

## National Contribution

### Contribution to Gross Value Added

**USD662 million**

(3.2% of the nation's GDP)



Operational Direct GVA

**USD379 million**



Capital Investment

**USD27 million**



Operational Indirect and Induced GVA

**USD134 million**



Productivity GVA

**USD123 million**

### Direct Employees

**536**

Staff

Total Employees



**24% Female**



**99% Nepal Citizens**

### Total Jobs Supported

**108,881**

Jobs



Directly Employed

**536**



Outsourced

**1,150**



Supported Indirectly - Operations

**89,345**



Supported Indirectly - Capital Investment

**17,850**

### Capital and Operational Expenditure

**USD258 million**

in 2016



Capital Expenditure

**USD61 million**



Operational Expenditure

**USD196 million**

Every

**USD1**

Spent on Capex and Opex

translated to

**USD2.3**

GVA Contribution

Contributed

**USD369**

million in taxes in 2016

(7.7% of the total tax revenue of the Nepali Government)

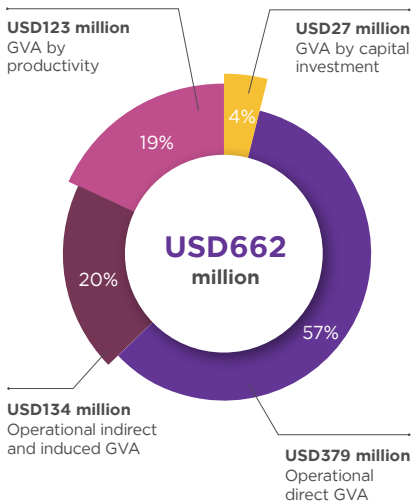
Ncell Private Limited has been in operation in Nepal since 2004 as the first private mobile service provider in the country. Ncell provides services of international quality with a local touch. Most of the employees of Ncell are Nepali and its services are designed to meet the needs of local society.

Nepal has achieved remarkable progress since 2006. Poverty has reduced considerably, with the country having halved the number of people living on less than USD1.25 a day, from 53% in 2003-2004 to 25% in 2010-2011.

Nepal is making progress in education, health care and gender equality and continues to hold significant economic potential in spite of the devastating earthquake that occurred in 2015. Mobile penetration rate continues to grow at a relatively strong rate despite the growing maturity of the market. The current mobile penetration rate stands at about 115% and is expected to grow over the next four years to 132% by 2020.

# NATIONAL CONTRIBUTION REPORT

**Figure 1: GVA contribution to Nepal's economy 2016**



### Economic and Financial Contributions

Ncell contributed USD662 million in Gross Value Added (GVA) to the Nepal economy in 2016 (see Figure 1). This comprised direct operational contributions of USD379 million, indirect operational contributions of USD134 million, capital investment contributions of USD27 million and productivity contributions of USD123 million. The total GVA of USD662 million was derived from Ncell's total opex and capex of USD196 million and USD61 million respectively, and the 8.4% increase in the mobile penetration rate. Every USD1 spent by Ncell in Nepal through its operations and capital investment translated into USD2.3 in GVA in 2016.

### Investing and Innovating for the Long Term

Ncell made capital investments totalling USD61 million in 2016. With USD34 million invested in Nepal, based on the assumption that 55% of total capital investments were made within the country, USD25 million GVA was generated and 17,850 jobs created. Capital investment plays a significant role in enhancing the company's competitiveness and contributing to Nepal's economy.

### Contributions to Public Finance

Ncell contributed USD369 million in taxes to the Nepal Government, accounting for 7.7% of the country's total tax revenue. Ncell has been recognised by the Government of Nepal as the largest income taxpayer of the country in FY2012-2013 and 2013-2014.

Ncell contributes to the Government treasury in the form of License Fees, Telephone Service Tax, Ownership Tax, Value Added Tax, Withholding Tax, Income Tax, Royalty, Frequency Fee and Rural Telephone Development Fund.

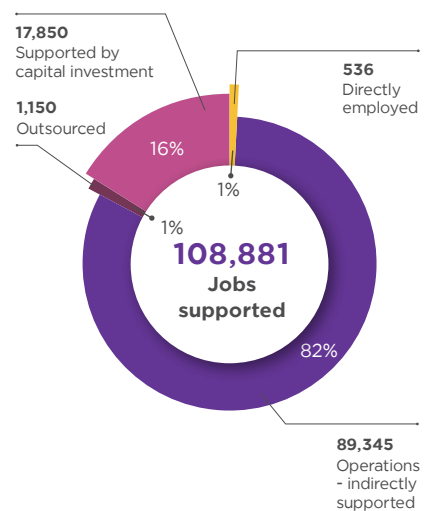
### Talent Development

Ncell provided 536 direct jobs in 2016 of which 99% of the employees were Nepalese (see Figure 2). About 24% of Ncell employees were women. Ncell's operations also indirectly supported an additional 89,000 jobs and outsourced a further 1,150. Its capital investments, meanwhile, supported 17,850 jobs.

### In Support of the National Agenda

Education and Agriculture are national priorities under the Nepal Government's National Agenda. They were selected because of the substantial benefits they would gain from the growth of mobile connectivity and the use of digital technology. These areas represent opportunities for Ncell to play a role in advancing Nepal's national goals and to contribute to society. The following section provides an overview of these national priorities and Ncell's contribution towards them.

**Figure 2: Total employment impact 2016**



Note: As a % of total GVA contribution; Numbers may not balance due to rounding

- Introduction
- Beyond Short-Term Profits
- Nurturing People
- Process Excellence & Governance
- Planet & Society
- Our Associates

# NATIONAL CONTRIBUTION REPORT

## Education

*Education - Shaping the future of the nation*

Education will play a crucial role in the development of Nepal by fighting poverty, creating more job opportunities and facilitating economic growth.

Nepal was classified 145 among 188 countries in the 2015 United Nations Human Development Index. Adult literacy rate stood at 57.4% in 2015. The current enrolment ratio of secondary and tertiary education is quite low with the tertiary enrolment ratio at 15.8% in 2014 (see Figure 3).

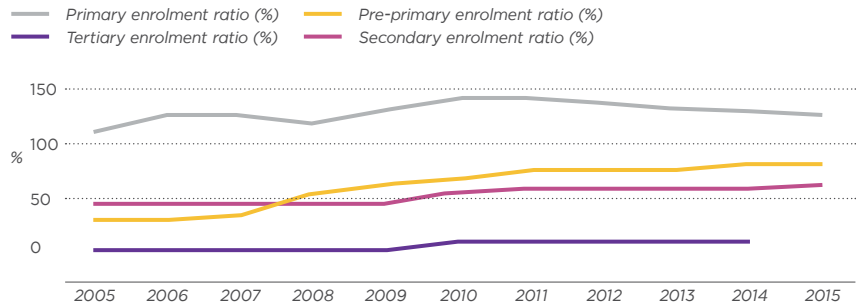
### Integrating ICT into Education Reform

The Government of Nepal enacted the ICT in Education Master Plan in 2013 to address the role of ICT in Nepal's education reform.

The National Centre for Educational Development (NCED) provides training to teachers across the country through National Radio while computer education courses are offered in schools. The Department of Education (DOE) has developed interactive digital learning materials in Nepali for the students covering different subjects.

To facilitate the delivery of digital education, Ncell established its digital libraries project in partnership with Help Nepal Network. The programme also provided training to students and teachers to increase computer literacy by leveraging on ICT.

**Figure 3: Enrolment Ratio by education level, 2005-2015**



Source: The World Bank

Ncell's also supports schools through its "Adopt a School" Programme, implemented in partnership with Save the Children, which works closely with Ministry of Education and District Education Offices. The programme has seen Ncell help build education infrastructure and outfit schools with facilities to enhance student enrolment and develop more conducive learning environments. It also delivers initiatives to improve student attendance and encourage students to stay in school and continue their studies.

## Agriculture

Agriculture is an important sector supporting economic growth in Nepal. ICT is used to enhance the supply of agricultural products, improve farmers' livelihoods and reduce poverty. By providing high-quality, cost effective and modern telecommunications infrastructure, Ncell helps connect farmers with both local and global markets and boost economic growth. The availability of accurate and timely information, such as information on agricultural technology, market prices, demand changes, weather and low-cost pest control, is helping farmers implement best practices in their agricultural activities.

*Agriculture is an important factor in boosting the economy*

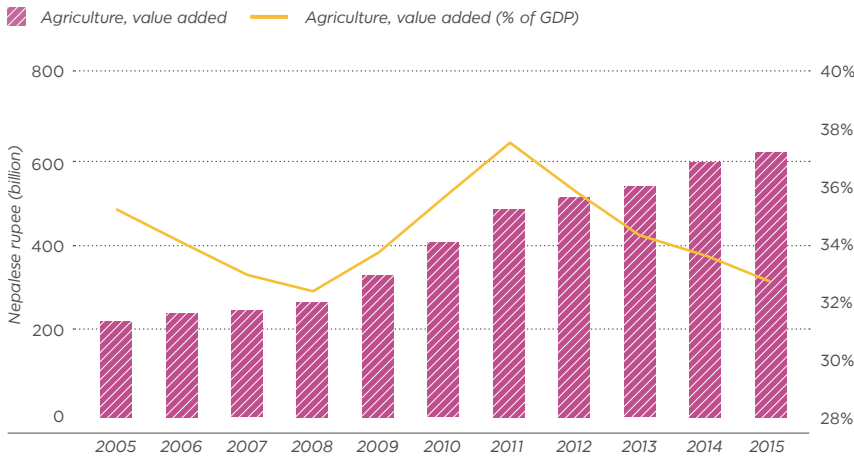
The World Development Report 2008 recognised that agriculture is four times more effective in driving GDP growth than any other sector.

Agriculture is an important sector in Nepal. In 2015, agriculture recorded a value add of NPR623.6 billion and contributed 33% of GDP (see Figure 4). It also provided for 66% of jobs in Nepal.

According to the WHO, 40% of Nepali children under five have stunted growth, 29% are underweight, and 11% are deemed to be "wasting". To address these long-term debilitating effects, one of the priorities of the Government of Nepal is ensuring safe and sufficient supply of food for its citizens.

# NATIONAL CONTRIBUTION REPORT

**Figure 4: Value added from agriculture, 2005-2015**



Source: The World Bank

### Empowering Nepal's agriculture with ICT

To enhance agricultural commercialisation and productivity, two Government-funded projects - Agriculture Commercialisation and Trade and Agriculture Management Information System - developed mobile applications to track field verification of sub-projects and check details of subsidised sub-projects via GPS in mobiles.

Agriculture activities are dependent on accurate and timely information to optimise crop yield and productivity. To address the lack of digital support for agriculture in Nepal, Ncell supported the development and adoption of digital solutions for agriculture, such as the "Smart Krishi", "Krishi Ghar" and "IFA Krishi" apps through its Mobile App Challenge.

These apps were designed to be information portals sharing agricultural information including agricultural technology, market price, demand changes, weather and pests at low cost. The aim is to provide farmers with information that is relevant to them in an accessible and affordable way so as to improve their farming practices and boost yields.