GOVERNMENT OF NEPAL

National Economic Census 2018

Analytical Report

Food and Beverage Industry

National Planning Commission

Central Bureau of Statistics

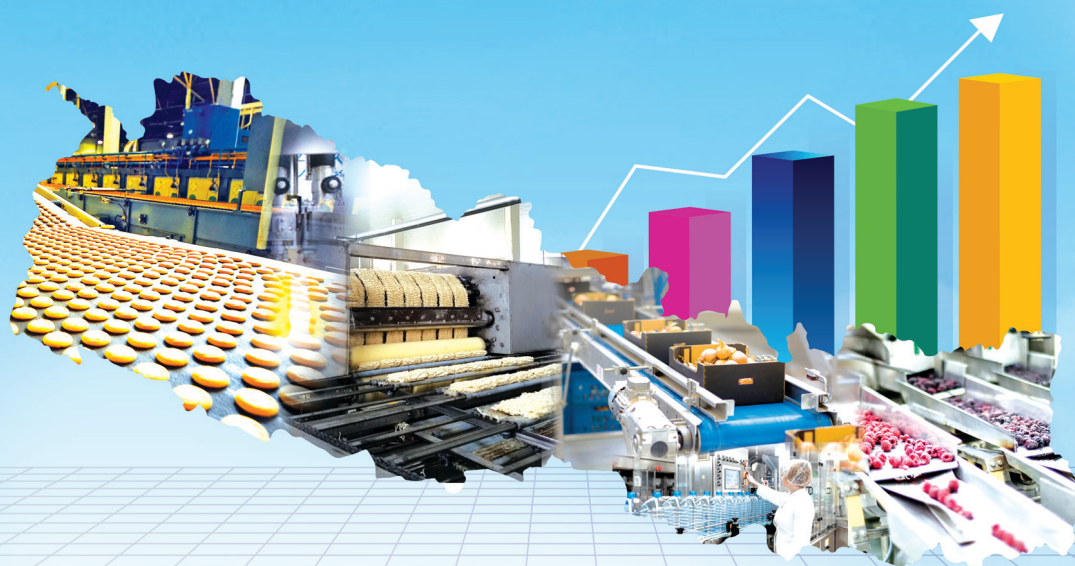**Kathmandu, Nepal**

March 2021

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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

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 publica 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.
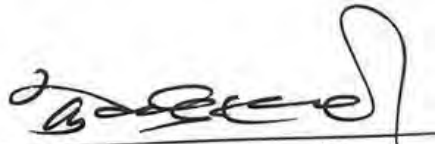
2021

Dr. Ram Kumar Phuyal

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

Government of Nepal
National Planning Commission
Central Bureau of Statistics

ACKNOWLEDGEMENT

It is my pleasure to release **Analytical Report on Food & Beverage 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 composition 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 food and beverage manufacturing 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 food and beverage industry with diverse business characteristics will be beneficial for various users to grasp the economic situation of the food and beverage manufacturing 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. Hirofumi AZETA, 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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─ District Boundary

000 District Code

Code of Province / District

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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
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3 BAGAMATI PROVINCE
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607	Jajarkot
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609	Salyan
610	Surkhet

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702	Bajhang
703	Darchula
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708	Kailali
709	Kanchanpur

* Codes and boundaries are as of May 2020.

Figures at a Glance

Number of Provinces [1]	7	
Number of Districts [1]	77	
Number of Metropolitan Cities [1] (maha-nagarpalika)	6	
Number of Sub-metropolitan Cities [1] (upa-maha nagarpalika)	11	
Number of Municipalities [1] (nagarpalika)	276	
Number of Rural Municipalities [1] (gaunpalika)	460	
Number of Wards [1]	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	% [2]
Young manager [3]	498,646	persons
	54.0	%
Young owner	450,464	persons
	54.5	% [2]
Foreign owner	10,265	persons
	1.2	% [2]
New establishments [4]	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	% [2]
Rented (Building/Room)	426,380	establishments
	49.7	% [2]
Street business	34,101	establishments
	3.7	%
Home business	386,323	establishments
	41.8	%
Area of business place (building/room)		
Under 100ft^2 (9.3m^2)	172,985	establishments
	20.8	% [2]
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 [5]	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 Salalies 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

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 77districts 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
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[1] 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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[1] 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 food and beverage industry

1-1 Overview of the agricultural sector in Nepal

The economy of Nepal has been largely dependent on agriculture. The size the agriculture sector is second largest after the service sector, and the agricultural GDP (Real GDP at Basic Price, base Year: 2000/01) increased from Rs. 224.7 million in 2011-12 to Rs. 273.4 million in 2018-19.
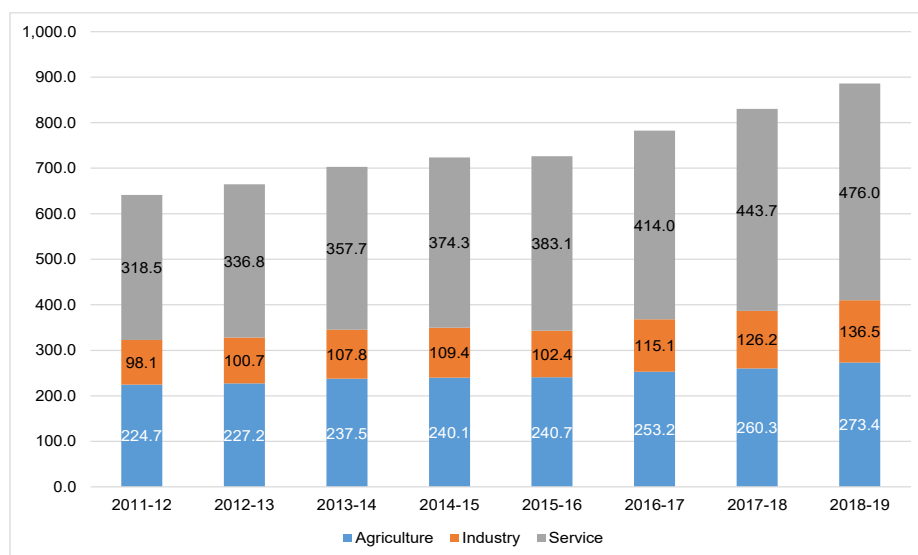
Figure 1.1 Real GDP at basic price by sector (million Rs. at 2000/01 price)[2]

Despite of its growth, the significance of the agricultural sector in the national economy has been diminishing over years. The agricultural GDP, which was 66.9% in 1970, kept on decreasing and reached 25.0% in 2018.

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[2] Source: Macroeconomic indicator of Nepal, Nepal Rastra Bank Nov 2019
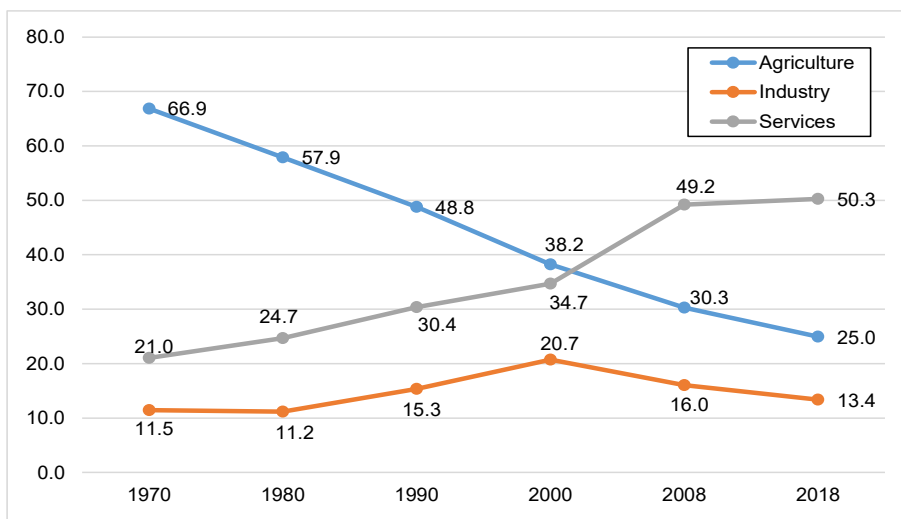
Figure 1.2 GDP by sector (in percentage)[3]

As depicted in the following chart in Figure 1.3, the agricultural GDP is mainly generated from cereal and livestock.
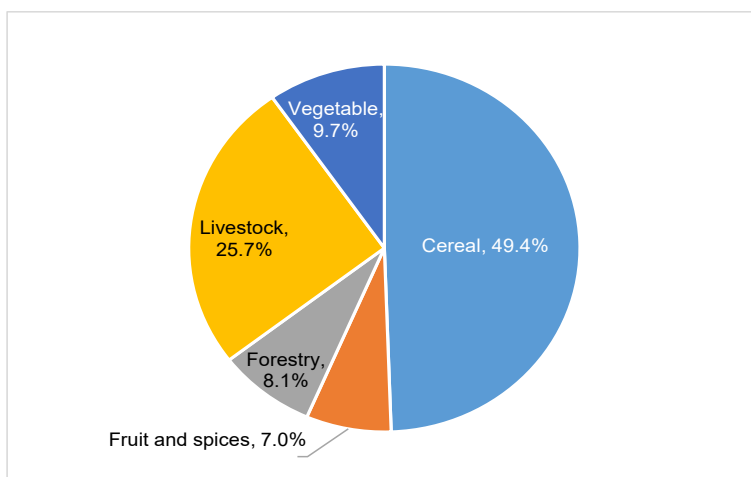
Figure 1.3 Composition of agriculture GDP[4]

The production of paddy is biggest among all cereals with annual production of 5,610 thousand tons, which is followed by maize and wheat.

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[3] Source: The World Bank, World Development Indicator,
https://databank.worldbank.org/source/world-development-indicators
[4] Source: Agriculture Sector Profile, Investment Board Nepal
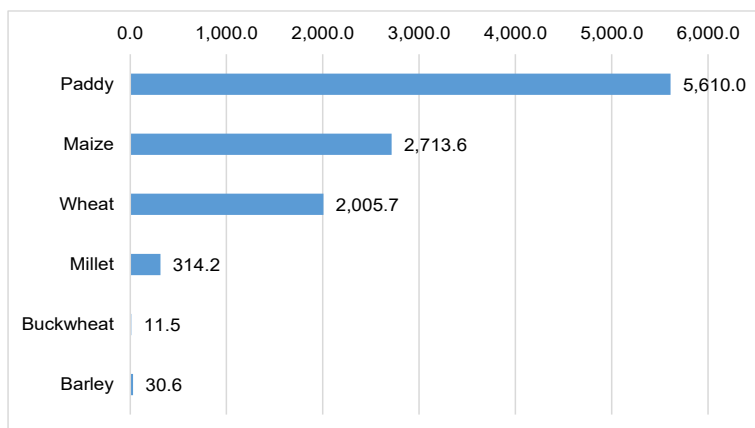
Figure 1.4 Cereal production in 2018/19 (1,000 metric tons)[5]

The production of livestock, which is second largest after cereal in the agricultural GDP, includes milk production, meat production, egg production and wool production.

Table 1.1 Livestock population[6]

	2015/16 (2072/73)	2016/17 (2073/74)	2017/18 (2074/75)	2018/19 (2075/76)
Milk production (Metric tons)	1,854,247	1,911,239	2,092,403	2,168,434
Meat production (Metric tons)	322,059	332,544	346,179	357,082
Egg production (000 Number)	1,308,072	1,352,296	1,512,265	1,549,689
Wool Production (Kg.)	588,348	594,312	594,639	589,738

There are other agricultural products, which are categorized as cash crops and pulse. The production of cash crops, such as oil seeds, potatoes and sugarcanes and pulse, such as lentil, is as described in the following charts in Figure 1.5 and Figure 1.6.

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[5] Source: Statistical Information on Nepalese Agriculture 2075/76 (2018/19)
[6] Source: Statistical Information on Nepalese Agriculture 2075/76 (2018/19)
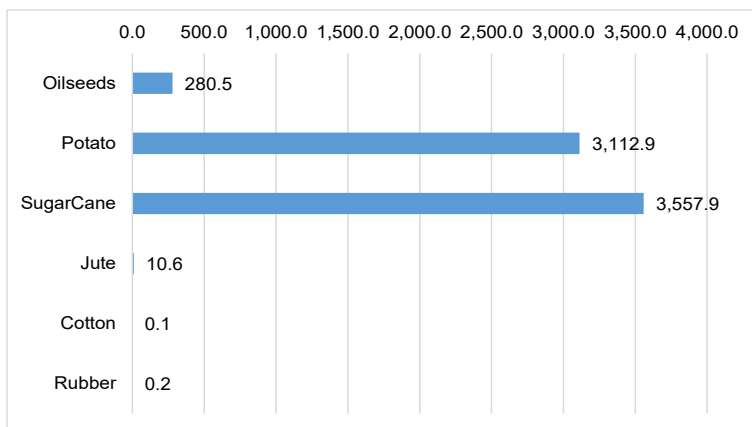
Figure 1.5 Cash crop production in 2018/19 (1,000 metric tons)[7]
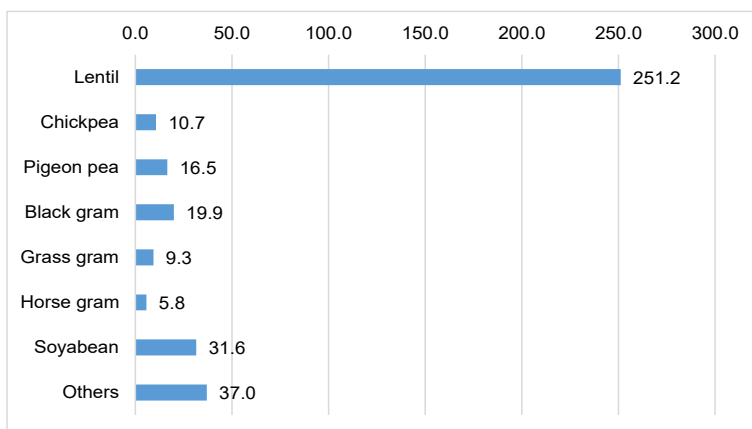
Figure 1.6 Pulse production in 2018/19 (1,000 metric tons)[8]

1-2 Policy on the agricultural sector

Agriculture has been regarded as the mainstay of the economic prosperity for its contribution to GDP and livelihood of the population, according to the Fifteenth Plan for fiscal year 2019/20 - 2023/24. The Fifteenth Plan targets to transform the agriculture sector into a competitive, climate reliant and export-oriented industry through meeting following objectives;

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[7] Source: Statistical Information on Nepalese Agriculture 2075/76 (2018/19)
[8] Source: Statistical Information on Nepalese Agriculture 2075/76 (2018/19)

> ➢ To ensure food and nutrition security by increasing the production and productivity of the agriculture sector.

> ➢ To increase employment opportunities and income by developing agriculture-based industries.

> ➢ To achieve trade balance in the agriculture sector by building capacities for commercialization and competitiveness.

In addition to the Fifteenth Plan, one of the major agricultural policies in Nepal is Agricultural Development Strategy (ADS) 2015 to 2035.

ADS targets "self-reliant, sustainable, competitive, and inclusive agriculture sector that drives economic growth and contributes to improved livelihoods and food and nutrition security leading to food sovereignty" as its vision. Under this vision, ADS set four target outcomes, namely i) improved governance, ii) higher productivity, iii) profitable commercialization and iv) increased competitiveness.

Based on ADS, the government of Nepal is executing "Prime Minister Agriculture Modernization Project" which includes various activities, such as agricultural modernization and other activities for the improvement of agricultural inputs and production.

1-3 Overview of the food and beverage industry in Nepal

The food and beverage industry is a subsector of the manufacturing industry. Most of the establishments in this industry are categorized as the "manufacturing of grain mill products, starches and starch products" or rice mills and flour mills.

As depicted in the following chart in Figure 1.7, which shows the changes in the value added generated by the subsectors of the manufacturing industry, the share of the food and beverage industry has significantly increased from 1996 to 2011.
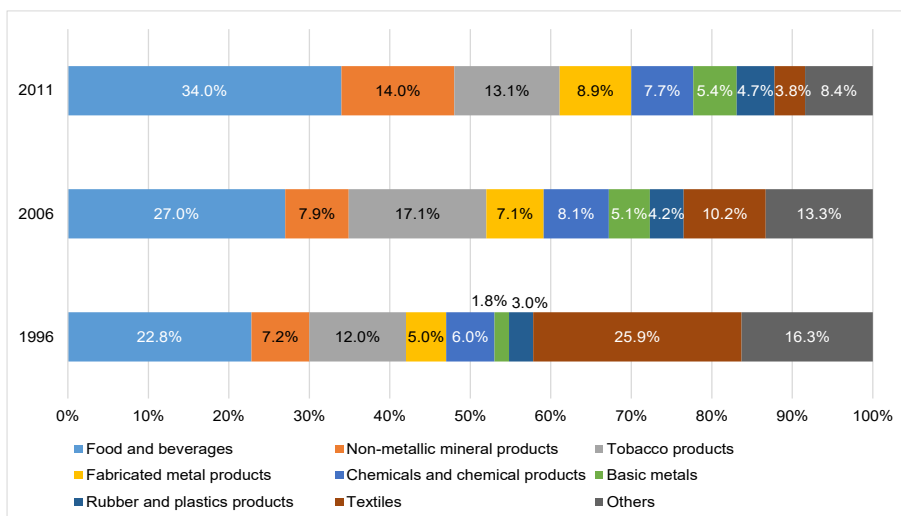
Figure 1.7 Composition of value added by the manufacturing industry (1996 - 2011)[9]

The annual growth rate of the food and beverage industry was 7.3% during 2006 and 2011 and this growth rate was much higher than that of the manufacturing industry as a whole. Some subsectors of the manufacturing industry, such as textile and wearing apparel, faced decrease in the valued added during the same period.

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[9] Source: Development of Manufacturing Industries

Table 1.2 Annual growth rate of the manufacturing industry (2006-2011)[10]

15 Food and beverages	7.3%
16 Tobacco products	-2.8%
17 Textiles	-16.0%
18 Wearing apparel, fur	-15.4%
19 Leather, leather products and footwear	9.4%
20 Wood products (excluding furniture)	11.7%
21 Paper and paper products	-23.2%
22 Printing and publishing	-8.9%
23 Coke, refined petroleum products, nuclear fuel	-25.4%
24 Chemicals and chemical products	1.3%
25 Rubber and plastics products	4.6%
26 Non-metallic mineral products	15.0%
27 Basic metals	3.8%
28 Fabricated metal products	7.2%
29 Machinery and equipment n.e.c.	4.0%
31 Electrical machinery and apparatus	-3.4%
32 Radio, television and communication equipment	9.3%
34 Motor vehicles, trailers, semi-trailers	16.2%
36 Furniture; manufacturing n.e.c.	9.1%
Total	2.5%

However, the value added generated by the food and beverage industry in Nepal is still small comparing to the surrounding economies. The amount of value added generated by the food and beverage industry in Nepal in 2011 was USD 319 million, while that of India was USD 26,924 million.

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[10] Source: Development of Manufacturing Industries in Nepal
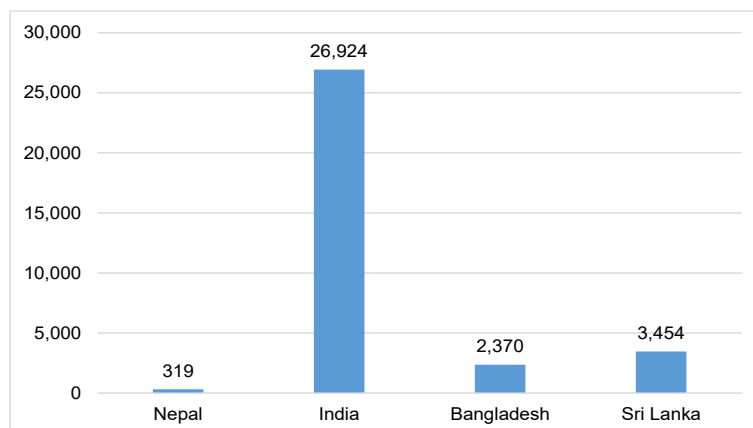
Figure 1.8 Value added of the food and beverage industry (million USD)[11]

The value added of the food and beverage industry as percentage of GDP in Nepal was 1.7% in 2011 and this is slightly higher than India and lower than Bangladesh.

Unlike Bangladesh and Sri Lanka, the value added of the food and beverage industry in Nepal did not increase from 2006 to 2011.
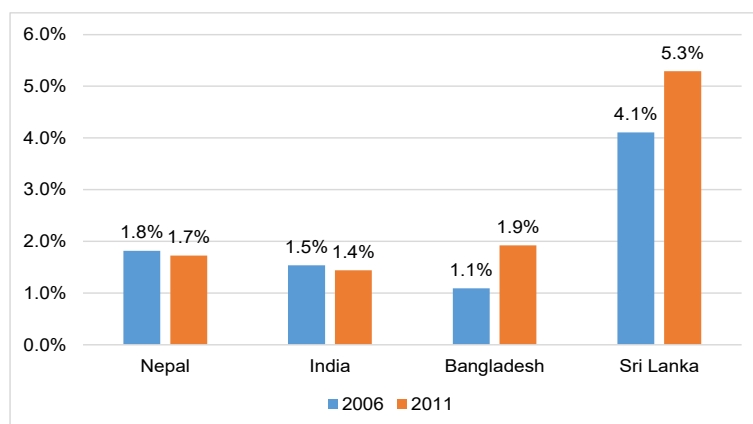
Figure 1.9 Value added of the food and beverage industry (as percentage of GDP) [12]

In Nepal, the share of the value added of the food processing industry in the manufacturing industry is higher than other countries. The share of the

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[11] Source: FAO Stat
[12] Source: FAO Stat

food and beverage industry in Nepal was 29.3% in 2011 and this was much higher than India (8.9%).
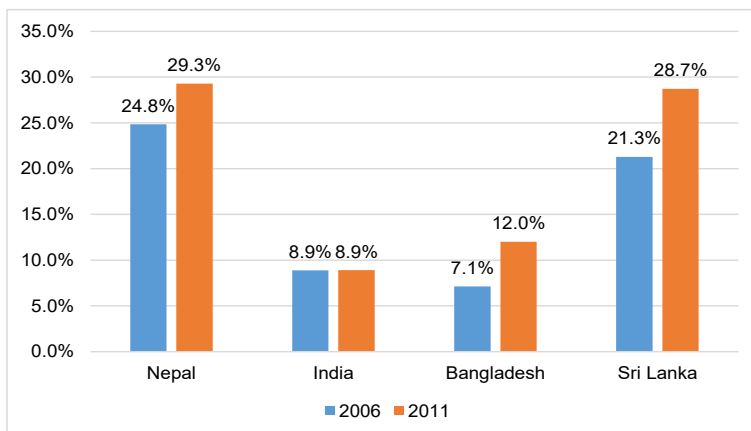
Figure 1.10 Share of the value added of the food and beverage industry in the manufacturing industry[13]

1-4 Trade of food products

The import and export volume of food products is summarized as in the table below. The table also shows the trade balance of the food products.

Table 1.3 Imports, Exports, Trade Balance by HS code (million Rs.)[14]

	Imports	Exports	Trade Balance
01 Animals; live	4,159	169	-3,990
02 Meat and edible meat offal	181	491	310
03 Fish and crustaceans, molluscs and other aquatic invertebrates	1,854	2	-1,852
04 Dairy produce; birds' eggs; natural honey; edible products of animal origin	2,605	291	-2,31
05 Animal originated products; not elsewhere specified or included	141	45	-96
06 Trees and other plants, live; bulbs, roots and the like	116	3	-114

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[13] Source: FAO Stat
[14] Source: Nepal Foreign Trade Statistics Fiscal Year 2017/18 (2074/75)

07 Vegetables and certain roots and tubers; edible	23,729	1,140	-22,589
08 Fruit and nuts, edible; peel of citrus fruit or melons	14,692	55	-14,637
09 Coffee, tea, mate and spices	10,748	9,202	-1,546
10 Cereals	45,414	17	-45,398
11 Products of the milling industry; malt, starches, inulin, wheat gluten	1,345	72	-1,273
12 Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit	11,343	1,103	-10,240
13 Lac; gums, resins and other vegetable saps and extracts	231	1	-231
14 Vegetable plaiting materials	198	963	765
15 Animal or vegetable fats and oils and their cleavage products	29,728	428	-29,301
16 Meat, fish or crustaceans, molluscs or other aquatic invertebrates	105	0	-105
17 Sugars and sugar confectionery	13,731	113	-13,618
18 Cocoa and cocoa preparations	1,766	0	-1,766
19 Preparations of cereals, flour, starch or milk; pastrycooks' products	6,208	996	-5,212
20 Preparations of vegetables, fruit, nuts or other parts of plants	2,737	4,768	2,031
21 Miscellaneous edible preparations	8,852	149	-8,703
22 Beverages, spirits and vinegar	6,028	83	-5,945
23 Food industries, residues and wastes thereof; prepared animal fodder	15,551	3,200	-12,351

As can be seen from the table above, the imports of many animal, vegetable, and food products are bigger than their exports.

The food products with trade surplus are 02 Meat and edible meat offal, 14 Vegetable plaiting materials and 20 Preparations of vegetables, fruit, nuts or other parts of plants.

(Export of food products from Nepal)

The food products with larger export amounts include 09 Coffee, tea, mate and spices (Rs. 9,202 million), 20 Preparations of vegetables, fruit, nuts or other parts of plants (Rs. 4,768 million) and 23 Food industries, residues and wastes thereof; prepared animal fodder (Rs. 3,200 million).

Among these items, Nepal achieved trade surplus only for 20 Preparations of vegetables, fruit, nuts or other parts of plants.

Out of the export amount of 09 Coffee, tea, mate and spices (Rs. 9,202 million), 52.6% or Rs. 4,844 million was the export of alaichi (cardamon) and 34.1% (Rs. 3,139 million) was black tea. Both of them were mainly directed to India.

The export of 20 Preparations of vegetables, fruit, nuts or other parts of plants (Rs. 4,768 million) was mainly that of fruit juice. Major export items include;

- Mixtures of juices: Rs. 3,443 million (72.2%)
- Frozen orange juice: Rs. 663 million (13.9%)
- Pineapple juice: Rs. 335 million (7.0%), and
- Apple Juice: Rs. 209 million (4.4%)

They are also mainly exported to India.

Out of the export of 23 Food industries, residues and wastes thereof; prepared animal fodder (Rs. 3,200 million), 45.4% (Rs. 1,452 million) was the export of oil-cake of low erucic acid rape or colza seeds, which would be used for fertilizer or animal feed, is the main item. This is also mainly exported to India.

After this, 26.8% or Rs. 858 million was the export of dog or cat food, put up for retail sale. This is mainly exported to USA, Korea and Taiwan.

The export amount of 14 Vegetable plaiting materials was Rs. 963 million and 75.6% of this is the export of cetechu of acacia (kattha).

The export of 02 Meat and edible meat offal (Rs. 310.4 million) is mainly frozen boneless bovine meat exported to Vietnam, Thailand and Hong Kong.

The major export destinations of food products from Nepal are India and USA. Among all food product export, 81.0% was to India and 9.6% was to USA.
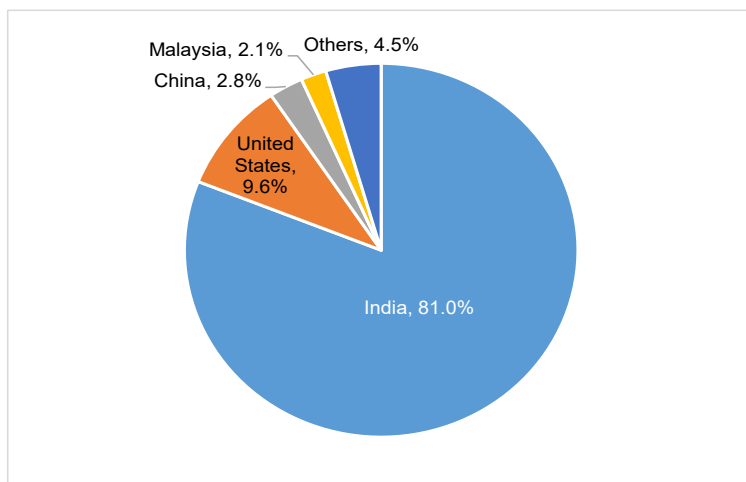
Figure 1.11 Major export partners of food products (2017-18)[15]

The major exported food products from Nepal to India are (i) Preparations of vegetables, fruit, nuts or other parts of plants, (ii) Residues and waste from the food industries and (iii) Preparations of cereals, flour, starch or milk.

Preparations of vegetables, fruit, nuts or other parts of plants include mainly fruit juice as mentioned above.

On the other hand, residues and waste from the food industries include "Oil-cake of low erucic acid rape or colza seeds", which would be used as fertilizer or animal feed.

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[15] Source: Nepal Foreign Trade Statistics Fiscal Year 2017/18 (2074/75)
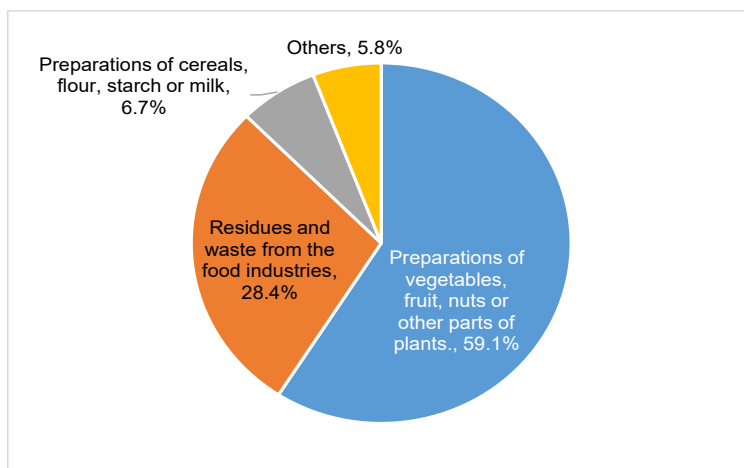
Figure 1.12 Major exported food products to India[16]

On the other hand, the major exported food products from Nepal to USA are (i) Residues and waste from the food industries and (ii) Preparations of cereals, flour, starch or milk.

(i) Residues and waste from the food industries is mainly "dog or cat food, put up for retail sale". (ii) Preparations of cereals, flour, starch or milk is "uncooked pasta, not containing eggs" which would be noodle.
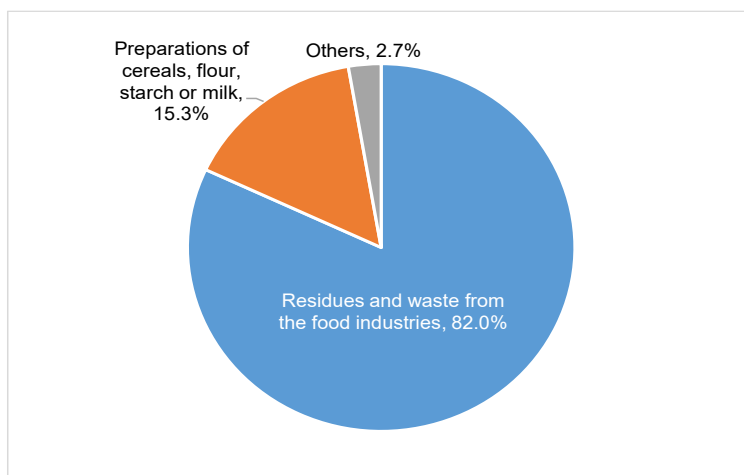
Figure 1.13 Major exported food products to USA[17]

(Import of food products by Nepal)

As explained in Table 1.3 above, the food items whose import volumes are big are;

- 10 Cereals (Rs. 45,414 million)

- 15 Animal or vegetable fats and oils and their cleavage products (Rs. 29,728 million), and

- 07 Vegetables and certain roots and tubers; edible (Rs. 23,729 million).

Out of the import of 10 Cereals" (Rs. 45,414 million), 50.2% is "semi-milled or wholly milled rice, whether or not polished or glazed", 27.0% is "maize (excl seed)" and 13.2% is "Rice in the husk (paddy or rough)". Almost all of them are imported from India.

15 Animal or vegetable fats and oils and their cleavage products (Rs. 29,728 million) is mainly the import of crude oil. Out of this, 50.5% is the import of crude soya-bean oil, 20.6% is crude sunflower oil and 15.9% is Crude palm oil.

07 Vegetables and certain roots and tubers; edible (Rs. 23,729 million) include potatoes, onions, beans or lentil to be consumed in Nepal.

Food products are mainly imported from India. Other important import partners include Argentina, China, Vietnam and Pakistan.
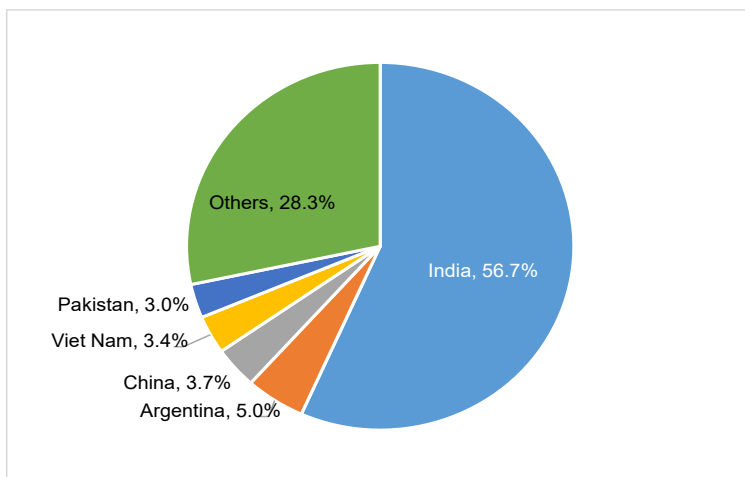
Figure 1.14 Major import partners of food products of Nepal[18]

The major imported food products from India is cereals (such as rice and maize), which consist of 38.5%. This is followed by residues and waste from the food industries; prepared animal fodder (11.5%) and edible vegetables and certain roots and tubers (11.3%).
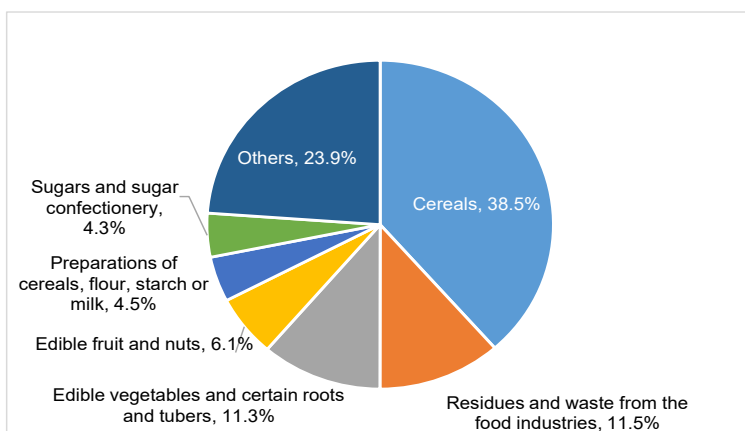
Figure 1.15 Major imported food products from India[19]

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[18] Source: Annual Foreign Trade Statistics, 2074-75 (2017-18)
[19] Source: Annual Foreign Trade Statistics, 2074-75 (2017-18)

In contrast, the import from Argentina is mainly crude edible oil, such as crude soya-bean oil (Rs. 8,773 million) and crude sunflower oil (Rs. 817 million).
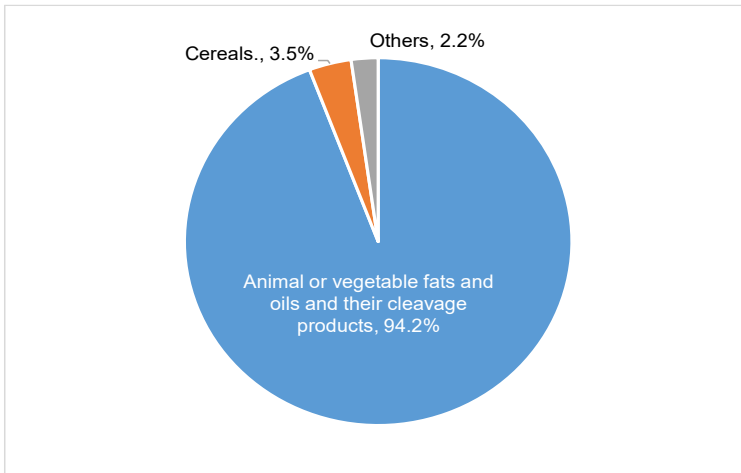
Figure 1.16 Major imported food products from Argentina[20]

Chapter 2　Number of establishments

This chapter briefly describes the basic characteristics of establishment 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 as 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 food and beverage industry

The food and beverage industry is a subsector of the manufacturing industry whose number of establishments is 104,058 or 11.3% of all establishments in Nepal.

Section	Number
A: Agriculture, forestry and fishing	24,229
B: Mining and quarrying	663
C: Manufacturing	104,058
D: Electricity, gas, steam and air conditioning supply	1,242
E: Water supply	2,525
F: Construction	1,608
G: Wholesale and retail trade	498,069
H: Transportation and storage	3,182
I: Accommodation and food service activities	130,540
J: Information and communication	2,796
K: Financial and insurance activities	17,996
L: Real estate activities	207
M: Professional, scientific and technical activities	8,204
N: Administrative and support service activities	6,873
P: Education	40,839
Q: Human health and social work activities	19,990
R: Arts, entertainment and recreation	2,821
S: Other service activities	57,514

Figure 2.1 Number of establishments by Section of NSIC

The manufacturing industry is the third largest industry in terms of number of establishments after Wholesale and retail trade (498,069 establishments, 53.9%) and accommodation and food service activities (130,540 establishments, 14.1%).
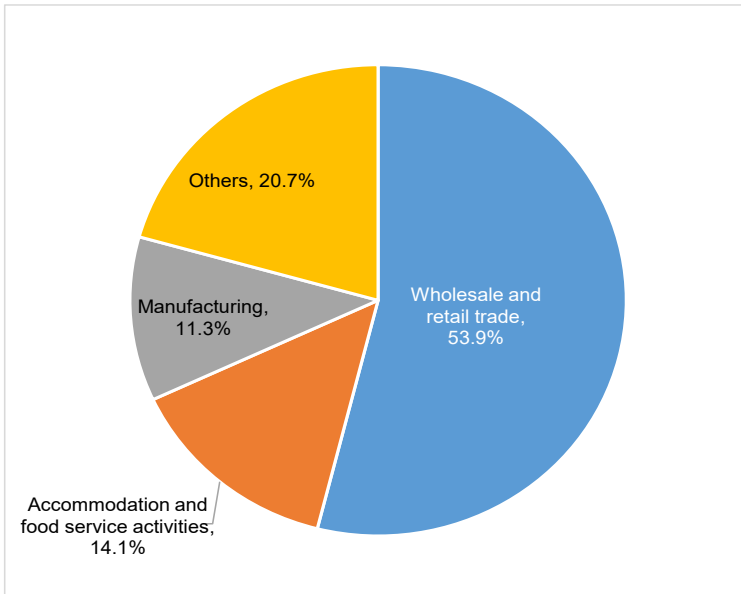
Figure 2.2 Share of number of establishments by Section of NSIC

The number of establishments in the food and beverage industry is 25,499 in total. Out of this, 24,939 establishments are engaged in Manufacture of food products (code 10), while other 560 establishments are engaged in Manufacture of beverages (code 11).

The food and beverage industry consists of 24.5% of the total establishments in the manufacturing industry.
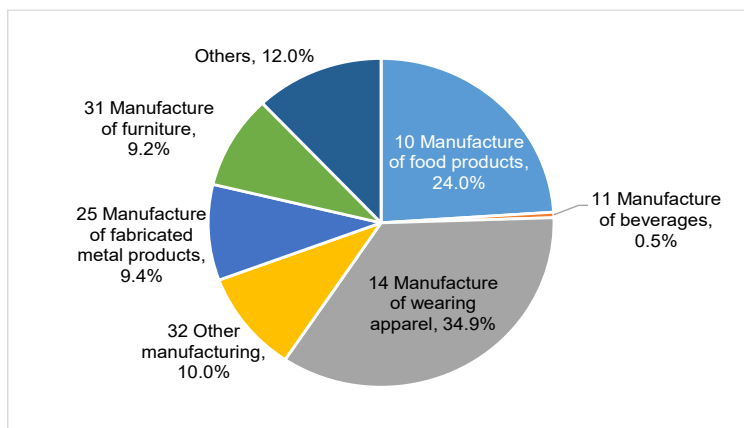
Figure 2.3 Share of number of establishments in the food and beverage industry by Division of NSIC

2-2 Number of establishments in the food and beverage industry by province

The number of establishments in the food and beverage industry is biggest in Bagamati Province (5,962 establishments) and Province 1 (5,485 establishments).

The province with the smallest number of establishments in the food and beverage industry is Karnali Province (1,530 establishments).
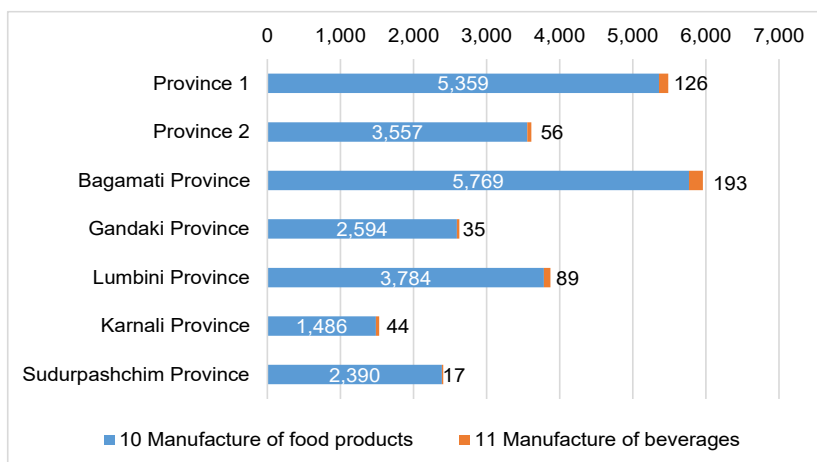
Figure 2.4 Number of establishments in the food and beverage industry by province

Table 2.1 Number and share of establishments in the food and beverage industry by province

	10 Manufacture of food products		11 Manufacture of beverages		Total (Food and beverage)	
	No.	Share (%)	No.	Share (%)	No.	Share (%)
Province 1	5,359	21.5	126	22.5	5,485	21.5
Province 2	3,557	14.3	56	10.0	3,613	14.2
Bagamati Province	5,769	23.1	193	34.5	5,962	23.4
Gandaki Province	2,594	10.4	35	6.3	2,629	10.3
Lumbini Province	3,784	15.2	89	15.9	3,873	15.2
Karnali Province	1,486	6.0	44	7.9	1,530	6.0
Sudurpashchim Province	2,390	9.6	17	3.0	2,407	9.4
Total	24,939	100.0	560	100.0	25,499	100.0

2-3 Number of establishments in the food and beverage industry by Group of NSIC

The subsector of the food and beverage industry with biggest number of establishments is Manufacture of grain mill products, starches and starch products (code 106). In this subsector, there are 18,310 establishments in the country. This consists of 71.8% of the total establishments in the food and beverage industry.

Other subsectors with larger number of establishments include Manufacture of other food products (code 107, 2,575 establishments) and Manufacture of dairy products (code 105, 2,222 establishments).

The number of establishments engaged in Manufacture of beverages code 110) is 560. Out of this, 294 establishments are engaged in Manufacture of soft drinks: Production of mineral water and other bottled waters (code 1104) and 194 establishments are engaged in Distilling, rectifying and blending of sprits (code 1101).
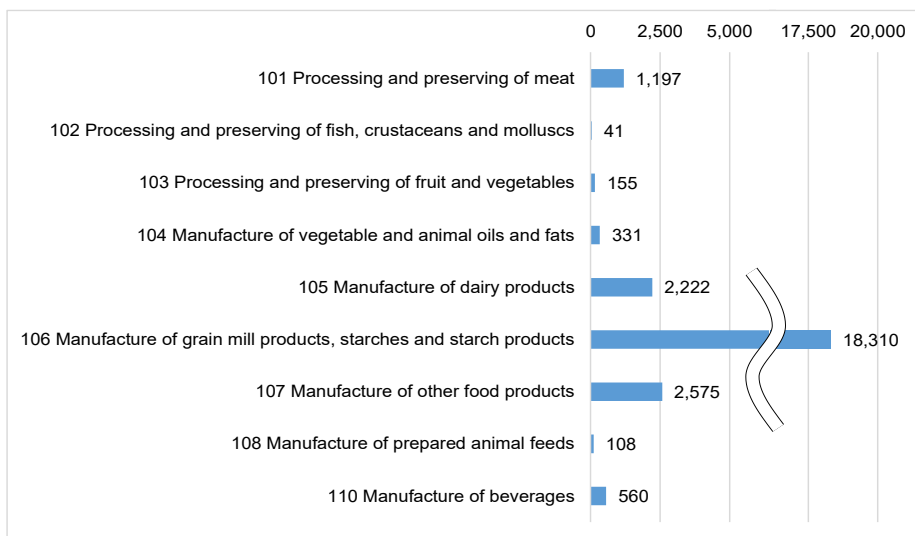
Figure 2.5 Number of establishments in the food and beverage industry by Group of NSIC

In all provinces, Manufacture of grain mill products, starches and starch products (code 106) is the largest subsector of the food and beverage industry.

The proportion of Manufacture of grain mill products, starches and starch products (code 106) is biggest in Sudurpashchim Province (90.6%), Karnali Province (88.8%) and Province 2 (79.8%).

In contrast, the proportion is smallest in Bagamati Province (58.0%) and Province 1 (64.2%). In these provinces, the proportions of Manufacture of other food products (code 107) and Manufacture of dairy products (code 105) are bigger than other provinces.
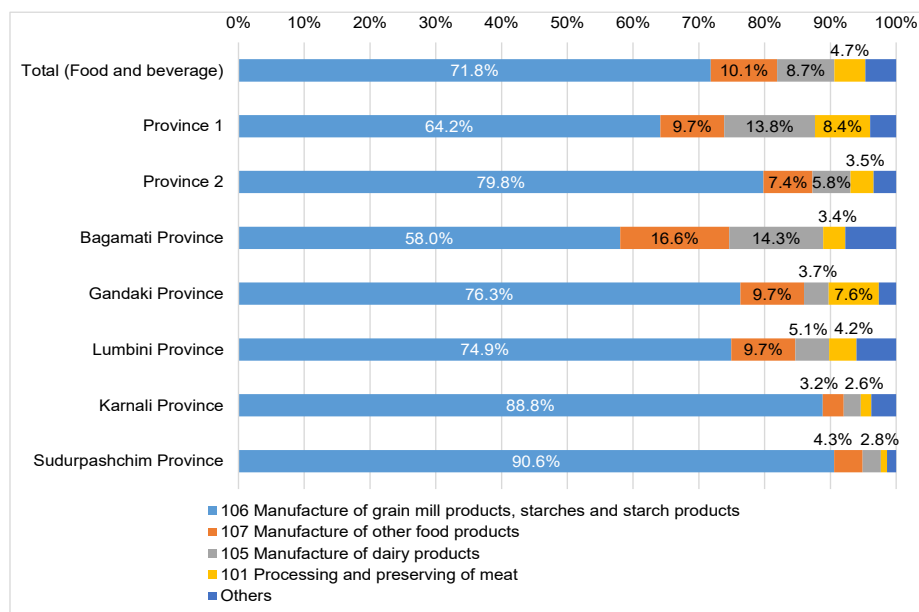
Figure 2.6 Share of number of establishments in the food and beverage industry by Group of NSIC and province

2-4 Number of establishments by size of persons engaged

The distribution of the establishments in the food and beverage industry according to the scale of industry, which is categorized by size of persons engaged, is as in the following chart in Figure 2.7.

Establishments are categorized into micro, small, medium and large by the size of persons engaged. Establishments engaging up to 9 persons are categorized as "micro", while establishments engaging 10 - 49 persons and 50 - 99 persons are categorized as "small" and "medium" respectively. Establishments with 100 and more persons are categorized as "large". Please note that the basis of categorization is different with the Industrial Enterprise Act 2020.

As depicted in the chart in Figure 2.7, 24,390 establishments or 95.7% of the establishments in the food and beverage industries are categorized as "micro", while 922 establishments (3.6%) are categorized as "small".

Establishments categorized as "micro" and "small" consist of 99.3% of the establishments in the food and beverage industry.
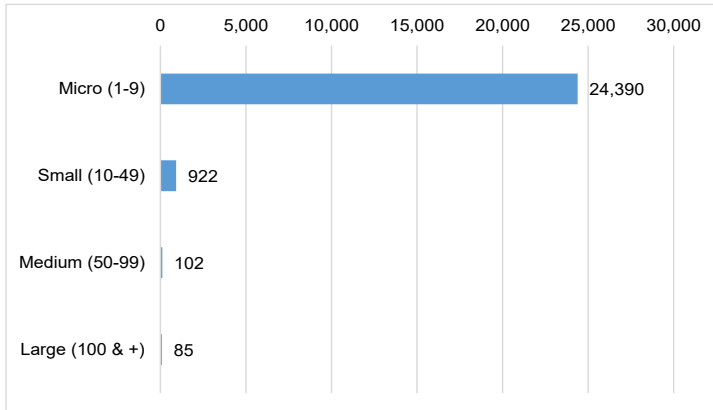
Figure 2.7 Number of establishments in the food and beverage industry by scale of industry

The distribution of the establishments in the food and beverage industry according to the size of persons engaged is as in the following chart in Figure 2.8. In this chart, establishments categorized as "micro" in the chart above are divided into three categories by the numbers of persons engaged.

The number of establishments with one or two (1-2) persons engaged is biggest among all categories (18,732 establishments) and this consists of 73.5% of all establishments in the food and beverage industry.
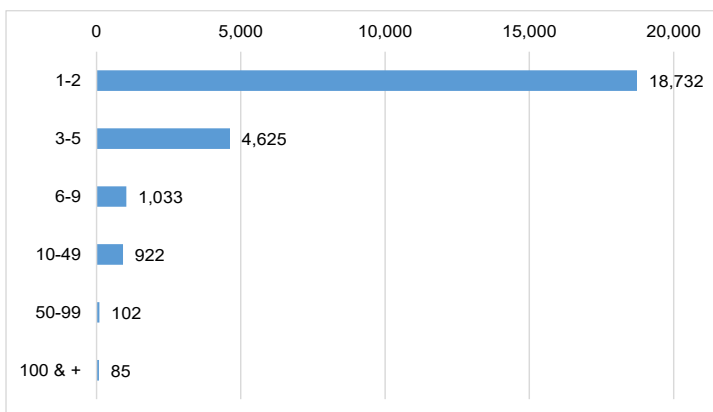
Figure 2.8 Number of establishments in the food and beverage industry by size of persons engaged

Comparing the distributions of the establishments by size of persons engaged between the food and beverage industry and the manufacturing industry as in Figure 2.9, the share of establishments engaging 1-2 persons is much higher in the food and beverage industry.

In contrast the share of persons engaging 1-5 persons is almost same between the food and beverage industry (91.6%) and the manufacturing industry (89.3%).
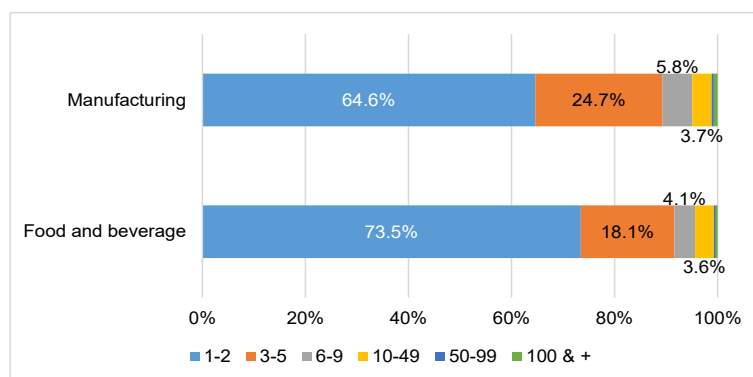
Figure 2.9 Share of number of establishments in the food and beverage industry and the manufacturing industry by size of persons engaged

The number of establishments by size of persons engaged in each provinces is as depicted in the following chart and table.

The proportions of the establishments with 1-2 persons engaged are biggest in Karnali Province (81.0%) and Sudurpashchim Province (77.4%) and lowest in Lumbini Province (62.3%).
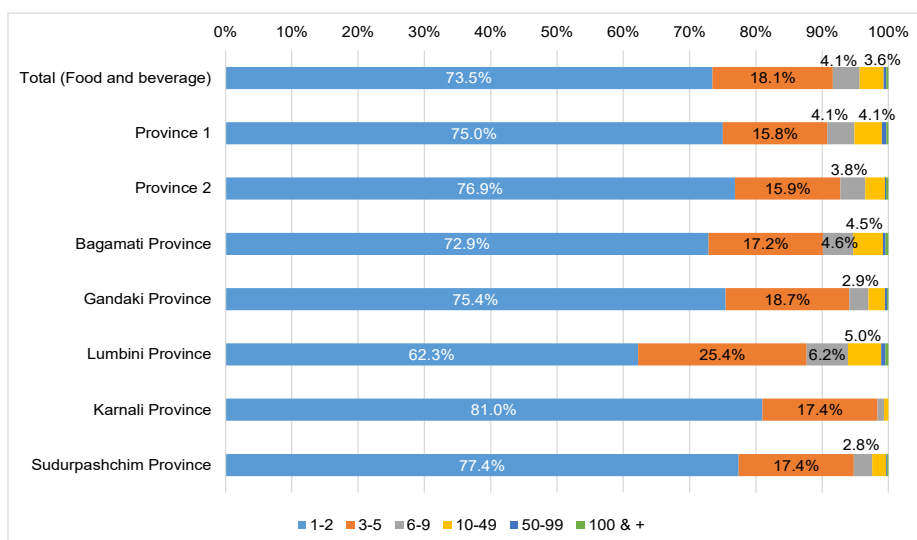
Figure 2.10 Share of number of establishments in the food and beverage industry by size of persons engaged and province

Table 2.2 Number of establishments in the food and beverage industry by size of persons engaged and province

Province Name	Size of persons engaged					
	1-2	3-5	6-9	10-49	50-99	100 -
Province 1	4,114	865	224	227	36	19
Province 2	2,777	574	136	107	6	13
Bagamati Province	4,345	1,027	273	268	24	25
Gandaki Province	1,983	491	76	65	9	5
Lumbini Province	2,411	984	242	194	24	18
Karnali Province	1,239	266	15	10	0	0
Sudurpashchim Province	1,863	418	67	51	3	5
Total (Food and beverage)	18,732	4,625	1,033	922	102	85

The share of number of establishments by size of persons engaged in each subsector of the food and beverage industry is as depicted in the following chart in Figure 2.11.

The proportion of the establishments with 1-2 persons engaged is biggest in subsectors such as Processing and preserving of fish, crustaceans

and molluscs (code 102, 92.7%) and Manufacture of grain mill products, starches and starch products (code106, 83.8%).

On the other hand the proportion is smallest in Manufacture of prepared animal feeds (code 108, 11.1%), Processing and preserving of fruit and vegetables (code 103, 23.9%) and Processing and preserving of meat (code 101, 29.9%).

Figure 2.11 Share of number of establishments in the food and beverage industry by size of persons engaged and Group of NSIC

2-5 Number of establishments by sex of owner

The establishments with male owners comprises 88.3% of all establishments in the food and beverage industry, while the establishments with female owners comprises 11.7%.
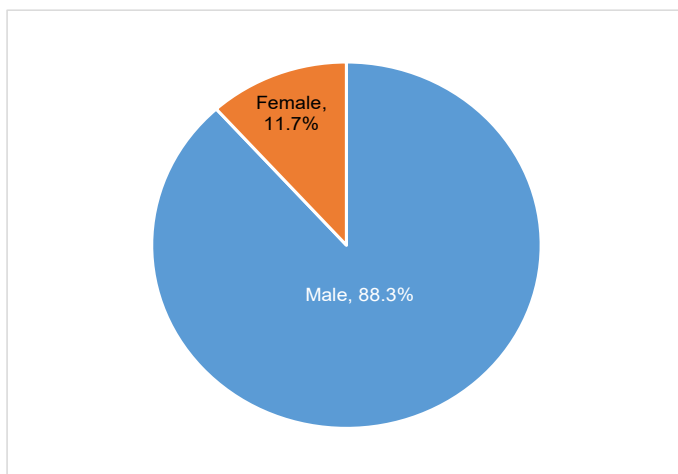
Figure 2.12 Share of number of establishments in the food and beverage industry by sex of owner

The proportion of the establishments with female owners is lowest in Province 2 (6.0%) and highest in Gandaki Province (17.5%).
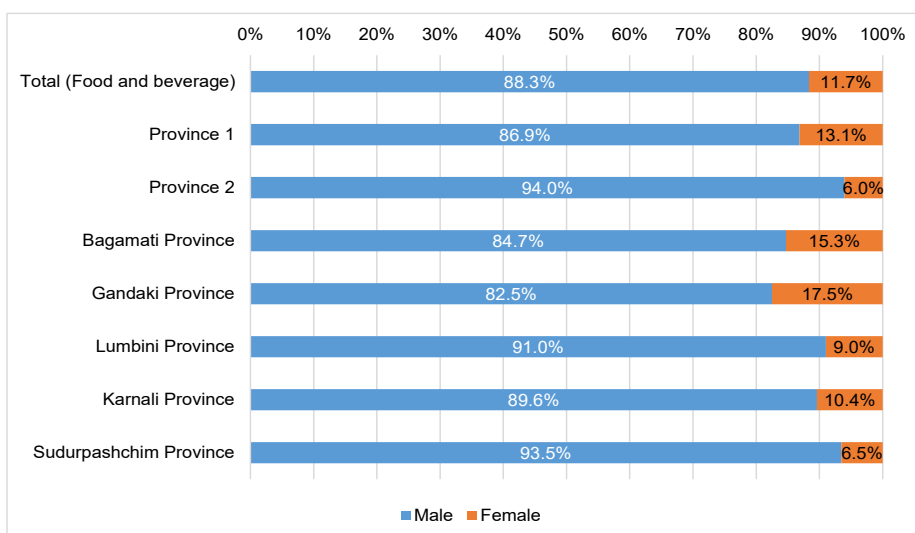
Figure 2.13 Share of number of establishments in the food and beverage industry by sex of owner and province

The subsector with highest proportion of the establishments with female owners is Manufacture of beverages (code 110, 26.2%) which is

followed by Manufacture of other food products (code 107, 19.8%) and Processing and preserving of meat (code 101, 17.9%).

Figure 2.14 Share of number of establishments in the food and beverage industry by sex of owner and Group of NSIC

2-6 Number of establishments by sex of manager

The establishments with male managers comprises 89.0 % of all establishments in the food and beverage industry, while the establishments with female owners comprises 10.8%.
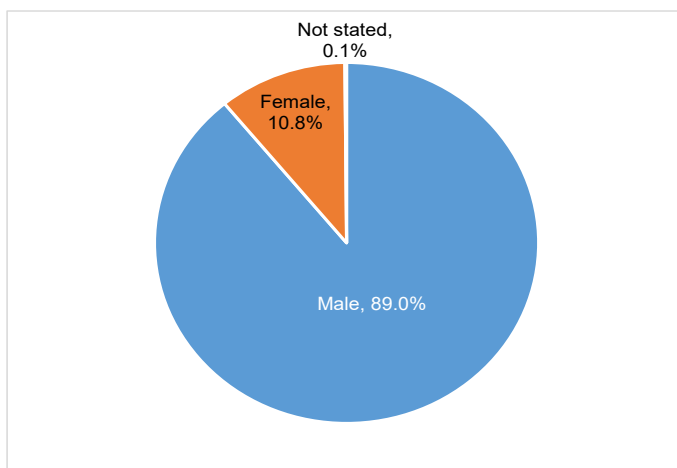
Figure 2.15 Share of number of establishments in the food and beverage industry by sex of manager

The shares of establishments with male managers and female managers of each province are displayed in the following chart in Figure 2.16. The share of establishments with female managers in the food and beverage industry is largest in Bagamati Province (15.1%) and smallest in Province 2 (5.2%).
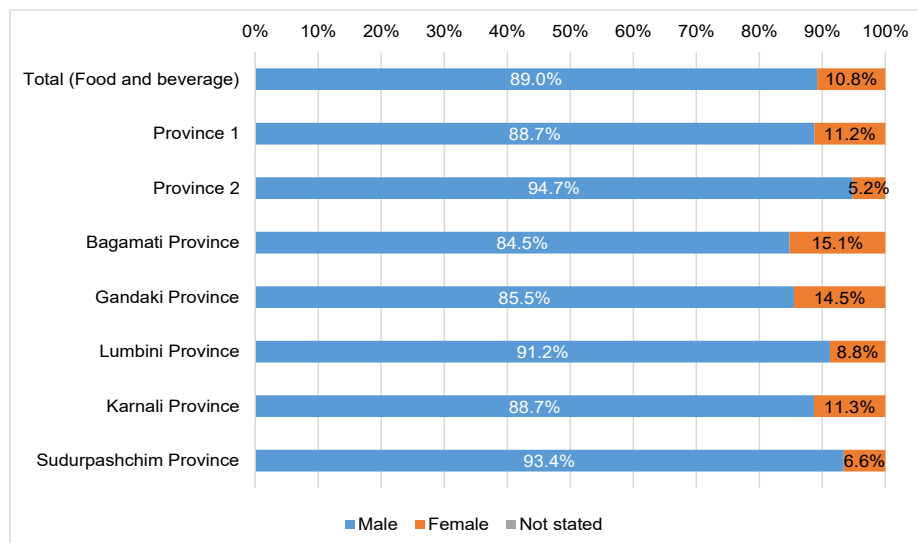
Figure 2.16 Share of number of establishments in the food and beverage industry by sex of manager and province

The shares of establishments with male managers and female managers of the sub-sectors of the food and processing industry are described in the following chart in Figure 2.17.

The proportion of the establishments with female managers is highest in Manufacture of beverages (code 110, 25.9%), which is followed by Manufacture of other food products (code 107, 20.3%) and Processing and preserving of meat (code 101, 19.1%).

On the other hand, the proportion of the establishments with female managers is lowest in Manufacture of prepared animal feeds (code 108, 4.6%) and Manufacture of grain mill products, starches and starch products (code 106, 7.7%).
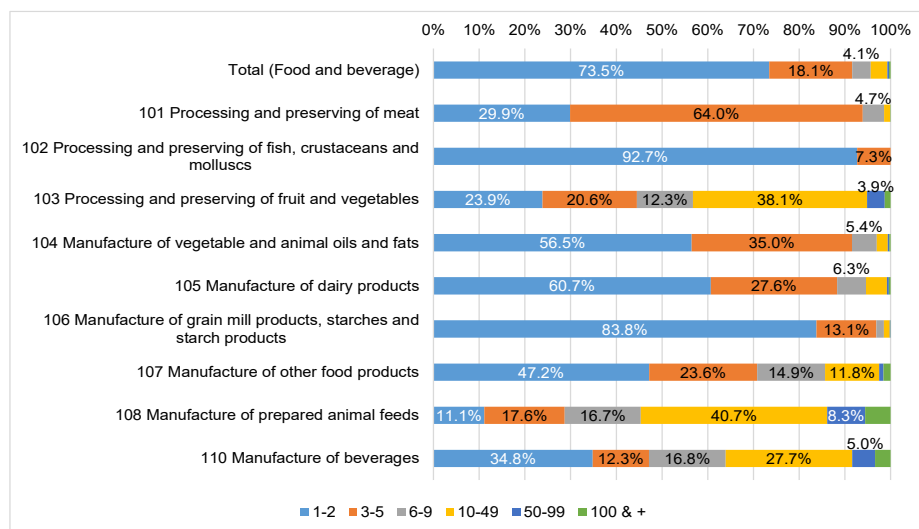
Figure 2.17 Share of number of establishments in the food and beverage industry by sex of manager and Group of NSIC

2-7 Number of establishments by nationality of owner

As shown in the chart in Figure 2.18, most of the owners in the food and beverage industry are Nepali (99.4%). The proportion of the establishments with Indian owners is only 0.3% and those of other nationalities are very marginal.
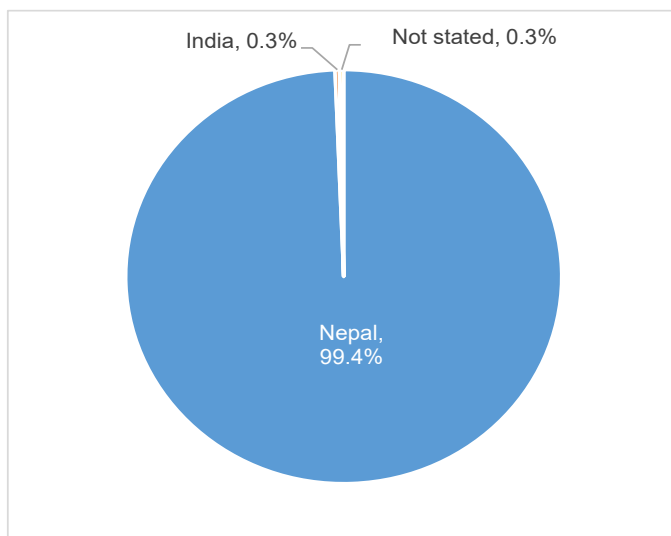
Figure 2.18 Share of number of establishments in the food and beverage industry by nationality of owner

In all subsectors of the food and beverage industry, owners of establishments are mostly Nepali while there are some Indian owners, as depicted in the following chart in Figure 2.19.
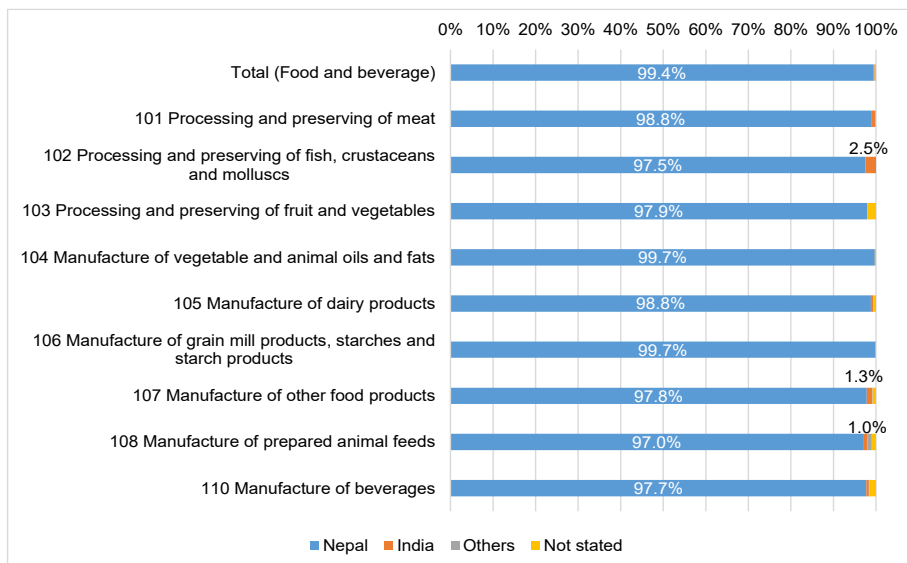
Figure 2.19 Share of number of establishments in the food and beverage industry by nationality of owner and Group of NSIC

The subsectors with higher proportions of Indian owners is 102 Processing and preserving of fish, crustaceans and molluscs (2.5%).

2-8 Number of establishments by registration

In the food and beverage industry, 61.8% of all establishments are registered and remaining 38.2% are not registered. The proportion of the registered establishment in the food and beverage industry is highest in Lumbini Province (80.7%) and lowest in Karnali Province (25.4%) and Sudurpashchim Province (44.9%).
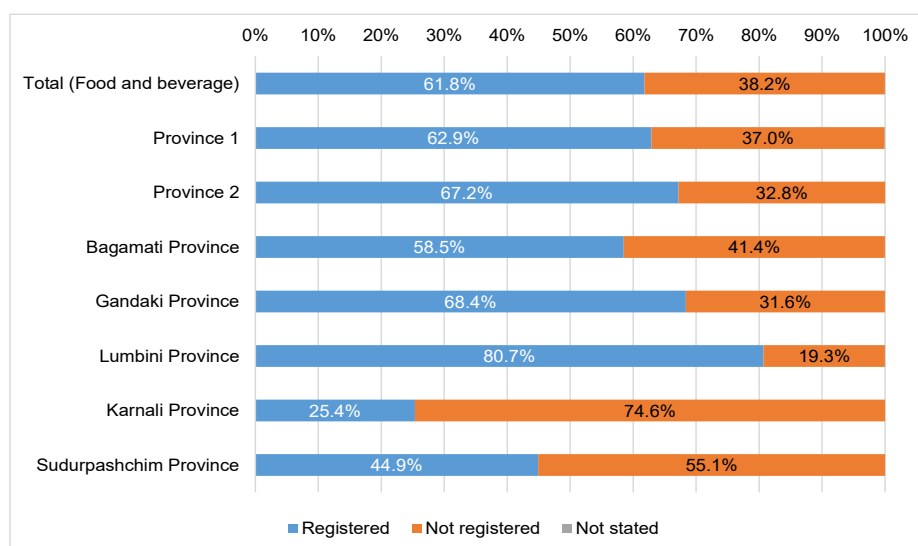
Figure 2.20 Share of number of establishments in the food and beverage industry by registration

The proportions of the registered establishments vary among subsectors of the food and beverage industry.

The subsectors with higher proportions of registered establishments include Processing and preserving of fruit and vegetables (code 103, 82.6%) and Manufacture of vegetable and animal oils and fats (code 104, 83.4%).

On the other hand, the proportions of registered establishments are very low in Processing and preserving of fish, crustaceans and molluscs (code 102, 26.8%) and Processing and preserving of meat (code 101, 46.6%).
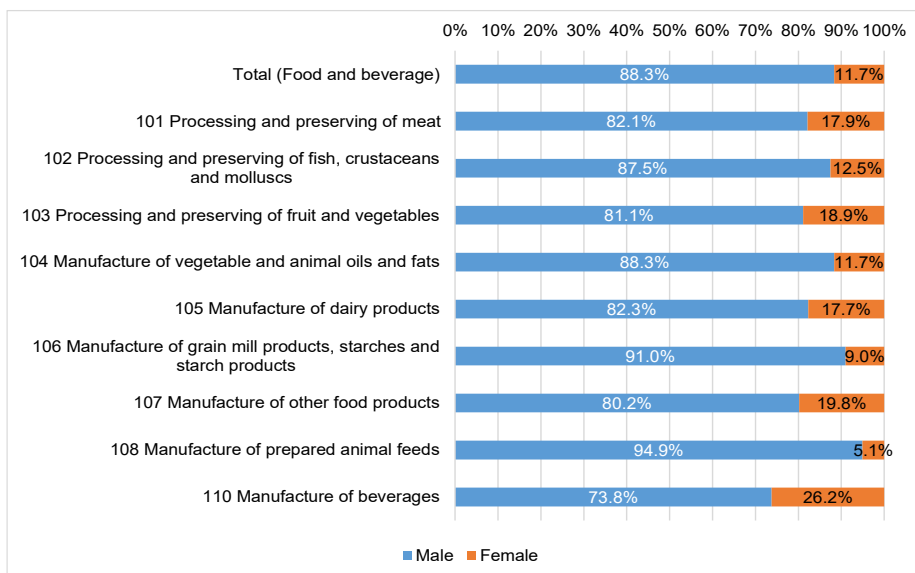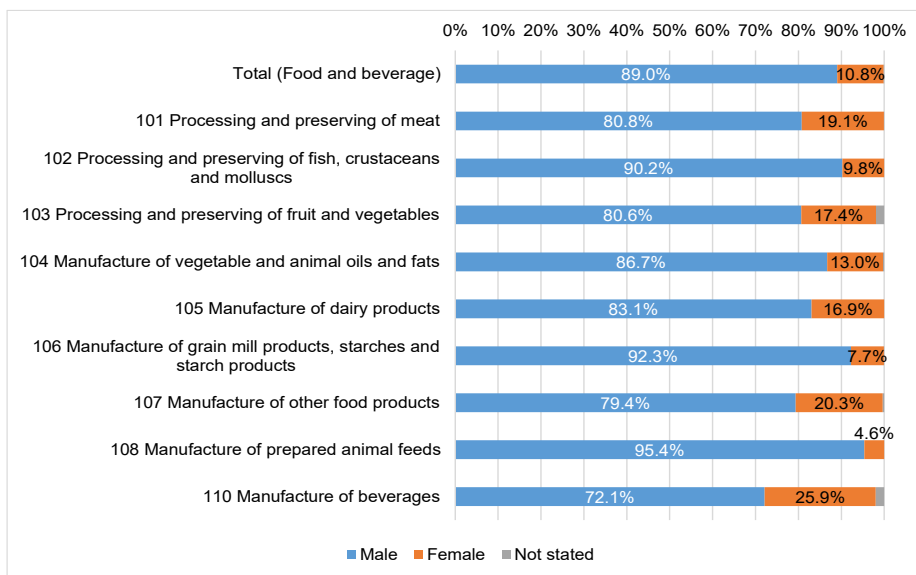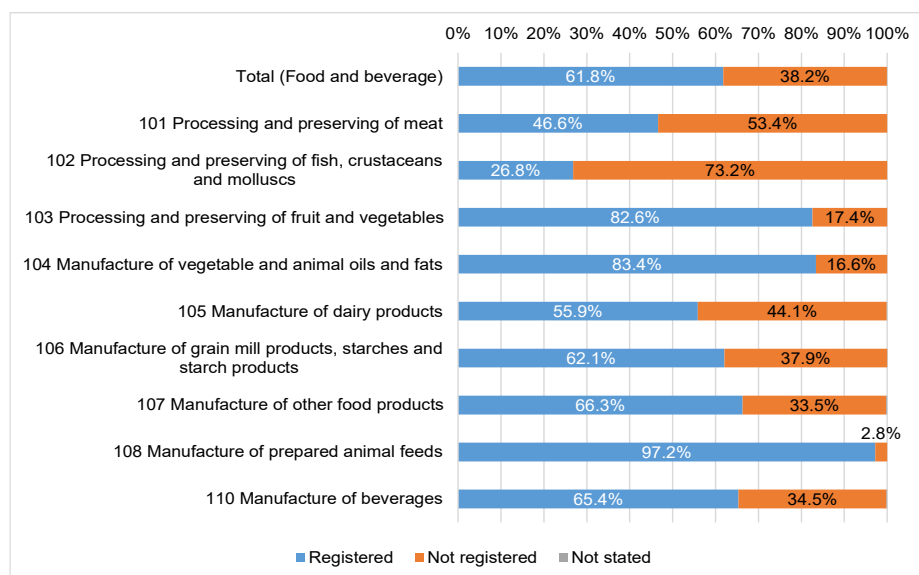

Figure 2.21 Share of number of establishments in the food and beverage industry by registration and Group of NSIC

2-9 Number of establishments by years after establishment

The proportions of the establishments in the food and beverage industry started the business in 2074-75 is only 12.1% and this is much smaller than the same proportion of the manufacturing industry (20.0%). Similarly, the proportion of the establishment in the food and beverage industry and the manufacturing industry started the business in 2070 or later is 43.7% and 56.9% respectively.

In general, it can be said that the proportion of the establishments started business recently is lower the food and beverage industry than the manufacturing industry.
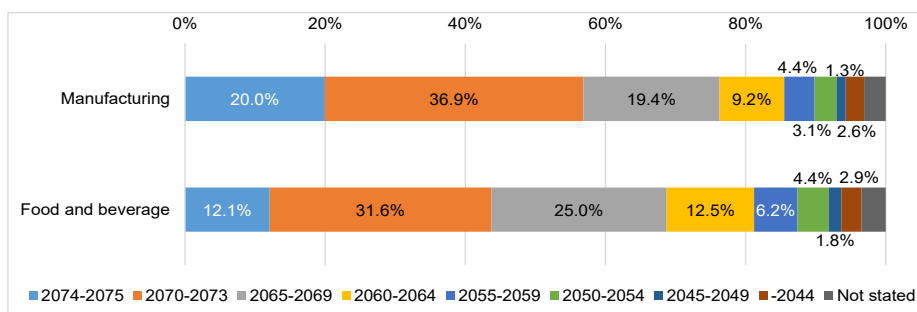
Figure 2.22 Number of establishments in the food and beverage industry and manufacturing industry by year of starting business[21]

The proportion of establishments established recently (in 2070 or later) is rather high in Processing and preserving of fish, crustaceans and molluscs (code 102, 65.9%), Processing and preserving of meat (code 101, 64.6%) and Manufacture of other food products (code 107, 59.7%).

In contrast, the proportions of establishments established recently is lower in Manufacture of vegetable and animal oils and fats (code 104, 34.4%) and Manufacture of grain mill products, starches and starch products (code 106, 38.3%).

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[21] Baishakh 1, new year's day of Bikram Sambat, Nepal calendar 2075, was 14 April 2018 in the western calendar.
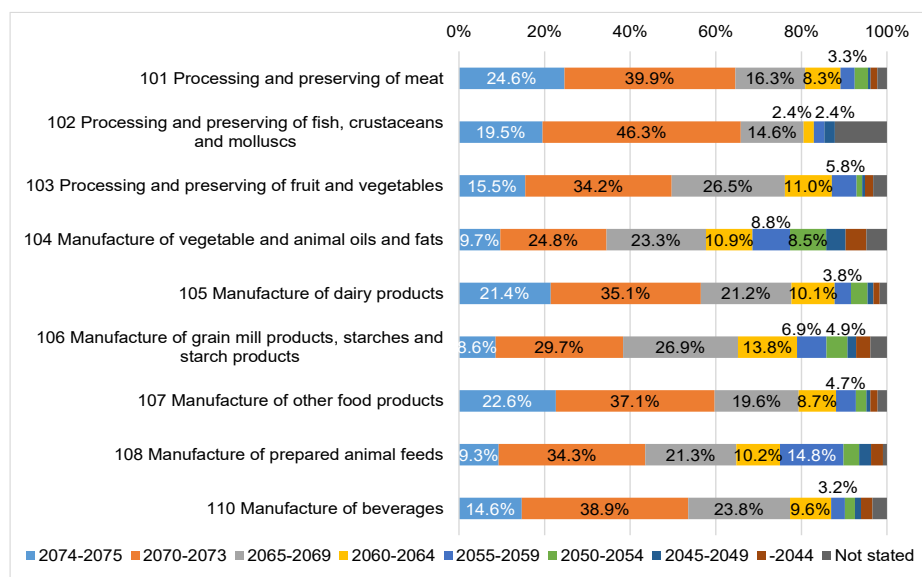
Figure 2.23 Share of number of establishments in the food and beverage industry by year of starting business and Group of NSIC[22]

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[22] Baishakh 1, new year's day of Bikram Sambat, Nepal calendar 2075, was 14 April 2018 in the western calendar.

Chapter 3   Number of persons engaged

The NEC2018 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.

This chapter analyzes the number of persons engaged in the food and beverage industry from different perspectives.

3-1 Number of persons engaged in the food and beverage industry

The number of persons engaged in the food and beverage industry is 93,806. Out of this, 84,217 persons are engaged in Manufacture of food products (code 10) and 9,589 persons are engaged in Manufacture of beverages (code 11).

	0	20,000	40,000	60,000	80,000	100,000	120,000	140,000

10 Manufacture of food products — 84,217

11 Manufacture of beverages — 9,589

12 Manufacture of tobacco products — 1,165

13 Manufacture of textiles — 26,764

14 Manufacture of wearing apparel — 76,223

15 Manufacture of leather and related products — 7,613

16 Manufacture of wood and of products of wood and cork — 17,289

17 Manufacture of paper and paper products — 4,900

18 Printing and reproduction of recorded media — 9,965

19 Manufacture of coke and refined petroleum products — 547

20 Manufacture of chemicals and chemical products — 8,639

21 Manufacture of basic pharma. products and preparations — 7,362

22 Manufacture of rubber and plastics products — 9,833

23 Manufacture of other non-metallic mineral products — 130,993

24 Manufacture of basic metals — 9,076

25 Manufacture of fabricated metal products — 37,565

26 Manufacture of computer, electronic and optical products — 273

27 Manufacture of electrical equipment — 1,866

28 Manufacture of machinery and equipment n.e.c. — 590

29 Manufacture of motor vehicles, trailers and semi-trailers — 678

31 Manufacture of furniture — 36,963

32 Other manufacturing — 26,376

33 Repair and installation of machinery and equipment — 2,037

Figure 3.1 Number of persons engaged in the manufacturing industry by Division of NSIC

The number of persons engaged in the food and beverage industry consists of 18.4% of the all persons engaged in the manufacturing industry.

The proportion of the persons engaged in the food and beverage industry is second largest after Manufacture of other non-metallic mineral products (code 23, 25.7%, 130,993 persons).
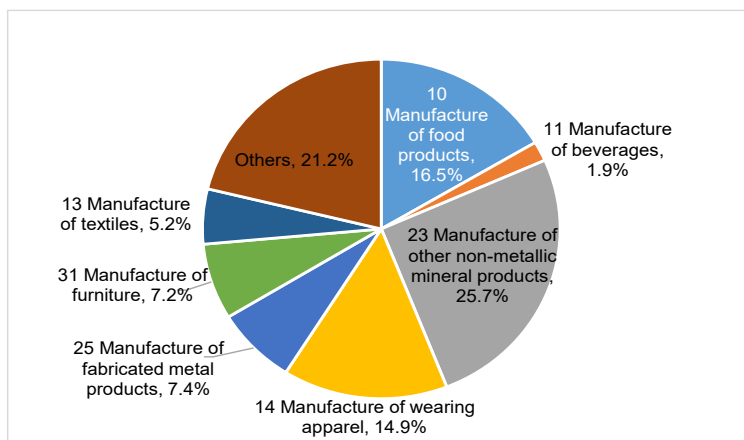
Figure 3.2 Share of number of persons engaged in the manufacturing industry by Division of NSIC

3-2 Number of persons engaged in the food and beverage industry by province

The following chart in Figure 3.3 shows the provincial distribution of the persons engaged in the food and beverage industry.

The number of persons engaged in the food and beverage industry is biggest in Bagamati Province (24,324 persons), which is followed by Province 1 (21,301 persons) and Lumbini Province (18,076 persons).

The number of persons engaged in the food and beverage industry is smallest in Karnali Province (3,030 persons).
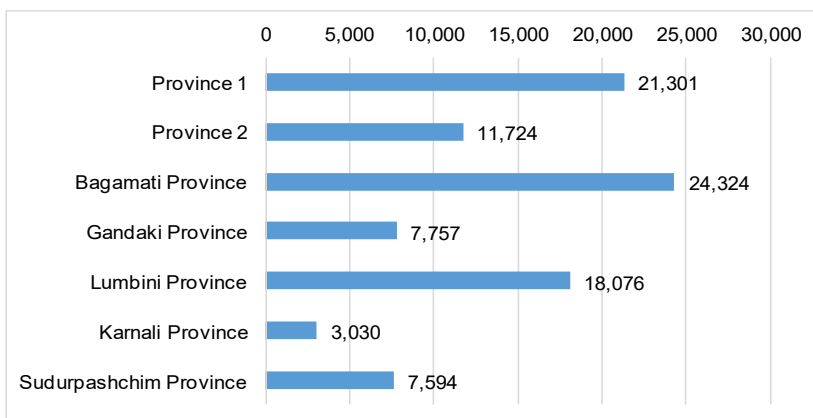
Figure 3.3 Number of persons engaged in the food and beverage industry by province

The following chart in Figure 3.4 shows the number of persons engaged per establishment in each province. On average, the number of persons engaged in the food and beverage industry is 3.7 persons, which is smaller than that of the manufacturing industry (4.9 persons per establishment)

As can be seen from the chart in Figure 3.4, the numbers of persons engaged per establishment vary among provinces.

The number of persons engaged per establishment is smallest in Karnali Province (2.0 persons per establishment) and biggest in Lumbini Province (4.7 persons per establishment) and Bagamati Province (4.1 persons per establishment)
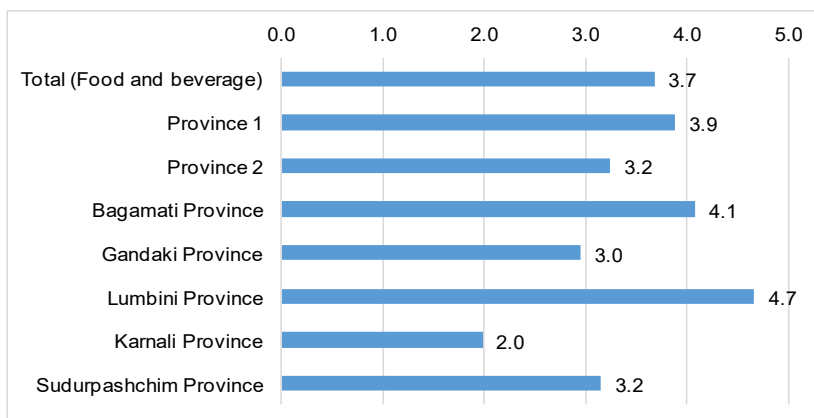
Figure 3.4 Number of persons engaged per establishment in the food and beverage industry by province

3-3 Number of persons engaged in the food and beverage industry by Group of NSIC

The following chart in Figure 3.5 shows the distribution of the persons engaged among the subsectors of the food and beverage industry.

The subsector where the largest number of persons are engaged is Manufacture of grain mill products, starches and starch products (code 106, 39,261 persons). The share of this subsector in the food and beverage industry in Nepal 41.9%. Almost all establishments in this subsector would be rice mills or flour mills.

Other subsectors with larger numbers of persons engaged are Manufacture of other food products (code 107, 24,728 persons), Manufacture of dairy products (code 105, 9,894 persons) and Manufacture of beverages (code 110, 9,589 persons). Manufacture of other food products (code 107) would include bakeries and noodle production.
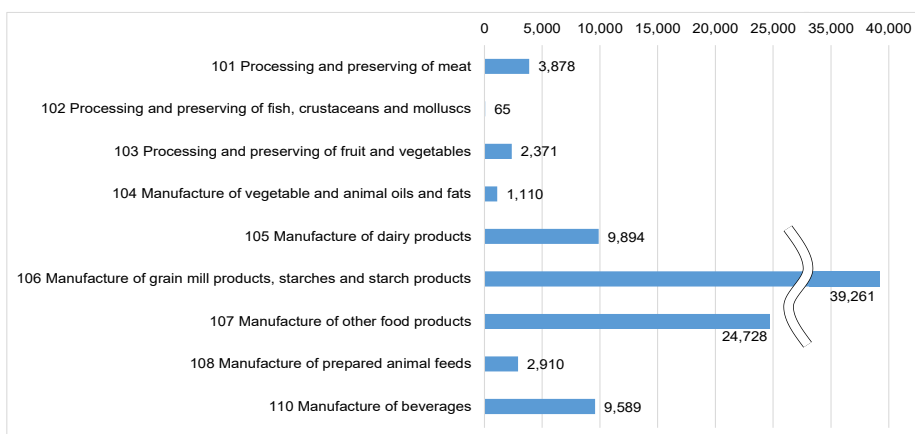
Figure 3.5 Number of persons engaged in the food and beverage industry by Group of NSIC

Shares of the persons engaged in the food and beverage industry of are different from province to province as described in the chart in Figure 3.6 below.

The proportion of the persons engaged in Manufacture of grain mill products, starches and starch products (code 106) is especially high in Karnali Province (79.6%). Other provinces with higher proportions of this subsector include Province 2 (57.6%) and Sudurpashchim Province (57.1%).

The proportions of the persons engaged in Manufacture of other food products (code 107), such as bakery, are also high in almost all provinces. However, this proportion is very low at Karnali Province (7.3%).

In Bagamati Province, the proportions of the persons engaged in Manufacture of dairy products (code 105) and Manufacture of beverages (code 110) are rather high compared to other provinces.
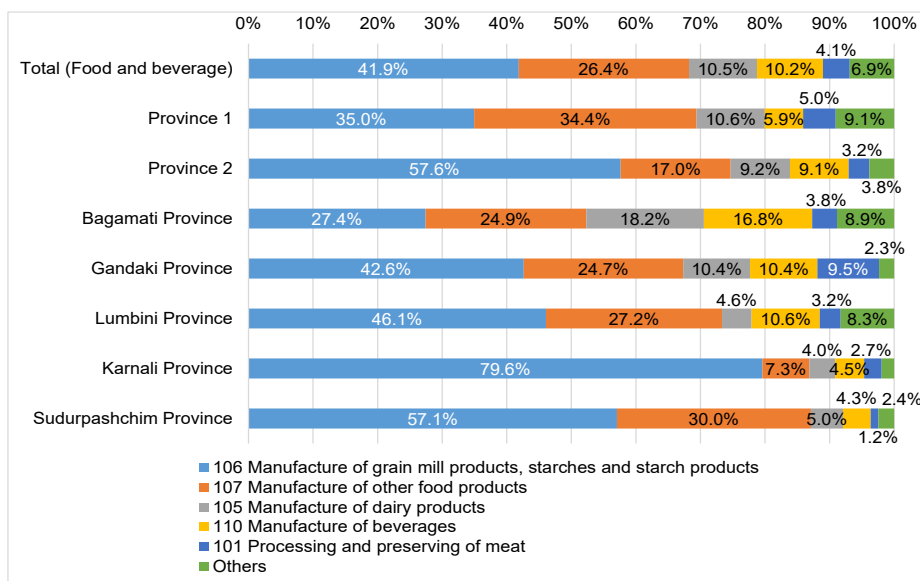
Figure 3.6 Share of number of persons engaged in the food and beverage industry by Group of NSIC and province

Figure 3.7 shows the number of persons engaged per establishment in the subsectors of the food and beverage industry.

The subsector with biggest numbers of persons engaged per establishment is Manufacture of prepared animal feeds (code 108). One establishment has 26.9 persons on average in this subsector.

Other subsectors with larger number of persons engaged per persons are Manufacture of beverages (code 110, 17.1 persons) and Processing and preserving of fruit and vegetables (code 103, 15.3 persons).

As mentioned above, the largest number of persons are engaged in Manufacture of grain mill products, starches and starch products (code 106). However, the number of persons engaged per establishment in this subsector is very small (2.1 persons).
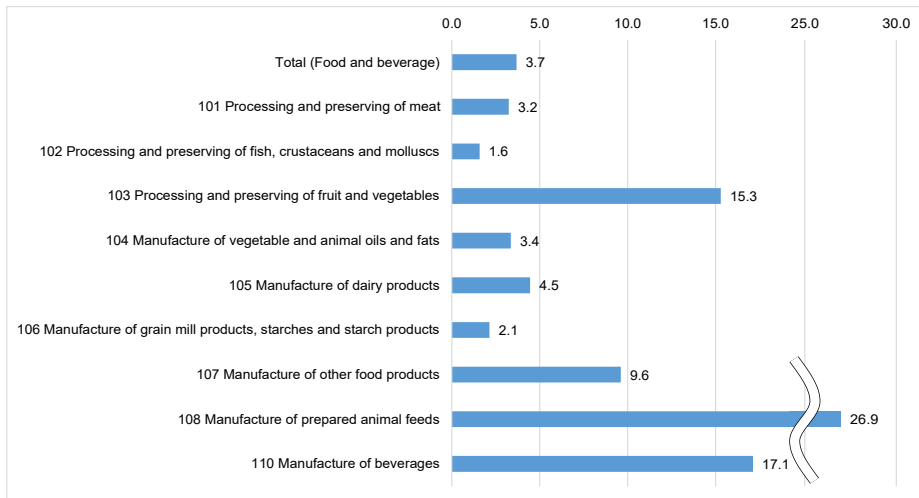
Figure 3.7 Number of persons engaged per establishment in the food and beverage industry by Group of NSIC

3-4 Number of persons engaged in the food and beverage industry (technical staff)

This analysis is based on unpublished results of NEC2018. The proportion of technical staff in the food and beverage industry is 6.7% (6,251 persons), as described in the following chart.
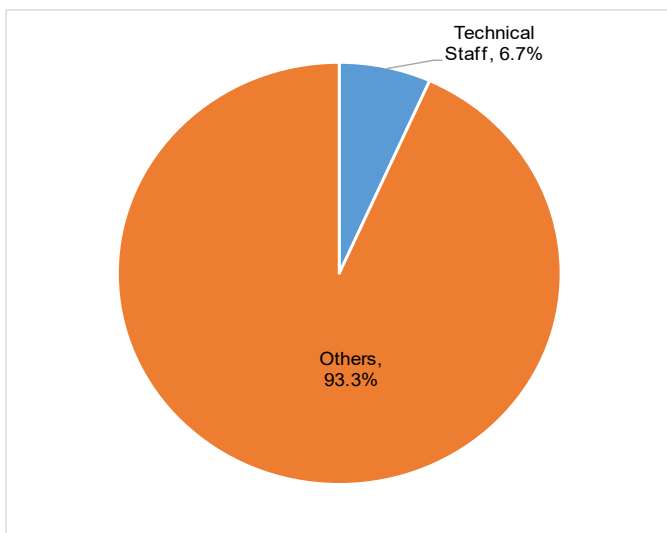
Figure 3.8 Share of number of persons engaged in the food and beverage industry (technical staff)

The proportions of technical staff in the food and beverage industry vary among subsectors. The proportions of technical staff are highest in Manufacture of beverages (code 110, 11.1%) and Manufacture of other food products (code 107, 8.3%).

On the other hand, the proportions of technical staff are very marginal in subsector such as processing and preserving of fish, crustaceans and molluscs (code 102) and Processing and preserving of meat (code 101).
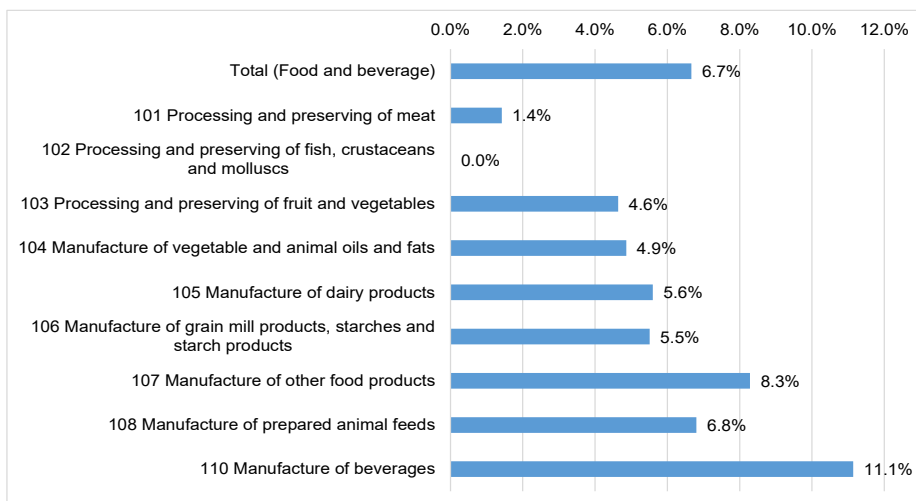
Figure 3.9 Proportion of persons engaged in the food and beverage industry (technical staff) by Group of NSIC

Technical persons are mainly engaged in four subsectors, namely Manufacture of grain mill products, starches and starch products (code 106), Manufacture of other food products (code 107), Manufacture of beverages (code 110) and Manufacture of dairy products (code 105).

93.3% of technical personnel in the food and beverage industry is engaged in these four subsectors.
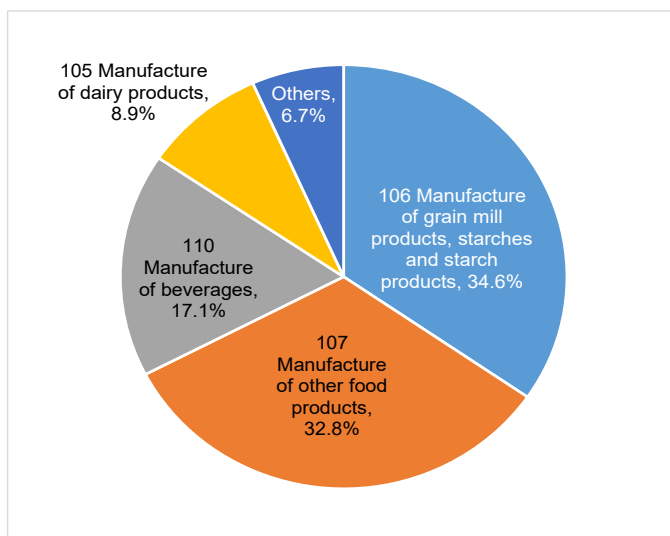
Figure 3.10 Share of persons engaged in the food and beverage industry (technical staff) by Group of NSIC

3-5 Number of persons engaged in the food and beverage industry (accepted workers from other institutions)

This analysis is based on unpublished results of NEC2018. The proportion of accepted workers from other institutions in the food and beverage industry is 0.59% (549 persons) as depicted in Figure 3.11.

Figure 3.11 also shows the proportions of accepted workers from other institutions in subsectors of the food and beverage industry. The proportion is rather high in Manufacture of beverages (code 110, 2.39%).
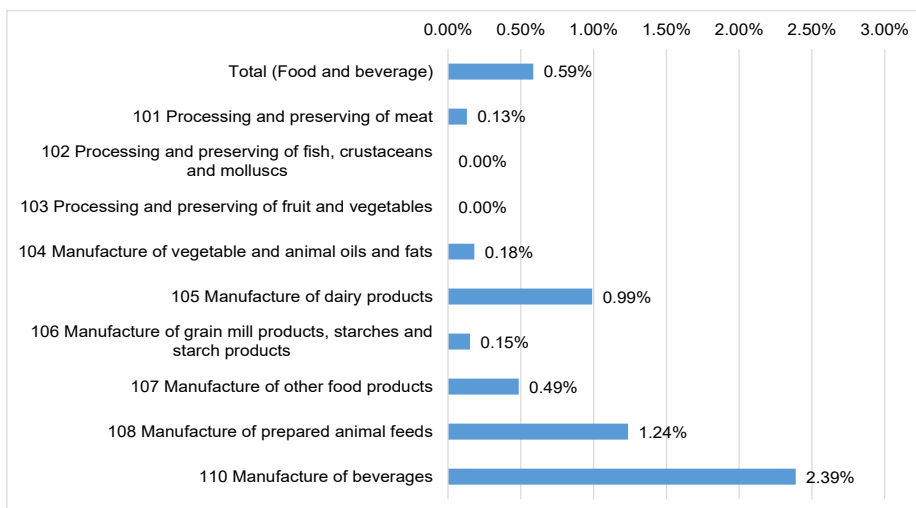
Figure 3.11 Proportion of persons engaged in the food and beverage industry (accepted workers from other institutions) by Group of NSIC

The following figure shows the major subsectors of the food and beverage industry where accepted workers from other institutions are engaged. The major subsectors are Manufacture of beverages (code 110), Manufacture of other food products (code 107), Manufacture of dairy products (code 105) and Manufacture of grain mill products, starches and starch products (code 106). 92.2% of accepted workers from other institutions are engaged in these subsectors.
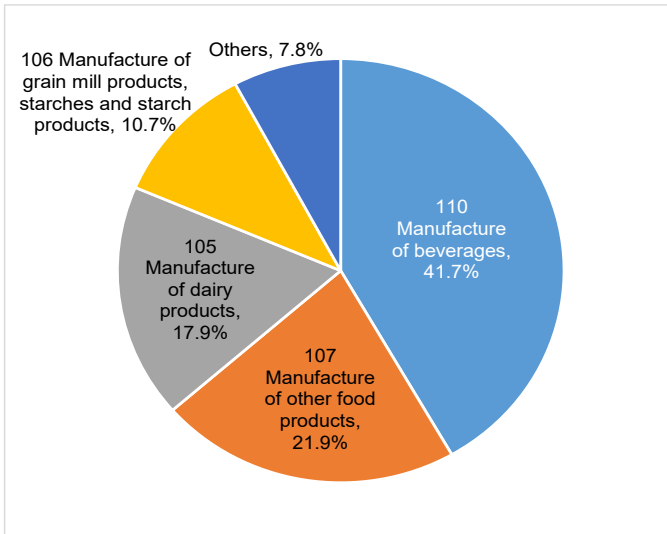
Figure 3.12 Share of persons engaged in the food and beverage industry (accepted workers from other institutions) by Group of NSIC

Chapter 4 Financial status of the entities in the food and beverage industry

The NEC2018 collected information on the finance related information of entities, or establishments with the status of single establishment or head office. Financial related information include preparation of accounting records, annual revenues, annual profits and access to credit.

This chapter analyzes the financial status of the entities in the food and beverage industry from different aspects. For example, the revenues of the entities in this industry are compared among provinces and also among its subsectors.

4-1 Preparation of accounting records

Out of the 25,263 entities in the food and beverage industry in Nepal, 45.1% reported that they have accounting records, while 54.7% reported they do not.
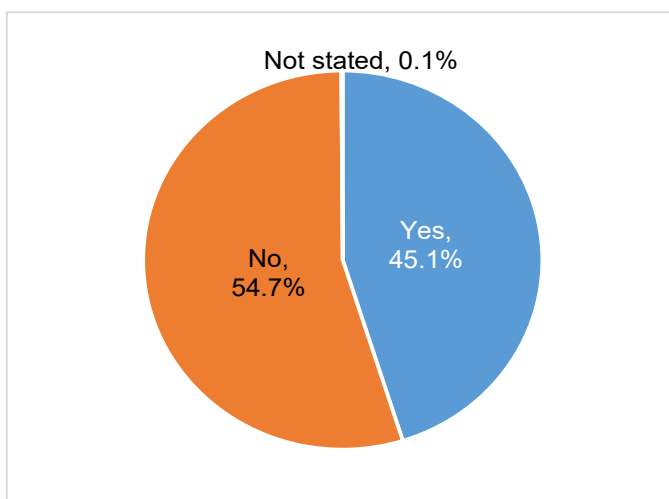
Figure 4.1 Share of entities having accounting records or not

The proportions of the entities which have or do not have accounting records in provinces are summarized in the following chart in Figure 4.2.

The proportion of the entities which have accounting records is lowest in Karnali Province (22.4%), and highest in Lumbini Province (50.3%).
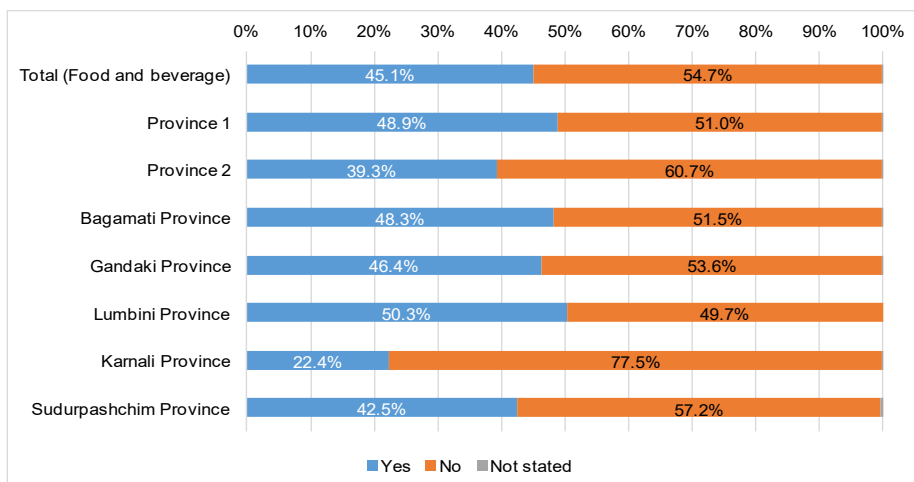
Figure 4.2 Share of entities having accounting records or not by province

The share of entities having accounting records of each subsector of the food and beverage industry is as in the following chart Figure 4.3. The proportions of entities which have accounting records are low in the subsectors, such as Manufacture of grain mill products, starches and starch products (code 106, 39.7%), Processing and preserving of meat (code 101, 48.3%) and Processing and preserving of fish, crustaceans and molluscs (code 102, 51.2%).
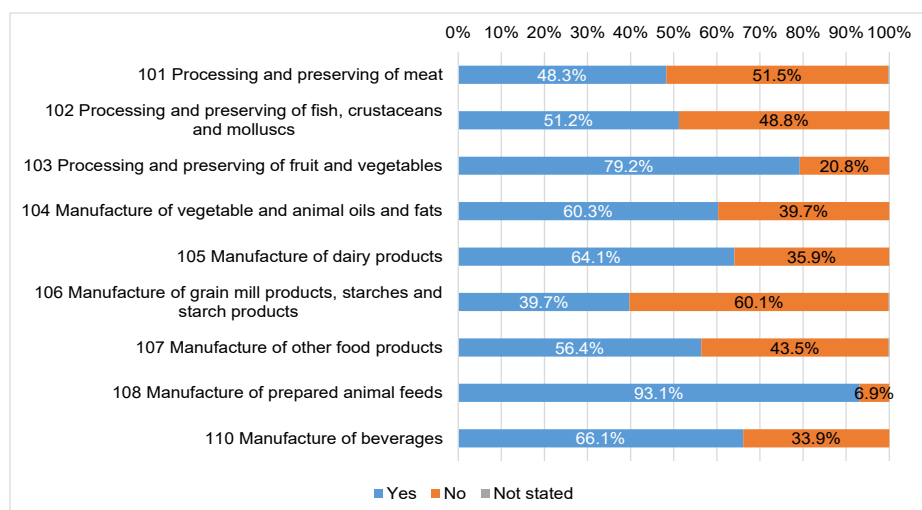
Figure 4.3 Share of entities having accounting records or not by Group of NSIC

The proportion of entities which have accounting records rises as the scale of industry becomes bigger, as depicted in the following chart.

For example, the proportion of micro entities which have accounting records is only 43.2%, while majority of small, medium and large entities have accounting records.
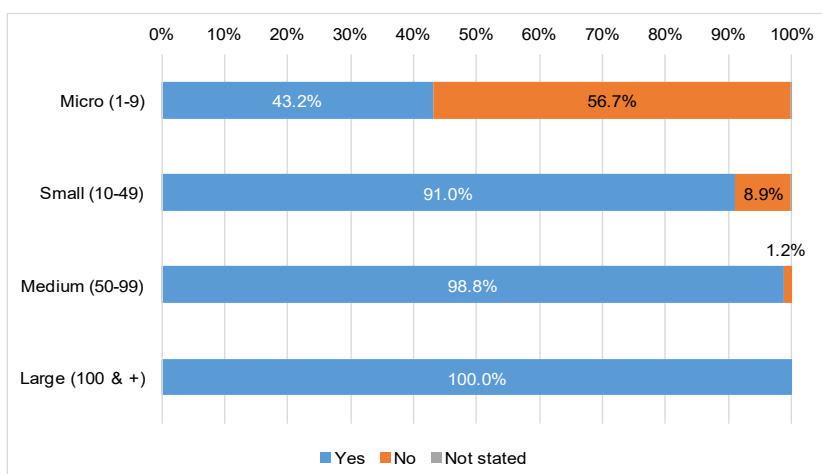
Figure 4.4 Share of entities having accounting records or not by scale of industry

4-2 Annual revenue / sales

The distribution of the entities in the food and beverage industry according to the size of annual revenue / sales (sales) in Nepali Rupee is as in the following chart.

The number of entities whose annual sales are smaller than Rs. 100,000 (-99,999) is biggest among all categories (7,212 entities).

This chart also shows that annual sales of many establishments in the food and beverage industries are below 500,000. The number of entities whose annual sales are smaller than 500,000 is 18,667 and this consists 73.9% of all establishments in this industry.
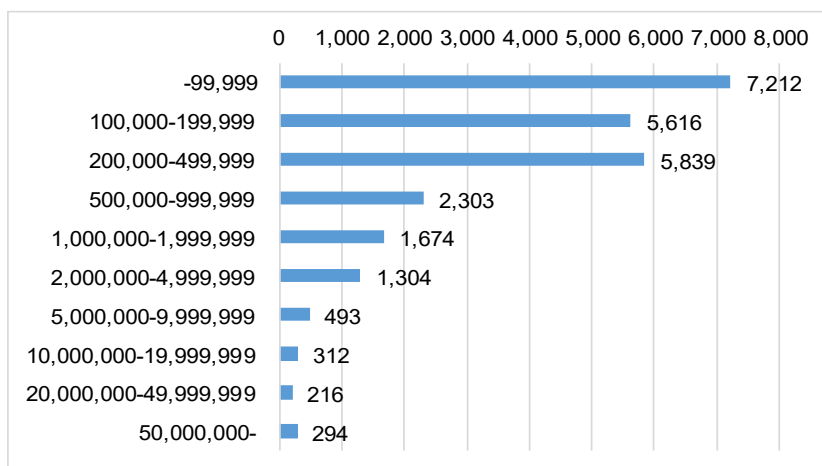
Figure 4.5 Number of entities by size of annual sales

(Average sales)

The amount of average sales or the annual sales per entity in the food and beverage industry is Rs. 6,369 thousand as depicted in the following chart in Figure 4.6.

The amount of average sales is highest in Province 2 (Rs. 11,136 thousand) and lowest at Karnali Province (Rs. 383 thousand).
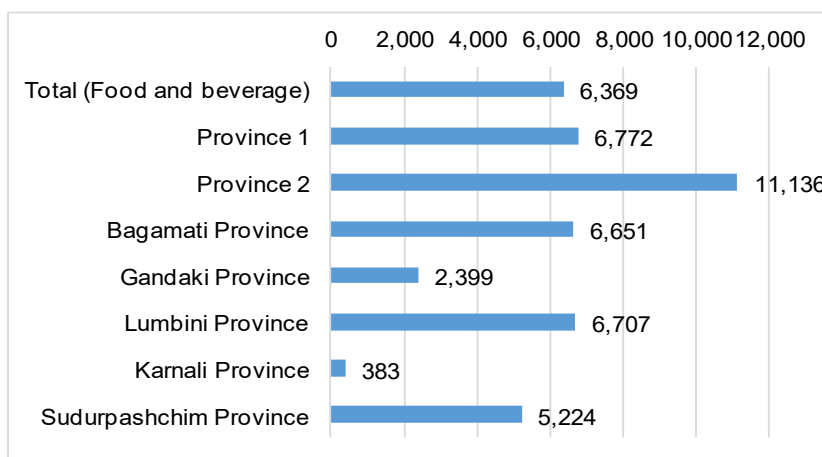
Figure 4.6 Average annual sales by province (1,000 Rs.)

The following chart in Figure 4.7 shows the average annual sales of each subsector of the food and beverage industry. The subsector with biggest average annual sales is Manufacture of prepared animal feeds (code 108, Rs. 159,821 thousand), which is followed by Manufacture of beverages (code 110, Rs. 53,155 thousand).

On the other hand, the subsectors with smallest average annual sales include Processing and preserving of fish, crustaceans and molluscs (code 102, Rs. 673 thousand) and Manufacture of grain mill products, starches and starch products (code 106, Rs. 1,713 thousand).
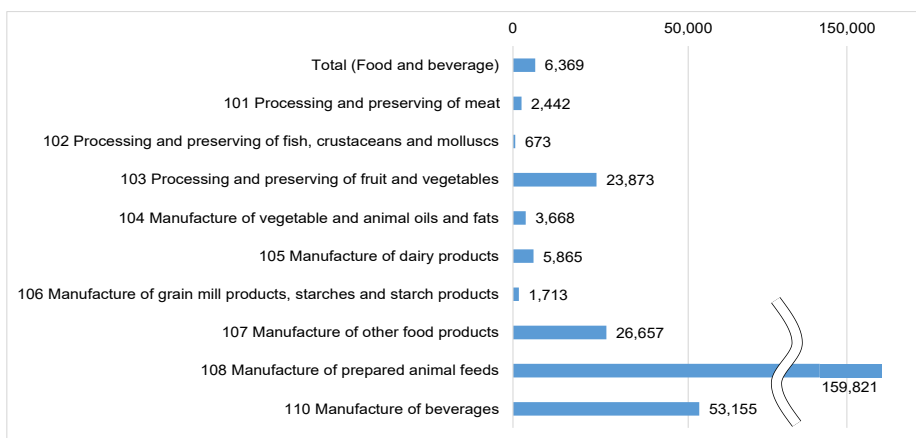
Figure 4.7 Average annual sales by Group of NSIC (1,000 Rs.)

(Annual sales per person engaged)

Dividing the entities in the food and beverage industry by the size of annual sales per person engaged, entities are distributed as in Figure 4.8.

As described in the chart, the number of entities whose annual sales per person engaged are smaller than 100,000 (-99,999) is biggest among all categories (10,640 entities).

Out of the 25,263 entities in the food and beverage industries, 67.8% (17,132 entities) of their annual sales per person is smaller than 200,000.

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

The amount of annual sales per person engaged in the food and beverage industry as a whole is Rs. 1,821 thousand. The amount of annual sales per person is highest at Province 2 (Rs. 3,590 thousand) and lowest at Karnali Province (Rs. 194 thousand).
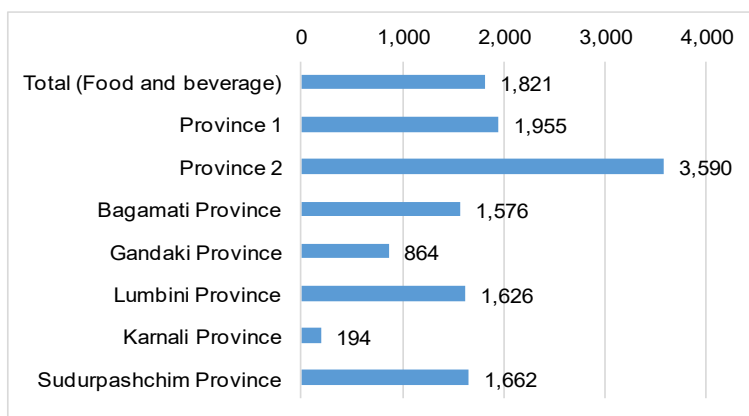
Figure 4.9 Annual sales per person engaged by province (1,000 Rs.)

The annual sales per person vary among subsectors as in the following chart in Figure 4.10. This would suggest that the value added generated by subsectors are different from subsector to subsector.

The subsector of the food and beverage industry whose amount of annual sales per person engaged is highest is Manufacture of prepared animal

feeds (code 108, Rs. 7,171 thousand), which is followed by Manufacture of beverages (code 110, Rs. 3,149 thousand).

On the other hand, the subsector whose annual sales per person engaged is lowest is Processing and preserving of fish, crustaceans and molluscs (code 102, Rs. 425 thousand). The amounts of annual sales per person of Processing and preserving of meat (code 101, Rs. 754 thousand) and Manufacture of grain mill products, starches and starch products (code 106, Rs. 819 thousand) are also low.
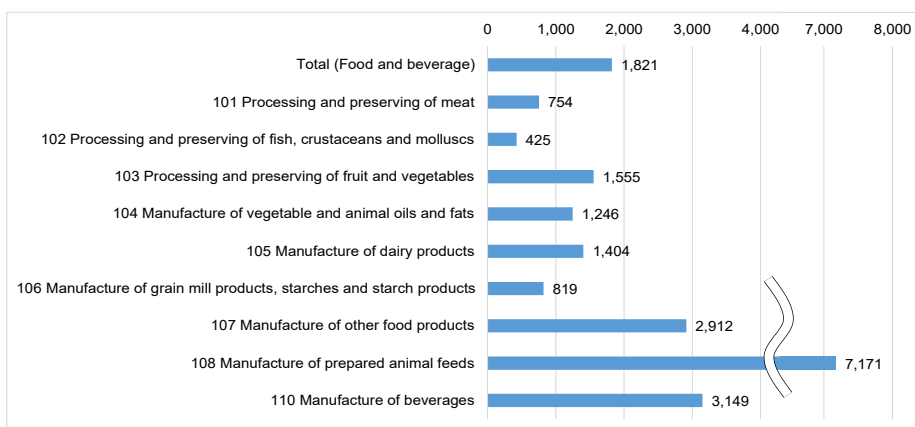
Figure 4.10 Annual sales per person engaged by Group of NSIC (1,000 Rs.)

4-3 Annual profit

The distribution of the entities in the food and beverage industry according to the size of profit in Nepali Rupee is as in the following chart in Figure 4.11.

The number of entities whose annual profits are between Rs. 20,000 and Rs. 49,999 is biggest among all categories (5,633 entities).

Out of the 25,263 entities in the food and beverage industry, 15.0% (3,788 entities) made deficits.
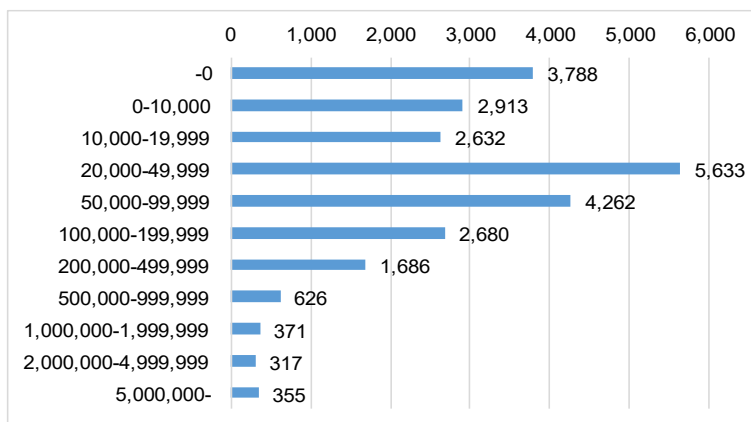
Figure 4.11 Number of entities by size of annual profit

(Average profit)

The average profit or the annual profit per entity is Rs. 1,177 thousand in the food and beverage industry as depicted in the chart in Figure 4.12.

The province where the average profit of the food and beverage industry is highest is Sudurpashchim Province (Rs. 2,016 thousand). The provinces with lowest average profits are Karnali Province (Rs. 51 thousand) and Gandaki Province (Rs. 100 thousand).
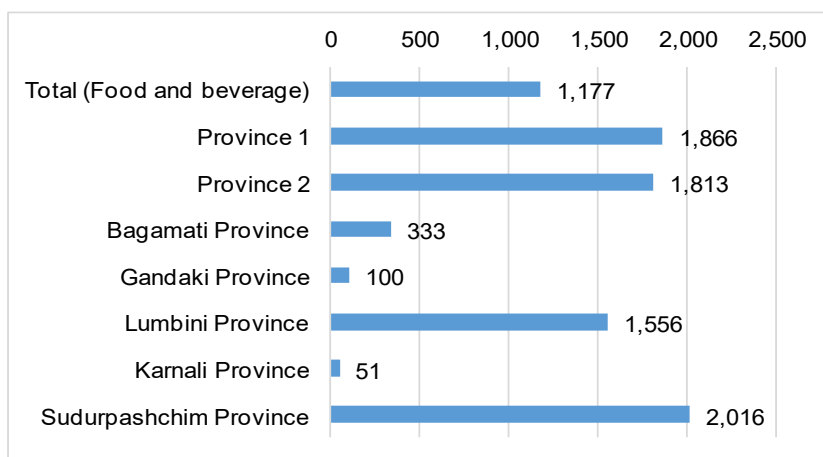
Figure 4.12 Average annual profit by province (1,000 Rs.)

The average profit also varies among subsectors of the food and beverage as shown in the chart in Figure 4.13.

The average profit of Manufacture of prepared animal feeds (code 108, Rs. 68,674 thousand) is largest among all subsectors

On the other hand, the subsectors with low average profits are Processing and preserving of fish, crustaceans and molluscs (code 102, Rs. 231 thousand) and Processing and preserving of meat (code 101, Rs. 354 thousand). The average profit of the entities in Manufacture of grain mill products, starches and starch products (code 1069) is also very small (Rs. 361thousand).
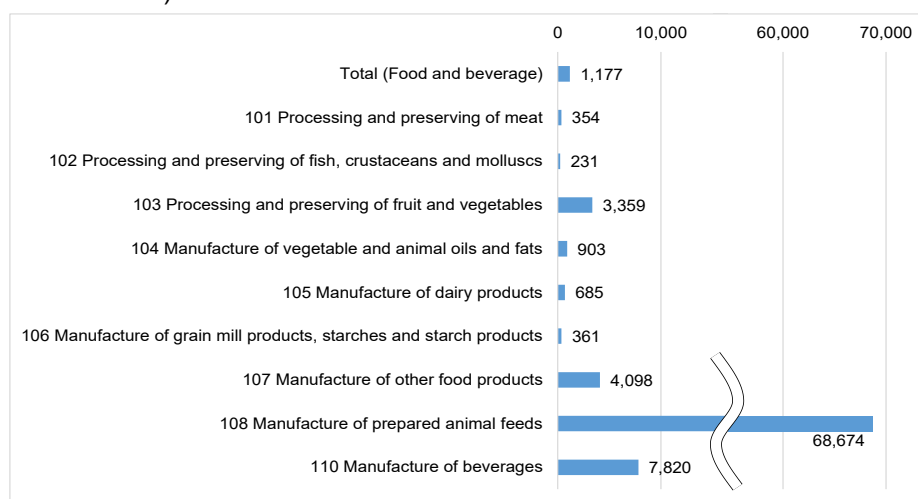
Figure 4.13 Average annual profit by Group of NSIC (1,000 Rs.)

(Annual profit per person engaged)

The distribution of the entities in the food and beverage industry according to the size of annual profit per person engaged is as in the chart in Figure 4.14.

The number of entities whose annual profits per person engaged are between 0 and 19,999 is biggest among all categories (8,398 entities).
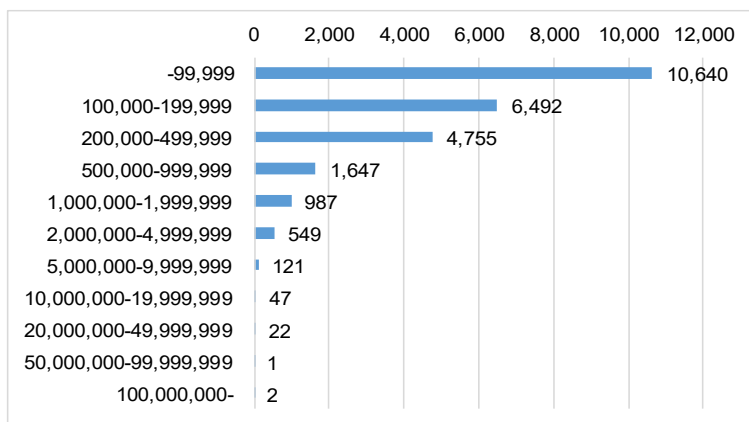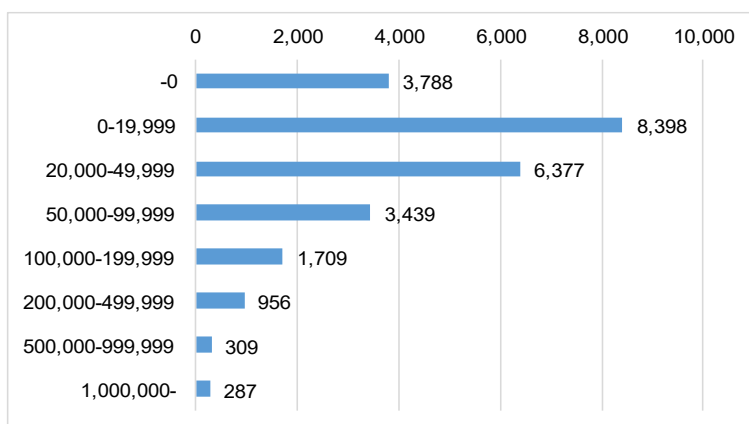
Figure 4.14 Number of entities by size of annual profit per person engaged

The annual profit per person engaged in the food and beverage industry as a whole is Rs. 337 thousand, and the level of annual profits per person varies among provinces.

The province which achieved the biggest profit per person engaged is Sudurpashchim Province (Rs. 641 thousand). On the other hand, the annual profits per person are small in Karnali Province (Rs. 26 thousand), Gandaki Province (Rs. 36 thousand) and Bagamati Province (Rs. 79 thousand).
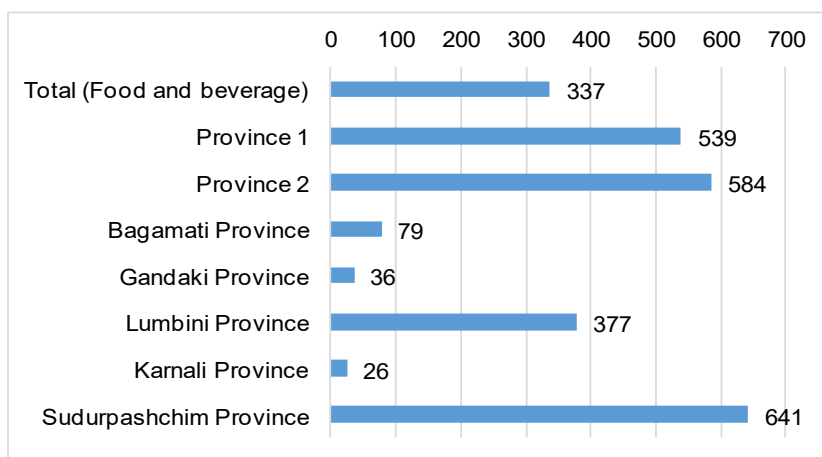
Figure 4.15 Average annual profit per person engaged by province (1,000 Rs.)

The subsector of the food and beverage industry whose annual profit per person engaged is biggest is Manufacture of prepared animal feeds (code 108) Rs. 3,081 thousand). The subsectors whose annual profit per person engaged is smallest is Processing and preserving of meat (code 101, Rs. 109 thousand).
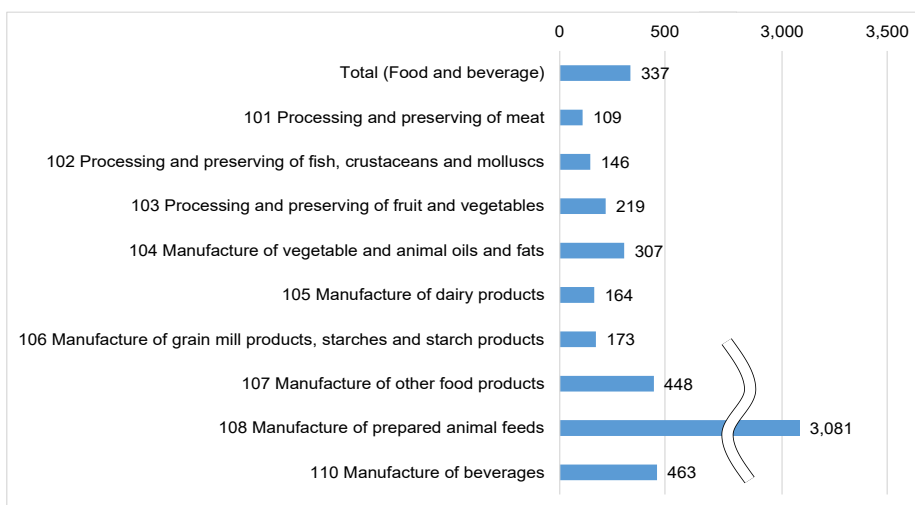
Figure 4.16 Average annual profit per person engaged by Group of NSIC (1,000 Rs.)

(Profit to sales ratio)

The distribution of the entities in the food and beverage industry according to the size of profit to sales ratio is as in the following chart in Figure 4.17. The profit to sales ratio, which shows the profitability of business, is calculated by dividing the amount of profit by sales. Because the profit is obtained by deducting the amount of expense from sales, a high profit to sales ratio means that a big portion of sales is converted into profit.

The number of entities whose profit to sale ratios are between 0% and 20% (0 - 20%) is biggest among all categories (8,053 entities).
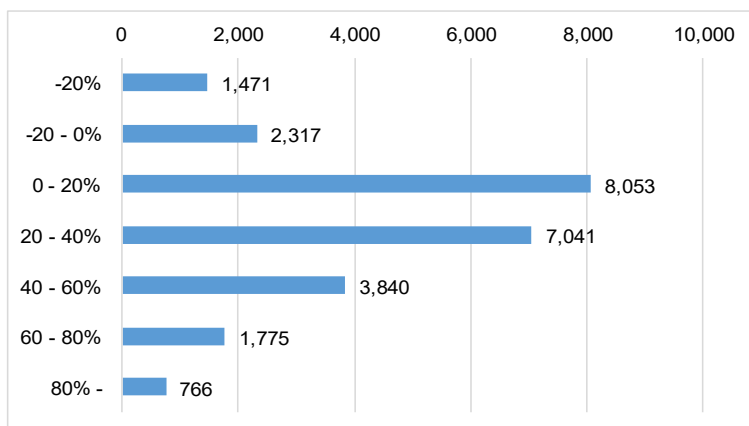
Figure 4.17 Number of entities by profit to sales ratio

The following chart shows the profit to sales ratio of the food and beverage industry in each province.

The profit to sales ratio of the food and beverage industry in Nepal is 18.5% and it varies among provinces. The profit to sales ratio in Sudurpashchim Province is highest among all provinces (38.6%), the same ratios in Gandaki Province (4.2%) and Bagamati Province (5.0%) are much lower than other provinces.
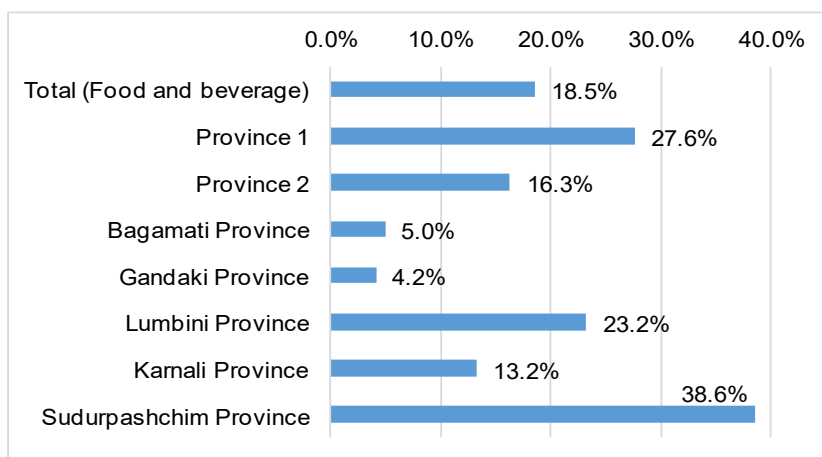
Figure 4.18 Average profit to sales ratio by province

The profit to sales ratios of the subsectors of the food and beverage industry are as depicted in the following chart.

The subsector with highest profit to sales ratio is Manufacture of prepared animal feeds (code 108, 43.0%). Other subsectors which achieved higher profit to sales ratios are Processing and preserving of fish, crustaceans and molluscs (code 102, 34.3%) and Manufacture of vegetable and animal oils and fats (code 104, 24.6%).
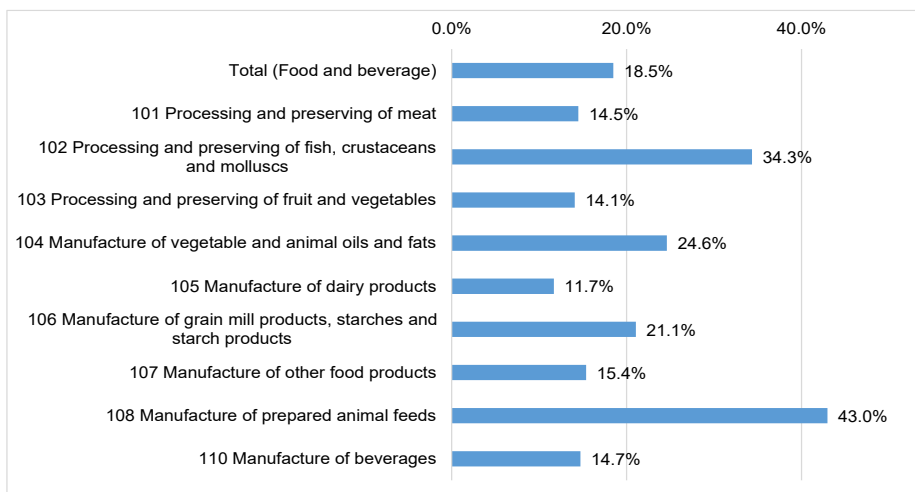
Figure 4.19 Average profit to sales ratio by Group of NSIC

4-4 Access to Credit

The NEC2018 also collected the information on the access to credit of entities. The entities which actually took loans for the last three years, including those which already repaid the loans, are regarded as the entities with access to credit.

(Access to Credit)

The proportion of the entities which have or used to have loans in the food and beverage industry is 35.8%, and 64.2% of entities have not received any loans before.
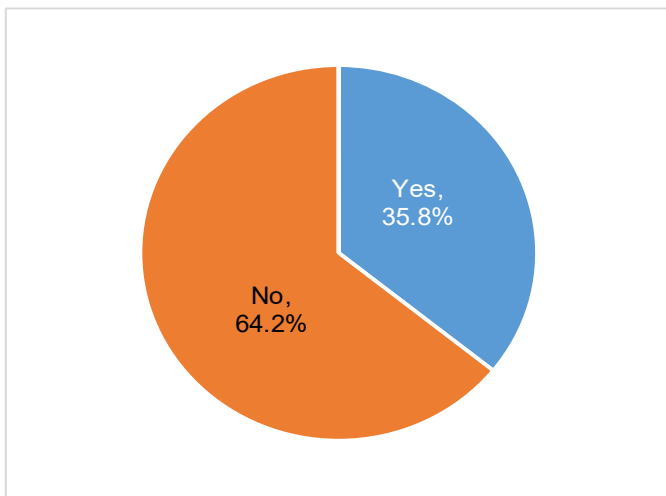
Figure 4.20 Share of entities with access to credit

The proportion of the entities which have access to credit in the food and beverage industry varies among provinces. The proportion is rather high in Lumbini Province (45.4%) and low in Karnali Province (22.3%).
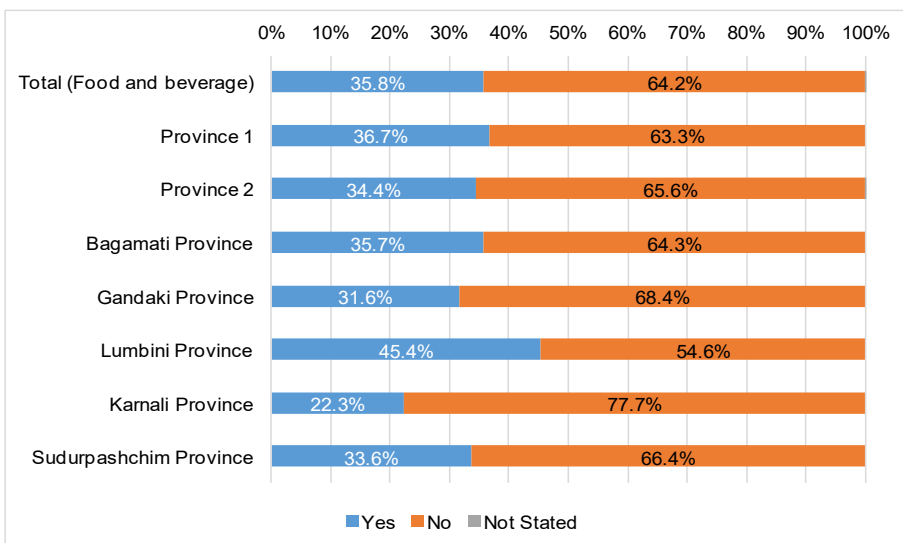
Figure 4.21 Share of entities with access to credit by province

The proportion of the entities which have access to credit in the food and beverage industry also varies among subsectors. The subsector with highest proportion is Manufacture of prepared animal feeds (code 108, 74.7%).

On the other hand, the subsector whose proportion of access to credit is lowest is Processing and preserving of fish, crustaceans and molluscs (code 102, 26.8%). Manufacture of grain mill products, starches and starch products (code 106) does not have very good access to credit either (33.0%).
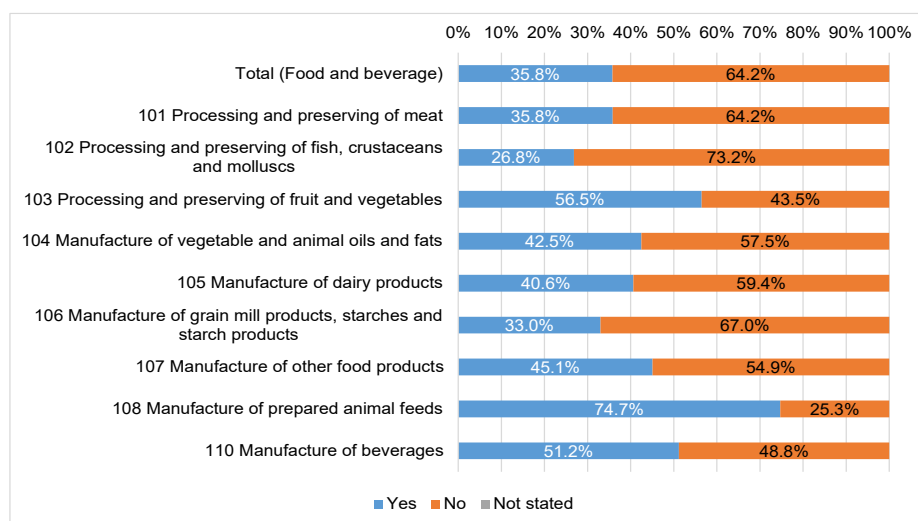
Figure 4.22 Share of entities with access to credit by Group of NSIC

The proportions of the entities which have access to credit in the food and beverage industry by the scale of industry are depicted as in the following chart in Figure 4.23.

Naturally, the proportion of micro entities which have access to credit is lowest among all categories. In contrast the proportions of small, medium and large entities which have access to credit are more than 70%.
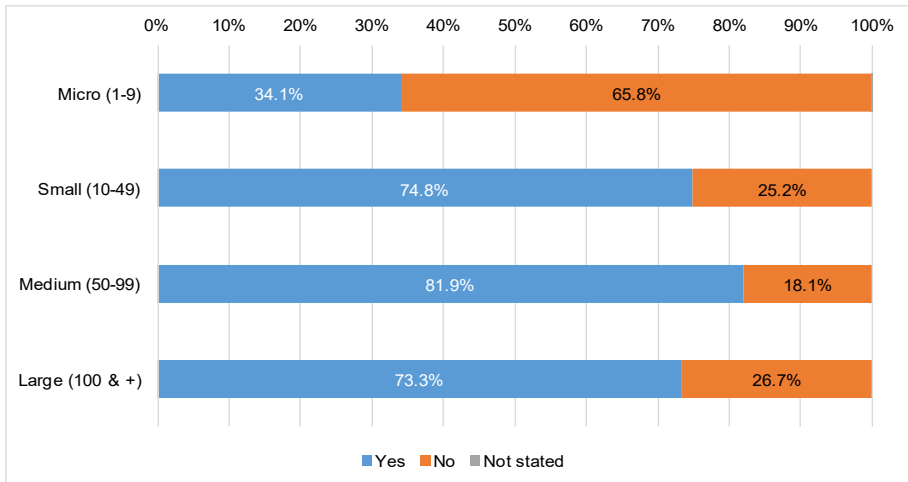
Figure 4.23 Share of entities with access to credit by scale of industry

(Loan providers)

The composition of the loan providers to the entities in the food and beverage industry is as described in the following chart Figure 4.24.

The major loan providers to the entities in the food and beverage industry are banks (49.1%) and cooperatives (20.3%).
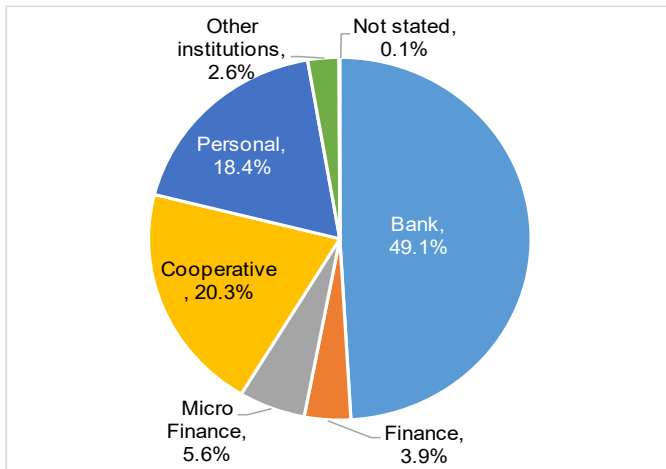
Figure 4.24 Share of loan providers

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 very high (67.8%) and that of personal loans is low (11.3%). Similarly, the proportion of the entities which take loans from banks is high in Sudurpashchim Province (57.9%).

In Karnali Province, the proportion of the entities which take loans from banks is very low (23.8%) and the proportion of the entities which take personal loans is high (27.9%) in contrast.
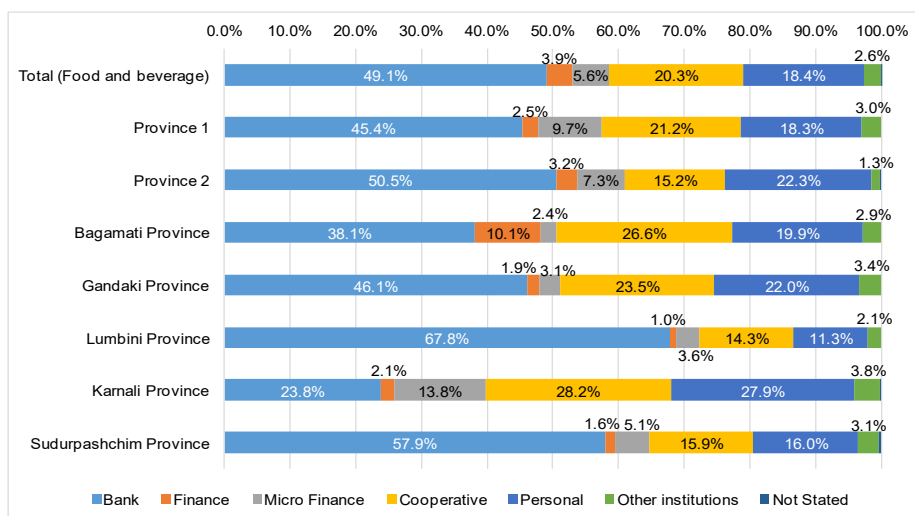
Figure 4.25 Share of loan providers by province

The compositions of the loan providers are different among subsectors too. For example, entities in Manufacture of prepared animal feeds (code 108, 96.9%), Manufacture of vegetable and animal oils and fats (code 104, 71.0%) and Manufacture of beverages (code 110, 69.8%) mainly take loans from banks

On the other hand, entities in Processing and preserving of fish, crustaceans and molluscs (102, 18.2%) do not have access to bank loans and they take loans mainly from microfinance and cooperatives.
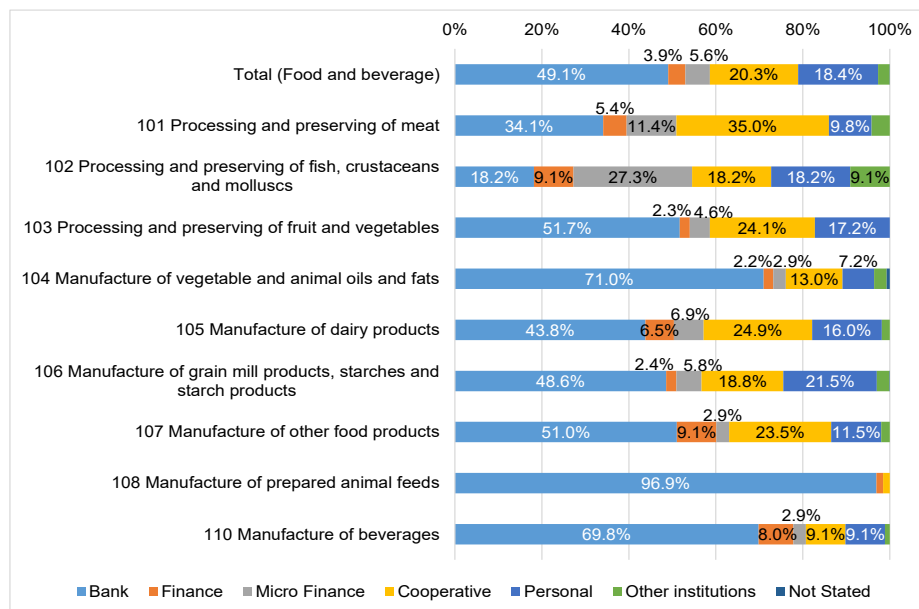
Figure 4.26 Share of loan providers by Group of NSIC

The compositions of the loan providers also change according to the size of annual sales of entities. Entities with smaller annual sales 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 below 100,000 (-99,999), the percentage of the entities which take loans from banks is only 26.0%. Such entities rely more on personal loans (38.1%).
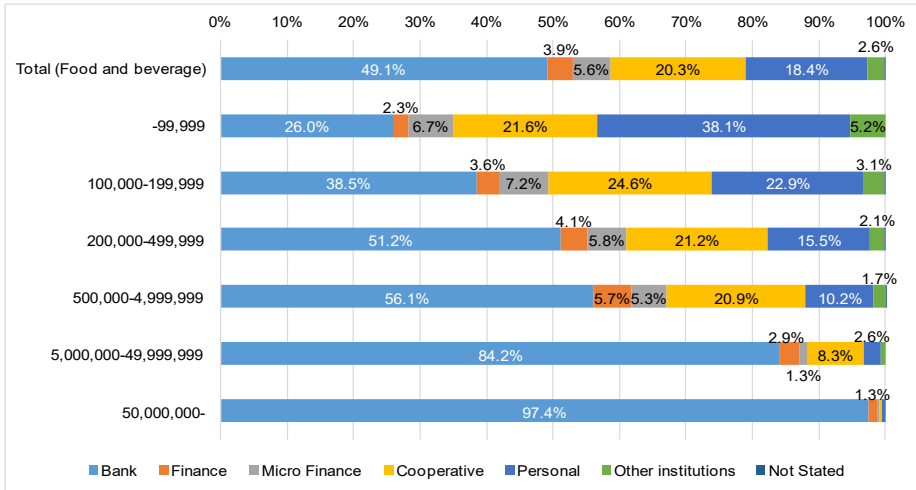
Figure 4.27 Share of loan providers by size of annual sales

Similarly, micro entities tend to take loans more from cooperatives, while larger entities (small, medium and large enterprises) take loans mainly from banks.
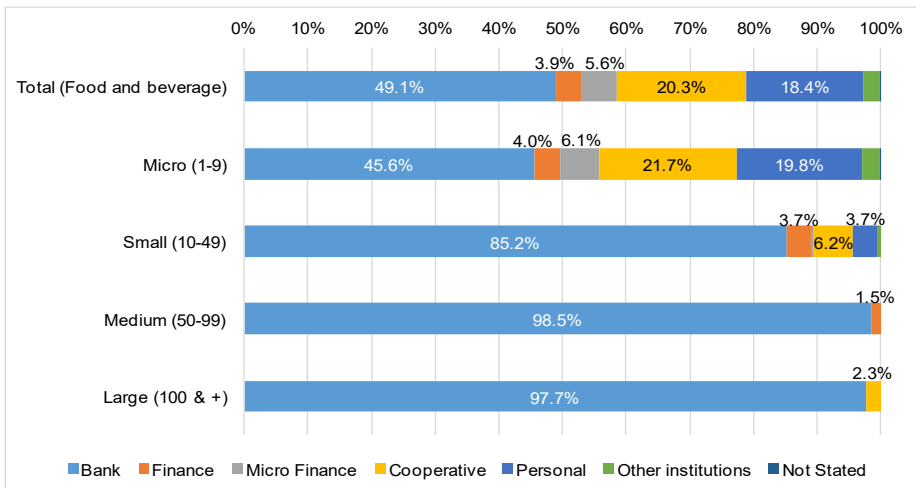
Figure 4.28 Share of loan providers by scale of industry

(Loan interest rate)

The distribution of the entities in the food and beverage industry according to the level of loan interest rate is as in the following chart in Figure 4.29.

The number of entities whose loan interest rates are between 10% and 15% is biggest among all categories (3,844 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 big.
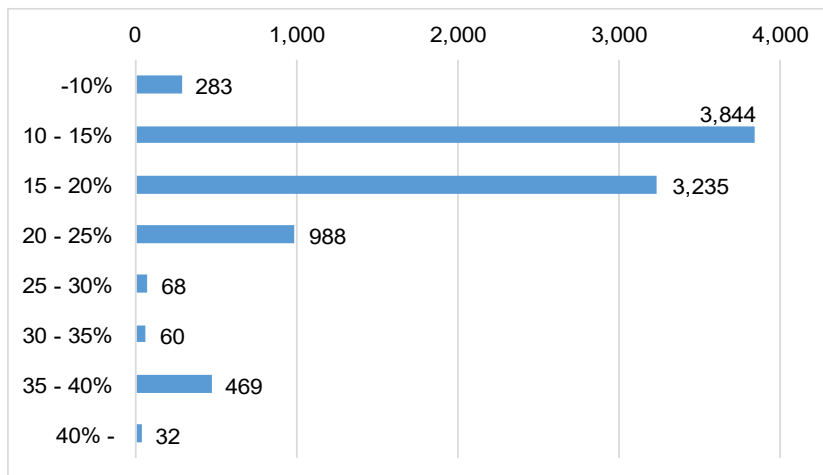
Figure 4.29 Number of entities by loan interest rate

Loan interest rates vary among types of loan providers. The loan interest rate of banks is 13.5% and this is much lower than the average loan interest rate (16.7%) of the food and beverage industry. On the other hand, the loan interest rate of personal loans is highest among all categories, which is 25.6%.
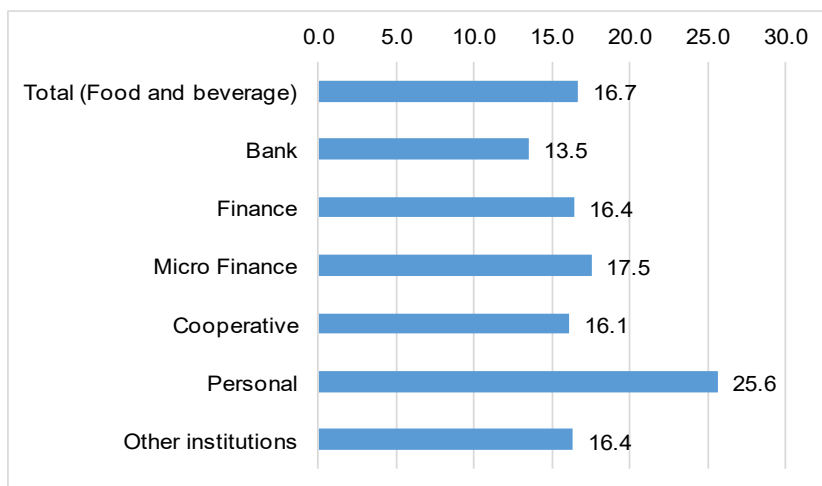
Figure 4.30 Average loan interest rate per year by type of loan providers (%)

The average interest rate of the food and beverage industry in each province is as illustrated in the following chart in Figure 4.31. Among all provinces, the average loan interest rates of Karnali Province (20.6%) and Province 2 (18.7%) are higher than the average.

The high interest rate in Karnali Province would be due to its low proportion of the entities taking loans from banks and high proportions of personal loans.
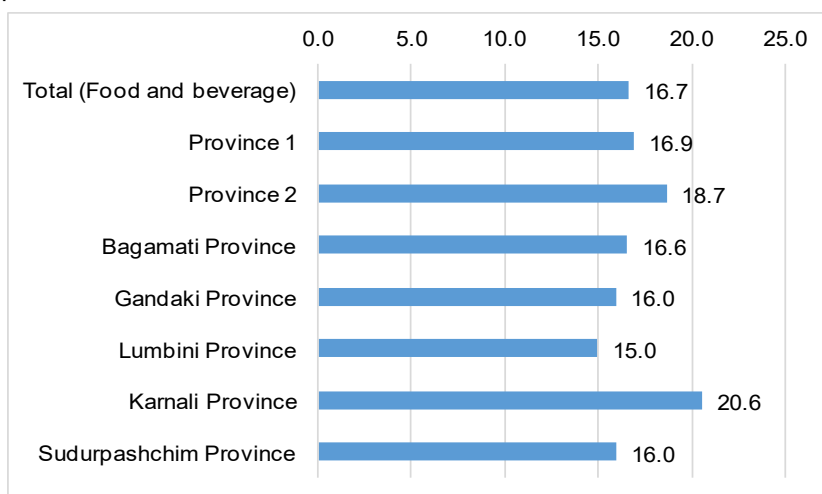
Figure 4.31 Average loan interest rate per year by province (%)

The loan interest rates of subsectors are higher than average in Manufacture of grain mill products, starches and starch products (code 106, 17.2%) and Processing and preserving of fish, crustaceans and molluscs (code 102, 16.6%) reflecting the low proportions of the entities taking loans from banks and high proportions of personal loans.

In contrast, the loan interest rates of Manufacture of prepared animal feeds (code 108, 13.0%) is much lower than the average, also reflecting the high proportion of the entities taking loans from banks.
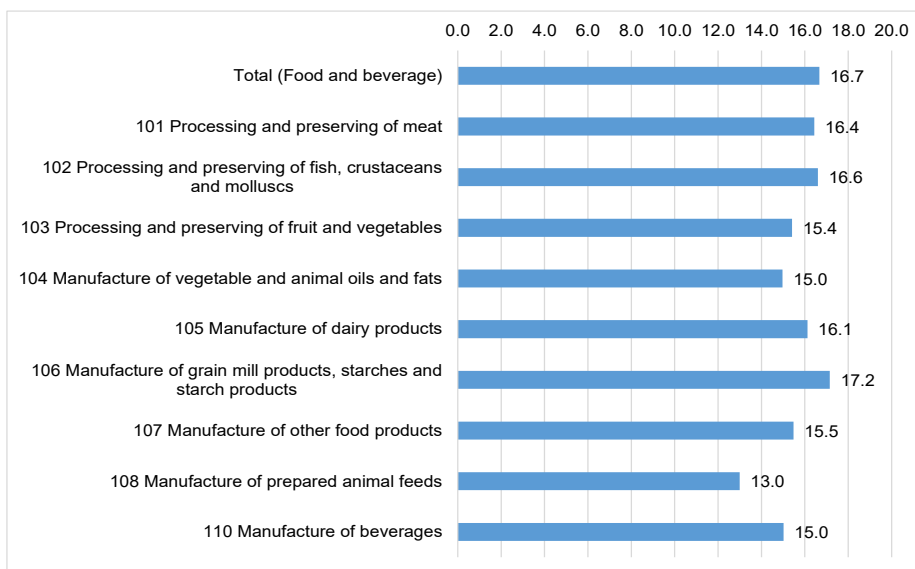
Figure 4.32 Average loan interest rate per year by Group of NSIC (%)

Appendices

Appendix 1: Specimen of Form B of NEC2018

Appendix 2: Coverage of National Economic Census 2018

Appendix 1

STRICTLY CONFIDENTIAL

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:

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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)	

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

4- Legal Status of Registered Establishment or Business		
LS1. Legal Status of Registered Establishment or Business		
1- Individual proprietor	**6**- Government agency	
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	
	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	
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			**Age in completed years** ……………………..
MO2. Sex of Owner	**1-** Male **2-** Female **3-** Not applicable (Go to BO1)			**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) ………………………………………………		

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	1- Yes	
Is this establishment regularly operating through the year? Circle Yes or No.	2- No (seasonal business) (Go to BO6)	
BO5. How many working days did this establishment have for the last one year?	working days (Go to BO8)	

BO6. When is the season? Choose the opening month and the closing month.	Opening month	Closing month	Opening month
	1 Baishakh	1 Baishakh	
	2 Jestha	2 Jestha	
	3 Ashadh	3 Ashadh	
	4 Shrawan	4 Shrawan	Closing month
	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?	working days
BO8 Year of Starting the Business (Baishakh 1, 2075 in Nepali calendar is April 14, 2018 in western calendar.) ▶ Fill in the month and year of starting the business in Nepali calendar.	yyyy mm

8- Tenure, Kind, and Area (square feet: ft²) 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	

BP2. Tenure of Business Place (Land)	**1-** Owned **2-** Rented **3-** Lease or contract out **4-** Others (Specify: ....) **5-** Not applicable	
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	
BP4. Total Area of Business Place (square feet: ft²)		
BP4.1 Building / Room occupied area using for Business (square feet: ft²)	**1-** Yes **2-** Not applicable (Go to BP4.2)	Specify the total area ………………………………… ft²
BP4.2 Land occupied area using for Business (square feet: ft²)	**1-** Yes **2-** Not applicable (Go to Part 9)	Specify the total area ………………………………… ft²

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.)

		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")					

		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*

11- Single Unit, Head Office or Branch Office		
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	

OF2. Name, Address and PAN of Head Office

▸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):		

12- Questions HO1 to HO4 below refer only to establishments of "Head office".	
HO1. Number of Branch Offices and Subbranch Offices that establishment supervises	
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)")	

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)")		
HO3. Main economic activity ▸ State a main economic activity in terms of the largest value added or the largest manpower input.	....	*CBS and SOs use only*
HO4. Secondary economic activity if this entity has two or more kinds of economic activities.	....	

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	

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

CI1. 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.)					**.**	**%**
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)	
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	
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)	
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	

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

	Kind of Establishment		
Section of ISIC Rev. 4	Registered / Not registered	Not registered	
	Fixed location	Movable but the same place	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.