Country overview

With 34% of its population using the internet, Nepal still faces massive challenges to connect everyone in the country. Mobile internet penetration stands at 15.7%, and fixed broadband penetration at 2.8%. The gender gap in internet use is considerable at 59%.

Dimensions of Meaningful Connectivity

Getting the Right Speed | Having and Appropriate Device | Connecting with Enough Data | Using the Internet Regularly
---|---|---|---
24.54% | 67.49% | N/A | N/A

Meaningful connectivity to the internet implies having access to an appropriate device, enough data and speeds, and using the internet every day. Most people in Nepal do not have access to speeds compatible with a 4G connection, but 67% have access to smartphones. This means that many Nepali own smartphones, but a significant percentage of these may not be connected to a data plan.

Investments needed by 2030

TOTAL INVESTMENT = USD1.8 bn

ICT skills and content = USD0.3 bn
Policy and regulation = USD0.04 bn
Remote area coverage = USD0.4 bn
Network operation and maintenance = USD0.3 bn
Metro and backbone fibre = USD0.3 bn
Mobile infrastructure CAPEX = USD0.5 bn

Universal access is defined based on 90% of the population of 10 years and above

Source: A4AI from ITU, GSMA, A4AI, operator and regulator, 2019

Nepal has made good progress to to improve affordability of data services in the last years, however, it has not met the affordability target established by the United Nations Broadband Commission, as 1GB still costs 2.55% of monthly average income in the country. 5GB of fixed broadband is at 2%, while 5G of mobile broadband represents 4.91% of the monthly average income. The country ranks 33rd (out of 72 countries surveyed) on A4AI’s Affordability Drivers Index (ADI).
Only around 40% of the population in Nepal is in areas with internet coverage (see figure), and 31% of the population is connected to 4G connections. Based on A4AI’s analysis of investment requirements to achieve the 2030 target of universal access, Nepal will need to mobilize close to $2billion to connect its population. We note that mobile infrastructure and remote area coverage are the areas with the highest investment needs, followed by fiber deployment, network operation and maintenance, costs for building necessary ICT skills and relevant content, as well as policy and regulatory related upgrades.

The ADI is a tool developed by A4AI to assess how well a country’s policy, regulatory, and overall supply-side environment is positioned to lower industry costs and ultimately create more affordable broadband. ADI scores countries across two main policy groups: Infrastructure and Access.