The World Bank interviewed 482 firms during February and June 2013 across Nepal. The Enterprise Survey covers several topics of the business environment as well as performance measures for each firm. Below are the main highlights from the survey.

**Compared to four years ago, firms in Nepal are performing at comparable levels**

The chart compares the performance of Nepali firms in 2009 and in 2013 by three performance measures: sales, employment, and labor productivity. Firms are performing at comparable levels compared to four years ago. However, Nepali firms perform slightly better in terms of annual employment growth compared to 2009. These figures are derived from all firms in each of those years (not from the subset of firms that were interviewed in both years).

**The average wait times for obtaining permits and licenses are shorter in Nepal compared to other countries**

The survey data indicate that Nepali firms do not face major regulatory inconveniences when it comes to applying for operating or import licenses. Even the wait time for a construction-related permit is on average shorter compared to the regional and global averages. On average, only 6 days and 27 days are needed for firms in Nepal to obtain an import license and a construction-related permit, compared to 19 days and 68 days, respectively, across all countries.

**Firms in Nepal report higher rates of female participation**

Looking at the female participation both in terms of ownership or management and also workforce participation, Nepali firms have higher participation rates compared to their South Asian peers. More than 15 percent of firms in Nepal have a female top manager, which is more than two times the percentage of firms in the South Asia region.
**Firms in Nepal are compensating for the poor electricity infrastructure through the use of generators**

The chart compares the usage of generators compared to other countries. **Lack of electricity** is an issue across the entire South Asia region yet firms in the Nepal appear more affected compared to other countries. Both the losses due to electrical outages and the usage of generators are greater for Nepali firms compared to other countries. These evidence-based statistics confirm that electricity is a severe obstacle as indicated by the above figure which is opinion-based.

**Small firms in Nepal require higher collateral values for loans compared to larger firms**

Across all countries, when it comes to loans, Nepali firms report some of the highest collateral requirements. This chart compares the ratio of collateral requirements relative to the amount of the loan across different firm sizes. All size categories of Nepali firms report higher values of collateral requirements compared to other firms in South Asia and globally. Nevertheless, the requirements are considerably greater for small Nepali firms.

**The Nepali private sector considers political instability as the biggest business environment**

Among fifteen areas of the business environment, firms in Nepal are more likely to rate political instability to be the biggest obstacle to their daily operations. Almost half of all firms rank political instability as their top obstacle. Electricity and access to finance are the second and third highest-ranked obstacles. Only two other economies with Enterprise Survey data rank political instability as highly as Nepal: Lebanon and Fiji.