

A Comprehensive Review of Nepal's Foreign Trade

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Nepal's Foreign Trade – A synopsis

(With special reference to FY 2024-25)

Situated between India and China, Nepal's external trade is largely shaped by geography and regional interdependence, with India serving as its dominant partner—accounting for nearly two-thirds of Nepal's international trade for over two decades. An open border, deep cultural and linguistic ties, and long-standing economic cooperation under the *Treaty of Trade* and *Treaty of Transit* facilitate seamless movement of goods and people through key customs points such as Birgunj-Raxaul, Biratnagar-Jogbani, Bhairahawa-Sunauli, Nepalgunj-Rupaidiha, and Mechi-Panitanki. These routes also provide Nepal access to global markets via Indian ports at Kolkata and Visakhapatnam. Though Nepal's trade pattern reflects dependency due to India's vast economy and Nepal's limited production base, it also showcases complementarities in energy and niche exports. Despite growing diversification with China and other countries through Tatopani and Rasuwa routes, Nepal's trade remains predominantly defined by its close and enduring economic relationship with India.

1. Composition and direction of foreign trade in aggregate in the past and in FY 2024/25

Direction of Foreign Trade of Nepal*					
(Rs. in million)					
Heading	2022/23 ^R	2023/24 ^R	2024/25 ^P	Percent Change	
	Annual	Annual	Annual	2023/24	2024/25
TOTAL EXPORTS	157,140.7	152,380.6	277,030.2	-3.0	81.8
To India	106,686.4	103,177.1	224,684.4	-3.3	117.8
To China	1,765.8	2,588.6	2,630.0	46.6	1.6
To Other Countries	48,688.5	46,614.9	49,715.8	-4.3	6.7
TOTAL IMPORTS	16,11,731.8	15,92,985.5	18,04,122.7	-1.2	13.3
From India	10,27,847.5	9,96,682.2	10,71,198.9	-3.0	7.5
From China	22,2715.9	29,8774.6	34,1104.6	34.2	14.2
From Other Countries	36,1168.3	29,7528.7	39,1819.2	-17.6	31.7
TOTAL TRADE BALANCE	-14,54,591.1	-14,40,604.9	-15,27,092.5	-1.0	6.0
With India	-92,1161.1	-8,93,505.1	-8,46,514.5	-3.0	-5.3
With China	-22,0950.1	-2,96,186.0	-3,38,474.6	34.1	14.3
With Other Countries	-3,12,479.8	-2,50,913.8	-3,42,103.4	-19.7	36.3
TOTAL FOREIGN TRADE (Import + Export)	17,68,872.5	17,45,366.1	20,81,152.9	-1.3	19.2
With India	11,34,533.9	10,99,859.2	12,95,883.3	-3.1	17.8
With China	2,24,481.7	3,01,363.3	3,43,734.6	34.2	14.1
With Other Countries	4,09,856.8	3,44,143.7	4,41,535.0	-16.0	28.3

Source: Nepal Rashtra Bank, Research Department.

1.1 Overall Trade Performance

Nepal's external merchandise trade in FY 2024/25 registered a notable rise in exports and a moderate increase in imports, indicating a shift in trade dynamics. Total foreign trade reached **Rs. 2,081.15 billion**, up by **19.2 percent** from the previous year. Exports amounted to **Rs. 277.03 billion**, while imports totaled **Rs. 1,804.12 billion**, resulting in a **trade deficit of Rs.**

1,527.09 billion. The overall **export-to-import ratio improved to 15.36 percent**, reflecting stronger export performance relative to imports.

	2022/23 ^R	2023/24 ^R	2024/25 ^P
1. Ratio of export to import (%)	9.7	9.6	15.4
India	10.4	10.4	21.0
China	0.8	0.9	0.8
Other Countries	13.5	15.7	12.7
2. Share in total export			
India	67.9	67.7	81.1
China	1.1	1.7	0.9
Other Countries	31.0	30.6	17.9
3. Share in total import			
India	63.8	62.6	59.4
China	13.8	18.8	18.9
Other Countries	22.4	18.7	21.7
4. Share in trade balance			
India	63.3	62.0	55.4
China	15.2	20.6	22.2
Other Countries	21.5	17.4	22.4
5. Share in total trade			
India	64.1	63.0	62.3
China	12.7	17.3	16.5
Other Countries	23.2	19.7	21.2
6. Share of export and import in total trade			
Export	8.9	8.7	13.3
Import	91.1	91.3	86.7

1.2 Trade with India

In FY 2024/25, India remained Nepal's largest trading partner, accounting for **62.27 percent of total trade**. Exports to India reached **Rs. 224.68 billion**, while imports stood at **Rs. 1,071.20 billion**, yielding a **bilateral trade deficit of Rs. 846.51 billion**. The **export-to-import ratio with India improved to 20.98 percent**, mainly due to the surge in **soybean oil exports**, which significantly boosted Nepal's export earnings. However, this also led to increased imports of **crude soybean oil** from third countries for re-export after processing.

1.3 Trade with China

In the same Fiscal Year, trade with China accounted for **16.52 percent** of Nepal's total trade. Exports to China were recorded at **Rs. 2.63 billion**, while imports reached **Rs. 341.10 billion**, resulting in an **export-to-import ratio of 0.77 percent**. The trade deficit with China further widened to **Rs 338.47 billion**, reflecting Nepal's growing dependency on Chinese goods and limited export competitiveness in the Chinese market.

1.4 Trade with Other (Third) Countries

Trade with other countries contributed **21.22 percent** of Nepal's total trade. Exports to these markets totaled **Rs. 49.72 billion**, while imports stood at **Rs. 391.82 billion**, resulting in an **export-to-import ratio of 12.69 percent** which accounts **Rs. 3,42,10 billion**.

1.5 Trend Synopsis

Over the past three fiscal years, Nepal's **export-to-import ratio** improved from **9.6 percent in FY 2023/24** to **15.4 percent in FY 2024/25**. The **share of exports in total trade** rose to **13.3 percent**, while imports continued to dominate at **86.7 percent**. India's share in total exports increased to **81.1 percent**, whereas China's fell below **1 percent**, and other countries accounted

for **17.9 percent**. On the import side, India's share declined slightly to **59.4 percent**, China's rose to **18.9 percent**, and other countries made up **21.7 percent**.

2. Composition of Commodity-wise Global Export of Nepal – Top 20 Items

The commodity composition of Nepal's exports in FY 2024/25 remains highly concentrated. The top twenty global export commodities together contributed **Rs. 205.87 billion**, representing about **74.31 percent** of total exports in FY 2024/25.

Global Exports of Major Commodities of Nepal for the last 3 Fiscal Years*								
(Rs. in million)								
S.N.	Heading	2022/23 ^R	2023/24 ^R	2024/25 ^P				
		Annual Total	Annual Total	Annual Total	% in Total Export	% of Export to India	% of Export to China	% of Export to Others
	Export Items	2022/23 ^R	2023/24 ^R	2024/25 ^P				
1	Soya bean Oil	8,475.99	901.80	106,790.82	39%	100%	-	-
2	Polyster Yarn & Thread	10,550.17	11,210.11	13,579.98	5%	100%	-	-
3	Woolen Carpet	11,503.49	10,570.74	10,773.44	4%	-	7%	93%
4	Zinc sheet	7,705.75	11,858.05	10,108.49	4%	100%	-	-
5	Jute Goods	7,241.10	6,755.78	8,222.94	3%	100%	-	-
6	Juice	6,629.80	8,658.69	7,703.78	3%	100%	-	-
7	Cardamom	8,255.98	7,936.62	7,674.04	3%	100%	-	-
8	Particle Board	4,704.13	7,415.32	7,099.65	3%	100%	-	-
9	Readymade Garments	5,839.11	6,294.50	5,810.19	2%	3%	3%	94%
10	Tea	3,930.18	3,611.64	4,567.97	2%	87%	-	13%
11	Oil Cakes	2,302.27	2,955.79	3,629.82	1%	100%	-	-
12	Pashmina	3,194.10	3,024.06	3,224.13	1%	3%	2%	95%
13	Textiles	2,377.83	2,542.39	3,091.28	1%	100%	-	-
14	Palm Oil	20,509.12	6,336.48	2,414.30	1%	100%	-	-
15	Noodles	2,296.09	1,966.22	2,377.21	1%	59%	1%	40%
16	Rosin	1,652.33	1,478.59	2,058.69	1%	100%	-	-
17	Shoes and Sandals	1,017.25	1,277.71	2,000.12	1%	100%	-	-
18	Herbs	1,844.05	1,921.16	1,939.11	1%	83%	-	17%
19	Medicine (Ayurvedic)	1,287.83	1,544.10	1,755.01	1%	100%	-	-
20	Musical instruments, parts and accessories	919.05	863.69	1,050.67	0%	0%	0%	100%
A.	TOP 20 Commodities	112,235.62	99,123.44	205,871.63	74%	74%		
B.	Others	44,905.07	53,257.17	71,158.58	26%	26%		
C.	Total Exports (A+B)	157,140.70	152,380.61	277,030.20	100%	100%		
D.	Other Exports**							
	Electricity	10,429.46	16,736.30	17,459.91				
	Aviation Fuel	16,019.51	13,245.12	14,148.55				

Notes:

Source: Nepal Rashtra Bank, based on Pragyapan Patra of Department of Customs

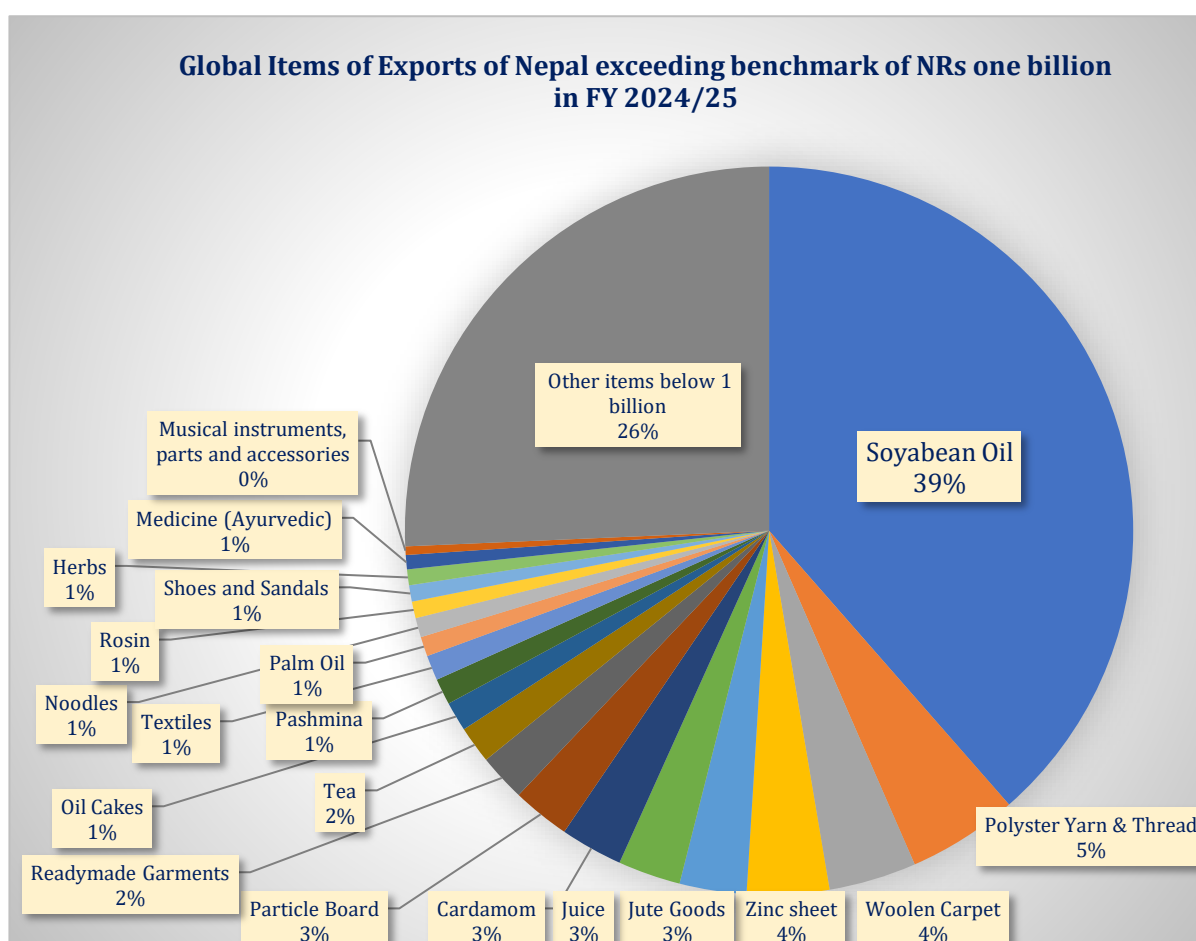
* Top 20 exports are selected from export of major commodities to India, China and Other Countries

** Not included in customs data

R= Revised, P= Provisional

Ranking of items are based on the export data for FY 2024/25.

Other leading items by value included **polyester yarn and thread, woolen carpet, zinc sheet, jute goods, juice, cardamom, particle board, readymade garments, tea, oil cakes, pashmina, and textiles**. Additionally, **electricity exports** amounted to **Rs. 17.46 billion** and **aviation fuel exports** reached **Rs. 14.15 billion**, both serving as significant contributors to foreign exchange earnings outside the merchandise export basket.



In FY 2024/25, Nepal's export composition remained highly concentrated, with thirteen India-bound commodities collectively accounting for about 66 percent of the country's total exports. These included soybean oil, polyester yarn and thread, zinc sheet, jute goods, juice, cardamom, particle board, oil cakes, textiles, palm oil, rosin, shoes and sandals, and Ayurvedic medicines.

Among them, soybean oil alone constituted approximately 39 percent of total exports, underscoring Nepal's pronounced dependence on a single product and exposing the economy to potential vulnerabilities arising from changes in external demand and trade policies in destination markets. Other significant contributors were polyester yarn and thread (5 percent), woolen carpet (4 percent), zinc sheet (4 percent), and jute goods (3 percent), which have shown relative stability over the past years. Additionally, herbs (83 percent exported to India), tea (87 percent to India), and noodles (59 percent to India) maintained strong market presence in India, although part of their shipments extended to China and other destinations, indicating limited diversification in market outreach. Overall, Nepal's export basket continues to be dominated by a narrow range of primary and semi-processed products with relatively modest value addition.

A notable inclusion among the top exports is **Musical Instruments, Parts and Accessories**, valued at **Rs. 1.05 billion**, which entered the list of major export items for the first time by exceeding the Rs. 1 billion benchmark and substantial in previous years as well. This growth may be attributed to Nepalese communities residing abroad importing traditional instruments to promote and celebrate Nepali culture and festivals overseas.

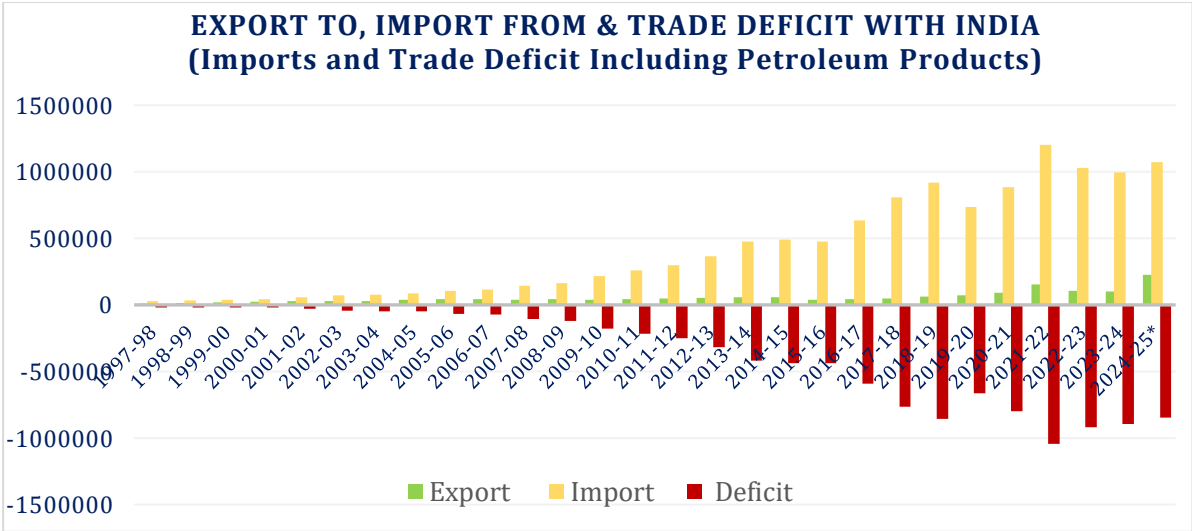
Regarding export of aviation turbine fuel (ATF), although Nepal does not produce it, it appears among the country’s major exports as fuel supplied to foreign airlines. The Nepal Oil Corporation (NOC) imports ATF from the Indian Oil Corporation (IOC) and refuels both domestic and international carriers at Nepali airports. As per international trade conventions, sales of fuel to foreign-registered aircraft are recorded as exports since payments come from non-resident entities. Thus, Nepal’s export of aviation fuel represents the re-export of imported ATF, reflecting its role in service-linked trade through international aviation.

Conversely, when Nepali carriers such as Nepal Airlines and Himalaya Airlines refuel their aircraft at foreign airports, those transactions are not included in Nepal’s merchandise imports since the fuel does not physically enter the country. Such purchases are recorded in Nepal Rastra Bank’s Balance of Payments under service imports, categorized as fuel and lubricants procured abroad by resident carriers. Therefore, these expenditures are outside the petroleum imports reported by the Nepal Oil Corporation.

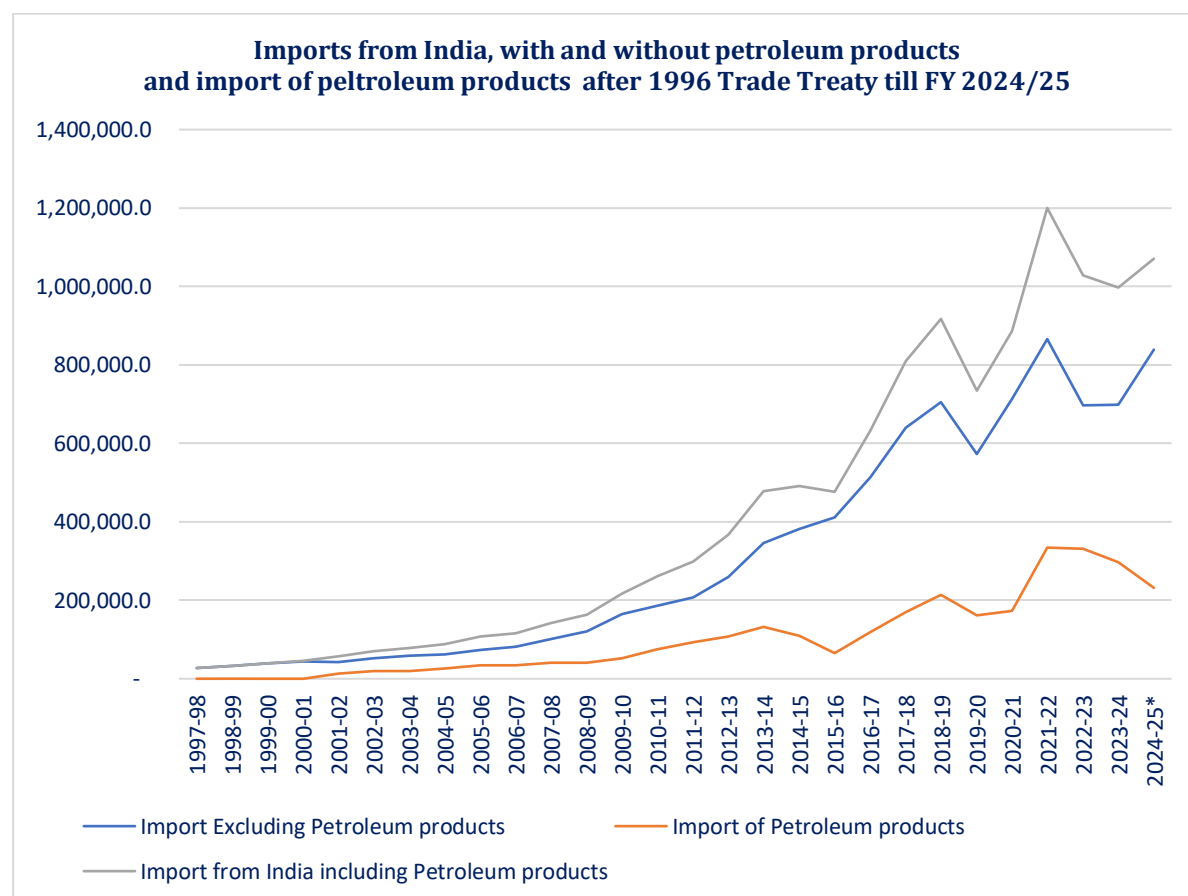
3. Trend of Global Foreign Trade

According to the statistics of the Department of Customs, Nepal’s foreign trade in FY 2024/25 expanded across **164 countries** worldwide. However, trade balances with most of these countries remained in deficit. During the year, Nepal’s trade was **favorable with 37 countries**, generating a **total trade surplus of Rs. 1.43 billion**. The most notable surpluses were recorded with **Afghanistan (Rs. 686 million)**, followed by **Denmark (Rs. 338.9 million)** and **Romania (Rs. 65.42 million)**. The remaining 34 countries reflected only marginal surpluses. In contrast, Nepal experienced **trade deficits with 127 countries**, resulting in an **overall trade deficit of Rs. 1,527.09 billion** for the fiscal year.

3.1 Trend of Nepal-India Trade



The chart shows Nepal's trade with India from FY 1997/98 to FY 2024/25, revealing a steady expansion in bilateral trade. Both exports and imports have grown over time, but imports have consistently exceeded exports, resulting in a persistent trade deficit.



From the mid-2000s onward, imports—especially of petroleum products and industrial goods—rose sharply, while exports increased more gradually. Recent years have seen notable growth in exports, particularly in refined products like soybean and palm oil, improving Nepal's export-to-import ratio. In FY 2024/25, exports to India reached **Rs. 224.68 billion** against imports of **Rs. 1,071.20 billion**, producing a **trade deficit of Rs. 846.51 billion**. Despite this imbalance, India remains Nepal's largest trading partner and the primary destination for Nepalese exports. The trend highlights the deep economic interdependence between the two countries and the need for Nepal to diversify exports and enhance value-added production.

3.2 Export Compositions of Nepal to India

Exports to India continued to dominate Nepal's export performance in FY 2024/25, accounting for about **83 percent of total exports** and amounting to **Rs. 224.68 billion**, a sharp rebound from the previous year. This surge was primarily driven by strong shipments of **soybean oil**, which alone represented nearly half of Nepal's total exports to India, followed by **polyester yarn (5%)**, **zinc sheets (4%)**, **jute goods (4%)**, **cardamom**, **particle boards**, and **juice**.

Traditional exports such as **tea** and **herbs** maintained modest yet steady growth. The concentration of high-value **agro-processed and industrial goods** toward India significantly boosted Nepal's overall export earnings and improved the bilateral export-to-import ratio. However, the dominance of **edible oils**, particularly soybean and palm oil, also exposes Nepal to fluctuations in India's import policy on crude and refined oils. Despite this vulnerability, the strong growth in FY 2024/25 reflects renewed **industrial activity and enhanced export facilitation**.

Exports of Major Commodities to India					
(Rs. in million)					
S.N.	Heading	2022/23 ^R Annual	2023/24 ^R Annual	2024/25 ^P Annual	% in Total In 2024/25
	A. Major Commodities	88,302.82	76,231.38	183,114.64	81%
1	Soyabean Oil	8,475.99	901.80	106,790.82	48%
2	Polyster Yarn	8,925.22	9,382.52	12,335.02	5%
3	Zinc sheet	7,705.75	11,858.05	10,108.49	4%
4	Jute Goods	7,241.10	6,755.78	8,222.94	4%
	<i>Jute Goods - Hessian</i>	<i>3,723.72</i>	<i>4,040.57</i>	<i>5,690.12</i>	Break-down item
	<i>Jute Goods - Sackings</i>	<i>3,517.38</i>	<i>2,715.21</i>	<i>2,532.82</i>	Break-down item
5	Juice	6,629.80	8,658.69	7,703.78	3%
6	Cardamom	8,255.98	7,936.62	7,674.04	3%
7	Particle Board	4,704.13	7,415.32	7,099.65	3%
8	Tea	3,436.88	3,093.41	3,983.29	2%
9	Oil Cakes	2,302.27	2,955.79	3,629.82	2%
10	Textiles	2,377.83	2,542.39	3,091.28	1%
11	Palm Oil	20,509.12	6,336.48	2,414.30	1%
12	Rosin	1,652.33	1,478.59	2,058.69	1%
13	Shoes and Sandals	1,017.25	1,277.71	2,000.12	1%
14	Medicine (Ayurvedic)	1,287.83	1,544.10	1,755.01	1%
15	Herbs	1,101.15	1,342.55	1,605.87	1%
16	Noodles	1,055.25	924.01	1,396.57	1%
17	Thread	1,624.95	1,827.59	1,244.96	1%
	B. Others	18,383.58	26,945.67	41,569.75	19%
	Total (A+B)	106,686.40	103,177.05	224,684.40	100%

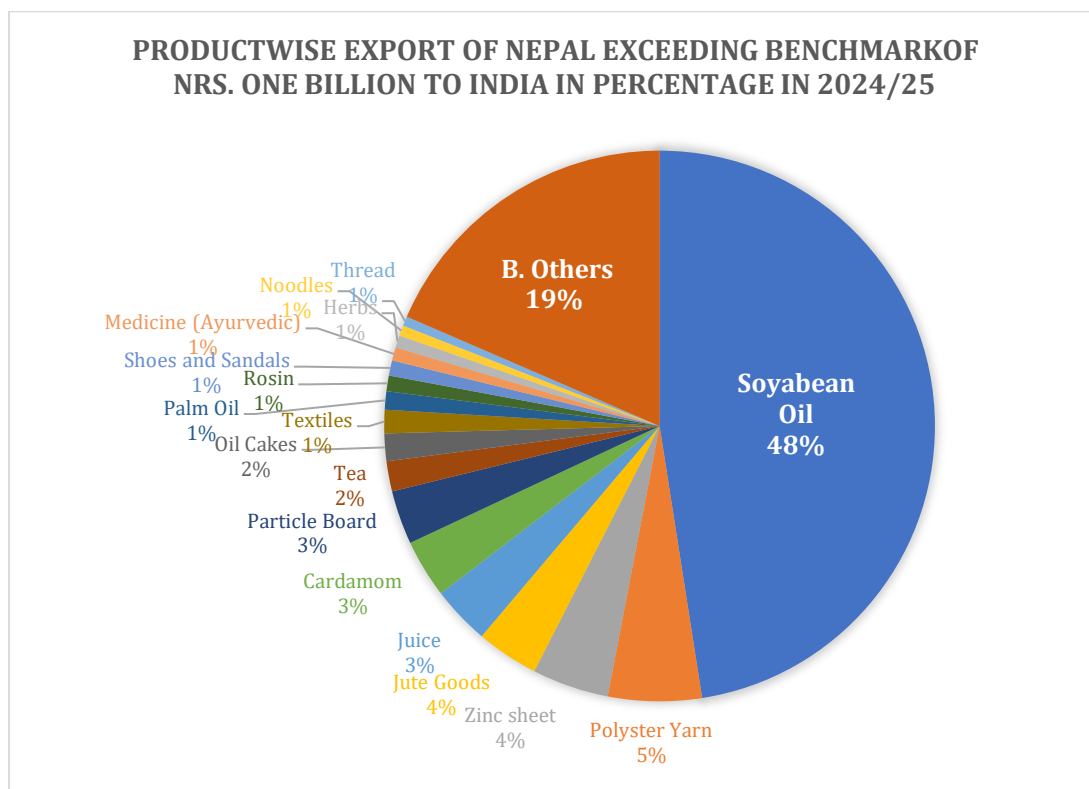
**** includes P.P. fabric**

R= Revised, P= Provisional

Ranking of import items are based on export figures of FY 2024/25 with export value exceeding NRs. one billion.

Jute Goods have been shown in totality of Hessian and Sackings, with breakdown as well; broken-down figures (in italics) in the table have not been recounted in total figure, counting the aggregate Jute goods only.

All 17 items except Soyabean oil and Palm Oil are regular export items, export of soyabean oil and Palm oil are fluctuating.



3.3 Export Compositions of Nepal China

Nepal's exports to China remained modest in FY 2024/25, totaling **Rs. 2.63 billion**, up slightly from **Rs. 2.59 billion in FY 2023/24** and **Rs. 1.77 billion in FY 2022/23**. Although small in absolute terms, these exports reflect a gradual upward trend. China accounted for only a **tiny fraction of Nepal's total exports**, highlighting the limited market scope and Nepal's niche presence in selected product categories.

Exports of Major Commodities to China					
(Rs. in million)					
S.N.	Heading	2022/23 ^R Annual	2023/24 ^R Annual	2024/25 ^P Annual	% in Total in 2024/25
	A. Major Commodities	1,083.8	1,114.1	1,238.6	47%
1	Woolen Carpet	200.0	391.6	717.0	27%
2	Handicraft (Metal and Wooden)	102.5	265.2	209.4	8%
3	Readymade Garments	167.7	160.1	150.4	6%
4	Pashmina	13.1	35.4	52.8	2%
5	Other handicraft goods	54.3	36.4	30.8	1%
6	Agarbatti	8.0	20.4	24.4	1%
7	Noodles	514.2	149.8	24.3	1%
8	Rudrakshya	22.3	27.2	20.4	1%
9	Tea	1.1	0.9	7.0	0%
10	Readymade Leather Goods	0.4	14.8	2.1	0%
11	Tanned Skin	-	12.2	-	0%
	B. Others	682.0	1,474.5	1,391.4	53%
	Total (A+B)	1,765.8	2,588.6	2,630.0	100%

R= Revised, P= Provisional

Ranking of import items are based on export figures of FY 2024/25.

The composition of exports to China reveals Nepal's competitiveness in **high-value traditional and artisanal goods**. **Woolen carpets** made up **27 percent** of total exports, followed by **metal and wooden handicrafts (8%)**, **readymade garments (6%)**, and **pashmina (2%)**.

Despite their small volume, these exports hold **symbolic and strategic importance**, representing Nepal's potential to expand into northern markets with high-quality traditional and craft-based products. However, the **export-to-import ratio with China remains extremely low**, underscoring a significant trade imbalance driven by large imports of **machinery, electronics, and industrial components**.

3.4 Export Compositions of Nepal other (third) countries

Exports to countries other than India and China totaled **Rs. 49.72 billion in FY 2024/25**, showing a **modest increase** from the previous year. These exports highlight Nepal's comparative advantage in **handmade, textile, and craft-based industries**, reflecting gradual diversification beyond the regional markets.

In terms of composition, **woolen carpets** remained the leading export item, accounting for **20 percent** of total exports to third countries, followed by **readymade garments (11%)**, **pashmina (6%)**, and other products such as **herbs, musical instruments, noodles, Nepalese paper products, and tea**. These items together form a **diverse but niche export portfolio**, driven by traditional skills and cultural artisanship.

The continued demand for Nepalese **handicrafts, textiles, and traditional goods** underscores Nepal's stable access to **specialty markets in Europe, North America, and parts of Asia**. However, the overall export value remains limited, indicating that Nepal's trade with third countries still faces **constraints in production capacity, logistics, and market access**, which must be addressed to sustain and expand diversification efforts.

Exports of Major Commodities to Other Countries					
(Rs. in million)					
S.N.	Heading	2022/23 ^R Annual	2023/24 ^R Annual	2024/25 ^P Annual	Share in Total Import from India in 2024/25
	A. Major Commodities	26,374	24,714	23,837	48%
1	Woolen Carpet	11,304	10,179	10,056	20%
2	Readymade Garments	5,444	5,935	5,463	11%
3	Pashmina	3,078	2,880	3,071	6%
4	Musical instruments, parts and accessories	919	864	1,051	2%
5	Noodles	727	892	956	2%
6	Nepalese Paper & Paper Products	684	641	641	1%
7	Tea	492	517	578	1%
8	Silverware and Jewelleries	644	418	439	1%
9	Herbs	743	579	333	1%
10	Tanned Skin	378	286	325	1%
11	Handicraft (Metal and Wooden)	463	328	292	1%
12	Readymade Leather Goods	331	375	237	0%
13	Other handicraft goods	677	461	225	0%
14	Pulses	492	359	170	0%
	B. Others	22,314	21,901	25,879	52%
	Total (A+B)	48,689	46,615	49,716	100%
<i>R= Revised, P= Provisional</i>					
<i>Ranking of import items are based on export figures of FY 2024/25.</i>					

4. Composition of Global Import of Nepal – Top 20 Items

The aggregate import picture for FY 2024/25 shows concentration in energy, transport equipment and parts, industrial machinery, and key industrial inputs that support domestic activity. Total imports were **Rs. 1,804.12 billion** in FY 2024/25. The top ten imported commodity lines accounted for a large share of total imports; among the largest individual import lines were petroleum products (**Rs. 287.79 billion**), crude soyabean oil (**Rs. 108.00 billion**), transport equipment and vehicle spare parts (**Rs. 96.22 billion**), and other machinery and parts (**Rs. 82.28 billion**). Other important import items by value included ferrous products, pharmaceuticals, telecommunication equipment and various intermediate goods required by domestic industries. These import categories underline the continued reliance of Nepal's domestic economy on energy and capital/intermediate goods sourced from abroad.

4.1 Global Imports of Nepal – 2024/25

Nepal's total imports reached Rs. 1,804.12 billion in FY 2024/25, up from Rs. 1,593 billion in the previous fiscal year, reflecting continued dependence on foreign supplies for both essential and capital goods. The import structure remained heavily dominated by energy, vehicles, and industrial inputs. Petroleum products were the single largest import item, accounting for 16 percent of total imports, followed by crude soybean oil (6 percent), vehicles and spare parts (5.3 percent), and machinery (4.6 percent). Imports of fertilizers, chemicals, and telecommunication equipment also remained significant. Notably, imports of electricity from India declined from Rs. 19.1 billion in FY 2022/23 to Rs. 11 billion in FY 2024/25, indicating an improvement in domestic power generation capacity.

Imports of Major Commodities of Nepal*					
					(Rs. in million)
S.N.	Heading	2022/23 ^R Annual	2023/24 ^R Annual	2024/25 ^P Annual	Share in Total Import from India in 2024/25
1	Petroleum Products	309,877.03	300,650.66	287,788.18	16.0
2	Crude Soya bean Oil	35,670.90	13,444.65	108,002.30	6.0
3	Transport Equip, Vehicle & Other Vehicle Spare Parts	61,799.77	78,010.48	96,223.61	5.3
4	Other Machinery and Parts	72,946.85	78,851.88	82,283.83	4.6
5	Ferrous products obtained by direct reduction of iron (Sponge Iron)	43,601.81	39,026.72	48,766.01	2.7
6	Medicine	47,658.35	45,904.02	46,355.20	2.6
7	Telecommunication Equipment and Parts	36,402.17	37,137.10	43,576.44	2.4
8	Rice/Paddy	36,404.31	22,098.29	39,817.52	2.2
9	Readymade Garments	24,480.22	33,263.47	38,859.88	2.2
10	Electrical Equipment	31,821.37	38,677.01	34,431.02	1.9
11	Textiles	26,002.64	30,924.35	32,925.02	1.8
12	Chemical Fertilizer	40,691.17	36,431.75	31,197.37	1.7
13	Edible Oil	18,711.67	18,238.84	29,624.93	1.6
14	Hot rolled sheet in coil	37,065.35	20,711.81	27,649.51	1.5
15	Coal	31,181.15	25,536.35	25,571.74	1.4
16	Electrical Goods	18,273.87	21,182.92	24,315.83	1.3
17	Thread	22,933.93	20,150.39	23,439.07	1.3
18	Gold	43,886.41	25,934.74	19,925.71	1.1
19	Chemical	16,094.90	15,701.19	18,733.88	1.0
20	M.S. Wire Rod, Bars, Coils & Others	9,512.04	9,939.46	15,949.74	0.9
A.	TOP 20 Commodities	965,015.90	911,816.08	1,075,436.80	59.6
B.	Others	646,715.87	681,169.45	728,685.94	40.4
C.	Total Imports (A+B)	1,611,731.77	1,592,985.53	1,804,122.73	100.0
D.	Other Imports**				
	Electricity	19,092.07	17,848.36	11,022.16	-

* Top 20 imports are selected from import of major commodities from India, China and Other Countries

** not included in customs data

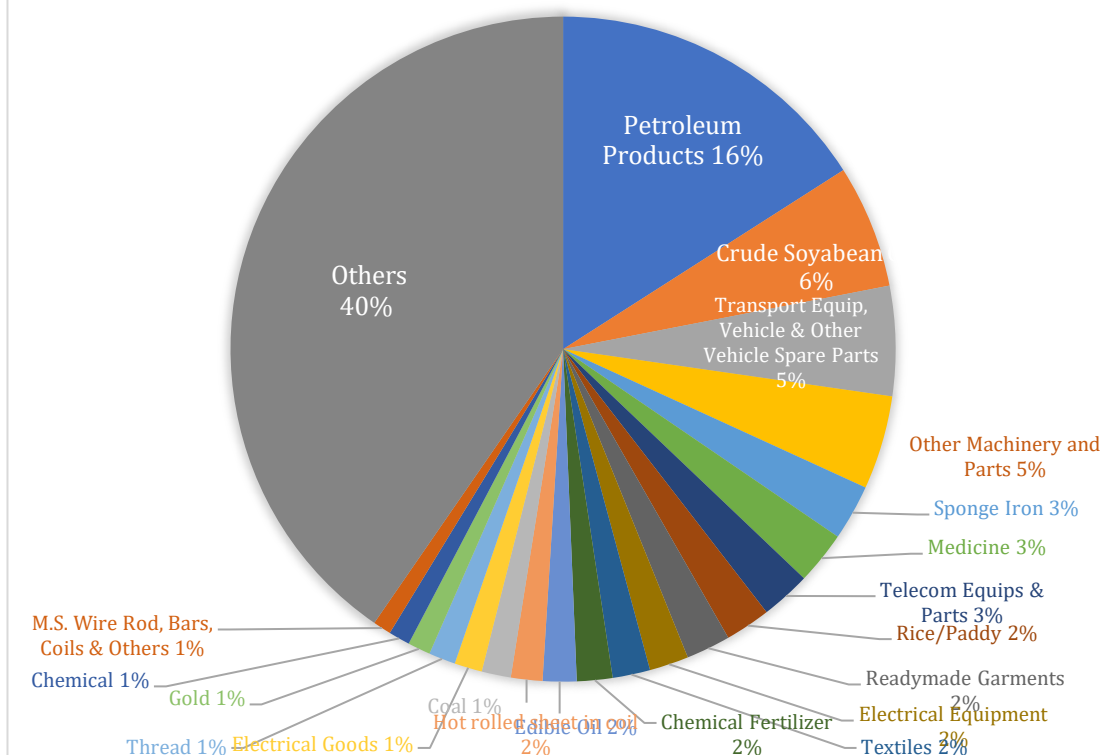
includes tyre, tubes and flaps

R= Revised, P= Provisional

Ranking of import items are based on import figures of FY 2024/25, exceeding benchmark of NRs one billion.

India continued to be the principal source of Nepal's imports, supplying a wide range of items including petroleum derivatives, foodstuffs, edible oils, vehicles, industrial machinery, and construction materials. Imports from India amounted to Rs. 1,071.20 billion, representing about 59.4 percent of total imports. This dominance reflects Nepal's long-standing trade and transit links with India, geographic proximity, and well-established supply chains.

TOP 20 GLOBAL ITEMS OF IMPORTS OF NEPAL IN 2024/25



Imports from China totaled **Rs. 341.10 billion**, constituting **18.9 percent** of total imports. They were primarily composed of electronics, machinery, manufactured components, and consumer goods. China's share in Nepal's import basket rose modestly, supported by expanding regional sourcing and increased availability of Chinese goods through northern border points and transit routes via India.

Imports from third countries amounted to **Rs. 391.82 billion** and included refined petroleum products, vehicles, fertilizers, chemicals, and specialized industrial equipment. Much of this trade was routed through Indian seaports and inland transit corridors, underscoring Nepal's continued reliance on India for global trade connectivity.

Overall, Nepal's import composition reveals a structural dependency on foreign suppliers for energy, industrial inputs, and consumer goods—an enduring feature that sustains the country's persistent trade deficit despite gradual improvements in domestic production capacity.

4.2 Imports of Major Commodities from India

India remains Nepal's largest import partner, supplying around **60 percent** of total imports, which reached **NPR 1,071.2 billion** in FY 2024/25. The top import item, petroleum products, accounted for **NPR 284.5 billion**, followed by vehicles and spare parts (**NPR 67.3 billion**), sponge iron, machinery, and rice/paddy. Imports of medicines, electrical equipment, and coal also featured prominently. The composition of imports underscores Nepal's reliance on India for essential consumer goods, industrial inputs, and construction materials. Declines in imports of gold, mild steel billets, and vegetables suggest adjustments in demand and production patterns. This dependency structure reinforces the economic interconnection between the two countries, with India functioning as Nepal's main trading and supply corridor.

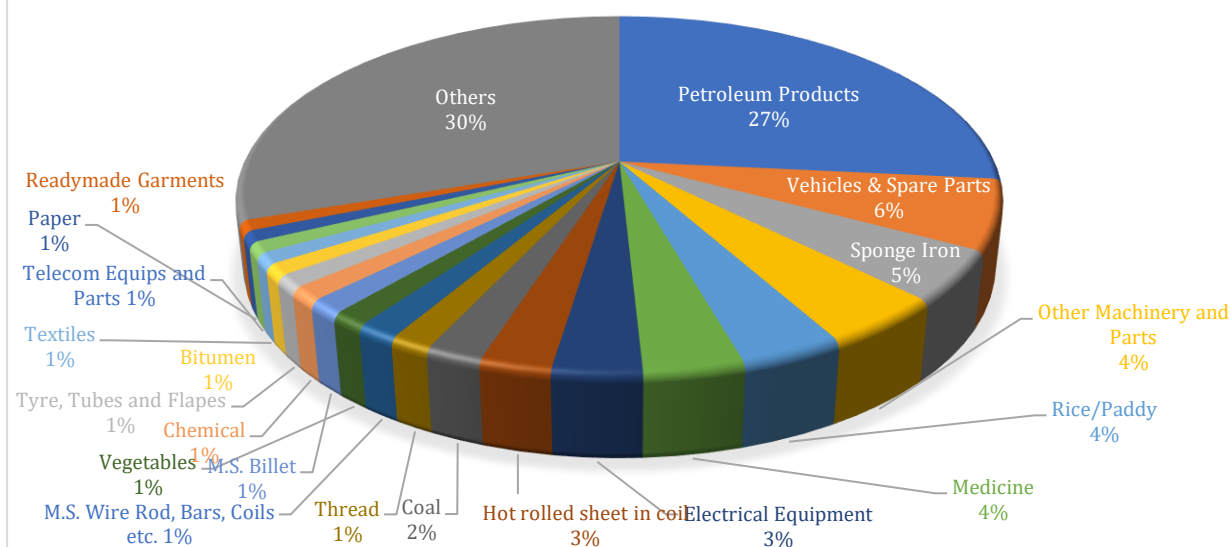
Imports of Major Commodities from India					
					(Rs. in million)
S.N.	Heading	2022/23 ^R	2023/24 ^R	2024/25 ^P	Share in Total Import from India in 2024/25
		Annual	Annual	Annual	
	A. Major Commodities	811,125.50	780,627.04	844,549.79	79%
1	Petroleum Products	307,078.02	297,637.66	284,489.59	27%
2	Vehicles & Spare Parts	40,230.81	51,904.59	67,254.11	6%
3	Ferrous products obtained by direct reduction of iron (Sponge Iron)	43,601.81	39,026.72	48,766.01	5%
4	Other Machinery and Parts	42,419.53	44,257.69	47,753.70	4%
5	Rice/Paddy	36,404.31	22,098.29	39,817.52	4%
6	Medicine	32,517.54	35,328.44	38,705.31	4%
7	Electrical Equipment	31,821.37	38,677.01	34,431.02	3%
8	Hot rolled sheet in coil	37,065.35	20,711.81	27,649.51	3%
9	Coal	20,902.03	19,573.71	21,916.21	2%
10	Thread	16,841.90	12,882.49	15,959.90	1%
11	M.S. Wire Rod, Bars, Coils & Others	9,512.04	9,939.46	15,949.74	1%
12	Vegetables	16,880.64	11,268.39	13,888.84	1%
13	M.S. Billet	21,135.66	13,851.90	13,832.48	1%
14	Chemical	11,287.26	11,622.62	13,144.51	1%
15	Tyre, Tubes and Flaps	9,122.75	11,128.48	12,057.81	1%
16	Bitumen	7,812.36	9,010.73	10,865.51	1%
17	Textiles	9,586.67	10,898.03	10,605.61	1%
18	Telecommunication Equipment and Parts	8,384.69	9,756.29	10,460.38	1%
19	Paper	10,215.45	9,987.26	10,196.19	1%
20	Readymade Garments	6,887.22	9,391.81	9,958.36	1%
21	Fruits	10,475.41	10,879.95	9,828.81	1%
22	Agri. Equip.& Parts	5,200.58	5,274.22	7,636.28	1%
23	Glass Sheet and G. Wares	6,931.10	6,233.28	7,570.34	1%
24	Polypropylene Granules	4,624.84	5,954.23	7,477.13	1%
25	Aluminum Bars, Rods, Profiles, Foil etc.	8,642.47	8,376.02	7,286.41	1%
26	Enamel & other paints	5,241.15	5,337.48	7,075.08	1%
27	Baby Food & Milk Products	7,593.20	7,043.05	5,953.95	1%
28	Plastic Utensils	5,068.27	4,817.66	5,161.31	0%
29	Insecticides	3,590.46	4,257.55	4,562.61	0%
30	Dry Cell Battery	3,334.65	3,760.94	4,227.52	0%
31	Cosmetic Goods	3,613.69	3,969.35	4,158.75	0%
32	Pipe and Pipe Fittings	5,699.84	5,196.31	3,863.40	0%
33	Tobacco	2,976.40	3,594.82	3,832.44	0%
34	Sanitary-ware	3,457.76	3,241.87	3,725.52	0%
35	Wire Products ,knot bolt, Handles, Lock	4,602.21	3,432.01	3,696.45	0%
36	Cumin-seeds and Peppers	2,036.50	2,612.57	3,036.47	0%
37	Salt	2,446.56	2,507.80	2,374.19	0%
38	Other Stationary Goods	1,537.30	1,545.24	1,562.79	0%
39	Radio, TV, Deck & Parts	1,990.44	1,281.60	1,349.69	0%
40	Incense Sticks	1,228.27	1,231.39	1,311.34	0%
41	Books and Magazines	1,127.01	1,126.30	1,156.97	0%
	B. Others	216,722.04	216,055.12	226,649.15	21%
	Total (A+B)	1,027,847.54	996,682.16	1,071,198.94	100%

R= Revised, P= Provisional

Ranking of the products based on import value of FY 2024/25 crossing the benchmark of export of NRs. One billion.

Source: Nepal Rashtra Bank, based on Customs pragyapanpatra.

TOP 20 ITEMS IMPORTS FROM INDIA IN 2024/25



4.3. Imports of Major Commodities from China

Imports from China have expanded significantly, growing from **NPR 222.7 billion in FY 2022/23** to **NPR 341.1 billion in FY 2024/25**. The major imports include **telecommunication equipment (9%)**, **readymade garments (8%)**, **machinery (7%)**, **textiles (6%)**, and **electrical goods (6%)**. The rise in imports of **computers, solar panels**, and **metal furniture** reflects the growing modernization of Nepal's economy and increasing consumer demand for durable and electronic goods. The trade data underline China's growing role as a source of industrial, electronic, and household goods, gradually complementing and competing with Indian imports. The trend also shows Nepal's growing technological and industrial import dependency on China.

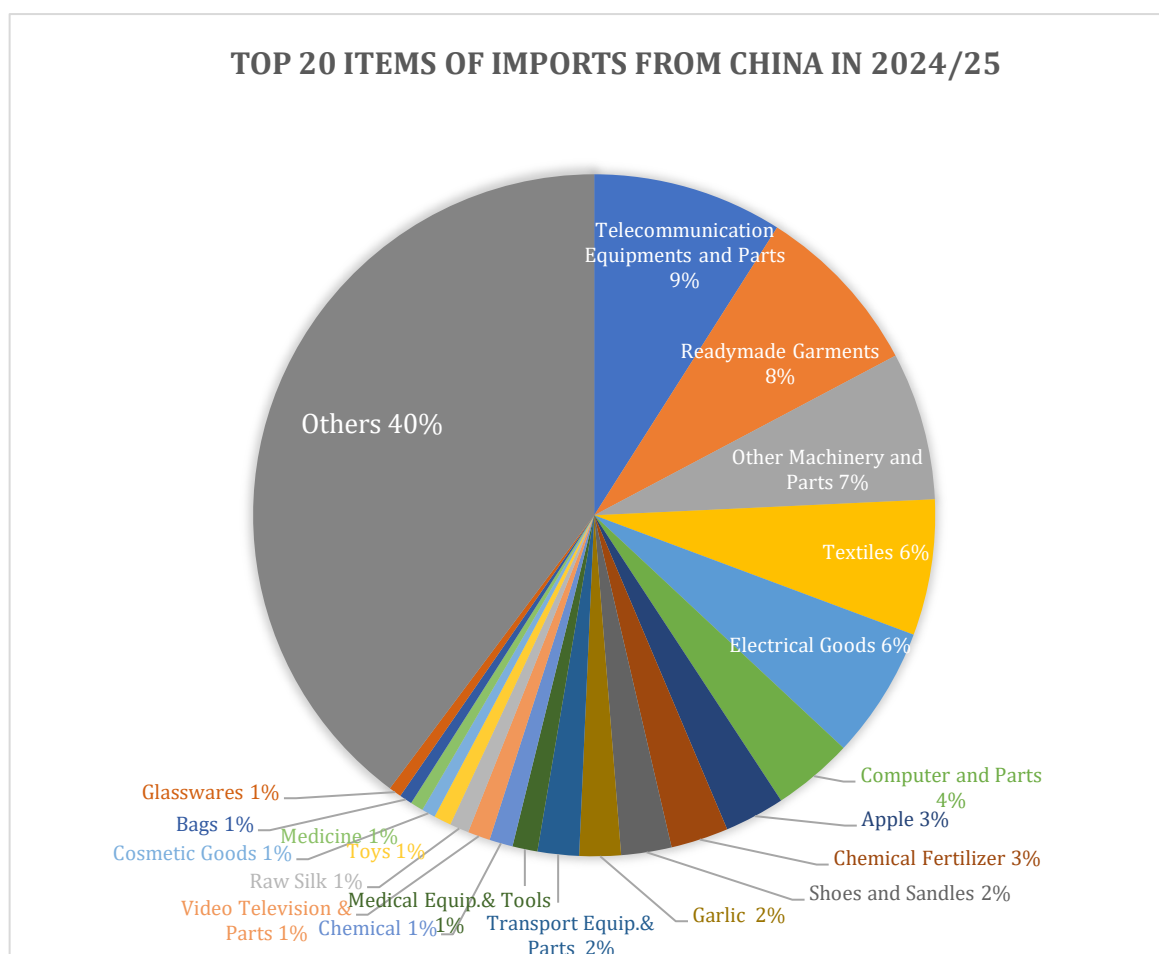
Imports of Major Commodities from China					(Rs. in million)
S.N.	Heading	2022/23 ^R	2023/24 ^R	2024/25 ^P	Share in Total Import from India in 2024/25
	A. Major Commodities	163,867.1	189,614.4	219,821.0	64%
1	Telecommunication Equipment and Parts	25,110.2	25,998.2	30,737.2	9%
2	Readymade Garments	16,673.7	23,084.8	28,084.0	8%
3	Other Machinery and Parts	19,142.9	24,458.7	23,902.5	7%
4	Textiles	15,688.8	19,740.9	21,975.8	6%
5	Electrical Goods	15,926.2	18,353.2	21,346.9	6%
6	Computer and Parts	9,956.9	10,883.5	13,013.5	4%
7	Apple	5,155.8	7,574.7	9,741.6	3%
8	Chemical Fertilizer	12,585.6	11,837.4	9,312.2	3%
9	Shoes and Sandles	6,131.9	8,277.1	8,141.7	2%
10	Garlic	1,104.7	2,223.9	6,700.0	2%
11	Transport Equip.& Parts	4,915.9	6,540.1	6,690.9	2%
12	Medical Equip.& Tools	4,897.2	2,940.6	4,043.0	1%
13	Chemical	3,180.2	2,619.8	3,791.9	1%
14	Video Television & Parts	3,715.9	3,227.7	3,619.9	1%
15	Raw Silk	2,748.4	2,697.0	3,088.1	1%
16	Toys	1,485.8	2,463.2	2,810.1	1%

17	Cosmetic Goods	1,011.7	1,866.8	2,223.5	1%
18	Medicine	1,059.1	1,355.9	2,087.4	1%
19	Bags	1,409.4	1,923.3	2,064.8	1%
20	Glassware	2,373.5	1,908.2	2,052.3	1%
21	Solar Panel	1,231.9	923.4	1,856.1	1%
22	P.V.C. Compound	383.4	655.0	1,624.5	0%
23	Camera	1,062.6	1,251.8	1,571.9	0%
24	Other Stationaries	1,117.9	1,230.5	1,382.1	0%
25	Pipe and Pipe Fittings	1,117.2	608.8	1,336.6	0%
26	Silver	85.0	15.9	1,320.8	0%
27	Ceramic Products	1,054.0	989.9	1,144.6	0%
28	Metal & Wooden furniture	942.8	1,613.1	1,133.2	0%
29	Office Equip.& Stationary	1,269.1	1,012.2	1,016.8	0%
30	Tyre, Tubes and Flaps	309.8	481.0	1,004.2	0%
31	Polyethylene terephthalate (Plastic pet chips/Pet Resin)	1,019.6	857.7	1,002.7	0%
	B. Others	58,848.8	109,160.2	121,283.5	36%
	Total (A+B)	222,715.9	298,774.6	341,104.6	100%

R= Revised, P= Provisional

Ranking of the products based on import value of FY 2024/25 crossing the benchmark of export of NRs. One billion.

Source: Nepal Rashttra Bank, based on Customs pragyapanpatra.

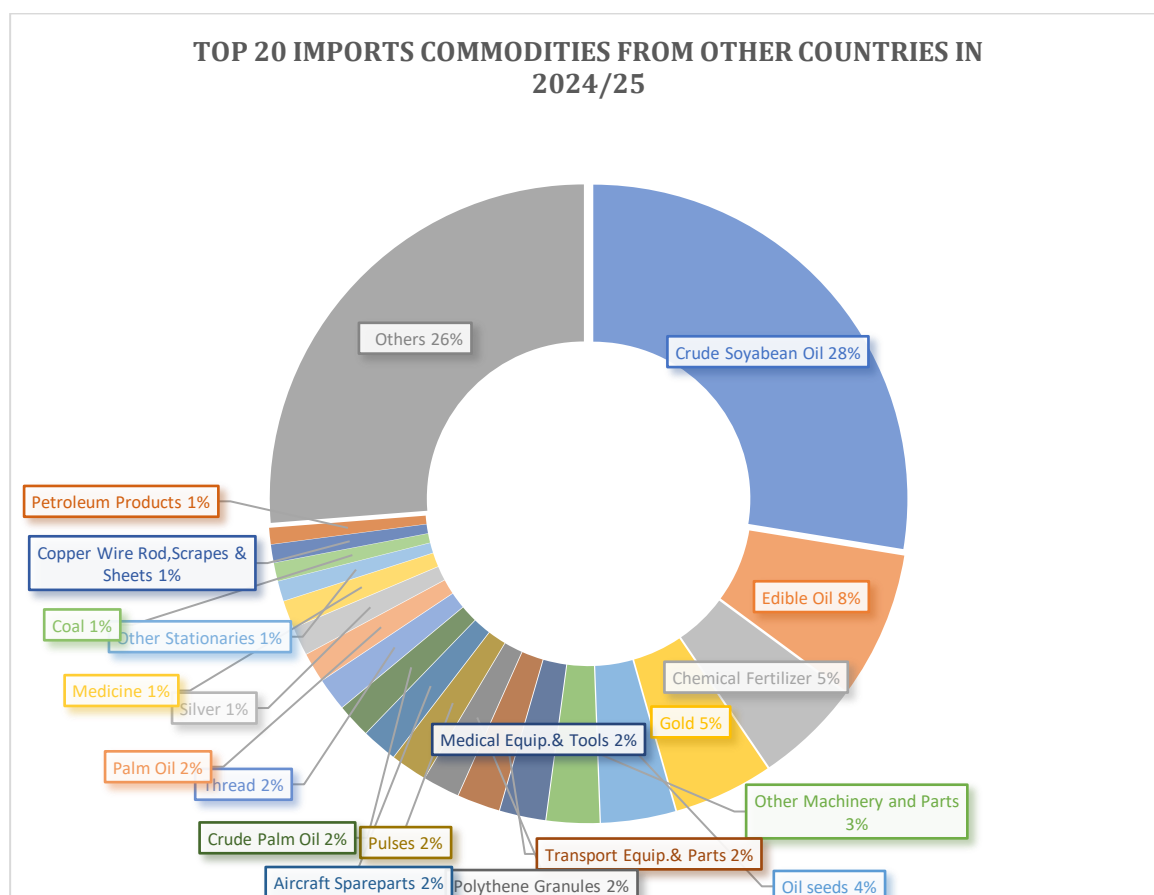


4.4. Imports of Major Commodities from Other Countries

Imports from other countries apart from India and China reached **NPR 391.8 billion** in FY 2024/25, showing notable growth compared to the previous year. The category is dominated by **crude soybean oil (28%)**, **edible oil (8%)**, **chemical fertilizers (5%)**, and **gold (5%)**. These are followed by imports of **oilseeds**, **machinery**, **medical tools**, and **transport equipment**. The significant rise in **crude soybean oil imports** — from **NPR 13.4 billion in 2023/24** to **NPR 108 billion in 2024/25** — indicates strong re-export-oriented processing, aligning with Nepal's increased exports of refined soybean oil to India. Imports of **silver**, **pulses**, and **chemical products** also remain relevant. This composition illustrates Nepal's dependence on the global market for raw materials and industrial inputs essential for domestic production and export processing.

Imports of Major Commodities from Other Countries					
(Rs. in million)					
S.N.	Heading	2022/23 ^R	2023/24 ^R	2024/25 ^P	Share in Total Import from India in 2024/25
	A. Major Commodities	290660.7	228918.8	325358.8	83%
1	Crude Soya bean Oil	35,670.9	13,444.6	108,002.3	28%
2	Edible Oil	18,711.7	18,238.8	29,624.9	8%
3	Chemical Fertilizer	26,732.5	24,123.6	21,087.5	5%
4	Gold	43,886.4	25,934.7	19,925.7	5%
5	Oil seeds	9,318.2	10,751.1	14,989.8	4%
6	Other Machinery and Parts	11,384.5	10,135.5	10,627.6	3%
7	Medical Equip.& Tools	8,454.3	10,484.0	9,220.5	2%
8	Transport Equip.& Parts	6,689.5	7,380.6	8,575.7	2%
9	Polythene Granules	11,777.3	7,654.9	7,347.0	2%
10	Pulses	6,821.7	5,272.6	7,287.2	2%
11	Aircraft Spare parts	5,697.0	13,406.0	7,111.9	2%
12	Crude Palm Oil	25,915.5	10,598.3	6,817.0	2%
13	Thread	5,177.6	5,350.3	6,566.3	2%
14	Palm Oil	2,720.3	2,176.1	5,959.7	2%
15	Silver	2,645.3	3,269.3	5,705.0	1%
16	Medicine	14,081.8	9,219.7	5,562.5	1%
17	Other Stationaries	3,589.6	4,159.1	4,030.6	1%
18	Coal	10,279.1	5,962.6	3,655.5	1%
19	Copper Wire Rod, Scrapes & Sheets	4,094.1	4,180.4	3,622.4	1%
20	Petroleum Products	2,799.0	3,013.0	3,298.6	1%
21	Electrical Goods	2,347.7	2,829.7	2,968.9	1%
22	Video Television & Parts	2,411.7	1,758.4	2,893.6	1%
23	Computer and Parts	1,831.6	1,847.4	2,811.9	1%
24	P.V.C. Compound	2,986.6	2,650.2	2,683.5	1%
25	Cosmetic Goods	1,643.9	1,967.5	2,488.9	1%
26	Peas	2,665.6	3,683.5	2,461.1	1%

27	Telecommunication Equipment and Parts	2,907.2	1,382.6	2,378.8	1%
28	Chemical	1,627.5	1,458.8	1,797.4	0%
29	Writing & Printing Paper	1,913.7	2,331.9	1,521.7	0%
30	Camera	733.9	877.3	1,418.1	0%
31	Glassware	747.6	1,166.2	1,319.7	0%
32	Office Equip.& Stationary	1,244.2	1,005.5	1,307.3	0%
33	Preparations, used in animals feeding	759.5	1,082.1	1,211.1	0%
34	Raw Wool	1,138.6	1,623.6	1,102.9	0%
35	Betel nut	1,494.5	689.0	1,044.3	0%
	B. Others	78,268.4	76,419.6	73,392.1	19%
	Total (A+B)	361,168.3	297,528.7	391,819.2	102%



5. Customs-wise international trade scenario

Nepal's landlocked geography shapes its customs and logistics profile. Nearly all trade with India is conducted overland via border customs points. For trade with third countries and China, about 85 percent in totality in both import and export moves by land transit through Indian seaports—principally Kolkata and Visakhapatnam—under established transit arrangements, while the remaining 15 percent is handled through air routes and northern border customs. Specifically, a substantial share of international trade value is processed at major southern customs offices in Birgunj, Biratnagar, Bhairahawa, Mechi and Nepalgunj; Tribhuvan International Airport accounts for the majority of airfreight value. Northern border points such as Rasuwa and Tatopani serve cross-border traffic with China but account for only a modest share of total trade value. This customs distribution underscores the primacy of land routes and Indian port transit in facilitating Nepal's access to global markets and the operational importance of a small number of high-throughput customs gateways.

Custom-wise Foreign Trade*									
(Rs. in billion)									
S.N.	Major Custom Points	2023/24	2024/25	% Change	% of share in export in 2024/25	2023/24	2024/25	% Change	% of share in import in 2024/25
1	Bhairahawa	13.68	20.92	52.9	7.6%	245.76	269.59	9.7	14.9%
2	Biratnagar	31.14	74.02	137.7	26.7%	168.30	210.42	25.0	11.7%
3	Birgunj Customs	31.13	101.84	227.1	36.8%	546.44	625.09	14.4	34.6%
4	Dry Port, Birgunj	5.03	5.50	9.37	2.0%	203.64	223.12	9.6	12.4%
5	Jaleshwor	3.72	3.71	-0.3	1.3%	10.61	9.55	-10.0	0.5%
6	Kailali Customs	0.83	1.15	38.8	0.4%	22.89	24.63	7.6	1.4%
7	Kanchanpur	0.02	0.01	-59.7	0.0%	1.71	1.82	6.7	0.1%
8	Krishnanagar	2.43	2.40	-1.2	0.9%	21.91	24.30	10.9	1.3%
9	Mechi Customs	24.40	25.14	3.0	9.1%	45.53	47.78	5.0	2.6%
10	Nepalgunj	2.42	3.21	32.5	1.2%	70.25	77.58	10.4	4.3%
11	Rasuwa **	1.74	2.05	17.8	0.7%	60.91	85.23	39.9	4.7%
12	Tatopani **	0.01	-	-	0.0%	40.34	50.40	24.9	2.8%
13	TIA Customs ***	34.35	36.12	5.1	13.0%	145.23	143.37	-1.3	7.9%
14	Others	1.48	0.98	-34.1	0.4%	9.47	11.26	18.8	0.6%
	Total	152.38	277.03	81.8	100.0%	1,592.99	1,804.12	13.3	100.0%

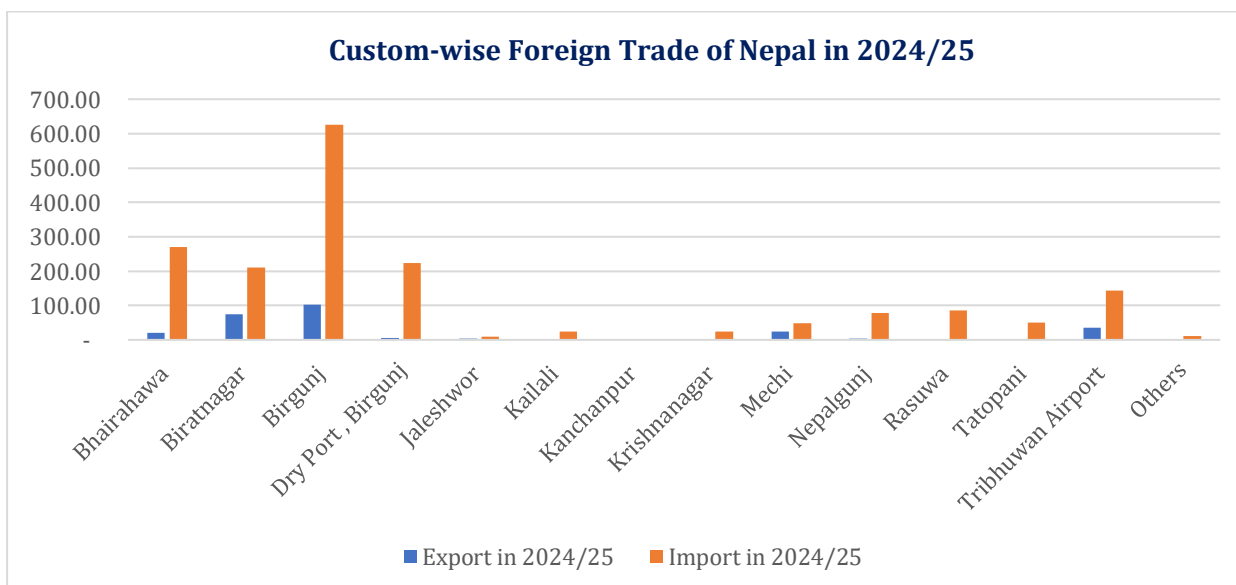
* Based on customs data

** Rasuwa and Tatopani Customs are for trade with china

*** Trade with other counties including China through Kolkata and Vishakhapatnam port of India)

Note: Except Tribhuvan Airport Customs, all other import and exports are through land route.

In FY 2024/25, land-route trade with India overwhelmingly dominated Nepal's commerce. Birgunj Customs remained the primary gateway, handling 36.8 percent of exports and 34.6 percent of imports, with exports surging by 227 percent. Biratnagar contributed 26.7 percent of exports (up 137.7 percent), while Bhairahawa also posted strong export growth of 52.9 percent. Collectively, these customs offices managed the majority of Nepal's trade, reflecting deep economic integration with India and the efficiency of overland logistics.



Trade with China, routed mainly through Rasuwa and Tatopani, showed gradual recovery but remained limited and import-heavy. Exports via Rasuwa rose by 17.8 percent, while imports increased 39.9 percent. Tatopani recorded no exports but a 24.9 percent rise in imports, indicating partial revival despite persistent logistical and climatic challenges and floods last year.

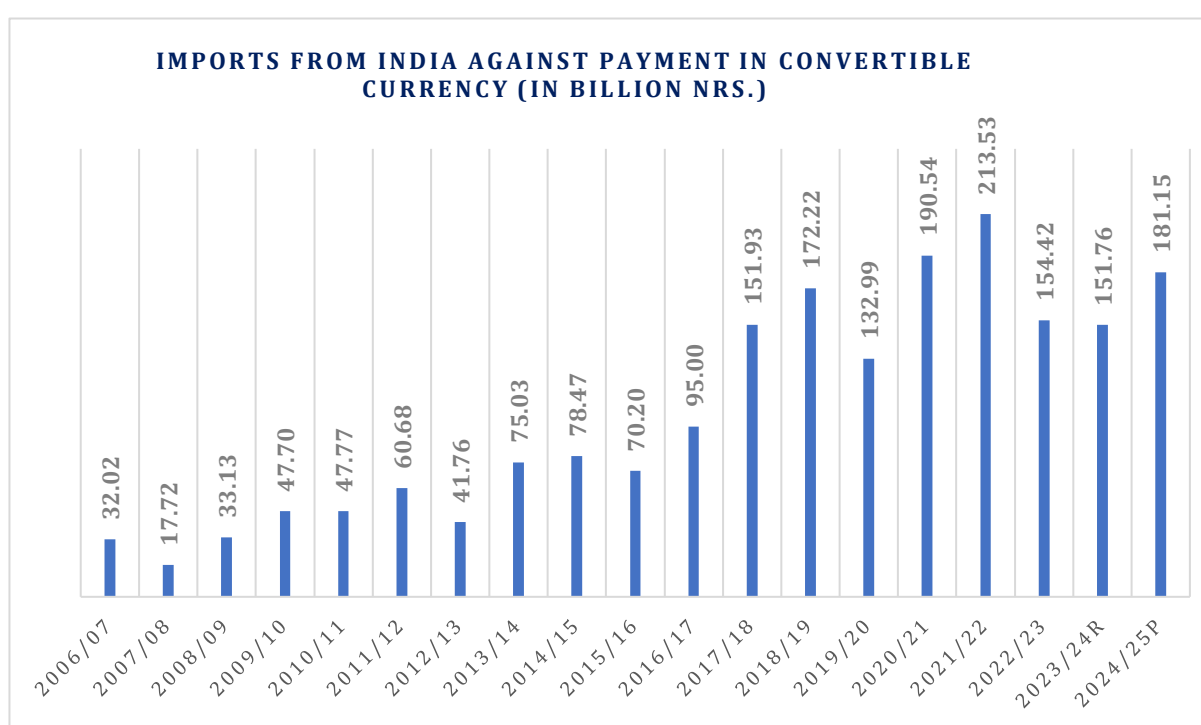
Tribhuvan International Airport continued to serve as the only conduit by air route for third-country trade, with exports rising by 5.1 percent (Rs. 36.12 billion) and imports declining slightly by 1.3 percent (Rs. 143.37 billion). Other two international airports at Bhairahawa and Pokhara are still not functional. The airport accounted for 13 percent of total exports and 8 percent of total imports, primarily handling high-value, low-volume goods such as jewelry, electronics, and pharmaceuticals.

When comparing imports through the airport with total imports from third countries, its share was about 49 percent in FY 2023/24 (imports through TIA amounted to Rs. 145.23 billion out of total third-country imports of Rs. 391.82 billion). However, this share fell to 37 percent in FY 2024/25 (imports through TIA Rs. 143.37 billion out of total third-country imports of Rs. 391.82 billion). This proportionate impact was mainly due to the heavy import of crude soybean oil from third countries via Indian seaport land routes.

The data reaffirm Nepal's heavy dependence on India for both markets and transit, with only gradual progress in diversifying through northern and third-country routes.

7. Imports from India in convertible foreign currency

A part of Nepal's overall imports from India is settled in convertible foreign currency rather than in rupee/rupee-clearing arrangements. The sheet on imports from India in convertible currencies records these transactions across commodity lines and periods; these convertible-currency transactions are concentrated in higher-value lines and items, mainly specialised industrial inputs, as permitted by Nepal Rashtra Bank and transacted through commercial banks of Nepal, subject to periodic review by the central bank.



8. Concluding observations

The FY 2024/25 trade numbers show a pronounced improvement in export receipts, concentrated largely in industrially processed and agro-processed goods shipped to India, and a continued heavy dependence on India for imports and transit. While exports expanded sharply, the scale of imports—especially in energy and capital goods—kept the overall trade deficit large in absolute terms. The high concentration of export value in a small number of items and in one market remains a defining feature of Nepal’s trade profile, although increasing exports to third countries and the emergence of new export lines signal early moves toward diversification. Customs and transit arrangements continue to shape the practical routing of trade, with most third-country trade moving through Indian ports and southern land customs points.