

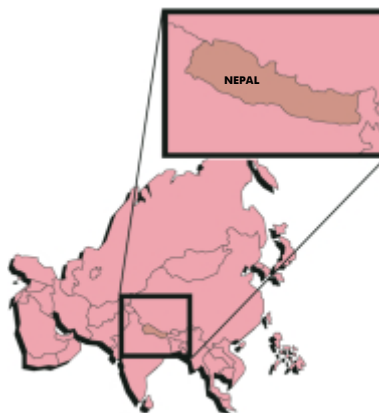
NEPAL COUNTRY PROFILE

The Kingdom of Nepal is situated in South Asia, on the southern slopes of the Himalayan mountain range, and lies between India and China. Eight of the world's ten tallest peaks, including the highest Mt. Everest, are located in Nepal. Administratively, Nepal is divided into 75 districts. The lowest administrative division is the Village Development Committee (VDC) of which there are some 4000.

The population of Nepal is estimated at around 23 million for mid-year 2000. Kathmandu, the capital, accounts for four per cent of the country's population. Around 90 per cent of Nepalese reside in rural areas. Nepal is a Hindu kingdom – the only officially Hindu country in the world. The official language is Nepali spoken by about half the population; more than a dozen other languages are also used. English is understood by business and government leaders and in tourist establishments.

Nepal is classified as a least developed country (LDC) with a per capita income, measured in purchasing price parity, of USD 1180 in 1998.

The history of telecommunications in Nepal is relatively recent. A line between Kathmandu and the Indian border was opened in 1914, but it was not until 1955 that the capacity of the local exchange in Kathmandu reached 300 lines. The first satellite earth station was installed in 1982. Major growth has occurred since 1995. The acceleration is mainly due to a World Bank loan, introducing transparent tendering which has increased the number of lines that can be purchased for the same price by threefold. In the latter half of the 1990s, Nepal has grown as fast, if not faster, than any other country in the South Asia region – despite the absence of foreign investment. An im-

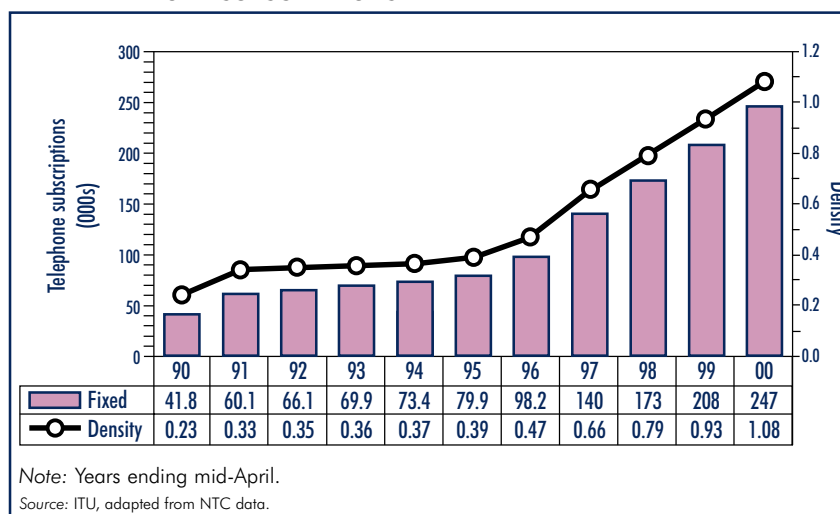


portant milestone was reached in 1999 when teledensity reached one line per 100 inhabitants. Telephone service is available in all 75 districts, of which 65 have their own telephone exchange while the rest are served by satellite and other wireless technologies. There is still a large challenge to provide the telecommunication service in this mountainous and rural

try of Information and Communications and is regulated under the terms of the 1997 Telecommunications Act. The Act established a regulatory body, the Nepal Telecommunications Authority. The Nepal Telecommunications Corporation (NTC) is the incumbent public telecommunications operator and, until recently, held a monopoly over all aspects of telecommunications in the Kingdom. NTC is fully State-owned, though there are plans to privatize the company. It is also intended to license a wireless local loop operator. NTC started the GSM mobile service in May 1999 and had 6536 subscribers as of mid-June 2000. There are plans to license a second mobile operator.

Nepal's Internet market got a boost in mid-1999 when Internet Service Providers (ISP) were allowed to have their own international gateways. Prices dropped to the lowest level in

FIXED TELEPHONE SUBSCRIPTIONS IN NEPAL



nation as around two-thirds of all telephones are in the Kathmandu area. There are more than 275 000 on the waiting list. Some 60 per cent of VDCs are waiting for telephone service.

Telecommunications in Nepal falls under the responsibility of the Minis-

try of Information and Communications. By January 2000, eight ISPs were serving some 9000 subscribers and an estimated 35 000 users. Nepal is one of the ITU Internet Case Studies. Additional information about this country can be found at www.itu.int/ti/casestudies. ■