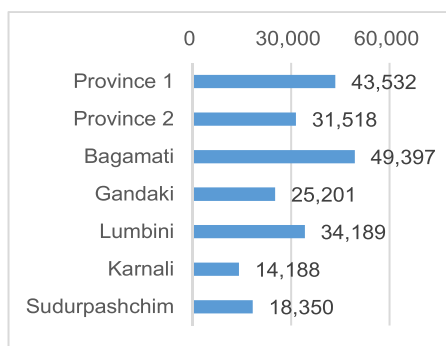
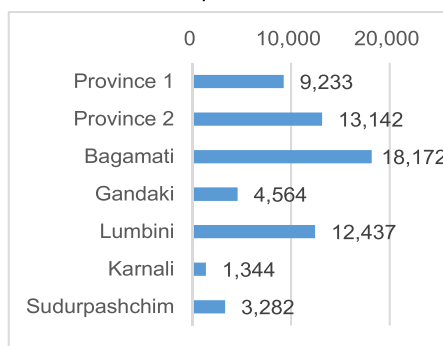
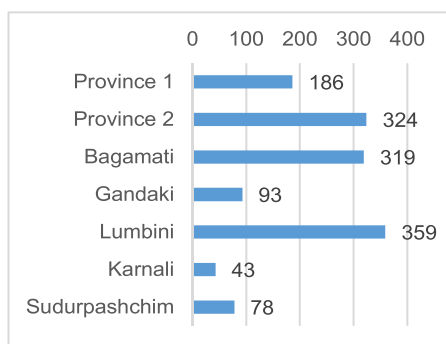
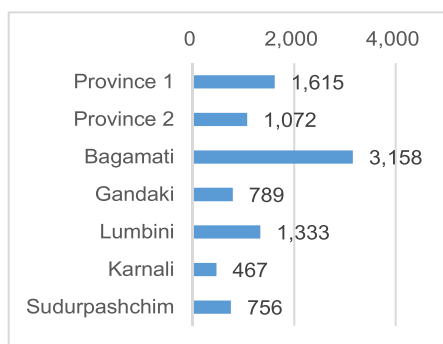
From now on in this chapter, the motor vehicles and motorcycles industries where the Groups of NSIC start from 45 and the wholesale trade industries where the Groups of NSIC start from 46 are analyzed according to Division of NSIC (45 and 46, respectively) because the sizes of establishments in these subindustries are fairly smaller than those of the retail sale industries where the Groups of NSIC start from 47.

Figure 2.7 shows the distributions of establishments in the wholesale and retail trade industry of each province categorized by Division or group of NSIC. The compositions tends to show similar trends, and Retail sale in non-specialized store (code 471) secures the largest share in each province. It is followed by Retail sale of other goods in specialized stores (code 477) in six provinces except for Province 2 where Retail sale of food, beverages and tobacco in specialized stores (code 472) takes the second largest share.

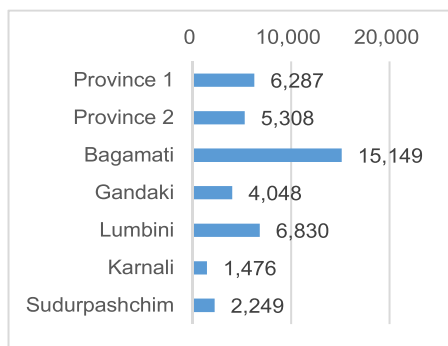


**Figure 2.7 Distribution of establishments by Division or Group of NSIC in each province**

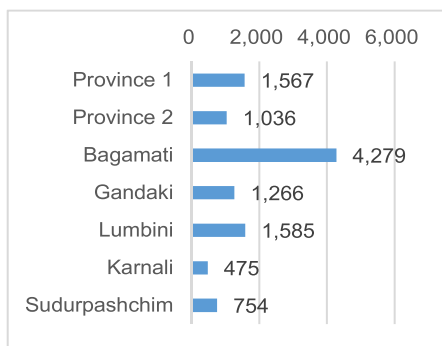
The provincial distributions of establishments in each subindustry of the wholesale and retail trade industry categorized by Division or Group of NSIC are as depicted in Figure 2.8.

**Figure 2.8 Number of establishments in each province within Division or Group of NSIC****45 Wholesale and retail trade and repair of motor vehicles and motorcycles****46 Wholesale trade, except of motor vehicles and motorcycles****471 Retail sale in non-specialized store****472 Retail sale of food, beverages and tobacco in specialized stores****473 Retail sale of automotive fuel in specialized stores****474 Retail sale of information and communication equipment in specialized stores**

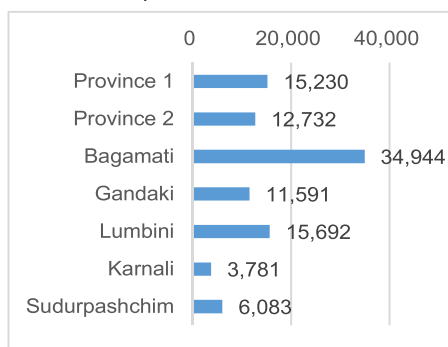
**475 Retail sale of household equipment in specialized stores**



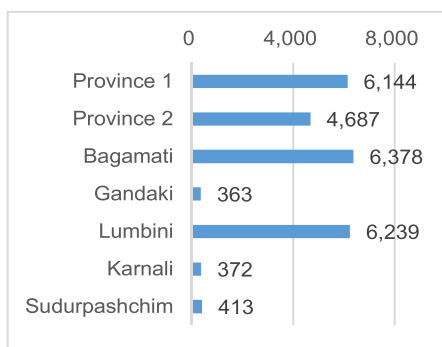
**476 Retail sale of cultural and recreation goods in specialized stores**



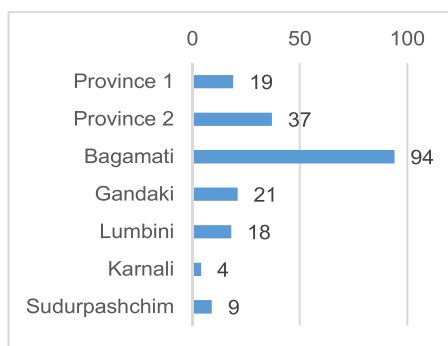
**477 Retail sale of other goods in specialized stores**



**478 Retail sale via stalls and market**



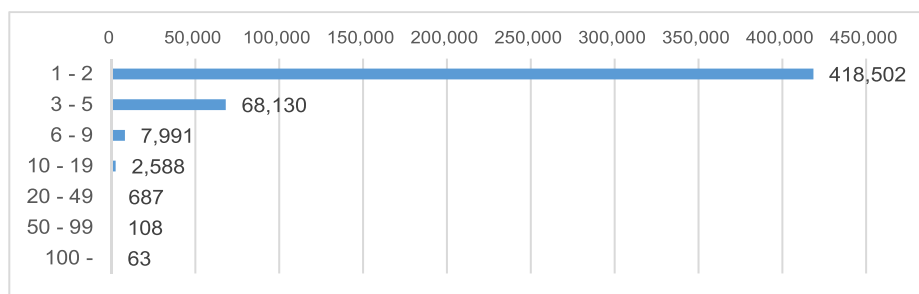
**479 Retail sale not in store, stalls and markets**



## 2-4 Number of establishments by size of persons engaged

The number of establishments in the wholesale and retail trade industry categorized by the size of persons engaged is as depicted in Figure 2.9.

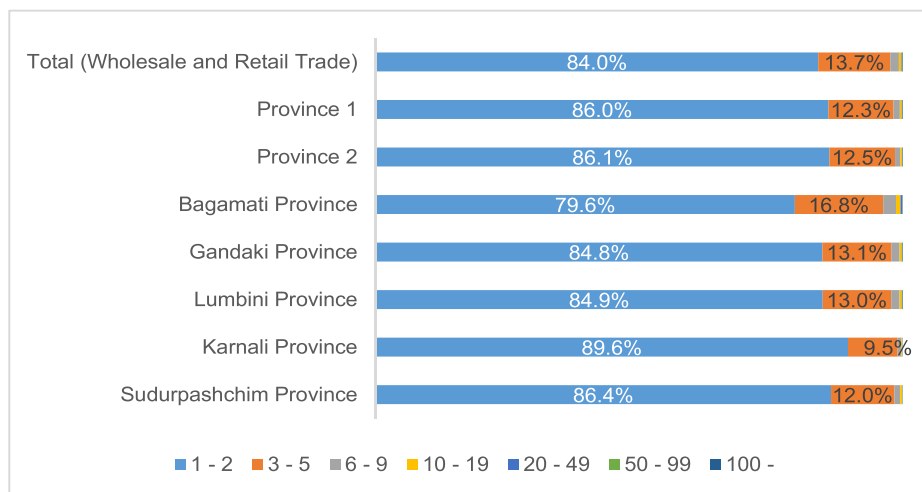
The number of establishments with one or two (1-2) persons engaged is largest (418,502) among all categories and this consist of 84.0% of all establishments in the wholesale and retail trade industry. 97.7 % of all establishments in the wholesale and retail trade industry are operated by five people or less.



**Figure 2.9 Number of establishments by size of persons engaged in the wholesale and retail trade industry**

The distribution of establishments in the wholesale and retail trade industry of each province categorized by the size of persons engaged is as depicted in Figure 2.10 and Table 2.2

The proportions of the establishments with 1-2 persons engaged are highest in Karnali Province (89.6%) and Sudurpashchim Province (86.4%) and lowest in Bagamati Province (79.6%).



**Figure 2.10 Distribution of establishments by size of persons engaged in each province**

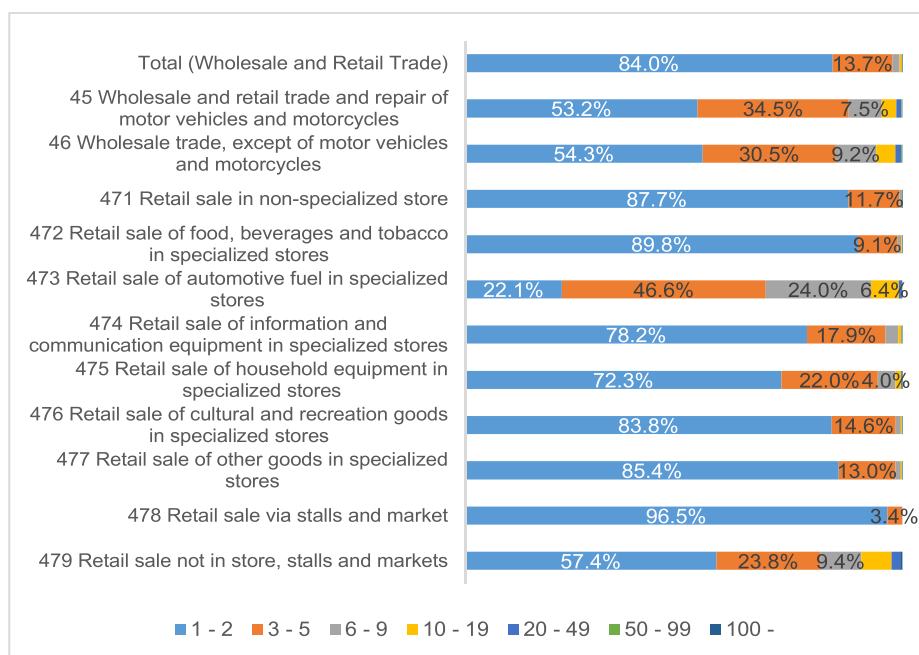
**Table 2.2 Number of establishments by size of persons engaged in each province**

	Size of persons engaged						
	1-2	3-5	6-9	10-19	20-49	50-99	100 -
Province 1	76,540	10,938	1,129	313	86	13	5
Province 2	63,929	9,270	762	202	47	7	5
Bagamati Prov.	114,910	24,213	3,518	1,304	393	66	44
Gandaki Prov.	42,887	6,641	760	237	41	9	2
Lumbini Prov.	71,000	10,899	1,285	376	95	10	7
Karnali Prov.	20,375	2,149	164	37	3	0	0
Sudurpashchim Province	28,861	4,020	373	119	22	3	0
Total (Wholesale and retail trade)	418,502	68,130	7,991	2,588	687	108	63

The distributions of establishments in the subindustries of the wholesale and retail trade industry categorized by the size of persons engaged are as depicted in Figure 2.11.

The proportions of establishments with 1-2 persons engaged are highest in ten out of eleven subindustries such as Retail sale via stalls and market (code 478) and Retail sale of food, beverages and tobacco in specialized stores (code 472), except for Retail sale of automotive fuel in specialized stores (code 473) where the proportion of establishments with 3-5 persons engaged is highest and followed by those with 6-9 persons engaged.

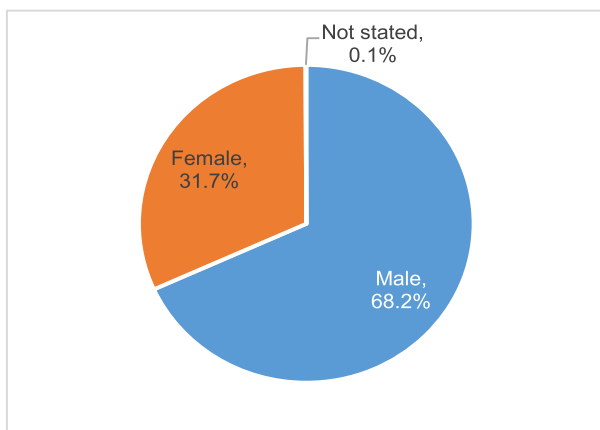
In seven out of nine subindustries of the retail sale industry where their Groups of NSIC start from 47, the proportions of establishments with 1-2 persons engaged exceeds 70%, while those in the motor vehicles and motorcycles industry (code 45) and wholesale trade industry (code 46) are just over 50%.



**Figure 2.11 Share of number of establishments by size of persons engaged and Division of NSIC**

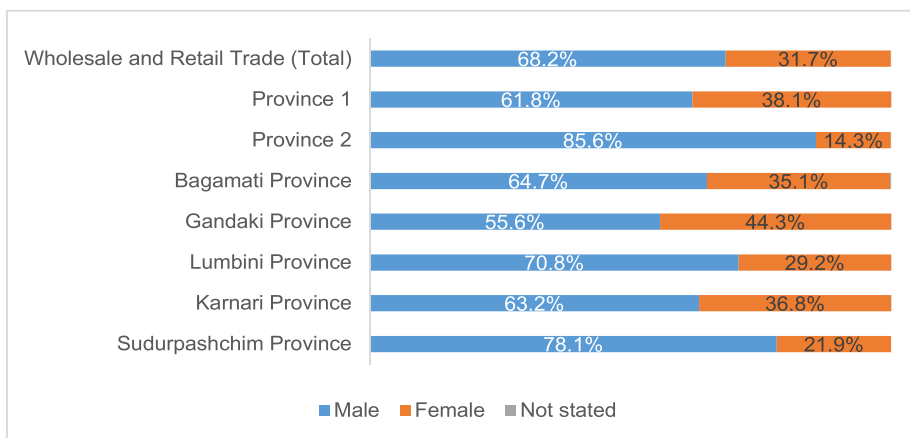
## 2-5 Number of establishments by sex of manager

Establishments with male managers comprises 68.2% of all establishments in the wholesale and retail trade industry, while those with female managers comprises 31.7%.



**Figure 2.12 Distribution of establishments by sex of manager in the wholesale and retail trade industry**

The proportion of establishments with female managers is lowest in Province 2 (14.3%) and highest in Gandaki Province (44.3%).

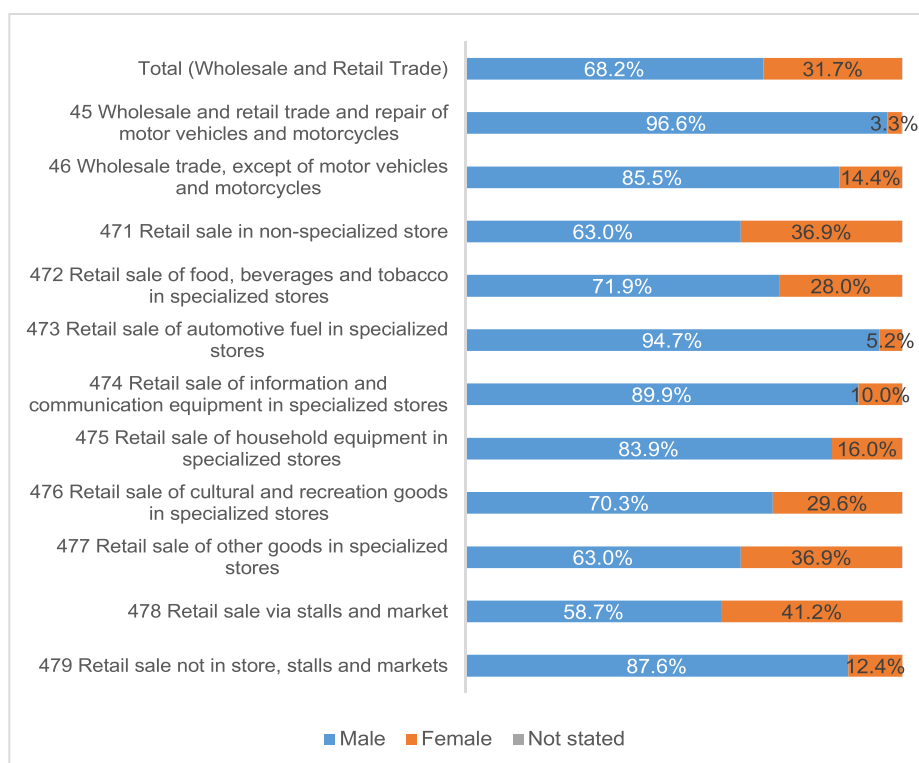


**Figure 2.13 Distribution of establishments by sex of manager in each province**



Subindustries with the highest proportion of establishments with female managers are Retail sale via stalls and market (code 478) which is followed by Retail sale in non-specialized store (code 471) and Retail sale of other goods in specialized stores (code 477).

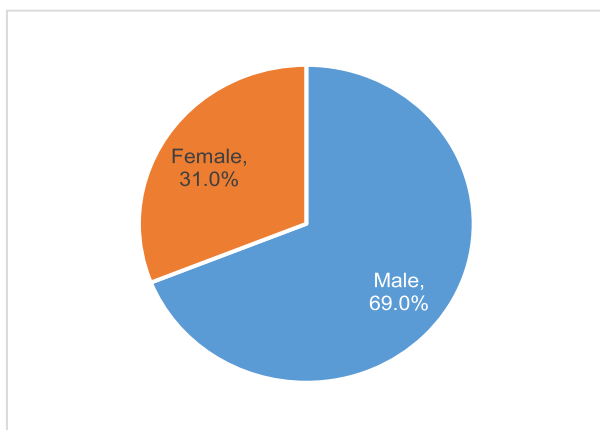
Although three out of nine subindustries in the retail sale industry where their Groups of NSIC start from 47 tend to show higher proportions of establishments with female managers than all the wholesale and retail trade industry, the proportions of the motor vehicles and motorcycles industry (code 45) and wholesale trade industry (code 46) fall fairly short of it.



**Figure 2.14 Distribution of establishments by sex of manager in each Division or Group of NSIC**

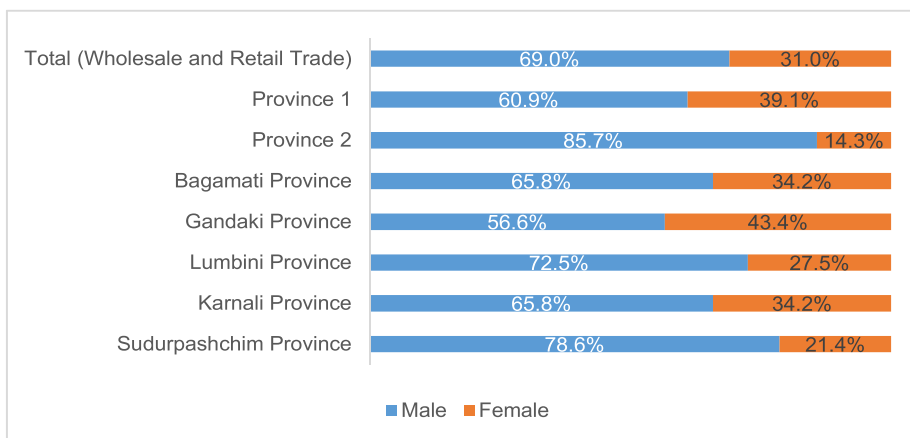
## 2-6 Number of establishments by sex of owner

Establishments with male owners comprises 69.0% of all establishments in the wholesale and retail trade industry, while the establishments with female owners comprises 31.0%.



**Figure 2.15 Distribution of establishments by sex of owner in the wholesale and retail trade industry**

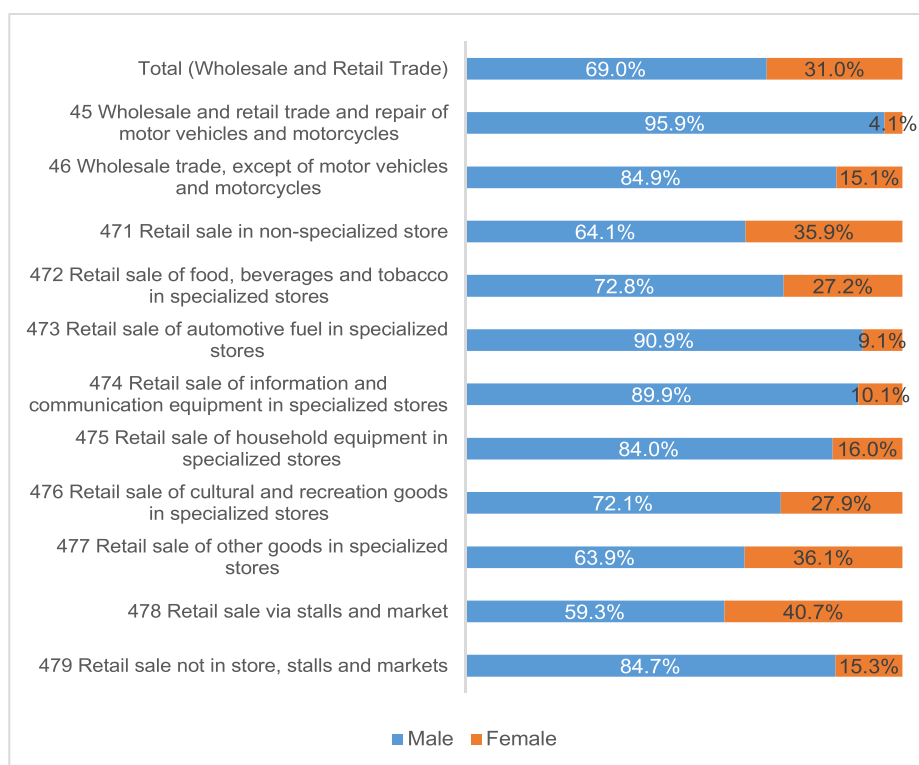
The proportion of establishments with female owners is lowest in Province 2 (14.3%) and highest in Gandaki Province (43.4%).



**Figure 2.16 Distribution of establishments by sex of owner in each province**

Subindustries with the highest proportion of establishments with female owners are Retail sale via stalls and market (code 478) which is followed by Retail sale of other goods in specialized stores (code 477) and Retail sale in non-specialized store (code 471).

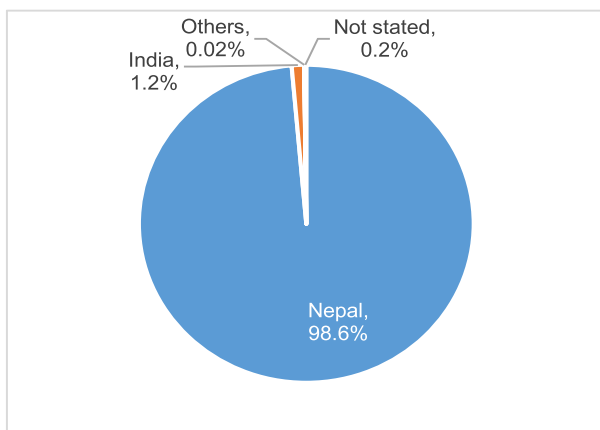
Although three out of nine subindustries in the retail sale industry where their Groups of NSIC start from 47 tend to show higher proportions of establishments with female owners than all the wholesale and retail trade industry, the proportions of the motor vehicles and motorcycles industry (code 45) and wholesale trade industry (code 46) fall fairly short of it.



**Figure 2.17 Distribution of establishments by sex of owner in each Division or Group of NSIC**

## 2-7 Number of establishments by nationality of owner

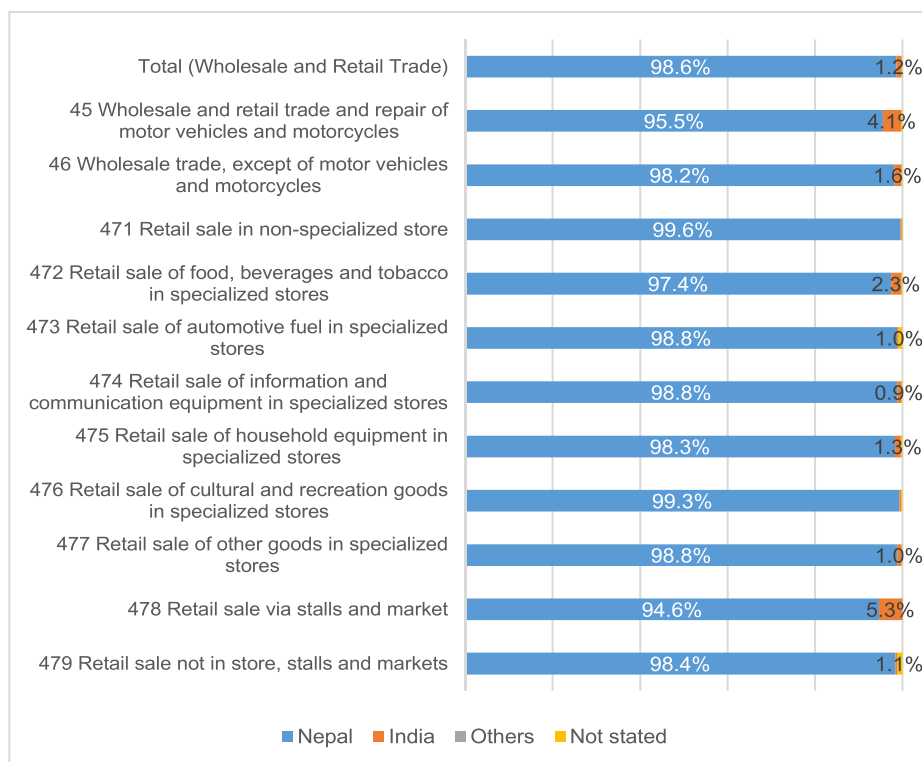
In the wholesale and retail trade industry, the nationality of the owners are mostly Nepali (98.6%). The proportion of the establishments with Indian owners is only 1.2% and other nationalities are very marginal.



**Figure 2.18 Distribution of establishments by nationality of owner in the wholesale and retail trade industry**

The compositions of establishments by the nationality of owners of each subindustry categorized by Division or Group of NSIC is as depicted in Figure 2.19.

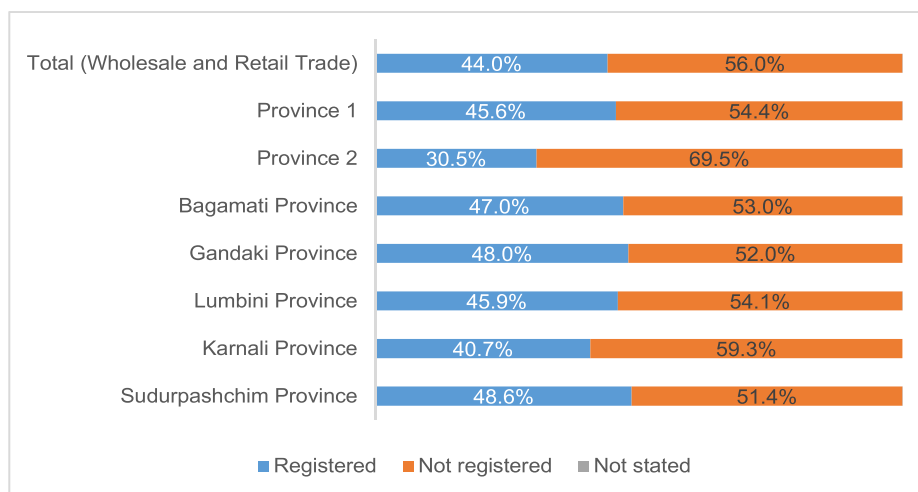
In all subindustries, owners are mostly Nepali, while there are some Indian owners. The subindustries with higher proportions of Indian owners are Retail sale via stalls and market (code 478), Wholesale and retail trade and repair of motor vehicles and motorcycles (code 45) and Retail sale of food, beverages and tobacco in specialized stores (code 472).



**Figure 2.19 Distribution of establishments by nationality of owner in each Division or Group of NSIC**

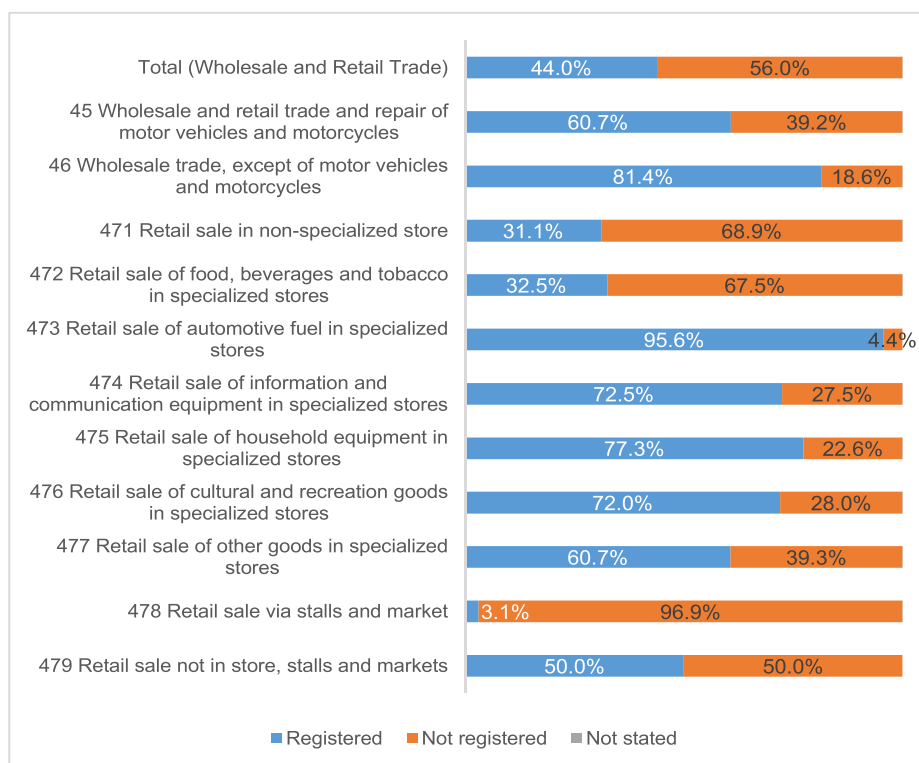
## 2-8 Number of establishments by registration

The proportion of registered establishments is lowest in Province 2 (30.5%) and highest in Sudurpashchim Province (48.6%).



**Figure 2.20 Distribution of establishments by registration in each province in the wholesale and retail trade industry**

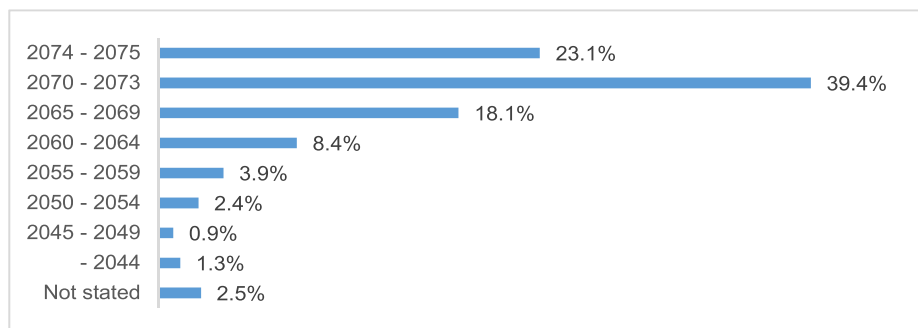
Subindustries with the highest proportion of registered establishments are Retail sale of automotive fuel in specialized stores (code 473) and Wholesale trade, except of motor vehicles and motorcycles (code 46). On the other hand, the subindustry with the lowest proportion of registered establishments is Retail sale via stalls and market (code 478), which is followed by 471 Retail sale in non-specialized store (code 471) and Retail sale of food, beverages and tobacco in specialized stores (code 472).



**Figure 2.21 Distribution of establishments by registration in each Division or Group of NSIC**

## 2-9 Number of establishments by years after establishment<sup>12</sup>

The proportions of establishments in the wholesale and retail trade industry started in 2070-73 and 2074-75 are 39.4% and 23.1% respectively. This means the establishments started the business for the last five years (from 2070 to 2075) comprises 62.5% of the wholesale and retail trade industry.

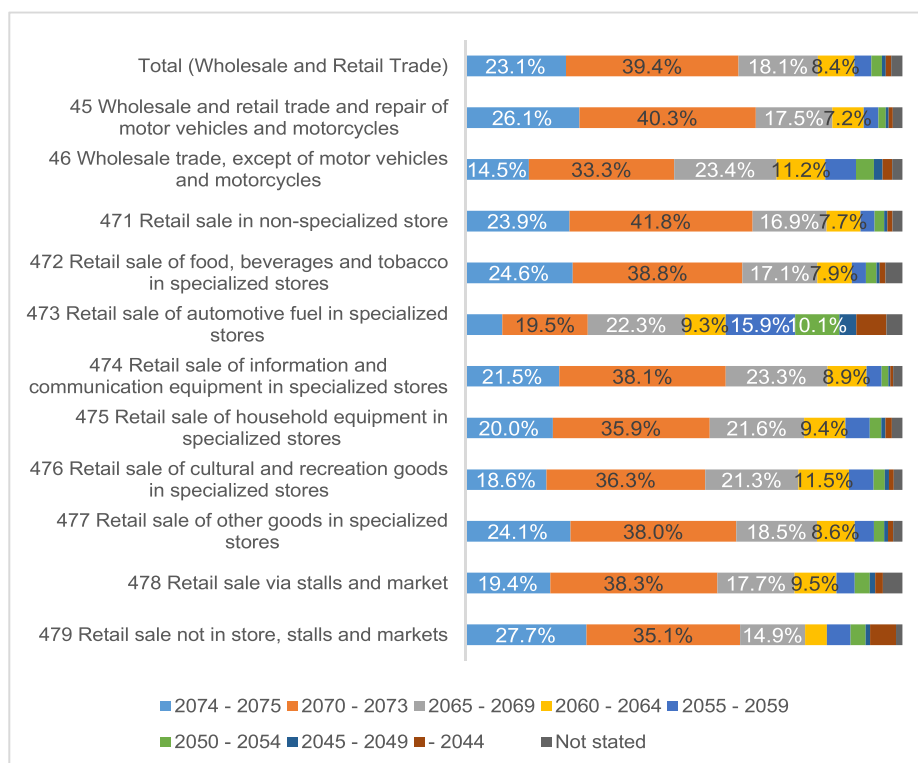


**Figure 2.22 Proportion of establishments by year of starting business in the wholesale and retail trade industry**

<sup>12</sup> In this section, years are expressed in the Vikram Samvat, or Vikrami calendar, which is the official religious calendar in Nepal and around 57 years ahead of the Gregorian calendar.



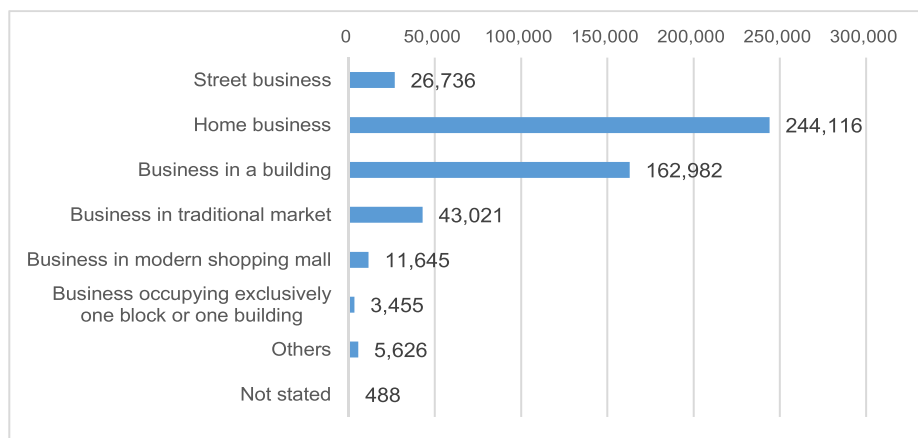
The proportion of establishments started the business recently (after 2070) is rather high in 45 Wholesale and retail trade and repair of motor vehicles and motorcycles (code 45), which is followed by Retail sale in non-specialized store (code 471) and Retail sale of food, beverages and tobacco in specialized stores (code 472).



**Figure 2.23 Distribution of establishments by year of starting business in each Division or Group of NSIC**

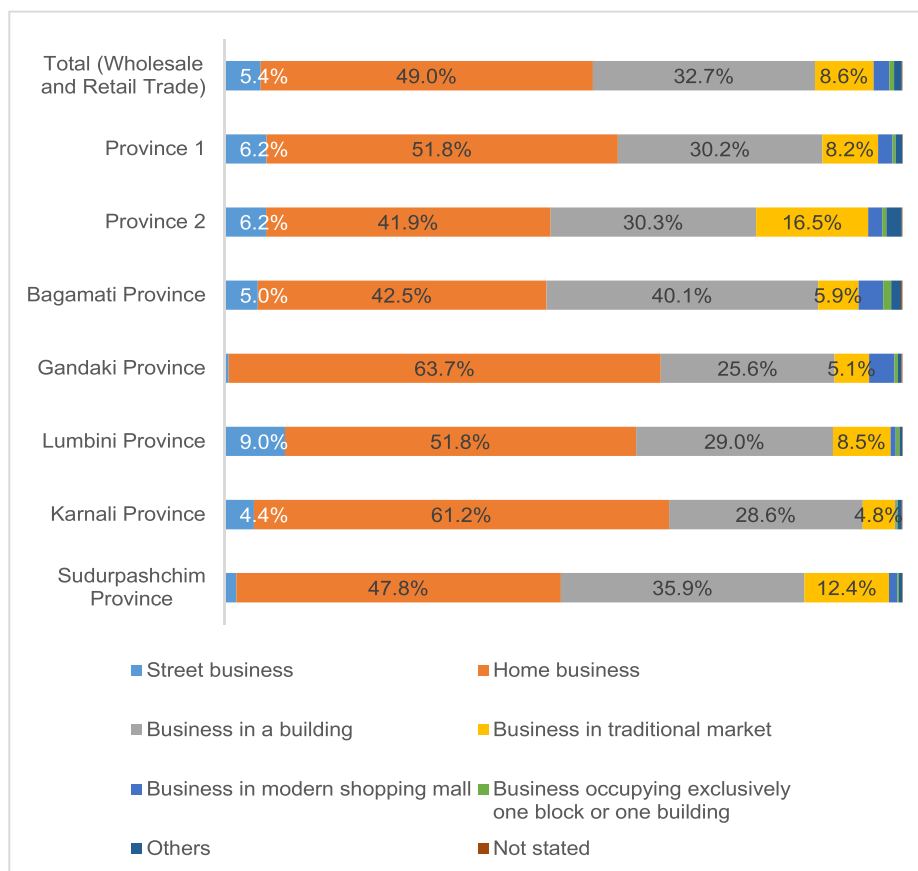
## 2-10 Number of establishments by kind of business place

Home business is the most frequent type of business place in the wholesale and retail trade industry in Nepal (244,116 establishments), and is followed by business in a building (162,982 establishments), business in traditional market (43,021 establishments) and street business (26,736 establishments), as depicted in Figure 2.24.



**Figure 2.24 Number of establishments in each kind of business place in the wholesale and retail trade industry**

The distributions of establishments by type of business place across provinces tend to be similar as depicted in Figure 2.25. It is noteworthy that Gandaki Province has the largest proportion of home business (63.7%) but the least and very marginal proportion of street business.

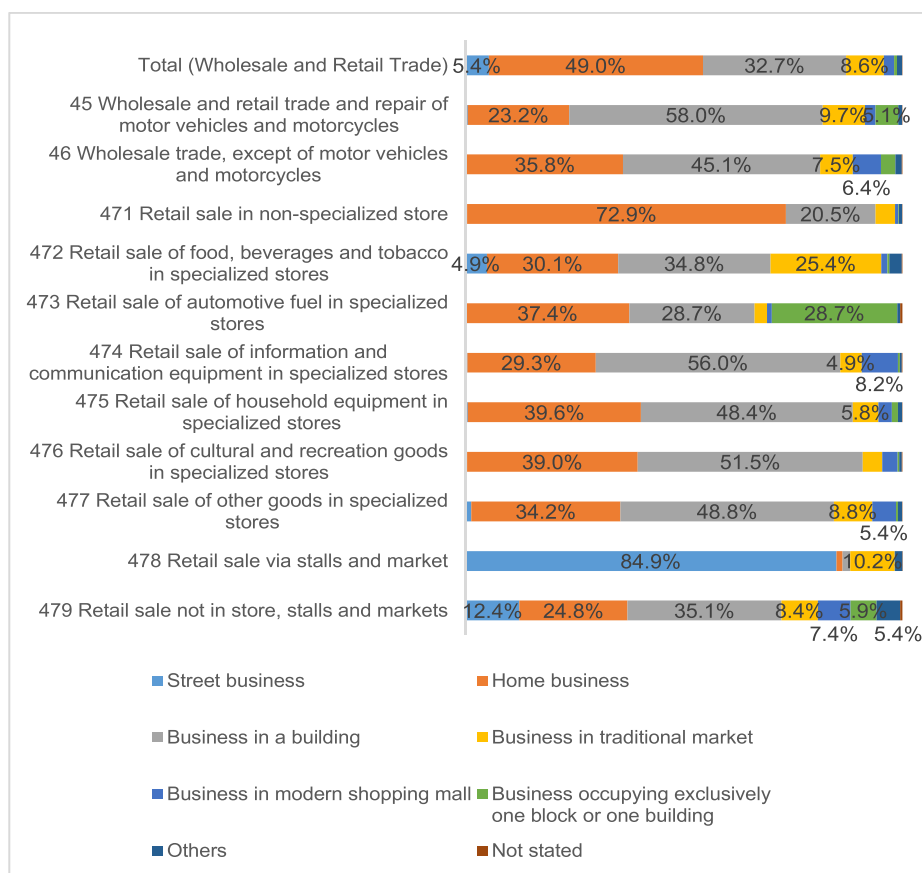


**Figure 2.25 Distribution of establishments by type of business place in each province**

The distributions of establishments by type of business place vary considerably across the subindustries categorized by Division or Group of NSIC as depicted in Figure 2.26.

Retail sale in non-specialized store (code 471) is comprised mostly of home business (72.9%) but has very marginal proportion of street business

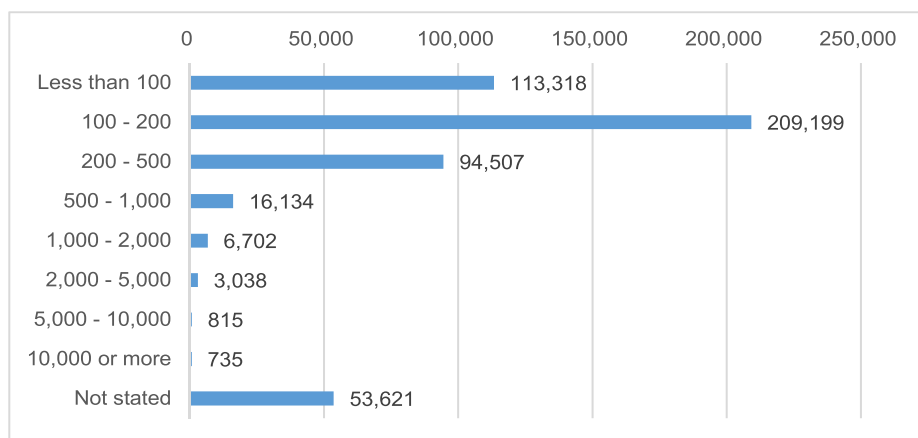
which is the most frequent type of business in Retail sale via stalls and market (code 478). Business in a building is the most frequent type of business place in the other subindustries, except for Retail sale of automotive fuel in specialized stores (code 473) where the most frequent type is home business and their proportion of business occupying exclusively one block or one building is considerably higher than those of the other subindustries due to the nature of such businesses.



**Figure 2.26 Distribution of establishments by type of business place in each Division or Group of NSIC**

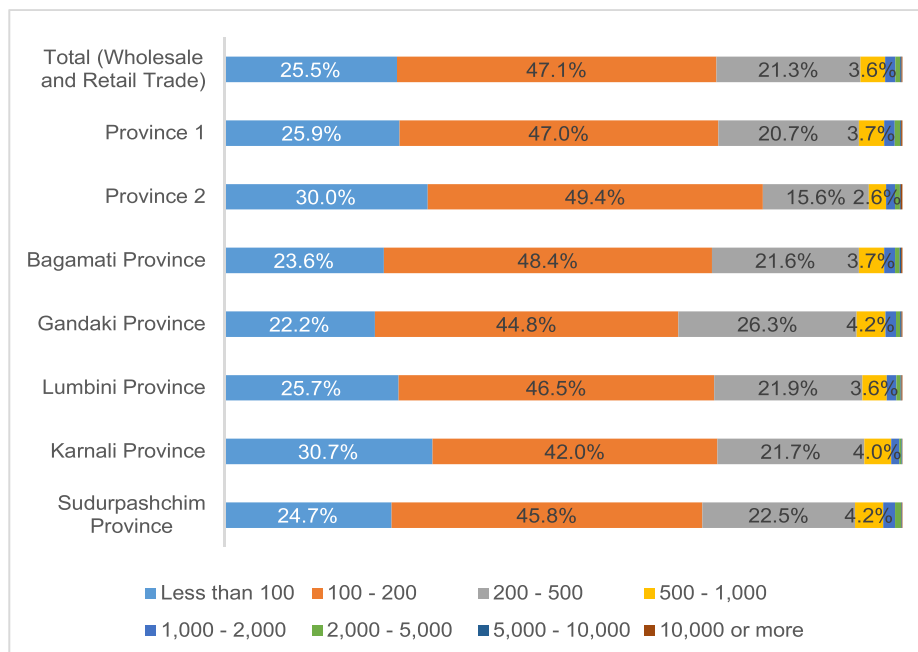
## 2-11 Number of establishments by building / room occupied area using for business (square feet)

Most of establishments in the wholesale and retail trade industry in Nepal operate in the area smaller than one volleyball court (1,743.75 square feet), as depicted in Figure 2.27. It is noteworthy that one of four establishments which answer their floor space occupies less than 100 square feet.



**Figure 2.27 Number of establishments by size of building / room occupied area using for business (square feet) in the wholesale and retail trade industry**

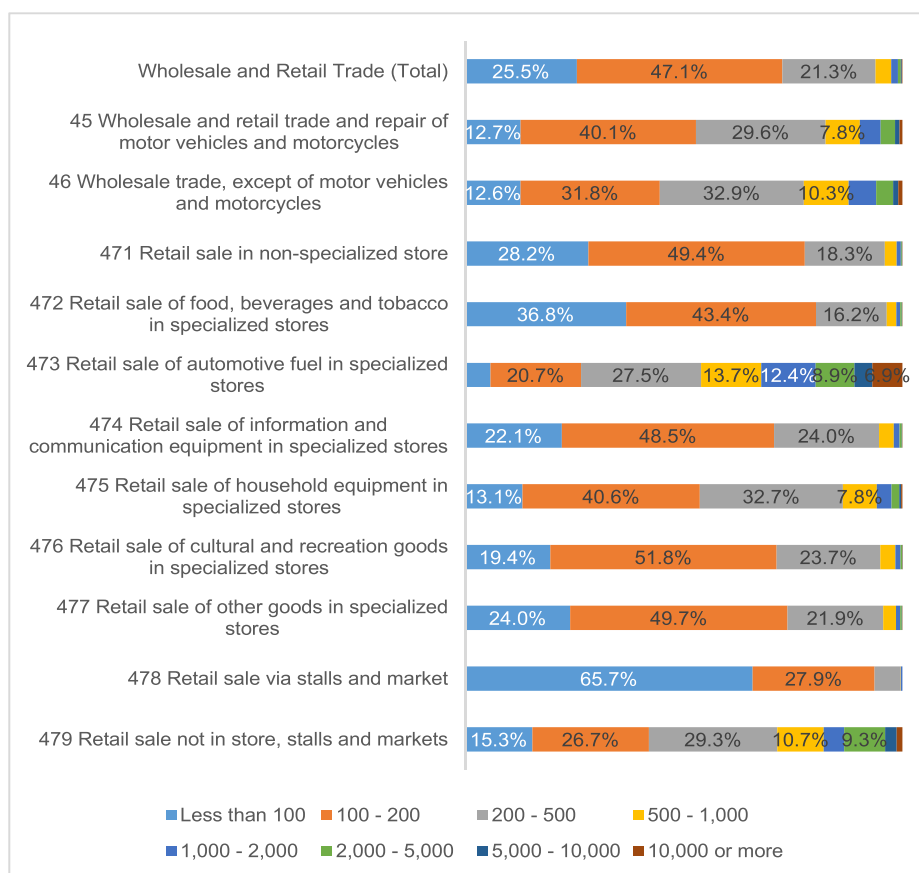
The distributions of establishments by building / room occupied area using for business across provinces tend to be similar as depicted in Figure 2.28. The highest proportion is 100 – 200 square feet, which is followed by less than 100 square feet except for in Gandaki Province where the second proportion is 200 – 500 square feet.



**Figure 2.28 Distribution of establishments by size of building / room occupied area using for business (square feet) in each province**

The distributions of establishments by size of building / room occupied area using for business vary across the subindustries categorized by Division or Group of NSIC as depicted in Figure 2.29.

100 – 200 square feet is the highest proportion in many of the subindustries such as Retail sale of cultural and recreation goods in specialized stores (code 476), Retail sale of other goods in specialized stores (code 477), Retail sale in non-specialized store (code 471), and so on. Meanwhile, about two-thirds of establishments in Retail sale via stalls and market (code 478) operates in areas less than 100 square feet.



**Figure 2.29 Distribution of establishments by size of building / room occupied area using for business (square feet) in each Division or Group of NSIC**





## Chapter 3 Number of persons engaged

The NEC2018 in Nepal collected information on the persons' active involvement in the establishments for the production of goods or services. The number of persons engaged in establishments is one of the prime indicators derived from the NEC2018. The number of persons engaged in the NEC2018 is the total number of persons who actively worked in or for the establishment including working proprietors, active business partners and unpaid family workers, executive directors or managers, regular staff (working continuously for six months and more) as well as temporary staff other than regular staff in the census reference period.

The NEC2018 revealed that a total of 3,228,457 persons were engaged in the establishments of selected NSIC sectors.

This chapter analyses the number of persons engaged in the wholesale and retail trade industry from different perspectives.

### 3-1 Number of persons engaged in the wholesale and retail trade industry

The number of persons engaged in the wholesale and retail trade industry is 988,346, and this is the largest among all Sections of NSIC and comprises 30.6% in Nepal. This is followed by education (513,336 persons, 15.9%) and manufacturing (510,523 persons, 15.8%).

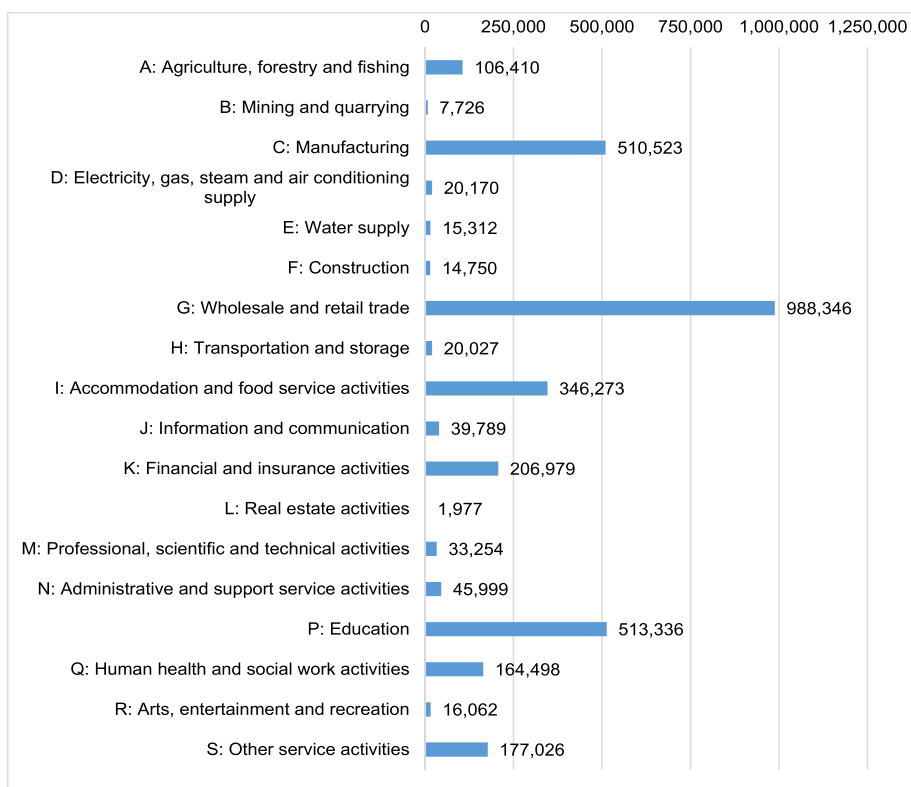


Figure 3.1 Number of persons engaged in each Section of NSIC

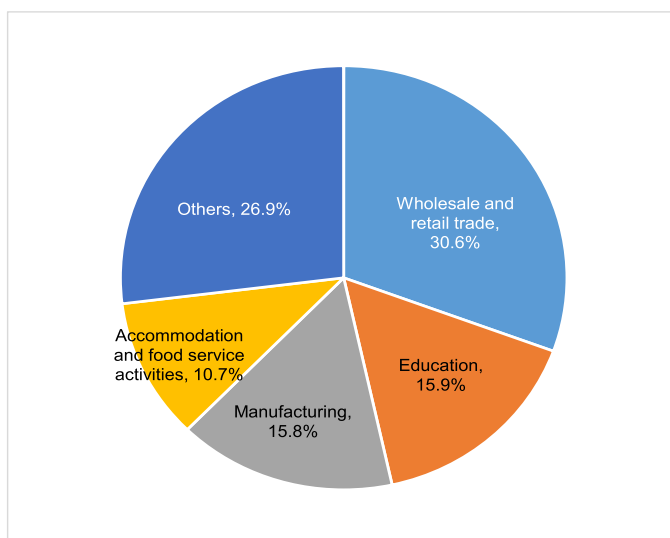
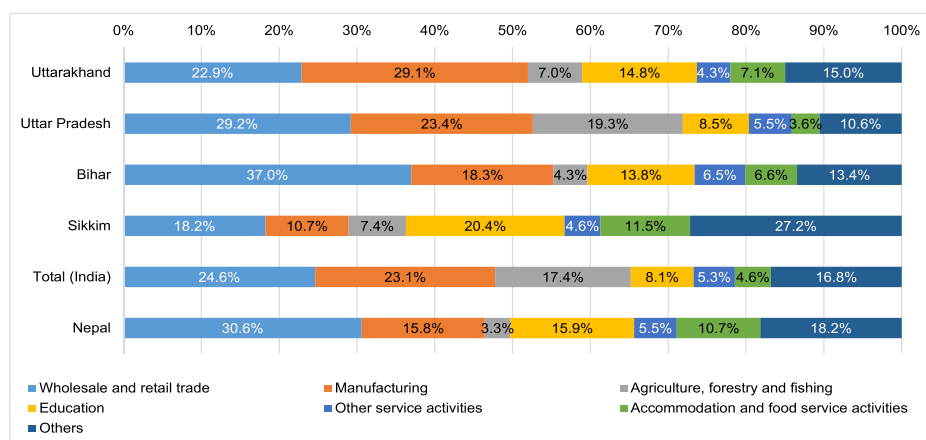


Figure 3.2 Distribution of persons engaged by Section of NSIC

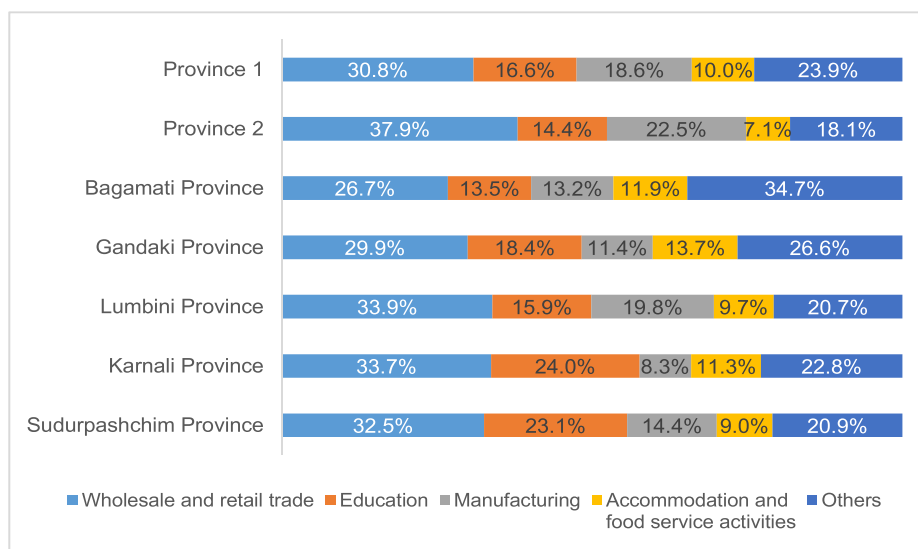
Figure 3.3 compares the distribution of persons engaged by industry in Nepal with four northern Indian states, Uttarakhand State, Uttar Pradesh State, Bihar State and Sikkim State.

This chart shows that 1) the proportion of wholesale and retail industry in Nepal is much bigger than the Indian States, 2) the proportion of the manufacturing industry in Nepal is lower than these Indian States, except Sikkim State, and 3) the proportion of accommodation and food services activities is higher in Nepal.



**Figure 3.3 Distribution of persons engaged by industry in Nepal and four northern Indian states**

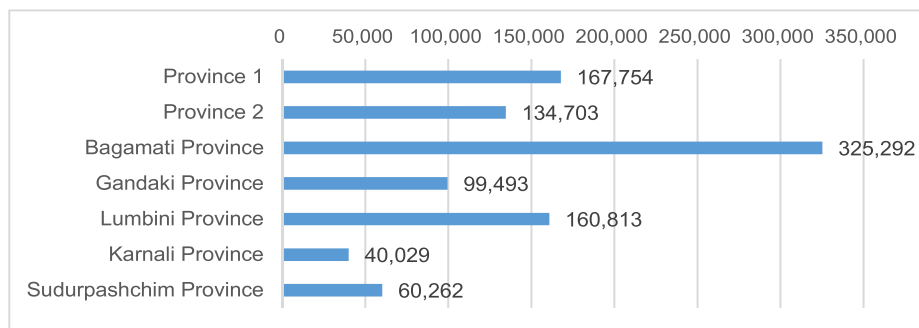
The distribution of persons engaged by province and by Section of NSIC is as depicted in Figure 3.4. The proportion of the wholesale and retail trade industry is highest in Province 2 (37.9%), which is followed by Lumbini Province (33.9%) and Karnali Province (33.7%)



**Figure 3.4 Distribution of persons engaged by Section of NSIC in each province**

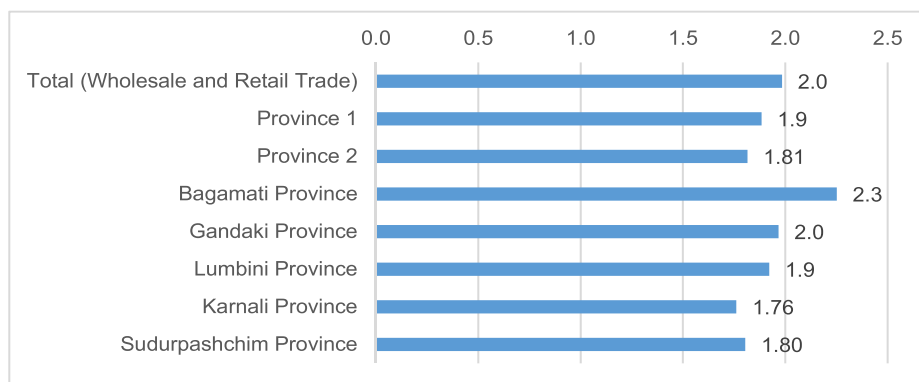
### 3-2 Number of persons engaged by province

Figure 3.5 shows the number of persons engaged in the wholesale and retail trade industry by province. Bagamati Province (325,292) keeps the largest population engaged in the industry, and is followed by Province 1 (167,754) and Lumbini Province (160,813).



**Figure 3.5 Number of persons engaged in each province in the wholesale and retail trade industry**

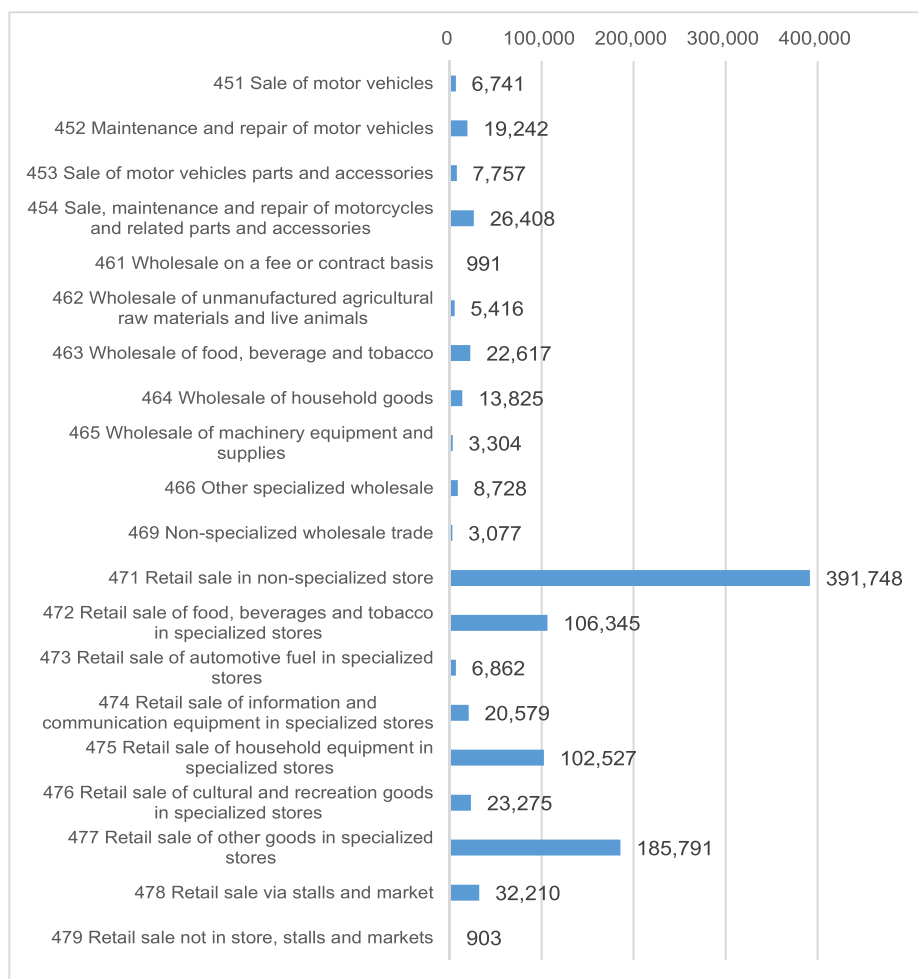
Figure 3.6 shows the average number of persons engaged per establishment in the wholesale and retail trade industry. The wholesale and retail trade industry as a whole engages 2.0 persons per establishment on average; the number is highest in Bagamati Province (2.3 persons) and lowest in Karnali Province (1.76 persons).



**Figure 3.6 Number of persons engaged per establishment in each province**

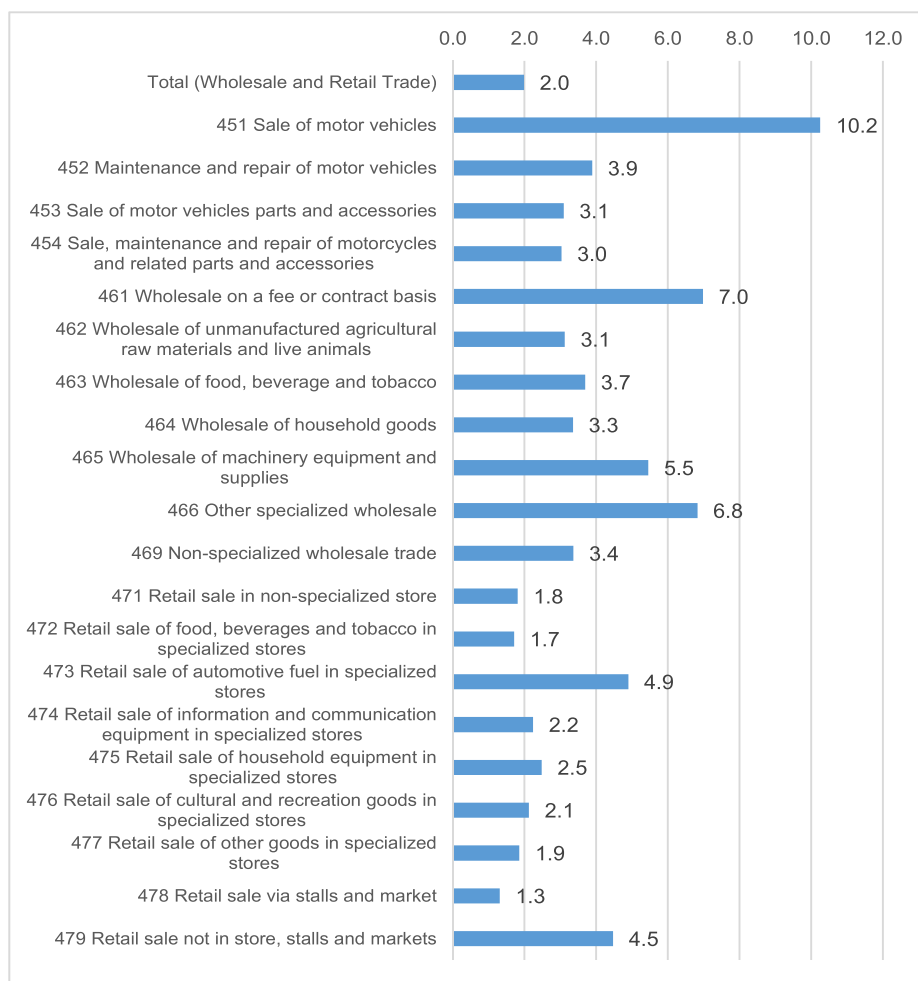
### 3-3 Number of persons engaged by Group or Division of NSIC

Figure 3.7 shows the number of persons engaged in the wholesale and retail trade industry categorized by Group of NSIC. The number of persons engaged in Retail sale in non-specialized store (code 471) is overwhelmingly largest among all the Groups, and is followed by Retail sale of other goods in specialized stores (code 477) and Retail sale of household equipment in specialized stores (code 475).



**Figure 3.7 Number of persons engaged in each Group of NSIC in the wholesale and retail trade industry**

Figure 3.8 shows the average number of persons engaged per establishment in the wholesale and retail trade industry categorized by Group of NSIC. Sale of motor vehicles (code 451) engages largest number of persons per establishment on average, and is followed by Wholesale on a fee or contract basis (code 461) and Other specialized wholesale (code 466).

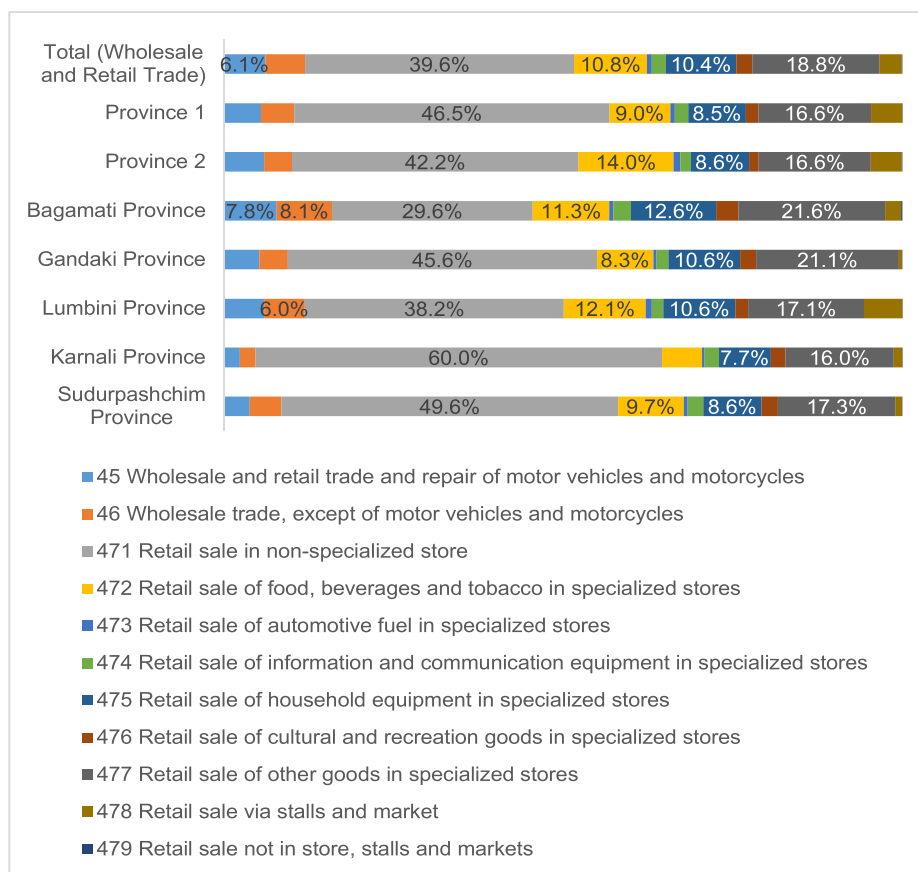


**Figure 3.8 Number of persons engaged per establishment in each Group of NSIC**

From now on in this chapter, the motor vehicles and motorcycles industries where the Groups of NSIC start from 45 and the wholesale trade industries where the Groups of NSIC start from 46 are analyzed according to

Division of NSIC (45 and 46, respectively) because the sizes of populations in these subindustries are fairly smaller than those of the retail sale industries where the Groups of NSIC start from 47.

The distributions of persons engaged in the wholesale and retail trade industry of each province categorized by Division or Group of NSIC tends to be similar as depicted in Figure 3.9, and the largest subindustry is Retail sale in non-specialized store (code 471) in each province, which is followed by Retail sale of other goods in specialized stores (code 477).



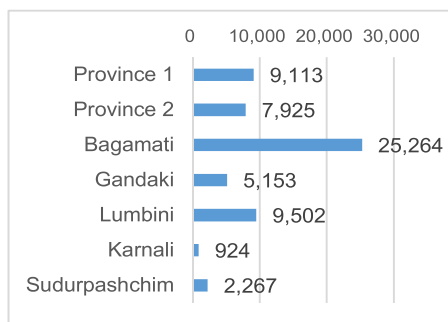
**Figure 3.9 Distribution of persons engaged by Division or Group of NSIC in each province**



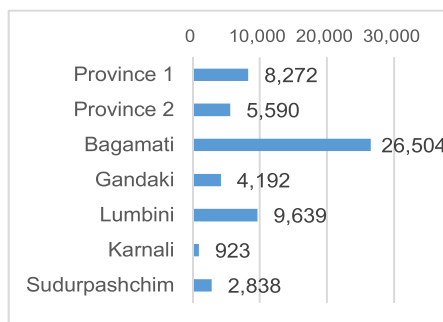
The provincial distributions of persons engaged in each subindustry of the wholesale and retail trade industry categorized by Division or Group of NSIC are as described in Figure 3.10.

**Figure 3.10 Number of persons engaged in each province within Division or Group of NSIC**

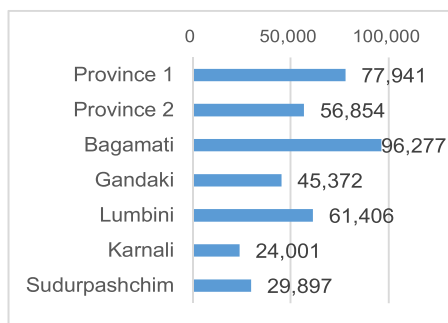
**45 Wholesale and retail trade and repair of motor vehicles and motorcycles**



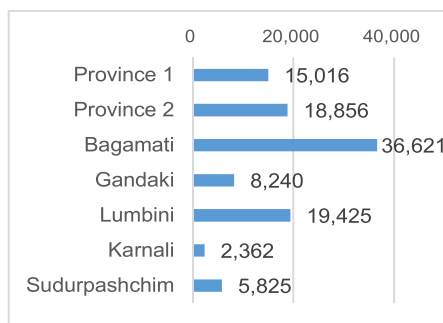
**46 Wholesale trade, except of motor vehicles and motorcycles**



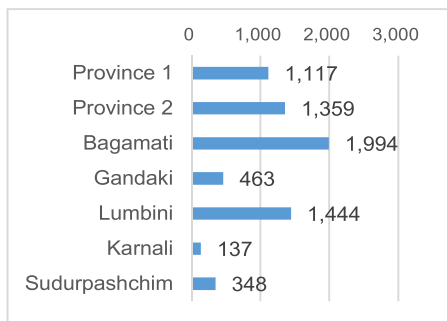
**471 Retail sale in non-specialized store**



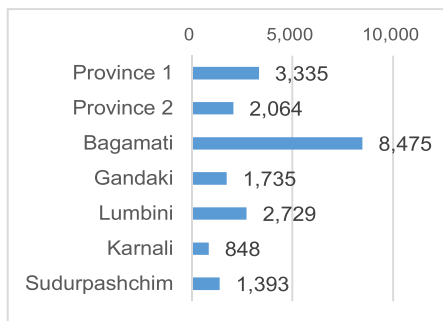
**472 Retail sale of food, beverages and tobacco in specialized stores**



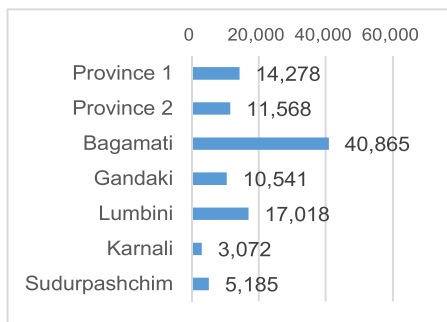
**473 Retail sale of automotive fuel in specialized stores**



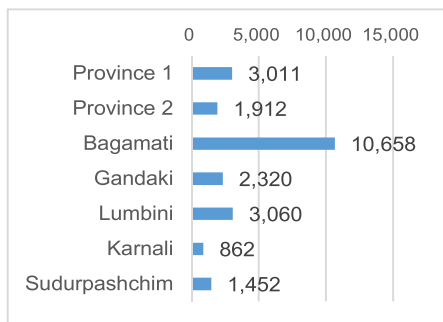
**474 Retail sale of information and communication equipment in specialized stores**



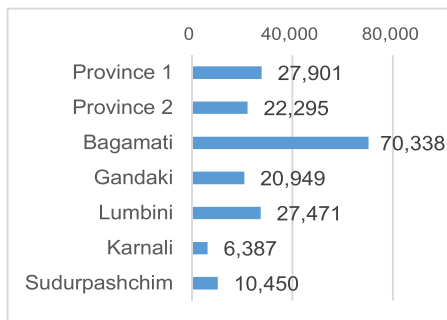
**475 Retail sale of household equipment in specialized stores**



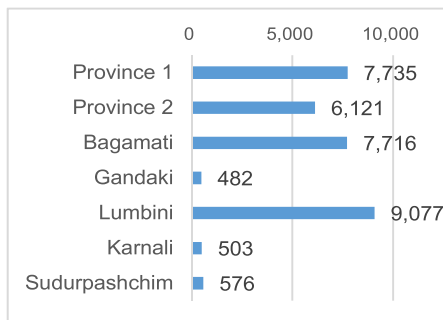
**476 Retail sale of cultural and recreation goods in specialized stores**



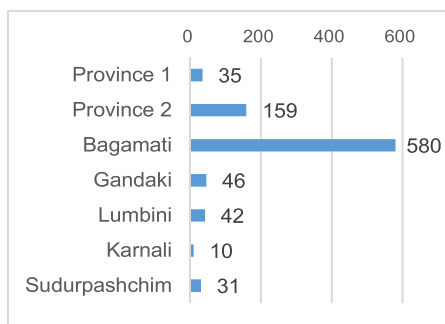
**477 Retail sale of other goods in specialized stores**



**478 Retail sale via stalls and market**

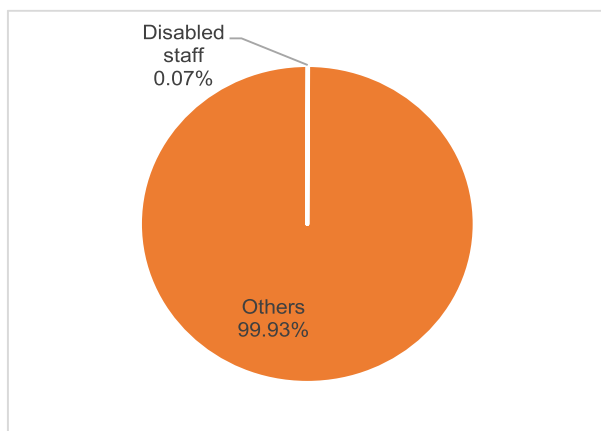


#### 479 Retail sale not in store, stalls and markets



### 3-4 Number of persons (disabled staff) engaged

This analysis is based on unpublished results of economic census. The proportion of disabled staff in the wholesale and retail trade industry is 0.07% (706 persons), as described in Figure 3.11.



**Figure 3.11 Distribution of persons (disabled staff) engaged in the wholesale and retail trade industry**



## Chapter 4 Financial status of the entities in the wholesale and retail trade industry

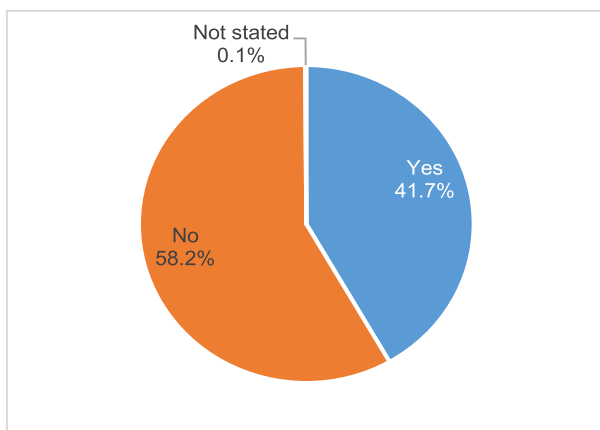
The NEC2018 of Nepal also collected information on the finance related information of entities, such as preparation of accounting records, annual sales, annual profits and access to credit. The entity is the establishment with single unit or head office status.

This chapter analyzes the financial status of the entities in the wholesale and retail trade industry from different aspects. For example, the sales of the entities in this industry are compared among provinces and also among subsectors.

This chapter also analyzes the key factors which might affect the levels of access to finance.

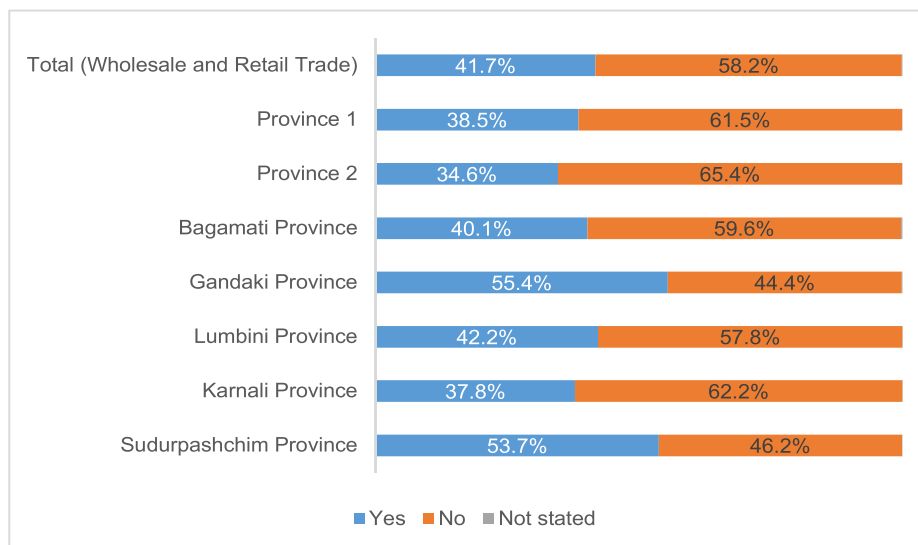
### 4-1 Preparation of accounting records

Accounting record means an account book or an income statement etc. Out of the 495,195 entities in the wholesale and retail trade industry in Nepal, 41.7% answered that they prepared accounting records, while 58.2% answered they did not.



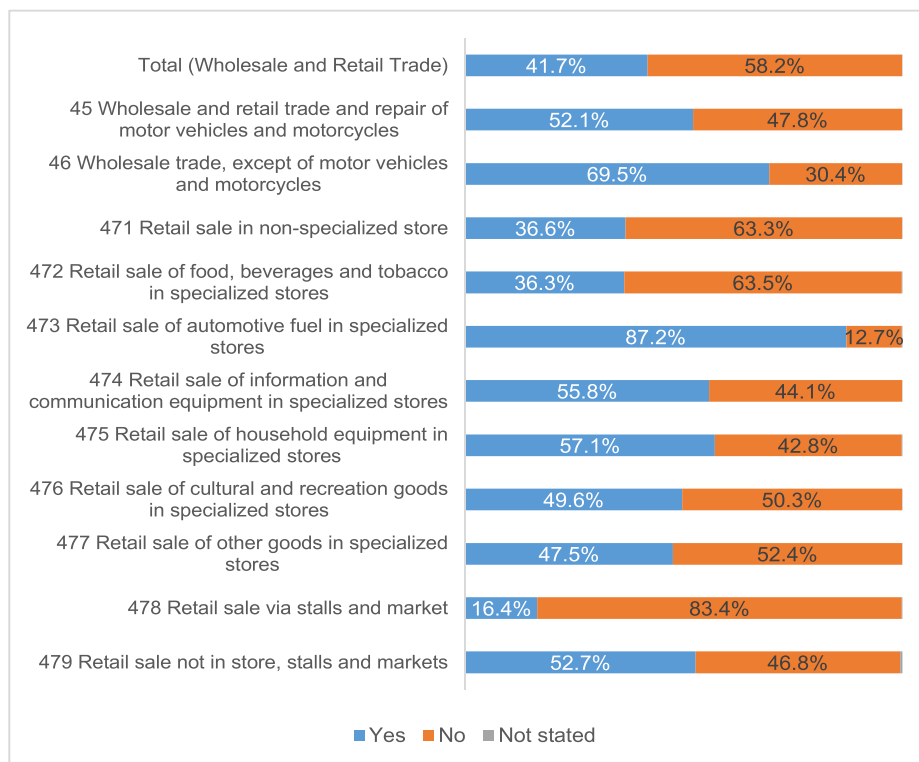
**Figure 4.1 Distribution of entities by whether accounting record is prepared in the wholesale and retail trade industry**

The preparation status of accounting records by province is as depicted in Figure 4.2. The proportion of the entities which prepare accounting records is lowest in Province 2 (34.6%), and highest in Gandaki Province (55.4%).



**Figure 4.2 Distribution of entities by whether accounting record is prepared in each province**

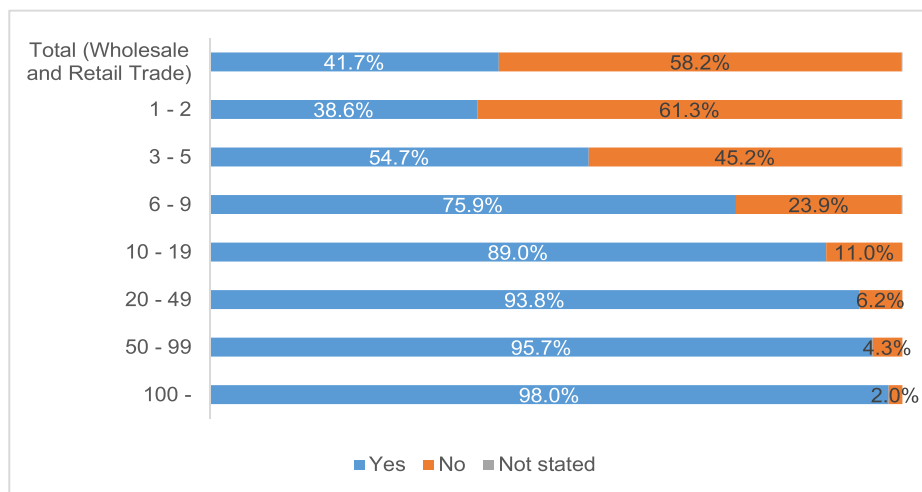
The preparation status of accounting records of the subindustries categorized by Division or Group of NSIC in the wholesale and retail trade industry is as depicted in Figure 4.3. The proportion of entities which prepare accounting records are lower in the subindustries such as Retail sale via stalls and market (code 478), Retail sale in non-specialized store (code 471) and Retail sale of food, beverages and tobacco in specialized stores (code 472).



**Figure 4.3 Distribution of entities by whether accounting record is prepared in each Division or Group of NSIC**

The proportion of entities which prepare accounting records rises as the number of persons engaged per entity increases, as depicted in Figure 4.4.

The proportion of entities which prepare accounting records is only 38.6% if the numbers of persons engaged are 1-2. Meanwhile, in case the numbers of persons engaged exceeds 20, more than 90% of the entities prepare accounting records.



**Figure 4.4 Distribution of entities by whether accounting record is prepared by size of persons engaged**

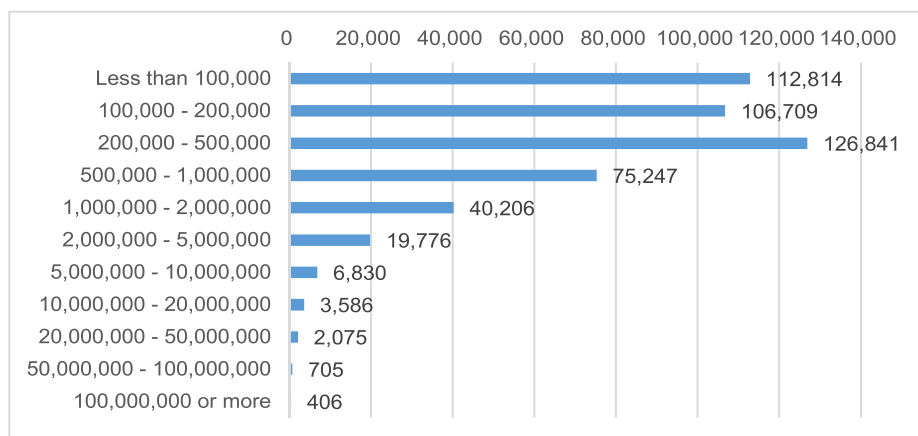


## 4-2 Annual revenue / sales

The distribution of the entities in the wholesale and retail trade industry according to the size of annual revenue / sales is as depicted in Figure 4.5.

The number of entities whose annual sales are 200,000 or more and less than 500,000 (200,000-500,000) is largest (126,841 entities) among all categories.

Out of the 495,195 entities in the wholesale and retail trade industry, the proportion of the entities whose annual sales are less than 500,000 is 69.9% (346,364 entities), and the sizes of annual sales of the entities in the wholesale and retail trade industry are concentrated at the level below 500,000.

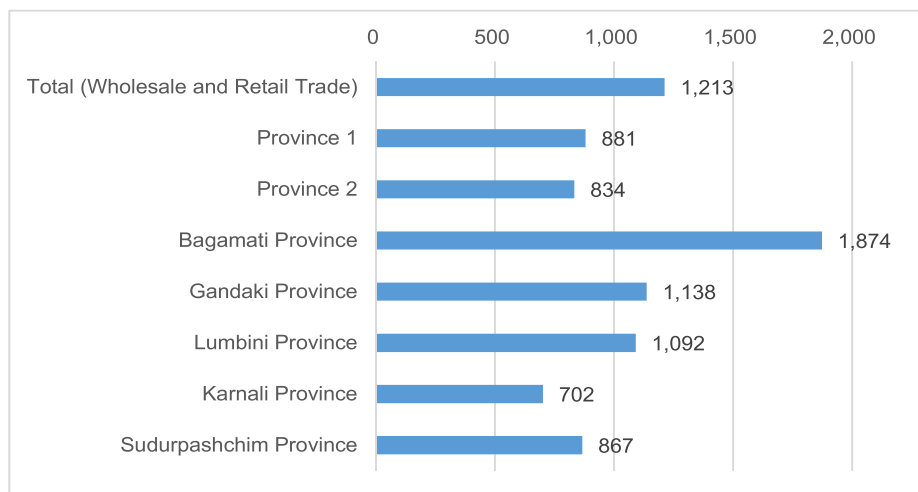


**Figure 4.5 Number of entities by size of annual sales in the wholesale and retail trade industry**

(Average sales per entity)

The average sales or the annual sales per entity in the wholesale and retail trade industry is Rs. 1,213 thousand as depicted in Figure 4.6.

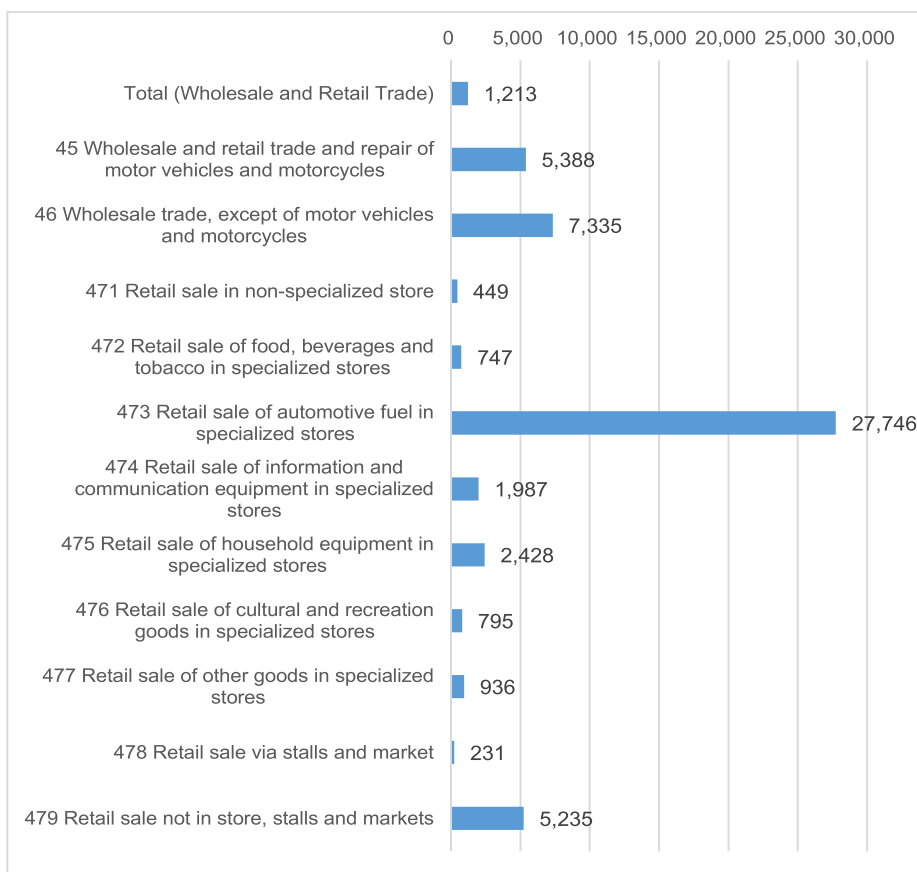
The average sales per entity earned by province is highest in Bagamati Province (Rs. 1,874 thousand) and lowest in Karnali Province (Rs. 702 thousand).



**Figure 4.6 Average annual sales by province (1,000 Rs.)**

The average sales of each subindustry of the wholesale and retail trade industry categorized by Division or Group of NSIC is as shown in Figure 4.7. The average sales is highest at Retail sale of automotive fuel in specialized stores (code 473), which is followed by Wholesale trade, except of motor vehicles and motorcycles (code 46), Wholesale and retail trade and repair of motor vehicles and motorcycles (code 45) and Retail sale not in store, stalls and markets (code 479).

Meanwhile, the average sales is lowest at Retail sale via stalls and market (code 478), which is followed by Retail sale in non-specialized store (code 471), Retail sale of food, beverages and tobacco in specialized stores (code 472) and Retail sale of cultural and recreation goods in specialized stores (code 476).



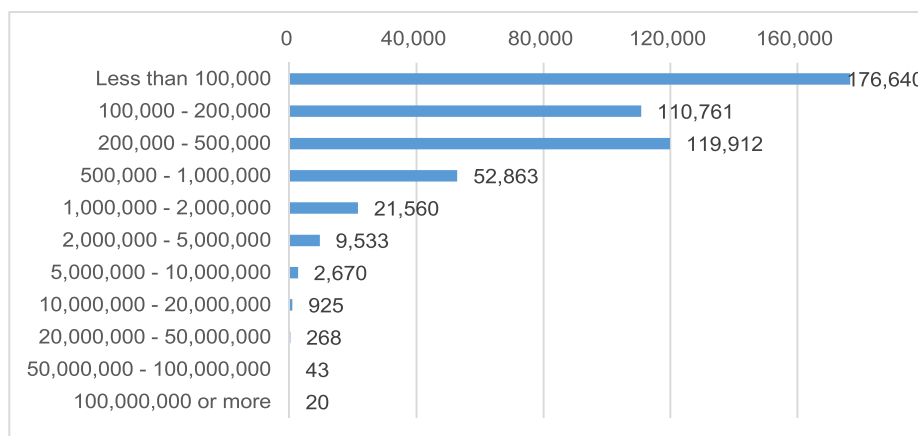
**Figure 4.7 Average annual sales per entity in each Division or Group of NSIC (1,000 Rs.)**

(Annual sales per person engaged)

The distribution of the entities in the wholesale and retail trade industry according to the size of annual sales per person engaged is as in Figure 4.8

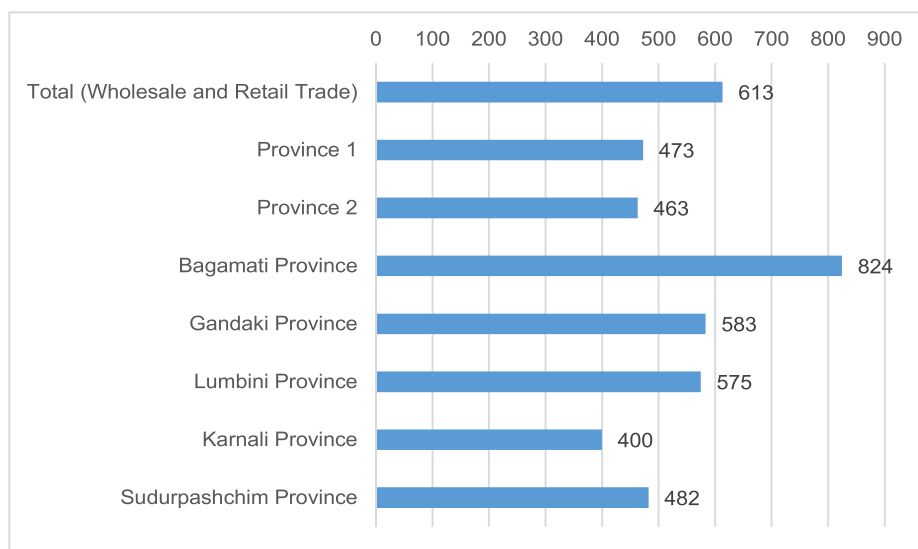
The number of entities whose annual sales per person engaged is less than 100,000 is largest (176,640 entities) among all categories.

Out of the 495,195 entities in the wholesale and retail trade industries, the proportion of the entities whose annual sales per person engaged are smaller than 500,000 are 82.3% (407,313 entities, and the sizes of annual sales per person engaged in the wholesale and retail trade industry are concentrated at the level below 500,000.



**Figure 4.8 Number of entities by size of annual sales per person engaged**

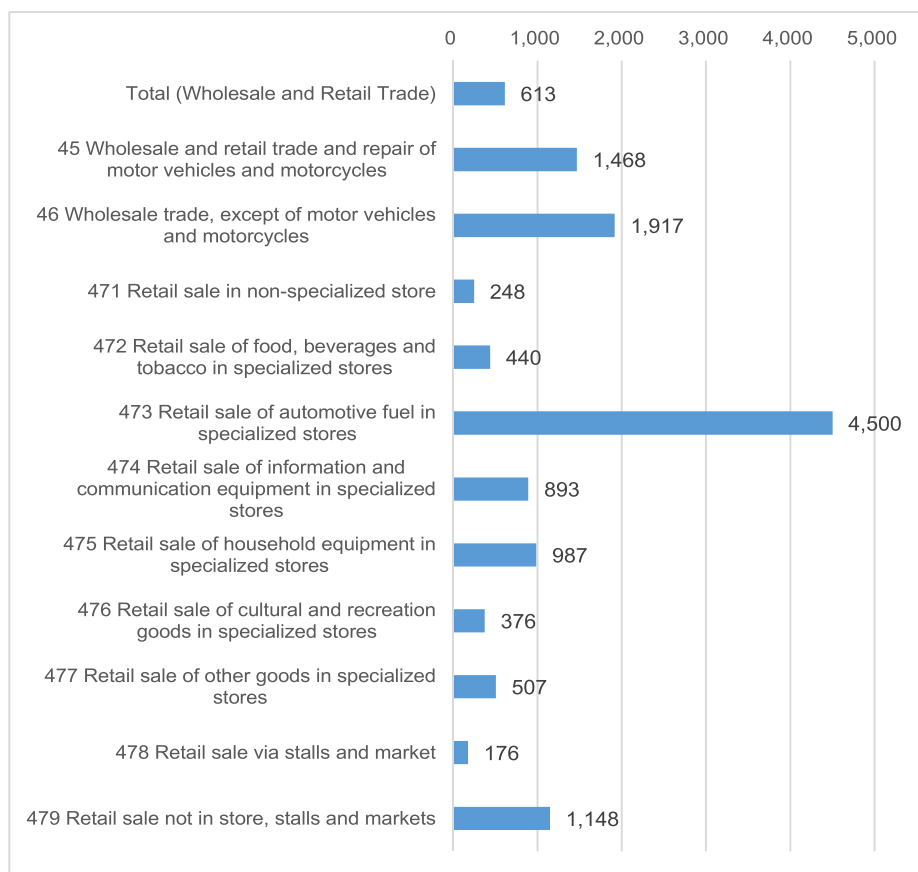
The annual sales per person engaged in the wholesale and retail trade industry as a whole is Rs. 613 thousand. The average sales per person earned by province is highest at Bagamati Province (Rs. 824 thousand) and lowest at Karnali Province (Rs. 400 thousand).



**Figure 4.9 Annual sales per person engaged in each province (1,000 Rs.)**

The subindustry of the wholesale and retail trade industry whose annual sales per person engaged is highest is Retail sale of automotive fuel in specialized stores (code 473), which is followed by Wholesale trade, except of motor vehicles and motorcycles (code 46).

On the other hand, the subindustry whose annual sales per person engaged is lowest is Retail sale via stalls and market (code 478) which is followed by Retail sale in non-specialized store (code 471) and Retail sale of cultural and recreation goods in specialized stores (code 476).



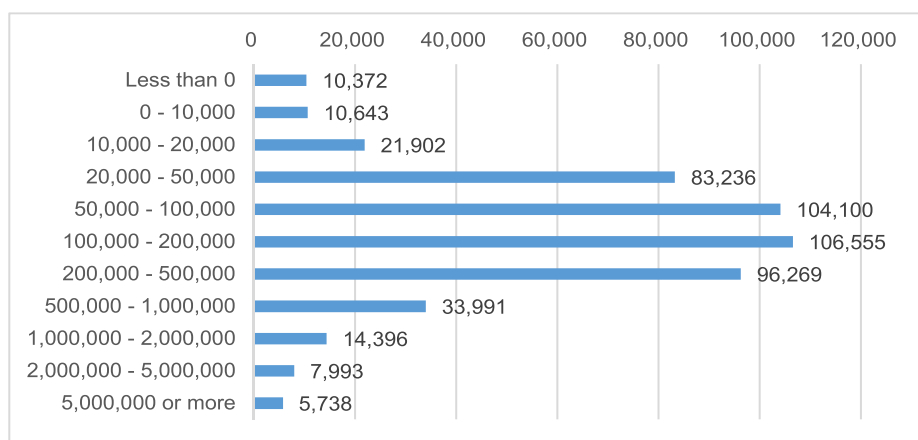
**Figure 4.10 Annual sales per person engaged by Division of NSIC (1,000 Rs.)**

### 4-3 Annual profit

The distribution of the entities in the wholesale and retail trade industry according to the size of profit is as depicted in Figure 4.11.

The number of entities whose annual profit are 100,000 or more and less than 200,000 (100,000 - 200,000) is largest (106,555) among all categories.

Out of the 495,195 entities in the wholesale and retail trade industries, the proportion of the entities whose annual profits are negative (less than 0) is 2.1% (10,372 entities).

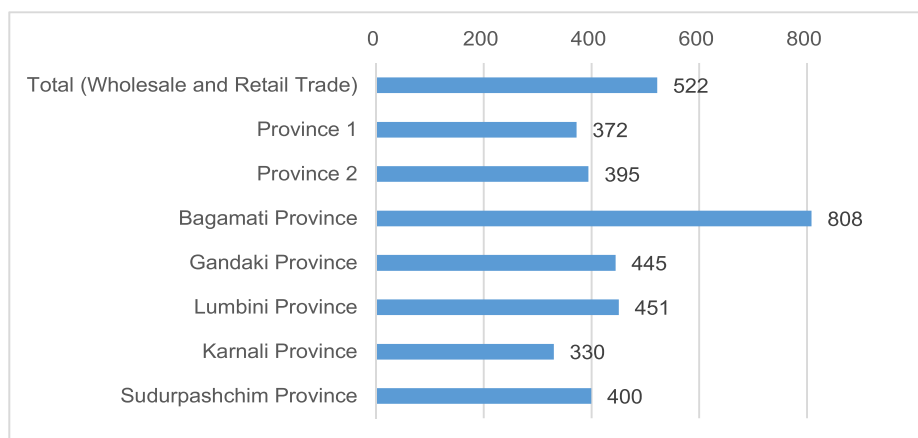


**Figure 4.11 Number of entities by size of annual profit in the wholesale and retail trade industry**

**(Average profit)**

The average profit or the annual profit per entity is Rs. 522 thousand in the wholesale and retail trade industry as depicted in Figure 4.12.

The average profit of each province is highest in Bagamati Province (Rs. 808 thousand) and lowest in Karnali Province (Rs. 330 thousand).

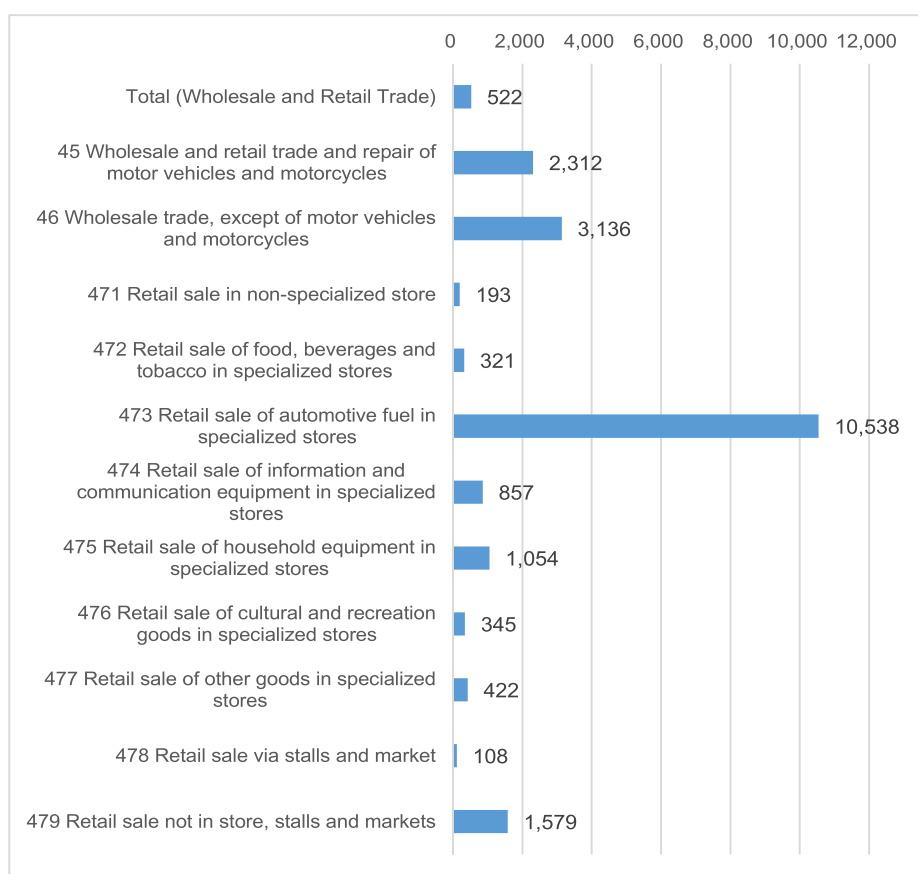


**Figure 4.12 Average annual profit per entity in each province (1,000 Rs.)**



The average profit of entities in the subindustries of the wholesale and retail trade industry categorized by Division or Group of NSIC is as depicted in Figure 4.13. The average profit is highest at Retail sale of automotive fuel in specialized stores (code 473), which is followed by Wholesale trade, except of motor vehicles and motorcycles (code 46) and Wholesale and retail trade and repair of motor vehicles and motorcycles (code 45).

The average profit is lowest at Retail sale via stalls and market (code 478), which is followed by Retail sale in non-specialized store (code 471) and Retail sale of food, beverages and tobacco in specialized stores (code 472).



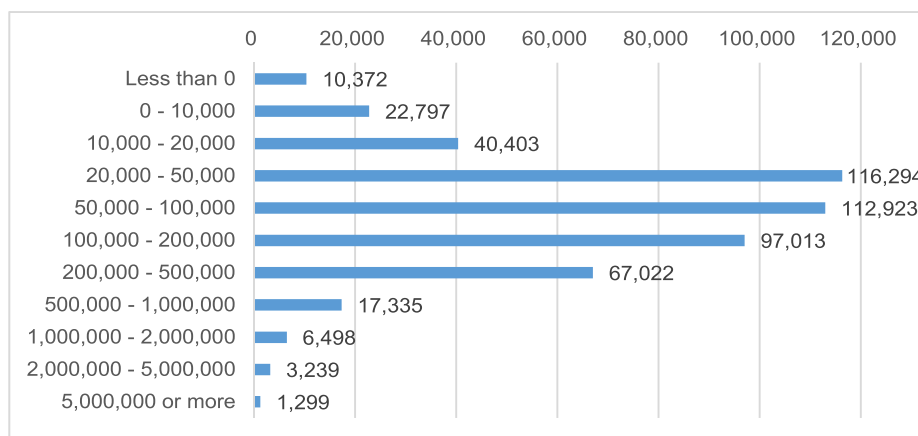
**Figure 4.13 Average annual profit per entity in each Division or Group of NSIC (1,000 Rs.)**

(Annual profit per person engaged)

The distribution of the entities in the wholesale and retail trade industry according to the size of annual profit per person engaged is as shown in Figure 4.14.

The number of entities whose annual profits per person engaged are 20,000 or more and less than 50,000 (20,000-50,000) is largest (116,294) among all categories.

Out of the 495,195 entities in the wholesale and retail trade industry, the number of the entities whose annual profits per person engaged are 20,000 or more and less than 500,000 is 393,252, and this consists 79.4% of all entities in the industry.

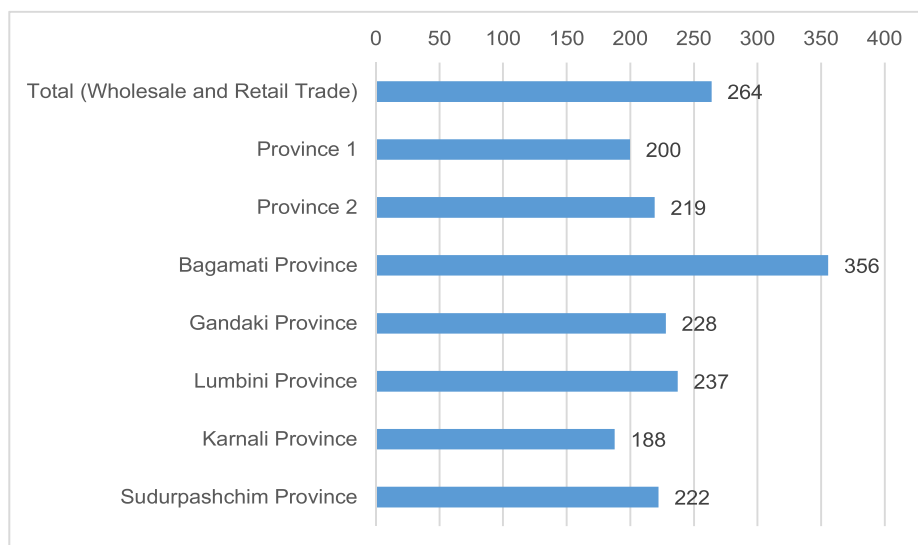


**Figure 4.14 Number of entities by size of annual profit per person engaged**

The annual profit per person engaged in the wholesale and retail trade industry as a whole is Rs. 264 thousand, and the level of annual profits per person varies among provinces.

The province which achieved the largest profit per person engaged is Bagamati Province (Rs. 356 thousand) which is followed by Lumbini Province (Rs. 237 thousand).

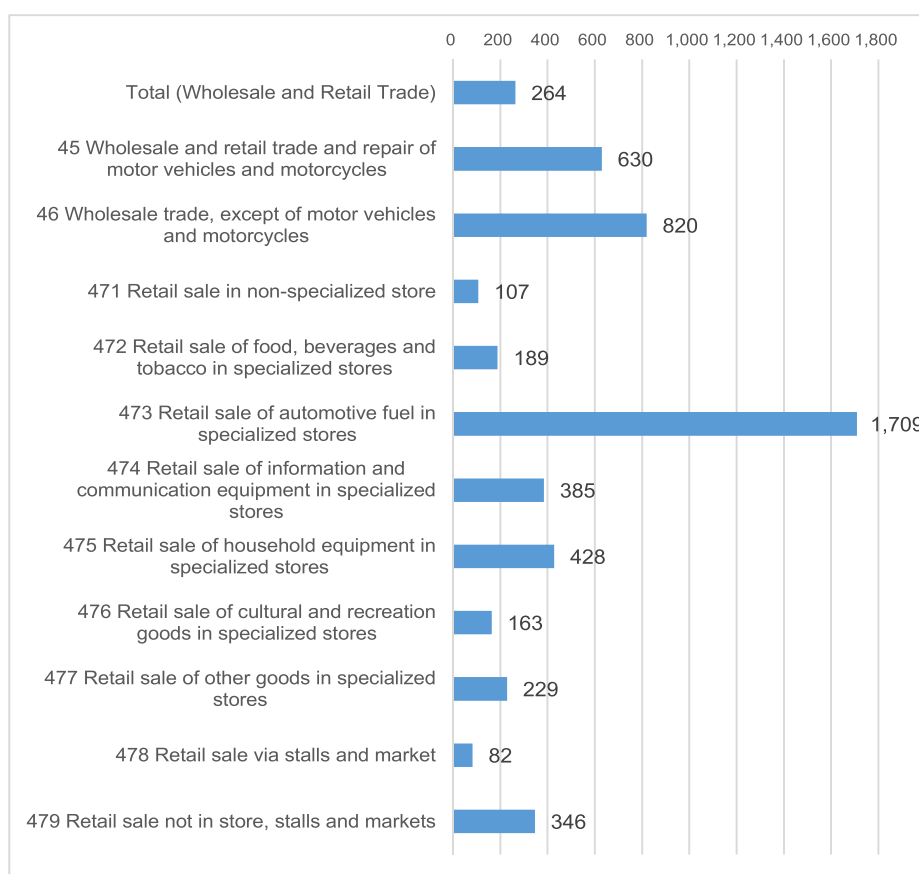
Meanwhile, the annual profits per person were lower in Karnali Province (Rs. 188 thousand) and Province 1 (Rs. 200 thousand).



**Figure 4.15 Average annual profit per person engaged in each province (1,000 Rs.)**

The subindustry of the wholesale and retail trade industry whose annual profit per person engaged is largest is Retail sale of automotive fuel in specialized stores (code 473), which is followed by Wholesale trade, except of motor vehicles and motorcycles (code 46) and Wholesale and retail trade and repair of motor vehicles and motorcycles (code 45).

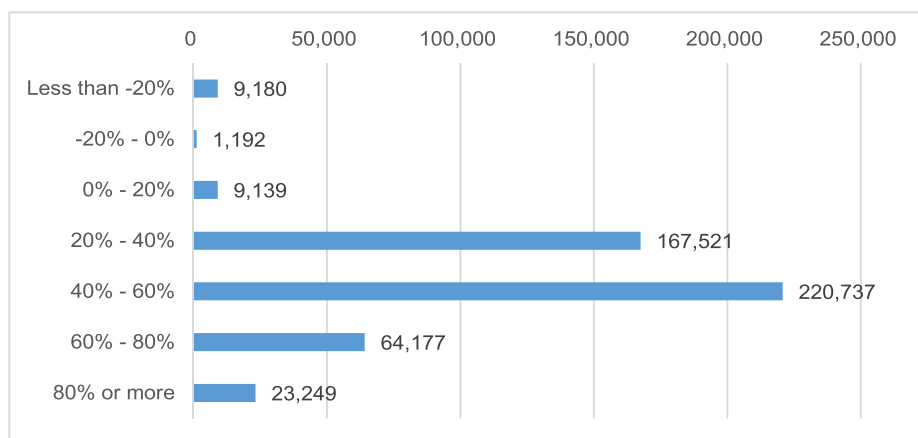
The subindustry whose annual profit per person engaged is smallest is Retail sale via stalls and market (code 478) which is followed by Retail sale in non-specialized store (code 471) and Retail sale of cultural and recreation goods in specialized stores (code 476).



**Figure 4.16 Average annual profit per person engaged in each Division or Group of NSIC (1,000 Rs.)**

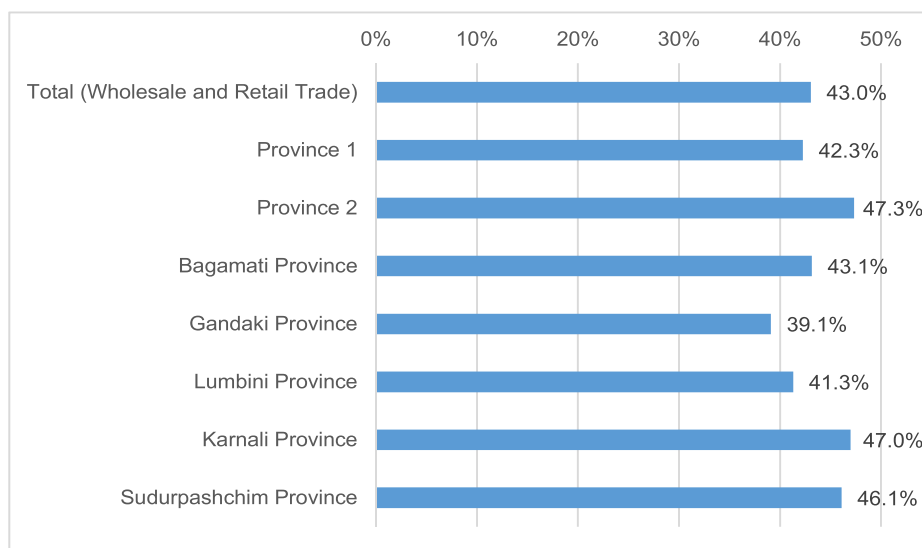
(Profit to sales ratio)

The distribution of the entities in the wholesale and retail trade industry according to the range of profit to sales ratio is as depicted in Figure 4.17. The number of entities whose profit to sale ratios are 40% or more and less than 60% (40 - 60%) is largest (220,737 entities) among all categories.



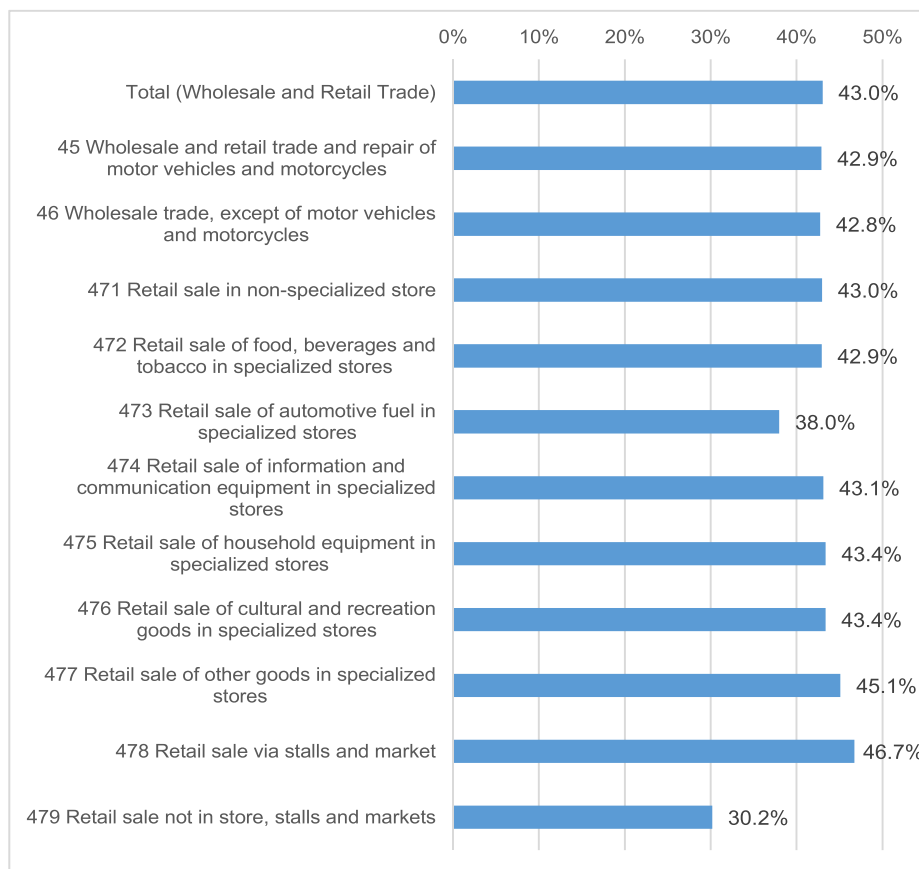
**Figure 4.17 Number of entities by range of profit to sales ratio**

The profit to sales ratio of the wholesale and retail trade industry in Nepal is 43.0%. The profit to sales ratio varies among provinces and the ratio in Province 2 (47.3%) is the highest among all the provinces. The profit to sales ratios in Gandaki Province (39.1%) and Lumbini Province (41.3%) are much lower than the average in the industry as a whole.



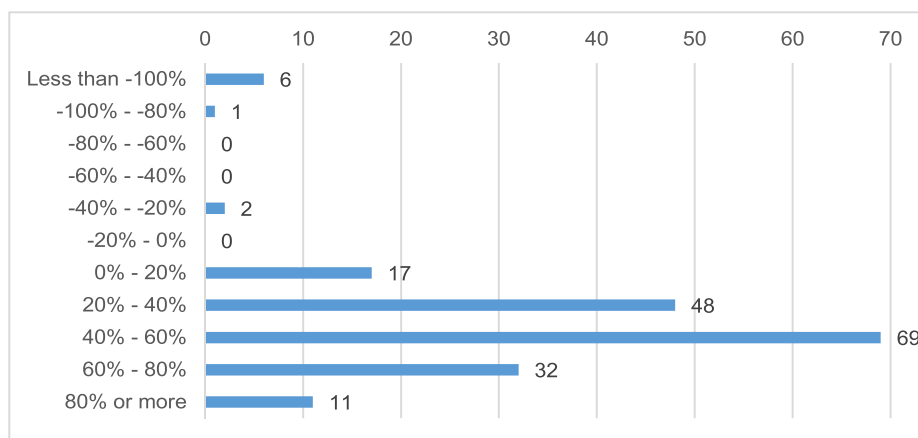
**Figure 4.18 Average profit to sales ratio in each province**

The profit to sales ratios of the subindustries of the wholesale and retail trade industry were as depicted in Figure 4.19. The subindustry with highest profit to sales ratio is Retail sale via stalls and market (code 478) which is followed by Retail sale of other goods in specialized stores (code 477), Retail sale of household equipment in specialized stores (code 475) and Retail sale of cultural and recreation goods in specialized stores (code 476).



**Figure 4.19 Average profit to sales ratio in each Division or Group of NSIC**

The profit to sales ratios of Retail sale not in store, stalls and markets (code 479) is much lower than those of the other subindustries. As depicted in Figure 4.20, this is because some entities in this subindustry makes huge deficits from the operations, while the total number of the entities in the subindustry is not so large.

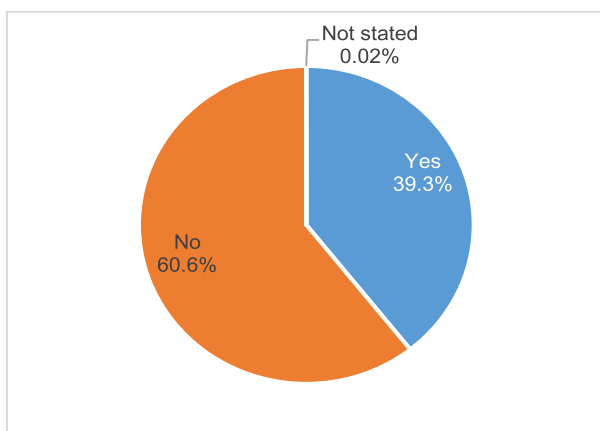


**Figure 4.20** Number of entities by range of profit to sales ratio in Retail sale not in store, stalls and markets (code 479)



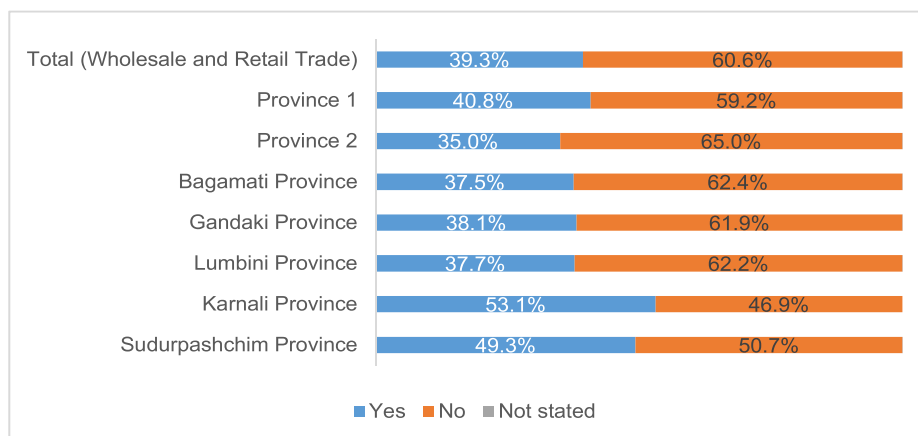
#### 4-4 Access to credit

The information was collected on whether the entity borrowed or paid back financial loan for business purpose within last three years. The proportion of the entities which have or used to have loans in the wholesale and retail trade industry is 39.3%, and 60.6% of entities have not received any loans before.



**Figure 4.21 Distribution of entities with access to credit in the wholesale and retail trade industry**

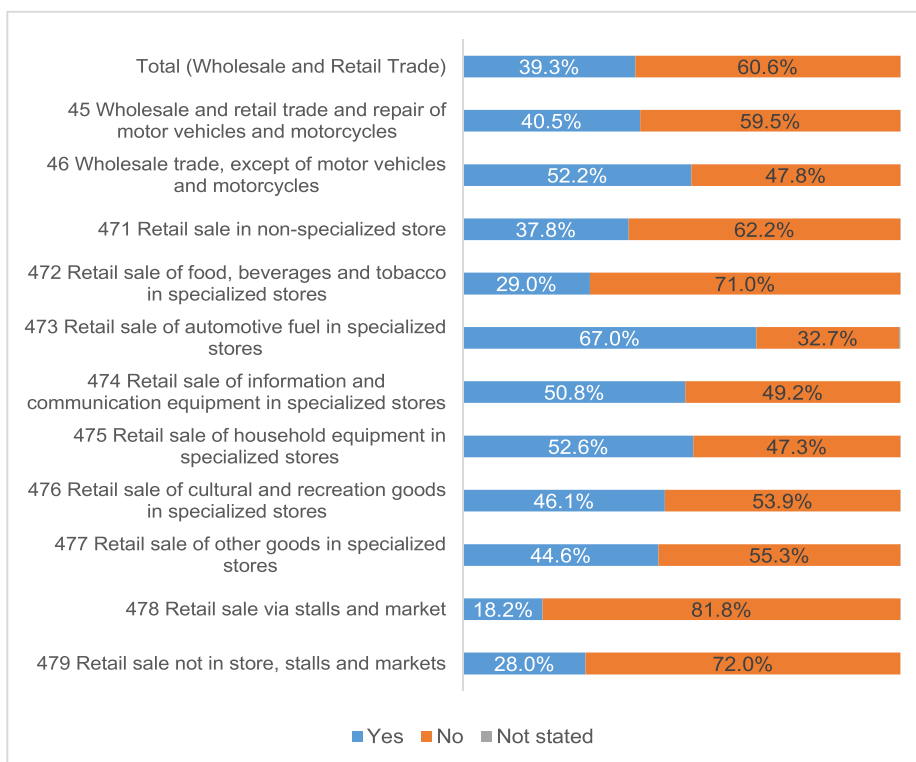
The proportions of the entities which have access to credit in the wholesale and retail trade industry is highest in Karnali Province (53.1%) which is followed by Sudurpashchim Province (49.3%) and Province 1 (40.8%).



**Figure 4.22 Distribution of entities with access to credit in each province**

The distributions of the entities which have access to credit in the subindustries of the wholesale and retail trade industry are as depicted in Figure 4.23. Such proportions are lower in Retail sale via stalls and market (code 478), Retail sale not in store, stalls and markets (code 479) and Retail sale of food, beverages and tobacco in specialized stores (code 472).

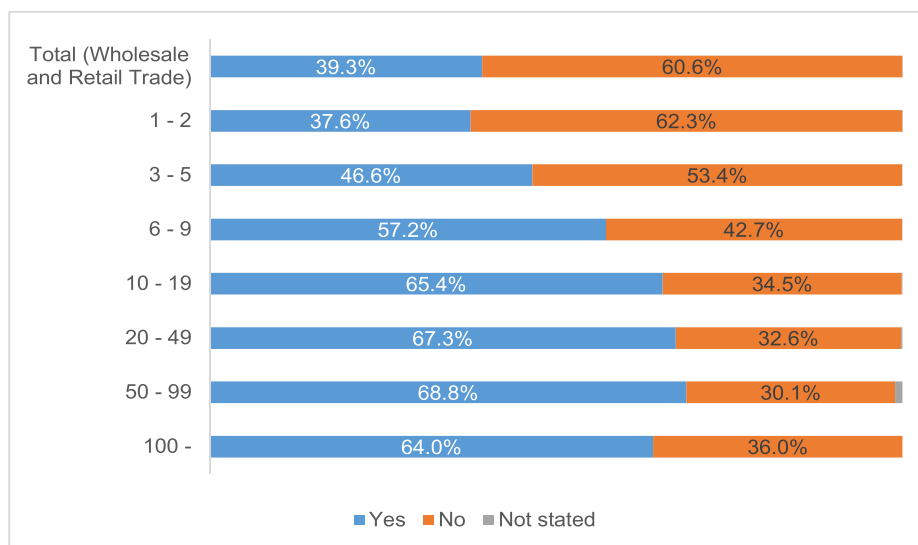
On the other hand, the proportion is highest in Retail sale of automotive fuel in specialized stores (code 473) which is followed by Retail sale of household equipment in specialized stores (code 475) and Wholesale trade, except of motor vehicles and motorcycles (code 46).



**Figure 4.23 Distribution of entities with access to credit in each Division or Group of NSIC**

The proportions of the entities which have access to credit in the wholesale and retail trade industry increase as the numbers of the persons engaged increase except for the category of which the persons engaged is 100 or more, as described in Figure 4.24.

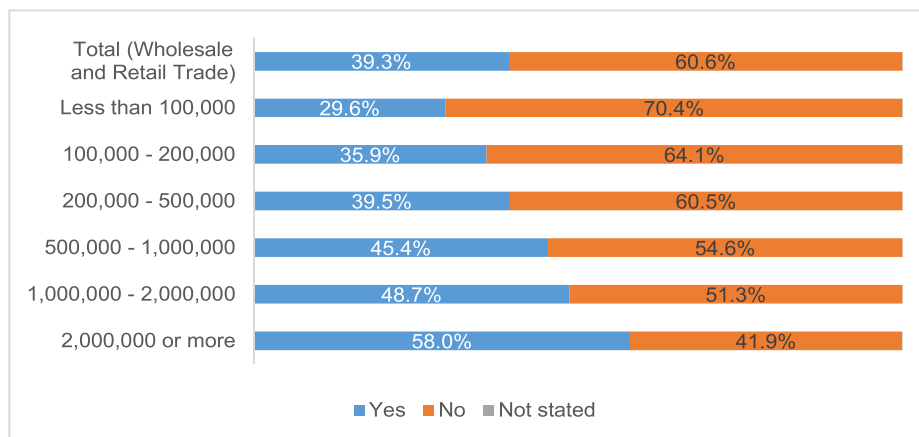
In case the number of the persons engaged are one or two, the proportion of entities with access to credit is 37.6%, while the proportion reaches 68.8% in case the numbers of persons engaged are between 50 and 99 (50 – 99).



**Figure 4.24 Distribution of entities with access to credit by size of persons engaged**

Similarly, the proportions of the entities which have access to credit in the wholesale and retail trade industry increase as the sizes of annual sales increase.

In case the sizes of sales are less than 100,000, the proportion of entities with access to credit is only 29.6%. In contrast, 58.0% of the entities have access to finance, in case their sizes of annual sale are 2,000,000 or more.

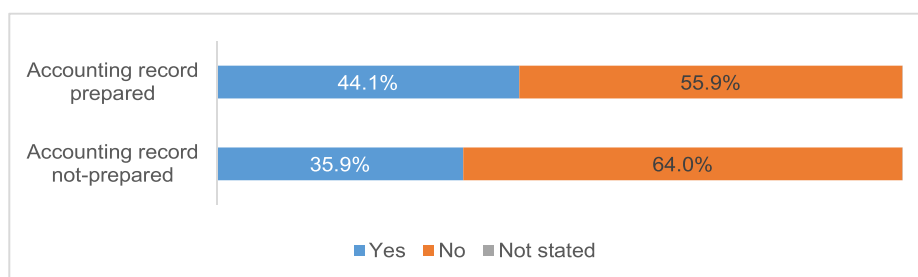


**Figure 4.25 Distribution of entities with access to credit by size of annual sales**

The proportion of the entities which have access to finance in the wholesale and retail trade industry is higher if they have accounting records.

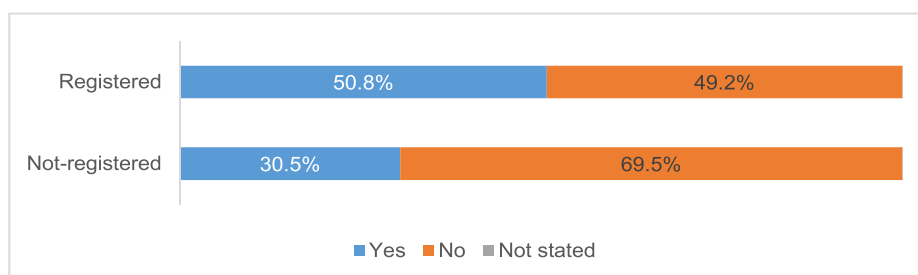
If entities have account records, the proportion with access to credit reaches 44.1%. Meanwhile, the proportion with access to credit is only 35.9%, if they do not prepare account records.

However, it should be noted that this might be because larger-sized companies have both account records and access to credit.



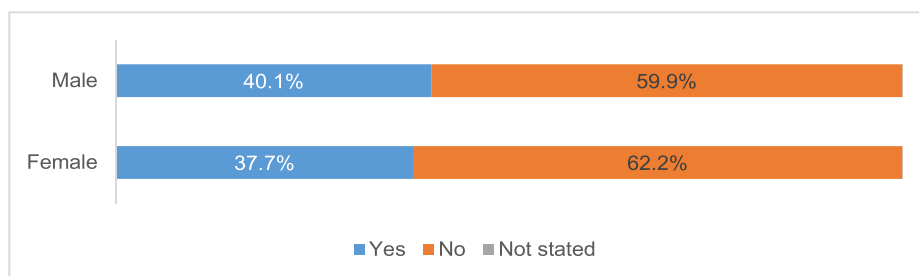
**Figure 4.26 Distribution of entities with access to credit by whether accounting record is prepared**

Similarly, the proportion of the entities which have access to credit in the wholesale and retail trade industry is higher if they are registered. As depicted in Figure 4.27, 50.8% of the registered entities have access to credit, while the proportion of the non-registered companies which have access to credit is only 30.5%.



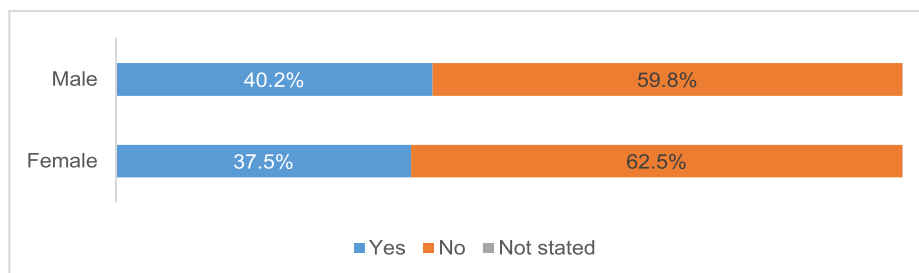
**Figure 4.27 Distribution of entities with access to credit by registration**

Similarly, the proportion of entities with access to credit is higher if they are with male managers. The proportions of access to credit of entities with male managers and that of female managers are 40.1% and 37.7% respectively.



**Figure 4.28 Distribution of entities with access to credit by sex of manager**

Dividing the entities into those with male owners and female owners, the proportion of entities with access to credit is higher if they are with male owners. The proportions of access to credit of entities with male owners and that of female owners are 40.2% and 37.5% respectively, as Figure 4.29.

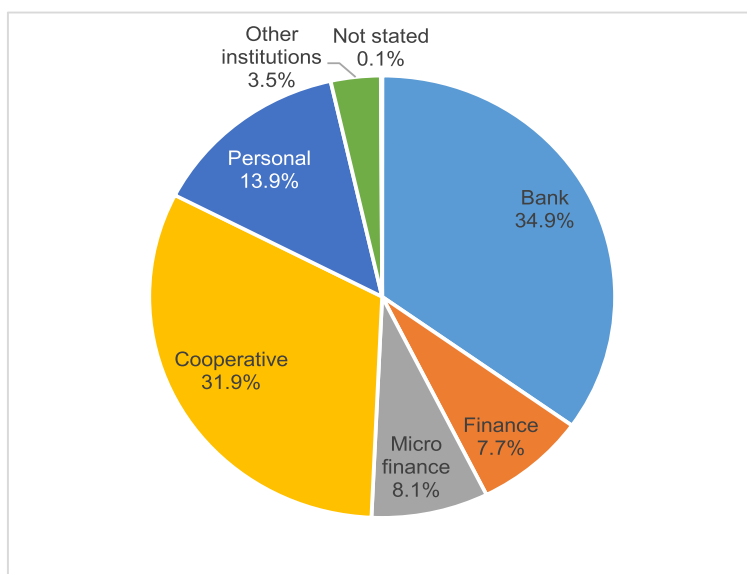


**Figure 4.29 Distribution of entities with access to credit by sex of owner**

(Loan providers)

The composition of the loan providers to the entities in the wholesale and retail trade industry is as described in Figure 4.30.

The major loan provider to the entities in the wholesale and retail trade industry is banks (34.9%), which are followed by cooperatives (31.9%). Personal loans are also commonly used in the wholesale and retail trade industry in Nepal (13.9%).

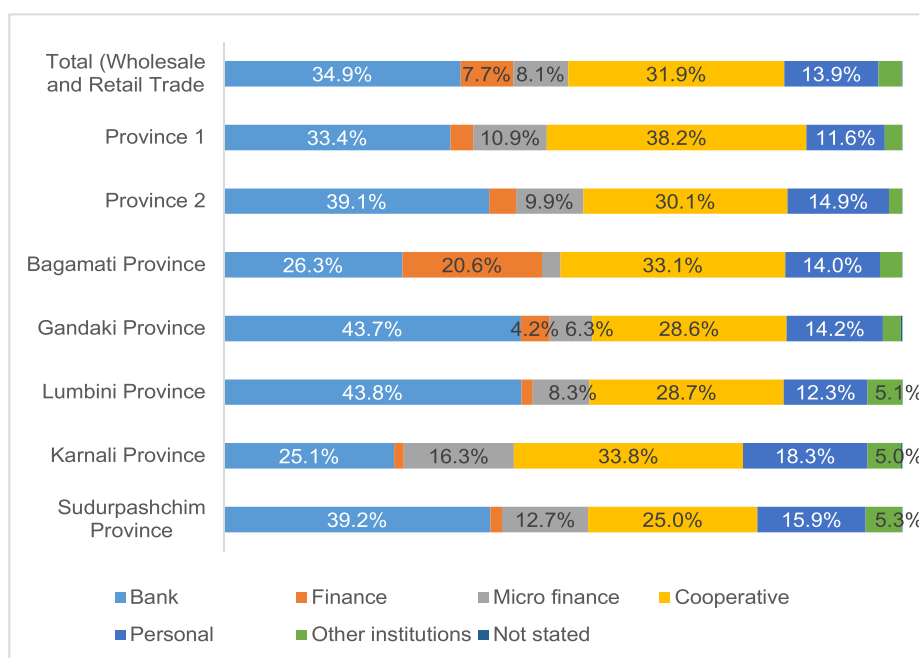


**Figure 4.30 Distribution of loan providers to entities**



The compositions of the loan providers are different among provinces. For example, the proportion of the entities which take loans from banks in Lumbini Province is higher (43.8%) and that of personal loans are lower (12.3%).

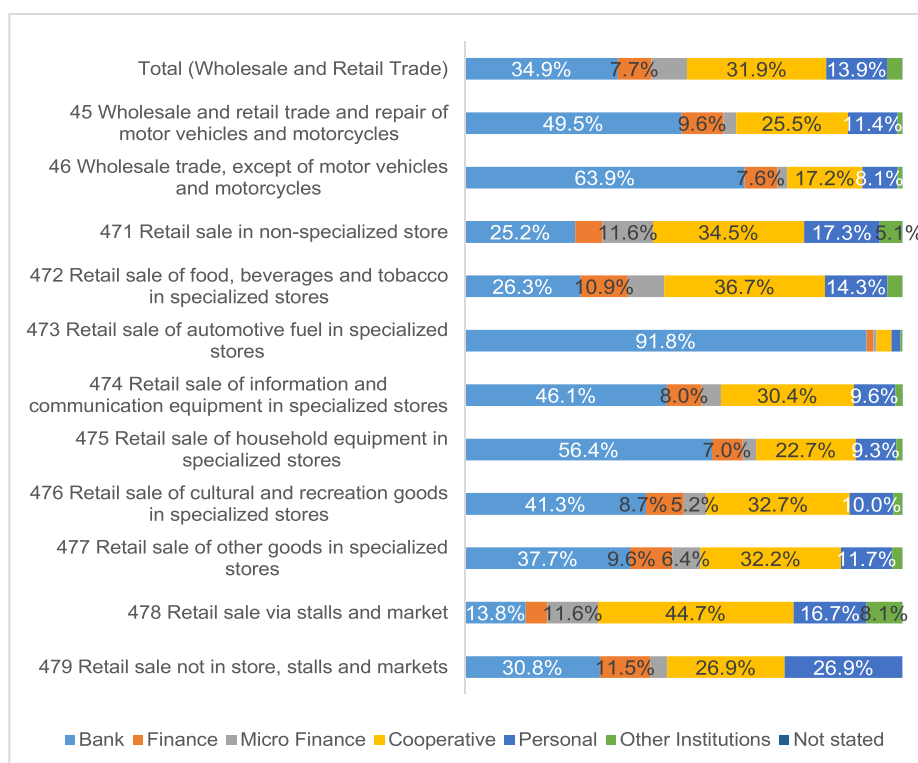
In contrast, the proportion of the entities which take loans from banks is very low in Karnali Province (25.1%) and Bagmati Province (26.3%). In Karnali province, the proportion of the entities which take personal loans is higher (18.3%), and more entities take loans from finance in Bagamati Province (20.6%).



**Figure 4.31 Distribution of loan providers to entities in each province**

The compositions of the loan providers are different among subindustries. For example, subindustries which mainly take loans from banks are Retail sale of automotive fuel in specialized stores (code 473), Wholesale trade, except of motor vehicles and motorcycles (code 46) and Retail sale of household equipment in specialized stores (code 475).

In contrast, subindustries such as Retail sale in non-specialized store (code 471), Retail sale of food, beverages and tobacco in specialized stores (code 472) and Retail sale via stalls and market (code 478) do not take loans so much from banks but mainly from cooperatives and personal.

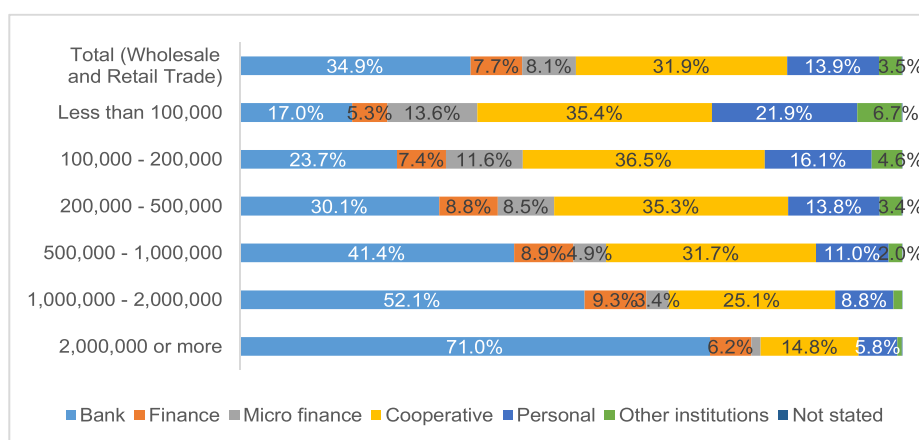


**Figure 4.32 Distribution of loan providers to entities in each Division or Group of NSIC**

The compositions of the loan providers also change according to the size of annual sales of entities. Entities whose annual sales are smaller tend to take personal loans or loans from microfinance and cooperatives, while entities with larger sales take loans from banks.

In case annual sales are less than 100,000, the percentage of the entities which take loans from banks is only 17.0%. Such entities rely more on cooperatives (35.4%) and personal loans (21.9%).

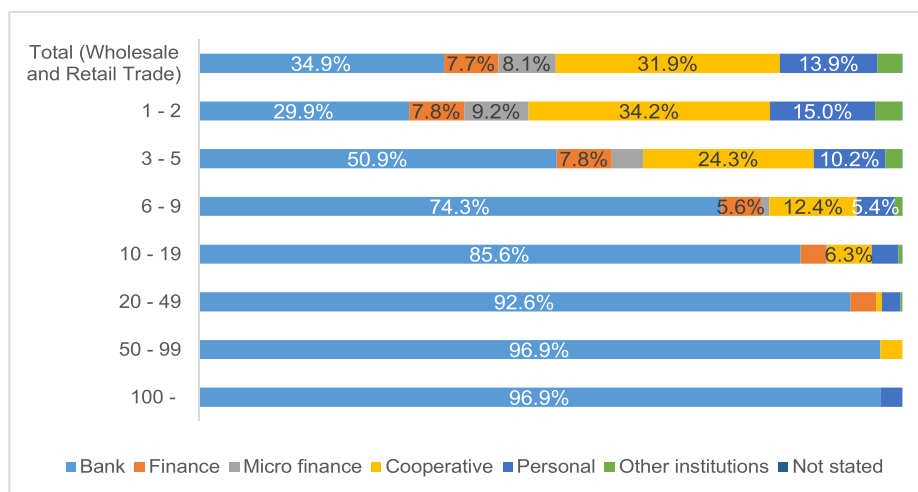
In contrast, almost all entities whose annual sales are 2,000,000 or more take loans from banks (71.0%) or other financial institutions.



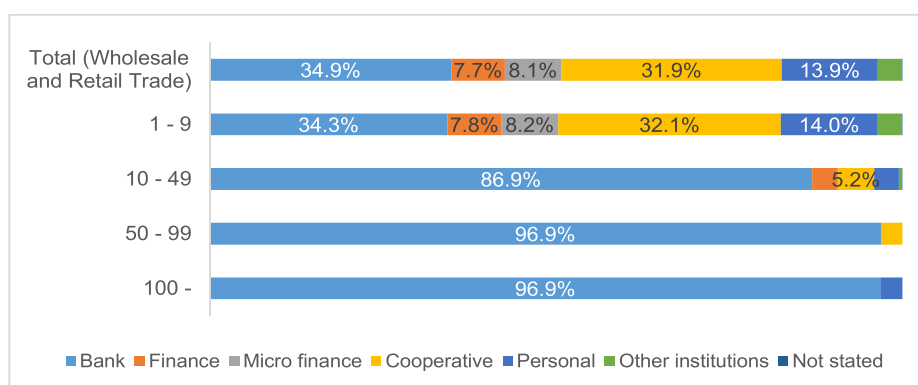
**Figure 4.33 Distribution of loan providers to entities by size of annual sales**

Similarly, entities with fewer persons engaged tend to take loans more from cooperatives and personal loans. In case the number of persons engaged are one or two (1-2), 34.2% of them take loans from cooperatives and 15.0% take personal loans. The percentage of the entities which take loans from banks is only 29.9%.

In contrast, if the numbers of persons engaged are between 10 and 19, between 20 and 49 and 50 (50 or more, the proportions of the entities taking loans from bank jump up to 85.6%, 92.6% and 96.9% respectively.



**Figure 4.34 Distribution of loan providers to entities by size of persons engaged**

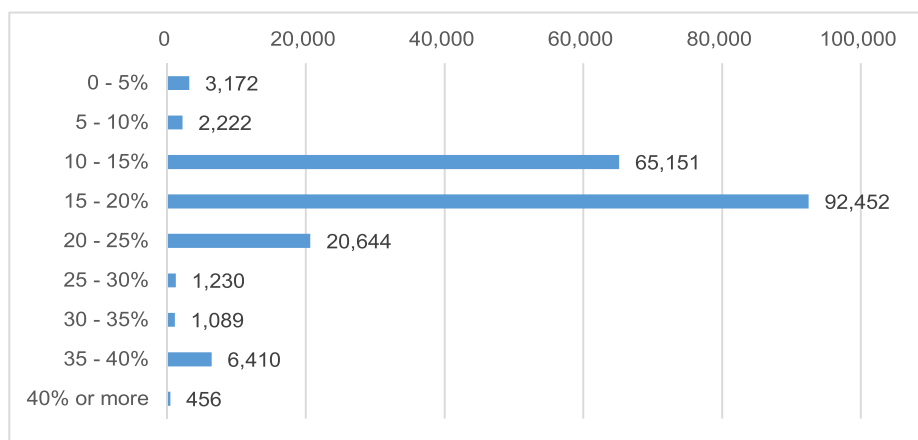


**Figure 4.35 Distribution of loan providers to entities by Scale of Industry**

## (Loan interest rate)

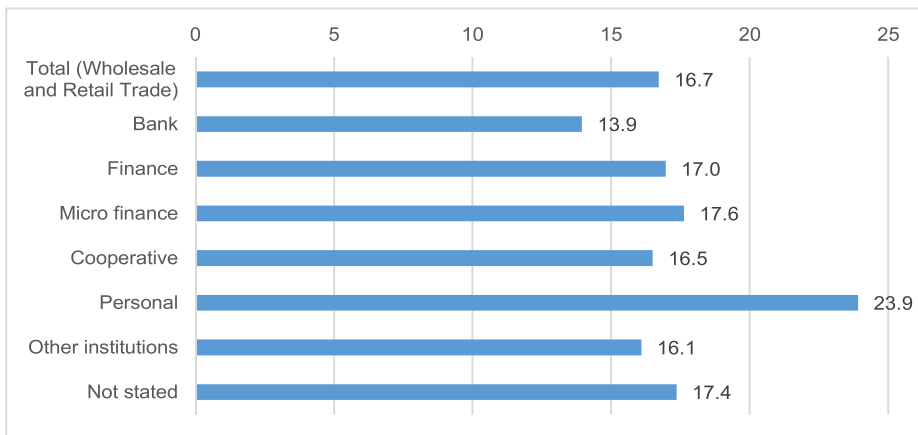
The distribution of the entities in the wholesale and retail trade industry according to the level of loan interest rate is as depicted in Figure 4.36.

The number of entities whose loan interest rates are 15% or more and less than 20% (15-20%) is largest among all categories (92,452 entities). Because many entities take loans at 36% per year or 3% per month, the number of entities whose loan interest rates are 35-40% is rather large.



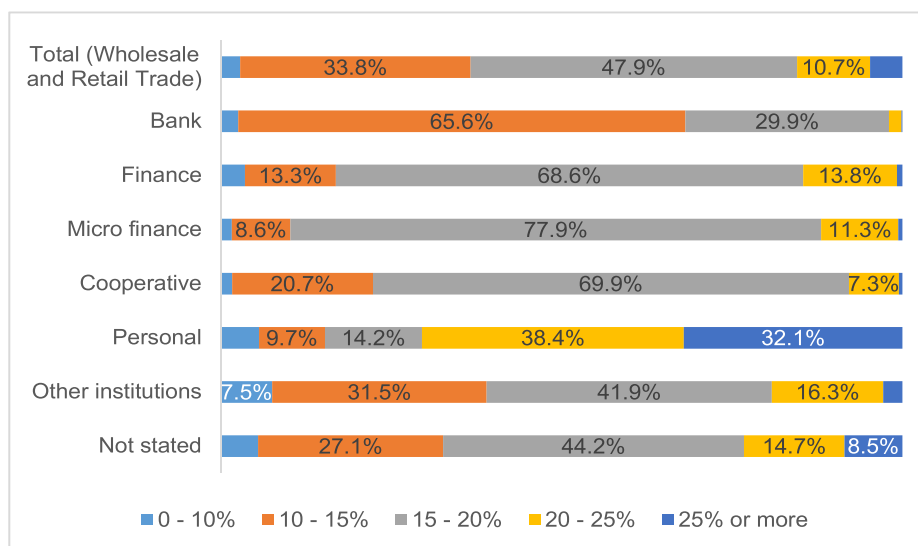
**Figure 4.36 Number of entities by loan interest rate**

Loan interest rates vary among types of loan providers. Most typically, the loan interest rate of bank stood at 13.9% and this is much lower than the average loan interest rate, which is 16.7%. Naturally, the interest rate of personal loan is highest among all categories, which is 23.9%. Entities which do not have formal financing, such as loans from bank, thus have to bear higher loan interest costs.



**Figure 4.37 Average loan interest rate per year in each type of loan providers (%)**

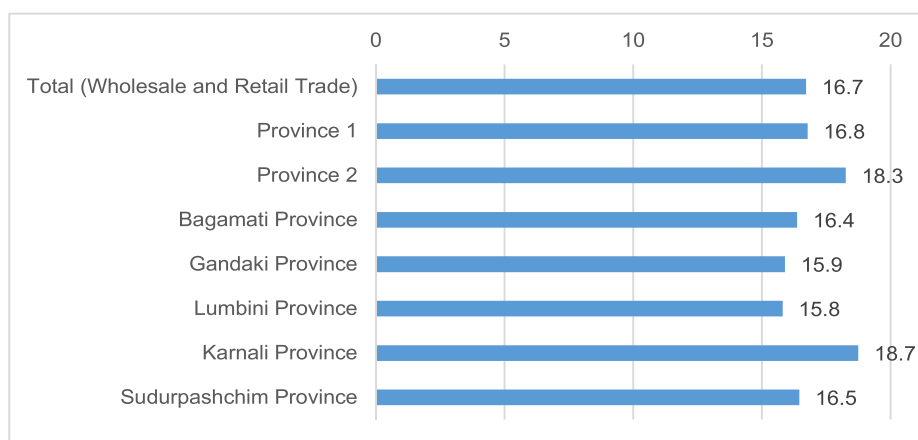
The previous chart illustrates an unexpected result that the average loan interest rate of cooperative is lower than that of finance or micro-finance. Figure 4.38 demonstrates that the proportion of cooperative whose loan interests are less than 15% is much larger than that of micro-finance and finance.



**Figure 4.38 Distribution of loan interest rate per year in each type of loan providers**

The average interest rate of the wholesale and retail trade industry in each province is as illustrated in Figure 4.39. Among all provinces, the average loan interest rates of Karnali Province (18.7%) and Province 2 (18.3%) are much higher than the average.

The higher interest rate in Karnali Province would be due to its lower proportion of the entities taking loans from banks and higher proportions of personal loans. Higher proportion of personal loans in Province 2 probably resulted in higher loan interest rate in the province too.

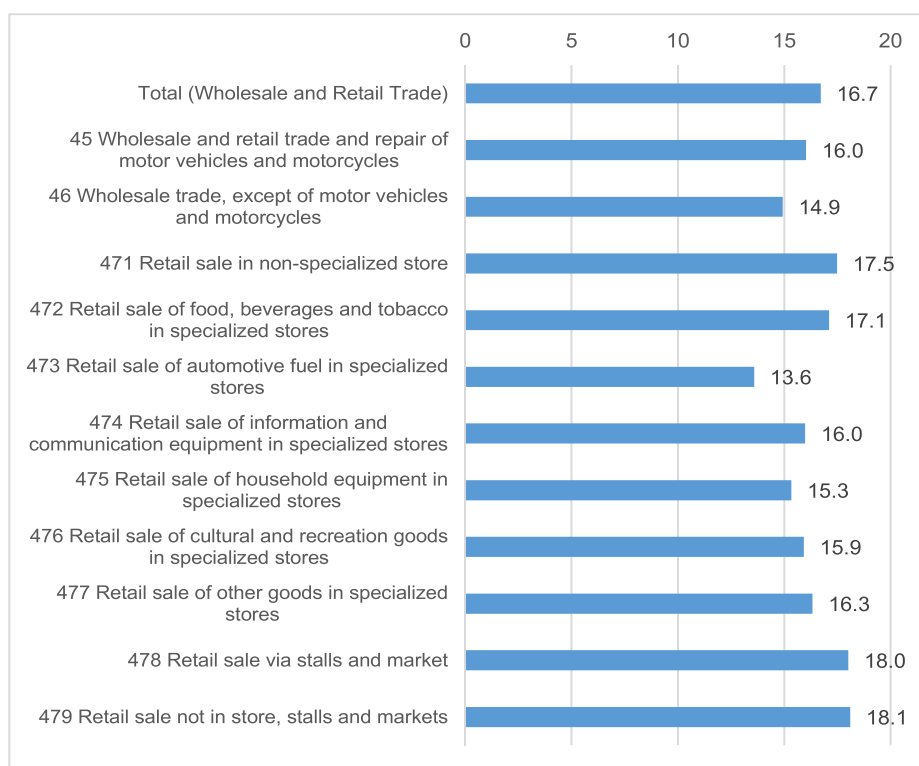


**Figure 4.39 Average loan interest rate per year in each province (%)**



The loan interest rates of subindustries are higher than average in Retail sale not in store, stalls and markets (code 479), Retail sale via stalls and market (code 478), Retail sale in non-specialized store (code 471) and Retail sale of food, beverages and tobacco in specialized stores (code 472), also reflecting the lower proportions of the entities taking loans from banks and higher proportions of personal loans.

In contrast, the loan interest rates of Retail sale of automotive fuel in specialized stores (code 473), Wholesale trade, except of motor vehicles and motorcycles (code 46) and Retail sale of household equipment in specialized stores (code 475) are much lower than the average, reflecting the higher proportions of the entities taking loans from banks.



**Figure 4.40 Average loan interest rate per year in each Division or Group of NSIC (%)**



## **Appendices**



Appendix 1: Specimen of Form B of NEC2018

Appendix 2: Coverage of National Economic Census 2018





Government of Nepal  
National Planning Commission



Central Bureau of Statistics  
**National Economic Census 2018**  
Form B

*The information collected with this questionnaire will be kept confidential according to Statistical Act, 1958 of Nepal. No any information of individual business establishment will be published as not to disclose individual identification. The information collected in this census will not be used for taxation purpose. These collected individual data will only be used as statistical aggregates. That is, economic statistics required for formulating of plans and policies are produced by collecting basic information on the current status of the establishment.*

Please fill in the following questions as of Baishakh 1, 2075 (14 April 2018 in Western calendar) if no other individual instruction. The questions should be asked to establishment owner, manager, or concerned person of the establishment.

If a response is not applicable, please fill in a bar "-" in the appropriate box.

1- Area Information			AI
Area	Name	Code	
AI1. District			
AI2. Municipality/ Rural Municipality			
AI3. Ward			
AI4. Village/ Settlement Name			
AI5. Enumeration Area (EA)			
AI6. Sub Enumeration Area (SEA)			

2- Establishment Information			
EI1. Establishment Number (Please transcribe from column 2 of Form A: Establishment List.)			
EI2. Name of Establishment or Business			
EI3. Type of Business			
EI4. Address of Establishment	EI4A. Name of Road/ Street:		EI4B. House Number:
	EI4C. Name of the Business Complex/ Mall/ Building:		
	EI4D. Flat Number/ Floor Number:		EI4E. Shop Number:
EI5. Information for Contact	EI5A. Phone Number of Establishment:	EI5B. E-mail Address:	EI5C. Website Address:
	EI5D. Name of Contact Person:	EI5E. Designation of Contact Person:	EI5F. Phone Number of Contact Person:

3- Registration at Government Agencies			
RI1. Is this establishment registered at any Government Agencies? ( if not go to OW1)	1- Registered	2- Not registered (Go to OW1)	<input type="text"/>

Registered or not at the following Government Agencies									
RI2. Inland Revenue Office	1- Registered			2- Not registered (Go to RI3)			<input type="text"/>		
RI2.1 Permanent Account Number (PAN) , VAT No., or TPIN	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
RI3. District Office/ Development Committee of Cottage and Small Industries	1- Registered			2- Not registered			<input type="text"/>		
RI4. Office of Company Registrar	1- Registered			2- Not registered			<input type="text"/>		
RI5. Department of Industry	1- Registered			2- Not registered			<input type="text"/>		
RI6. Office of Commerce and Supplies	1- Registered			2- Not registered			<input type="text"/>		
RI7. District Administrative Office	1- Registered			2- Not registered			<input type="text"/>		
RI8. Ministry of Health	1- Registered			2- Not registered			<input type="text"/>		
RI9. Ministry of Education	1- Registered			2- Not registered			<input type="text"/>		
RI10. Office of Cooperative Registrar	1- Registered			2- Not registered			<input type="text"/>		
RI11. District Development Committee/ District Coordinating Committee	1- Registered			2- Not registered			<input type="text"/>		
RI12. Municipality/ VDC/ Rural Municipality	1- Registered			2- Not registered			<input type="text"/>		
RI13A. Other (specify):							CBS and SOs use only <input type="text"/>		
RI13B. Other (specify):							<input type="text"/>		

4- Legal Status of Registered Establishment or Business		
LS1. Legal Status of Registered Establishment or Business		
1- Individual proprietor	6- Government agency	<input type="text"/>
2- Partnership	7- State-owned organization (including quasi government and autonomy-owned organization)	
3- Private limited company	8- NGO (Non-Governmental Organization)	
4- Public limited company	9- Users' Group / Consumer Group	
5- Cooperative	10- Others (specify):	
LS2. Is this Establishment or Business Multinational Company ?		
1- Yes	<input type="text"/>	
2- No		
		(Go to MO1)



5- Ownership Status of "Not Registered" Establishment or Business			
OW1. Ownership of "Not Registered" Establishment or Business			
1- Individual proprietor			<input type="text"/>
2- Partnership			
3- Others (specify) .....			
6- Characteristics of Manager and Owner (If there are any owners, the most investing owner should be filled in.)			
MO1. Sex of Manager	1- Male 2- Female	<input type="text"/>	Age in completed years .....
MO2. Sex of Owner	1- Male 2- Female 3- Not applicable (Go to BO1)	<input type="text"/>	Age in completed years .....
MO3. Country of Owner	1- Nepal 2- India 3- China 4- Pakistan 5- Bangladesh 6- Sri Lanka 7- Malaysia 8- Thailand 9- Singapore 10- Other ASEAN countries 11- Japan 12- Gulf countries 13- United State of America 14- United Kingdom 15- EU countries 16- Others (specify country) .....		<input type="text"/>

7- Business Operation Information				
	o'clock	minutes	working hours	Circle either of them
BO1. Opening Time				1- AM      2- PM
BO2. Closing Time				1- AM      2- PM
BO3. Working Hours				

BO4. Business Period Is this establishment regularly operating through the year? Circle Yes or No.	1- Yes 2- No (seasonal business) (Go to BO6)	<input type="text"/>																										
BO5. How many working days did this establishment have for the last one year?	<input type="text"/> working days (Go to BO8)																											
BO6. When is the season? Choose the opening month and the closing month.	<table border="1"> <thead> <tr> <th>Opening month</th> <th>Closing month</th> </tr> </thead> <tbody> <tr><td>1 Baishakh</td><td>1 Baishakh</td></tr> <tr><td>2 Jestha</td><td>2 Jestha</td></tr> <tr><td>3 Ashadh</td><td>3 Ashadh</td></tr> <tr><td>4 Shrawan</td><td>4 Shrawan</td></tr> <tr><td>5 Bhadra</td><td>5 Bhadra</td></tr> <tr><td>6 Ashwin</td><td>6 Ashwin</td></tr> <tr><td>7 Kartik</td><td>7 Kartik</td></tr> <tr><td>8 Mangsir</td><td>8 Mangsir</td></tr> <tr><td>9 Poush</td><td>9 Poush</td></tr> <tr><td>10 Magh</td><td>10 Magh</td></tr> <tr><td>11 Phalgun</td><td>11 Phalgun</td></tr> <tr><td>12 Chaitra</td><td>12 Chaitra</td></tr> </tbody> </table>	Opening month	Closing month	1 Baishakh	1 Baishakh	2 Jestha	2 Jestha	3 Ashadh	3 Ashadh	4 Shrawan	4 Shrawan	5 Bhadra	5 Bhadra	6 Ashwin	6 Ashwin	7 Kartik	7 Kartik	8 Mangsir	8 Mangsir	9 Poush	9 Poush	10 Magh	10 Magh	11 Phalgun	11 Phalgun	12 Chaitra	12 Chaitra	Opening month <input type="text"/>  Closing month <input type="text"/>
Opening month	Closing month																											
1 Baishakh	1 Baishakh																											
2 Jestha	2 Jestha																											
3 Ashadh	3 Ashadh																											
4 Shrawan	4 Shrawan																											
5 Bhadra	5 Bhadra																											
6 Ashwin	6 Ashwin																											
7 Kartik	7 Kartik																											
8 Mangsir	8 Mangsir																											
9 Poush	9 Poush																											
10 Magh	10 Magh																											
11 Phalgun	11 Phalgun																											
12 Chaitra	12 Chaitra																											

BO7. How many working days did this establishment have in the season?	<input type="text"/> working days	
BO8 Year of Starting the Business ( Baishakh 1, 2075 in Nepali calendar is April 14, 2018 in western calendar.)	yyyy	mm
► Fill in the month and year of starting the business in Nepali calendar.		

8- Tenure, Kind, and Area (square feet: ft <sup>2</sup> ) of Business Place (If using land directly, respond not only building but also land.)		
BP1. Tenure of Business Place (Building)	1- Owned 2- Rented 3- Lease or contract out 4- Others (Specify: .....) 5- Not applicable	<input type="text"/>
BP2. Tenure of Business Place (Land)	1- Owned 2- Rented 3- Lease or contract out 4- Others (Specify: .....) 5- Not applicable	<input type="text"/>
BP3. Kind of Business Place	1- Street business 2- Home business (Business place and owner's residence are united into one) 3- Business in a building with sturdy construction for shop, office, apartment, etc. (Business place and owner's residence are separate.) 4- Business in traditional market with flat building or simple construction 5- Business in modern shopping mall with signboard and sturdy construction (building with more than two stories where a number of establishments are operating) 6- Business occupying exclusively one block or one building with signboard and sturdy construction (Ex: Factory, Bank, Hospital, School, Hotel, etc.) 7- Others	<input type="text"/>
BP4. Total Area of Business Place (square feet: ft <sup>2</sup> )		
BP4.1 Building / Room occupied area using for Business (square feet: ft <sup>2</sup> )	1- Yes 2- Not applicable (Go to BP4.2)	Specify the total area ..... ft <sup>2</sup>
BP4.2 Land occupied area using for Business (square feet: ft <sup>2</sup> )	1- Yes 2- Not applicable (Go to Part 9)	Specify the total area ..... ft <sup>2</sup>

**9- Number of Persons Engaged in this establishment as of the reference date**

(In the case of "Head office" (OF1=2), all persons engaged in its branch office(s) and subbranch office(s) are excluded.)

(1)	(2)	Persons engaged				
		1- Total	Nepali		Foreigner	
			2- Male	3- Female	4- Male	5- Female
(1)	(2)	(3)	(4)	(5)	(6)	(7)
PE1.1	Working proprietors/ partners					
PE1.2	Unpaid family workers					
PE1.3	Working directors (Managers) (excluding unpaid directors)					
PE1.4	Regular employees (those who are employed on a continuous basis with six month period or longer)					
PE1.5	Temporary employees (other employees than "regular employees")					
PE1.	Total number of persons engaged (Total of "PE1.1" to "PE1.5")					

(1)	(2)	Persons engaged or Workers				
		1- Total	Nepali		Foreigner	
			2- Male	3- Female	4- Male	5- Female
(1)	(2)	(3)	(4)	(5)	(6)	(7)
PE2.1	Aged 15 and under					
PE2.2	Technical staff					
PE2.3	Disabled staff					
PE2.4	Accepted workers from other institutions (Other than the employees cited in PE1, persons dispatched from separately operated establishments to work at the establishment)					

**10- Main Economic Activity**

►Describe a main economic activity that is done in this establishment. For example, selling (to wholesalers or consumers), manufacturing or repairing goods, or providing services.

►Describe about these goods or services also.

►In the case of "Head office" (OF1), all activities of its branch office(s) are excluded.

EA1. Main Economic Activity

.....

.....

.....

*CBS and SOs use only*

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<b>11- Single Unit, Head Office or Branch Office</b>																	
OF1. Single Unit, Head Office, or Branch Office				1- Single unit (Go to AR1) 2- Head office (Go to HO1) 3- Branch office 4- Subbranch office				<input type="text"/>									
<b>OF2. Name, Address and PAN of Head Office</b> ▶ In case of "Branch office" or "Subbranch office". ▶ In case of "Subbranch office", fill in the name and address of its upper-level office.																	
OF2.1 Name:								(Go to CS1 Part 18)									
OF2.2 Address:																	
OF2.3 Permanent Account Number (PAN):				<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>													

<b>12- Questions HO1 to HO4 below refer only to establishments of "Head office".</b>										
HO1. Number of Branch Offices and Subbranch Offices that establishment supervises								<input type="text"/>		
HO2. Total number of entire regular employees ▶ The "entire regular employees" include regular employees of head office, branch office(s), and subbranch office(s) (namely, "Head office + Branch office(s) + Subbranch office(s)")								<input type="text"/>		

Economic activities of the entire entity that include not only those of this head office but also those of branch office(s) and subbranch office(s) (namely, "Head office + Branch office(s) + Subbranch office(s)")										
<b>HO3. Main economic activity</b> ▶ State a main economic activity in terms of the largest value added or the largest manpower input.		..... ..... .....						<i>CBS and SOs use only</i> <input type="text"/>		
<b>HO4. Secondary economic activity if this entity has two or more kinds of economic activities.</b>		..... ..... .....						<input type="text"/>		

Part 13 to 17 are asked only to establishments of "Single unit" and "Head office".

### 13- Accounting Record

AR1. Does this establishment or this enterprise prepare its accounting record?

- An accounting record includes an account book, an income statement, etc.
- An enterprise consists of a head office and its branches.

1- Yes

2- No

11/11/2019

14- Average monthly revenues/ sales and operating expenses in the fiscal year of 2073/2074 or in 2074

- If the average monthly figures are unclear, that of past one month should be filled in.
- In the case of "Head office", average amount of revenues/ sales and operating expenses including its branch office(s) and subbranch offices should be filled in.
- These amounts should be filled in with left alignment and a thousand separator, ending with a bar "-".

IE1. Average monthly revenues/sales in fiscal year of 2073/2074 or in 2074

- Include all income gained from operating activities such as selling of goods, providing services, etc.  
(Sales and non-operating revenues)

Rs. \_\_\_\_\_

IE2. Average monthly expenses in fiscal year of 2073/2074 or in 2074

- Include all expenses for operating activities such as purchase of products for sales, costs for providing services, rent for shops, salaries and wages for managers and workers, tax, etc.  
(Cost of goods sold, operating expenses, non-operating expenses, and tax)

Rs. \_\_\_\_\_

IE2.1 Average monthly compensation (salaries and wages) for managers and workers in fiscal year of 2073/2074 or in 2074

Rs. \_\_\_\_\_

### 15- Capital and Ratio of Foreign Capital

## C|1. Capital

- Fill in the amount of capital, investment, and funds. (both fixed and current capital)
- This amount should be filled in with left alignment and a thousand separator, ending with a bar.

Rs. \_\_\_\_\_

### CI1.1 Ratio of Foreign Capital

(Please round off it to the one decimal place.)

			.	%
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## CI1.2 Fixed Capital

Land, building, plant, equipment, machineries, etc.

Rs. \_\_\_\_\_

16- Access to Credit					
AC1. Has this establishment or this enterprise borrowed or paid back financial loan for business purpose within the last three years? ► Circle the code.	1- Yes 2- No (Go to AC4)				<input type="text"/>
AC2. From where has this establishment or this enterprise borrowed the financial loan?	1- Bank 2- Finance 3- Micro Finance 4- Cooperative 5- Personal 6- Other Institutions				<input type="text"/>
AC3. How much is its average interest rate per year? (Please round off it to the one decimal place.)			.	%	Go to PC1
AC4. Has this establishment or this enterprise had experience that it couldn't borrow institutional financial loan although it tried to do? ► Circle the code.	1- Yes 2- No				

17- Parent Company					
PC1. Does this establishment have a parent company?  Parent company holds a majority of all shares in this company.	1- Yes 2- No (Go to CS1)				<input type="text"/>
PC2. Name, Address and PAN of Parent Company					
PC2.1 Name:					
PC2.2 Address:					
PC2.3 Permanent Account Number (PAN):					

**18- Census Status** (To be filled in by enumerator)

CS1. Status of Survey ► Circle the code.	1- Completely enumerated 2- Partially completed 3- Unable to complete	<input type="text"/>
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**19- Respondent's Information**

Respondent's Name :
Designation :
Date of Interview :
Stamp of Establishment :

	Name	Signature	Date
Enumerator			
Supervisor			






## Appendix 2

14 April 2018

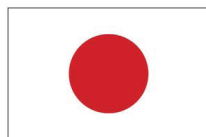
Coverage of National Economic Census 2018

Section of ISIC Rev. 4		Kind of Establishment		
		Registered / Not registered	Not registered	
			Fixed location	Mobile
A	Agriculture, forestry and fishing	(Registered only)		
B	Mining and quarrying			
C	Manufacturing			
D	Electricity, gas, steam and air conditioning supply			
E	Water supply; sewerage, waste management and remediation activities			
F	Construction			
G	Wholesale and retail trade; repair of motor vehicles and motorcycles			
H	Transportation and storage			
I	Accommodation and food service activities			
J	Information and communication			
K	Financial and insurance activities			
L	Real estate activities			
M	Professional, scientific and technical activities			
N	Administrative and support service activities			
O	Public administration and defence; compulsory social security			
P	Education			
Q	Human health and social work activities			
R	Arts, entertainment and recreation			
S	Other service activities			
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use			
U	Activities of extraterritorial organizations and bodies			

 shows the coverage of the Economic Census.







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the People of Japan

