

Summary Results of the 2021 International Comparison Program



Size and Share in the Asia and the Pacific Region

The *Summary Results for Nepal* table (Annex 1) presents purchasing power parities (PPPs), price level indexes (PLIs), estimated gross domestic product (GDP) values, and other expenditure aggregates for Nepal from the 2021 International Comparison Program (ICP). The results are based on a comparison of 21 regional economies¹ of Asian Development Bank that participated in the 2021 ICP for Asia and the Pacific, with Hong Kong, China as the reference economy and Hong Kong dollar (HK\$) as the reference currency for spatial comparisons. Any reference to rankings of Nepal in this discussion is out of the 21 participating economies.

Among the 21 participating economies, Nepal has the 14th largest real GDP of HK\$821.3 billion (column 3), which is about 2.7 times of its nominal GDP at HK\$299.0 billion (column 8), indicating that the exchange rate is also about 2.7 times PPP at the GDP level. With a population share of 0.75% of the region, it contributes about 0.26% to the region's total real GDP (column 4), although this is much larger than its nominal share of 0.15% (column 9).

Household consumption drives Nepal's economy with a very high share of 83.20% (column 13) of its total nominal GDP, the second-highest nominal individual consumption expenditure by households (ICEH)—to—GDP ratio in the region, after Pakistan. With such a household consumption-based economy, Nepal's real ICEH share of the region is 0.43%, larger than its real GDP share of 0.26% and larger than the share of real gross fixed capital formation at 0.18% (column 4).

Per Capita Expenditures

Factoring in the population size of 29.06 million (10th most populous in the region), Nepal's per capita real GDP is estimated at HK\$28,263 (column 5), which is the second-lowest in the region after Cambodia, and is 34% of the regional per capita real GDP (column 7). The economy ranks 19th in both per capita real gross fixed capital formation (HK\$6,295) (column 5) and per capita real ICEH (HK\$24,560). It also registered the lowest per capita real expenditure for transportation (HK\$ 363) and education (HK\$ 2,651) with the corresponding per capita real index relative to the regional average of 100 of 8 and 48 respectively.

Purchasing Power Parities, Exchange Rates, and Price Levels

With the local currency of Nepalese rupees (NRs), Nepal's PPP at the GDP level of NRs5.53 = HK\$1 (column 1) is only 36% of the exchange rate of NRs15.20 = HK\$1, resulting in a low PLI for GDP level at 36 (with Hong Kong, China = 100) (column 14) or 57 (with Asia and the Pacific = 100) (column 15). This makes Nepal's average price level the third least expensive in the region after Bhutan (55) and Pakistan (55). Nepal posts the second lowest PLIs for the following components with regional PLI of 100: milk, cheese, and eggs (80); food products n.e.c. (74); health (39); communication (47); and machinery and equipment (82) (column 15). Meanwhile, Nepal registers the fourth-highest PLI with 114 for alcoholic beverages and 178 for the purchase of vehicles.²

¹ Twenty-one economies participated in the 2021 ICP in Asia and the Pacific: Bangladesh; Bhutan; Brunei Darussalam; Cambodia; the People's Republic of China; Fiji; Hong Kong, China; India; Indonesia; the Lao People's Democratic Republic; Malaysia; Maldives; Mongolia; Nepal; Pakistan; the Philippines; Singapore; Sri Lanka; Taipei, China; Thailand; and Viet Nam.

² A PLI rank of 1 implies most expensive, while a rank of 21 implies least expensive among the group of 21 participating economies for the expenditure component under consideration.

Annex 1: Summary Results for Nepal, 2021

Expenditure Category	Purchasing Power Parities (HK\$ = 1.00)	Real Expenditure		Per Capita Real Expenditure			Nominal Expenditure		Per Capita Nominal Expenditure			Nominal Expenditure Shares, (%)	Price Level Indexes		Expenditure (billion LCU)
		(HK\$ billion)	Economy Shares to AP, (%)	HK\$	Index (HKG = 100)	Index (AP = 100)	(HK\$ billion)	Economy Shares to AP, (%)	HK\$	Index (HKG = 100)	Index (AP = 100)		(HKG = 100)	(AP = 100)	
Gross Domestic Product	5.53	821.3	0.26	28,263	7	34	299.0	0.15	10,288	3	19	100.00	36	57	4,543.22
Actual Individual Consumption by Households ^a	5.12	765.8	0.42	26,353	10	55	258.0	0.25	8,879	3	33	86.30	34	60	3,920.95
Food and nonalcoholic beverages	6.01	382.5	0.95	13,163	55	127	151.3	0.70	5,205	22	93	50.59	40	74	2,298.42
Food	5.90	384.2	0.98	13,221	58	131	149.2	0.72	5,135	23	96	49.92	39	74	2,267.78
Bread and cereals	6.93	119.5	1.62	4,113	159	216	54.5	1.28	1,875	72	171	18.22	46	79	827.88
Meat	6.42	44.2	0.64	1,522	20	85	18.7	0.42	643	8	56	6.25	42	66	283.89
Fish and seafood	6.45	9.0	0.23	311	8	31	3.8	0.20	132	3	27	1.28	42	88	58.33
Milk, cheese and eggs	5.85	47.3	0.91	1,629	153	121	18.2	0.72	627	59	96	6.10	39	80	277.08
Oils and fats	8.57	21.5	1.60	739	349	213	12.1	1.30	417	197	173	4.05	56	81	183.96
Fruit	5.59	19.9	0.43	686	32	57	7.3	0.36	252	12	48	2.45	37	83	111.29
Vegetables	3.98	90.7	1.43	3,120	176	191	23.8	0.90	818	46	119	7.95	26	62	361.11
Sugar, jam, honey, chocolate and confectionery	6.50	14.3	1.15	493	71	153	6.1	0.89	211	31	119	2.05	43	78	93.12
Food products n.e.c.	5.68	12.5	0.48	431	19	64	4.7	0.36	161	7	48	1.57	37	74	71.12
Nonalcoholic beverages	8.76	3.5	0.28	120	8	38	2.0	0.23	69	5	31	0.67	58	82	30.64
Alcoholic beverages, tobacco and narcotics	10.03	17.9	0.51	616	38	68	11.8	0.45	407	25	61	3.95	66	89	179.53
Alcoholic beverages	20.70	5.8	1.04	200	25	139	7.9	1.19	272	34	158	2.65	136	114	120.28
Tobacco and narcotics	5.02	11.8	0.29	406	50	38	3.9	0.20	134	17	27	1.30	33	70	59.24
Clothing and footwear	6.67	17.8	0.32	612	5	42	7.8	0.17	268	2	22	2.61	44	53	118.45
Housing, water, electricity, gas and other fuels ^a	3.52	143.5	0.35	4,939	11	46	33.2	0.21	1,144	3	28	11.12	23	60	505.25
Furnishings, household equipment and routine household maintenance	6.88	10.5	0.21	363	3	28	4.8	0.13	164	1	17	1.60	45	61	72.48
Health ^a	2.12	93.0	0.37	3,199	12	50	12.9	0.14	445	2	19	4.33	14	39	196.67
Transportation	10.19	10.5	0.06	363	3	8	7.1	0.07	243	2	10	2.36	67	116	107.35
Purchase of vehicles	17.21	3.9	0.08	134	5	11	4.4	0.15	152	6	20	1.48	113	178	67.09
Transport services	7.58	3.0	0.07	103	2	9	1.5	0.06	51	1	8	0.50	50	97	22.65
Communication	4.82	11.5	0.27	397	5	36	3.7	0.12	126	1	17	1.22	32	47	55.52
Recreation and culture ^a	6.57	12.7	0.33	438	2	44	5.5	0.18	189	1	25	1.84	43	55	83.64
Education ^a	2.32	77.0	0.36	2,651	14	48	11.7	0.11	404	2	15	3.93	15	30	178.55
Restaurants and hotels	6.00	8.6	0.12	297	2	15	3.4	0.07	117	1	9	1.14	39	56	51.82
Miscellaneous goods and services ^a	6.80	13.5	0.07	464	1	9	6.0	0.04	208	0	6	2.02	45	60	91.76
Net purchases abroad	15.20	-1.2	-1.32	-42	n.a.	-175	-1.2	-1.32	-42	n.a.	-175	-0.41	100	100	-18.51
Individual Consumption Expenditure by Government	3.81	37.0	0.20	1,274	7	26	9.3	0.08	320	2	11	3.11	25	40	141.12
Collective Consumption Expenditure by Government	5.87	40.3	0.16	1,388	5	22	15.6	0.09	536	2	12	5.21	39	54	236.90
Gross Capital Formation	7.33	263.9	0.25	9,083	14	33	127.4	0.16	4,384	7	22	42.61	48	65	1,935.79
Gross fixed capital formation	7.35	182.9	0.18	6,295	10	24	88.5	0.12	3,046	5	16	29.60	48	66	1,344.96
Machinery and equipment	14.18	33.2	0.20	1,141	8	27	31.0	0.17	1,065	7	22	10.35	93	82	470.42
Construction	4.48	165.2	0.18	5,686	14	24	48.7	0.10	1,676	4	14	16.29	29	57	740.00
Other products	14.33	9.4	0.11	323	4	15	8.9	0.09	305	4	12	2.96	94	80	134.54
Changes in inventories	8.02	73.6	2.52	2,534	-984	337	38.8	1.59	1,337	-519	212	12.99	53	63	590.30
Acquisitions less disposals of valuables	15.20	0.0	0.01	1	n.a.	1	0.0	0.01	1	n.a.	1	0.01	100	100	0.53
Balance of Exports and Imports	15.20	-102.0	-2.20	-3,511	-16	-294	-102.0	-2.20	-3,511	-16	-294	-34.13	100	100	-1,550.41
Individual Consumption Expenditure by Households ^b	5.30	713.7	0.43	24,560	10	57	248.7	0.27	8,559	3	36	83.20	35	63	3,779.83
Individual Consumption Expenditure by Households without Housing ^b	5.74	588.8	0.43	20,260	10	57	222.4	0.27	7,651	4	36	74.37	38	64	3,378.87
Government Final Consumption Expenditure	4.88	77.5	0.18	2,666	5	24	24.9	0.08	856	2	11	8.32	32	47	378.01
Domestic Absorption	5.64	1,079.7	0.34	37,153	10	45	401.0	0.20	13,799	4	27	134.13	37	59	6,093.63
Total Consumption	5.14	809.0	0.39	27,840	9	52	273.6	0.23	9,415	3	30	91.52	34	58	4,157.84

Reference Data

Exchange rate (LCU / HK\$)	15.20
Total Population (in million)	29.06
Population Share to AP (%)	0.75

0 or 0.0 = magnitude is less than half of the unit employed.

^a Includes individual consumption expenditure by households, nonprofit institutions serving households, and government.

^b Includes expenditure by nonprofit institutions serving households.

Notes:

1. Each real aggregate value is derived by using a purchasing power parity that is specific to that aggregate, so real aggregates may not sum up to the total of their real components for an economy.

2. Expenditure aggregates presented in local currency units are the best possible estimates provided by the participating economies, using most recent available data sources, and some of these aggregates may be different from the published expenditure estimates by the economies.

3. Data for mid-year population estimates and exchange rates were supplied by the participating economies for the International Comparison Program.

Source: Asian Development Bank estimates.