

## Major Highlights of National Report No. 2-1 of the Final Results

The National Economic Census 2018 (the NEC2018) was conducted with the reference date set on 14 April 2018. The NEC2018 covered all of fixed and movable establishments in the whole territory of Nepal. With regard to National Reports of the NEC2018, No. 1-1 on establishments and persons engaged by industry was released on 1 July 2019; No. 1-2 by size of persons engaged was released on 1 September 2019; and No. 1-3 by province and district was released on 2 January 2020. Subsequently, No. 2-1 on sales, expenses, profit and loss by industry, that is, the fourth release is outlined as follows:

### **1. Total number of entities<sup>1</sup> is 900,924 in Nepal.**

There were 900,924 entities in Nepal as of 14 April 2018 as the final results of the NEC2018. The number of persons engaged in entities was 3,115,112. (Refer to Table 1-2 and 1-3.)

With regard to the definition of terms and the coverage of NEC2018, refer to “Outline, Concepts and Definitions of NEC2018” in this report.

### **2. Annual sales<sup>2</sup> were 2,916 billion rupees in Nepal in 2017/18<sup>3</sup>.**

Looking at the annual sales by industry (Section of NSIC<sup>4</sup>), “Manufacturing” (Section C) such as tea factories and brick factories was the largest Section with Rs. 674 billions accounting for 23.1%. Subsequently, Wholesale and retail trade; repair of motor vehicles and motorcycles” (Section G) such as shops, super markets, and department stores was 601 billions (20.6%); “Financial and insurance activities” (Section K) such as banks and insurance companies was 265 billions (9.11%); “Education” (Section P) such as schools, universities, and

---

<sup>1</sup> *An entity manages its accounting record which includes an account book, an income statement, etc. An entity consists of a single-unit establishment or a head office only. It means branches are excluded.*

<sup>2</sup> *The concept of the annual sales is close to that of Gross Output in national accounts. Herein, sales mean revenues/sales.*

<sup>3</sup> *Herein, the year 2017/18 in the western calendar means the year 2074 in Nepal calendar.*

<sup>4</sup> *NSIC stands for Nepal Standard Industrial Classification. NSIC is based on International Standard Industrial Classification (ISIC) Revision 4, and the contents of NSIC is basically the same as those of ISIC.*

technical schools was 264 billions (9.07%); and so on.

On the other hand, “Arts, entertainment and recreation” (Section R) such as football clubs, fitness centers, and amusement parks was the smallest Section with Rs. 6.8 billions accounting for 0.2% except “Real estate activities” (Section L)<sup>5</sup>. Subsequently, “Mining and quarrying” (Section B) such as quarrying of stone, sand, and clay was 24 billions (0.8%); “Water supply; sewerage, waste management and remediation activities” (Section E) such as purification of water and distribution of water was 43 billions (1.5%); and so on. (Refer to Table 1-1.)

Secondly, looking at the annual sales per entity by industry, “Electricity, gas, steam and air conditioning supply” (Section D) such as power generation and sale of electricity to users was the largest Section with Rs. 113 millions per entity. Subsequently, “Information and communication” (Section J) such as internet providers and TV stations was 85 millions; “Mining and quarrying” (Section B) was 38 millions except “Construction” (Section F)<sup>6</sup> and “Transportation and storage” (Section H)<sup>7</sup>; and so on.

On the other hand, “Other service activities” (Section S) such as hairdressing, repairing computers, and repairing mobiles was the smallest Section with Rs. 0.9 millions per entity. Subsequently, “Wholesale and retail trade; repair of motor vehicles and motorcycles” (Section G) was 1.2 millions; “Accommodation and food service activities” (Section I) such as hotels, restaurants, and cafes was 1.8 millions; and so on. (Refer to Table 1-2.)

Thirdly, looking at the annual sales per persons engaged by industry, “Electricity, gas, steam and air conditioning supply” (Section D) was the largest Section with Rs. 9.1 millions per persons engaged. Subsequently, “Information and communication” (Section J) 5.8 millions except “Construction” (Section F) and

---

<sup>5</sup> In “Real estate activities” (Section L), individual real-estate owners who lend his extra house or land, are not registered, and don’t have his/her office were not surveyed due to establishment approach. Individuals who make real-estate transactions informally or individually were also the same.

<sup>6</sup> In “Construction” (Section F), individual construction builders such as carpenters, house painters, electricians, mason, plumbers who are not registered and don’t have his/her office were not surveyed due to establishment approach.

<sup>7</sup> In “Transportation and storage” (Section H), individual mobile businesses such as taxis, buses, motorcycle taxis which are not registered and don’t have his/her/ their office were not surveyed due to establishment approach.

“Transportation and storage” (Section H); “Mining and quarrying” (Section B) 3.3 millions; and so on.

On the other hand, “Other service activities” (Section S) was the smallest Section with Rs. 379 thousands per persons engaged. Subsequently, “Arts, entertainment and recreation” (Section R) 448 thousands; “Human health and social work activities” (Section Q) such as hospitals and clinics was 521 thousands; and so on. (Refer to Table 1-3.)

Fourthly, looking at the international comparison<sup>8</sup> of the annual sales by industry, at first for “Manufacturing” (Section C), Cambodia<sup>9</sup> was Rs, 310 billions. Subsequently, Nepal Rs. 674 billions; Sri Lanka<sup>10</sup> Rs. 2,148 billions; Egypt<sup>11</sup> Rs. 11,832 billions; Viet Nam<sup>12</sup> Rs. 37,804 billions; Indonesia<sup>13</sup> Rs. 42,906 billions; and Japan<sup>14</sup> Rs. 339,631 billions.

For “Wholesale and retail trade; repair of motor vehicles and motorcycles” (Section G), Cambodia<sup>9</sup> was Rs, 581 billions. Subsequently, Nepal Rs. 601 billions; Sri Lanka<sup>10</sup> Rs. 641 billions; Egypt<sup>11</sup> Rs. 3,582 billions; Viet Nam<sup>12</sup> Rs. 32,763 billions; Indonesia<sup>13</sup> Rs. 50,215 billions; and Japan<sup>14</sup> Rs. 599,172 billions.

### **3. Annual profit and loss<sup>15</sup> were 853 billion rupees in Nepal in 2017/18.**

Looking at the annual profit and loss by industry, “Wholesale and retail trade; repair of motor vehicles and motorcycles” (Section G) was the largest Section with Rs. 258 billions accounting for 30.3%. Subsequently, “Education” (Section

---

<sup>8</sup> *There are some slight differences in the definition of entity, sales, industrial classification among six countries.*

<sup>9</sup> *Source: Cambodia Economic Census 2011, USD 2,820 millions, USD 1 = Rs. 110.*

<sup>10</sup> *Source: Sri Lanka Economic Census 2013/14, LKR 3,579 billions (Output), LKR 1= Rs.0.6.*

<sup>11</sup> *Source: Egypt Economic Census 2018, EGP (LE) 1,690 billions, EGP 1 = Rs. 7.*

<sup>12</sup> *Source: Viet Nam Statistical Year Book 2018, VND 8,043,426 billions (Net turnover, 2017), VND 10,000 = Rs. 47.*

<sup>13</sup> *Source: Indonesia Economic Census 2016, IDR 6,309,635 billions, IDR 10,000 = Rs. 68.*

<sup>14</sup> *Source: Japan Economic Census 2016 (under Japan Standard Industrial Classification), JPY 339,631 billions, JPY 1 = Rs. 1.*

<sup>15</sup> *The concept of the annual profit and loss is close to that of Operating Surplus/Mixed Income in Gross Domestic Products (GDP).*

P) 122 billions (14.3%); “Financial and insurance activities” (Section K) 108 billions (12.6%); “Manufacturing” (Section C) 99 billions (11.6%); and so on. On the other hand, “Arts, entertainment and recreation” (Section R) was the smallest Section with Rs. 1.2 billions accounting for 0.1%. Subsequently, “Other service activities” (Section S) 9.4 billions (1.1%) except “Real estate activities” (Section L); “Mining and quarrying” (Section B) 10.2 billions (1.2%); and so on. (Refer to Table 1-1.)

Secondly, looking at the annual profit and loss per entity by industry, “Electricity, gas, steam and air conditioning supply” (Section D) was the largest Section with Rs. 22 millions per entity. Subsequently, “Information and communication” (Section J) 20 millions; “Mining and quarrying” (Section B) 16 millions; and so on.

On the other hand, “Other service activities” (Section S) was the smallest Section with Rs. 171 thousands per entity. Subsequently, “Accommodation and food service activities” (Section I) 284 thousands; “Arts, entertainment and recreation” (Section R) 446 thousands; and so on. (Refer to Table 1-2.)

Thirdly, looking at the annual profit and loss per persons engaged by industry, “Electricity, gas, steam and air conditioning supply” (Section D) was the largest Section with Rs. 1.78 millions per persons engaged. Subsequently, “Mining and quarrying” (Section B) 1.39 millions except “Construction” (Section F); “Information and communication” (Section J) 1.37 millions; and so on.

On the other hand, “Other service activities” (Section S) was the smallest Section with Rs. 73 thousands per persons engaged. Subsequently, “Arts, entertainment and recreation” (Section R) 79 thousands; “Accommodation and food service activities” (Section I) 108 thousands; and so on. (Refer to Table 1-3.)

#### **4. For annual profit ratio to sales<sup>16</sup>, “Education” was largest.**

Looking at the annual profit ratio to sales by industry, although “Agriculture, forestry and fishing” (Section A) was highest, it covered registered establishments only. Except Section A, “Education” was the highest Section with 46.1%. Subsequently, “Wholesale and retail trade; repair of motor vehicles and motorcycles” (Section G) 43.0%; “Mining and quarrying” (Section B) 42.2%; and so on.

---

<sup>16</sup> *Annual profit ratio to sales = annual profit and loss / annual sales \* 100*

On the other hand, “Manufacturing” (Section C) was the lowest Section with 14.7%. Subsequently, “Accommodation and food service activities” (Section I) 15.6%; “Arts, entertainment and recreation” (Section R) 17.7%; and so on. (Refer to Table 1-1.)

#### **5. Registered entities’ annual sales accounted for 92.0% of the total**

The annual sales of “Registered” entities were Rs. 2,682 billions accounting for 92.0% of the total. On the other hand, those of “Not registered” entities were 233 billions (8.0%) only, that is, less than one tenth. (Refer to Table 2-1 and 3-1.)

#### **6. Registered entities’ annual profit and loss accounted for 91.5% of the total**

The annual profit and loss of “Registered” entities were Rs. 781 billions accounting for 91.5% of the total. On the other hand, those of “Not registered” entities were 72 billions (8.4%) only, that is, less than one tenth. (Refer to Table 2-1 and 3-1.)

#### **7. Female managers’ annual sales accounted for 9.8% of the total**

Looking at the annual sales of female managers by industry, “Wholesale and retail trade; repair of motor vehicles and motorcycles” (Section G) was the largest Section with Rs. 80 billions accounting for 28.2%. Subsequently, “Accommodation and food service activities” (Section I) 53 billions (18.4%); “Financial and insurance activities” (Section K) 38 billions (13.1%); “Education” (Section P) 23 billions (8.2%); and so on.

On the other hand, “Mining and quarrying” (Section B) was the smallest Section with Rs. 154 millions accounting for 0.05% except “Real estate activities” (Section L). Subsequently, “Arts, entertainment and recreation” (Section R) 286 millions (0.10%); “Electricity, gas, steam and air conditioning supply” (Section D) 363 millions (0.13%); and so on. (Refer to Table 5-1.)

#### **8. Female managers’ annual profit and loss accounted for 10.9% of the total**

Looking at the annual profit and loss of female managers by industry, “Wholesale and retail trade; repair of motor vehicles and motorcycles” (Section G) was the largest Section with Rs. 36 billions accounting for 38.7%.

Subsequently, “Financial and insurance activities” (Section K) 14 billions (15.4%); “Education” (Section P) 11 billions (12.4%); “Accommodation and food service activities” (Section I) 9.8 billions (10.6%); and so on.

On the other hand, “Electricity, gas, steam and air conditioning supply” (Section D) was the smallest Section with Rs. 19 millions accounting for 0.02%. Subsequently, “Arts, entertainment and recreation” (Section R) 34 millions (0.04%); “Mining and quarrying” (Section B) 56 millions (0.06%); and so on. (Refer to Table 5-1.)

### **9. Kathmandu was the largest district in annual sales.**

Looking at the annual sales by district, Kathmandu was the largest district with Rs. 832 billions accounting for 28.5%. Subsequently, Lalitpur was 288 billions (9.9%); Morang was 155 billions (5.3%); Rupandehi was 132 billions (4.5%); Kaski was 117 billions (4.0%); and so on. There are big differences between three districts in Kathmandu Valley and other districts. This is because many head offices are located in Kathmandu Valley. All financial statements are managed by head office. Therefore, for example, even if big factories are being operated in Morang, their financial data are counted in Kathmandu if their head offices are located in Kathmandu.

On the other hand, Manang was the smallest district with Rs. 536 millions accounting for 0.018%. Subsequently, Rukum East was 670 millions (0.023%); Dolpa was 1,363 millions (0.05%); and so on. (Refer to Table 21-1.)

### **10. Kathmandu was the largest district in annual profit and loss as well.**

Looking at the annual profit and loss by district, Kathmandu was the largest district with Rs. 222 billions accounting for 26.0%. Subsequently, Lalitpur was 71 billions (8.3%); Rupandehi was 39 billions (4.5%); Morang was 32.6 billions (3.83%); Jhapa was 32.5 billions (3.81%); Kaski was 30.8 billions (3.61%); and so on.

On the other hand, Manang was the smallest district with Rs. 122 millions accounting for 0.01%. Subsequently, Rukum East was 245 millions (0.03%); Rasuwa was 317 millions (0.04%); and so on. (Refer to Table 21-1.)

*Note: In Major Highlights, some proportions are calculated from respective reference table.*