

Major Highlights of National Report No. 1-2 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. National Report No. 1-1 of the NEC2018 were released on 1 July 2019. Subsequently, National Report No. 1-2 of the second release is outlined as follows:

1. Total number of establishments is 923,356 in Nepal.

There were 923,356 establishments in Nepal as of 14 April 2018 as the final results of the NEC2018. The number of persons engaged in these establishments was 3,228,457. (Refer to Table 1-1 and 2-1.)

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

2. Number of establishments with one or two persons engaged accounts for nearly 75%.

The number of establishments with one person engaged was 346 thousands accounting for 37.5%, and that with two persons engaged was 328 thousands (35.5%). Thus, one or two-person size establishments accounted for around 73% of the total. (Refer to Table 1-1.)

The number of establishments with five or more persons engaged was 112 thousands accounting for 12.2%; with ten or more persons engaged was 43 thousands (4.6%); with one hundred or more persons engaged was 1,787 (0.2%); and with one thousand or more persons engaged was only 53. That is to say, large-scale¹⁾ establishments with one hundred or more persons engaged accounted for a very low portion in Nepal. (Refer to Table 1-1.)

On the other hand, the number of persons engaged in establishments with five or more persons engaged was 1,770 thousands accounting for 54.8%; with ten or more persons engaged was 1,332 thousands (41.3%); with one hundred or more persons engaged was 493 thousands (15.3%); and with one thousand or more persons engaged was 111 thousands (3.5%). Although there were only a

few large-scale establishments in Nepal, persons engaged working there accounted for a relatively higher portion. (Refer to Table 2-1.)

3. 80% of new establishments are with one or two persons engaged.

There were 394,219 new establishments which started business between April 2015 and April 2018. The number of persons engaged in these new establishments was 910,490.

New establishments with one or two persons engaged accounted for a very high ratio: 80.6%, more than four fifths of the total number of new establishments. On the other hand, looking at small and medium establishments, new establishments accounted for 14.9%. It means that the economic policy by the Government of Nepal promoting and supporting small and medium enterprises (SME) is gradually seeping. (Refer to Table 1-8-1 and 1-8-2.)

4. Most of street businesses²⁾ are with one or two persons engaged.

Street businesses with one or two persons engaged accounted for 96.1% of the total number of street businesses. That is, most of street businesses were with one or two persons engaged only. (Refer to Table 1-11-1.)

5. 40% of large-scale establishments belong to “Manufacturing”.

Looking at the number of large-scale establishments with 100 persons engaged and over by Section of NSIC³⁾, “Manufacturing” (Section C) was the largest Section with 732 accounting for 41.0%. Subsequently, “Education” (Section P) 266 (14.9%); “Human health and social work activities” (Section Q) 191 (10.7%); “Financial and insurance activities” (Section K) 166 (9.3%); and so on. (Refer to Table 1-15-1.)

In “Manufacturing”, “Clay building materials” (2392)⁴⁾ in particular was outstanding. In “Human health and social work activities”, “Hospital activities” (8610) was the largest.

6. Nearly 40% of medium-scale establishments¹⁾ belong to “Education”.

Looking at the number of medium-scale establishments with 50 to 99 persons engaged by Section of NSIC, “Education” (Section P) was the largest Section

with 845 accounting for 37.4%. Subsequently, “Manufacturing” (Section C) 459 (20.3%); “Human health and social work activities” (Section Q) 160 (7.1%); “Wholesale and retail trade and repair of motor vehicles and motorcycles” (Section G) 108 (4.8%); and so on. (Refer to Table 1-15-1.)

In “Manufacturing”, especially “Clay building materials” (2392) was outstanding. In “Human health and social work activities”, “Hospital activities” (8610) was the largest.

7. Nearly 40% of small-scale establishments¹⁾ belong to “Education”.

Looking at the number of small-scale establishments with 10 to 49 persons engaged by Section of NSIC, “Education” (Section P) was the largest Section with 15,414 accounting for 39.8%. Subsequently, “Manufacturing” (Section C) 3,884 (10.0%); “Financial and insurance activities” (Section K) 3,631 (9.4%); “Wholesale and retail trade and repair of motor vehicles and motorcycles” (Section G) 3,275 (8.4%); and so on. (Refer to Table 1-15-1.)

In “Manufacturing”, especially “Furniture” (3100), “Structural metal products” (2511), “Clay building materials” (2392), and “Grain mill products” (1061) were outstanding.

In “Wholesale and retail trade and repair of motor vehicles and motorcycles”, “Retail sale of hardware, paints, and glass in specialized store” (4752), “Whole sale of food, beverages, tobacco” (4630), “Maintenance and repair of motor vehicles” (4520), and “Sale, maintenance, and repair of motorcycles and related parts and accessories” (4540) were outstanding.

8. Nearly 40% of large-scale establishments are located in Kathmandu Valley.

Looking at the number of large-scale establishments with 100 persons engaged and over by district, Kathmandu was the largest with 477 accounting for 26.7%. Subsequently, Lalitpur 122 (6.8%); Rupandehi 98 (5.5%); Morang 91 (5.1%); Bhaktapur 79 (4.4%); and so on. This means that nearly 40% of large-scale establishments are concentrated in Kathmandu valley. (Refer to Table 3.)

9. More than one third of medium-scale establishments are located in Kathmandu Valley.

Looking at the number of medium-scale establishments with 50 to 99 persons

engaged by district, Kathmandu was the largest with 554 accounting for 24.5%. Subsequently, Lalitpur 140 (6.2%); Rupandehi 133 (5.9%); Kaski 120 (5.3%); Morang 111 (4.9%); and so on. Since Bhaktapur also accounted for 3.9%, more than one third of medium-scale establishments are concentrated in Kathmandu valley. (Refer to Table 3.)

10. Small-scale establishments are more scattered all over the country.

Looking at the number of small-scale establishments with 10 to 49 persons engaged by district, Kathmandu was the largest with 6,921 accounting for 17.9%. Subsequently, Lalitpur 1,730 (4.5%); Kaski 1,428 (3.7%); Rupandehi 1,297 (3.3%); Jhapa 1,251 (3.2%); and so on. Thus, small-scale establishments are more scattered all over the country than large and medium-scale establishments. (Refer to Table 3.)

- 1) *Herein, large-scale, medium-scale, small-scale, and micro establishment are tentatively classified by using number of persons engaged.*
- 2) *Street business means a business such as a stall, a booth, etc. that is in operation at a fixed location on sidewalk or roadside.*
- 3) *NSIC stands for the National Standard Industrial Classification of Nepal, and is based on the International Standard Industrial Classification (ISIC) of Economic Activities, Revision 4 of the United Nations. The contents of NSIC is basically the same as those of ISIC.*
- 4) *The number in parentheses represents Class of NSIC.*