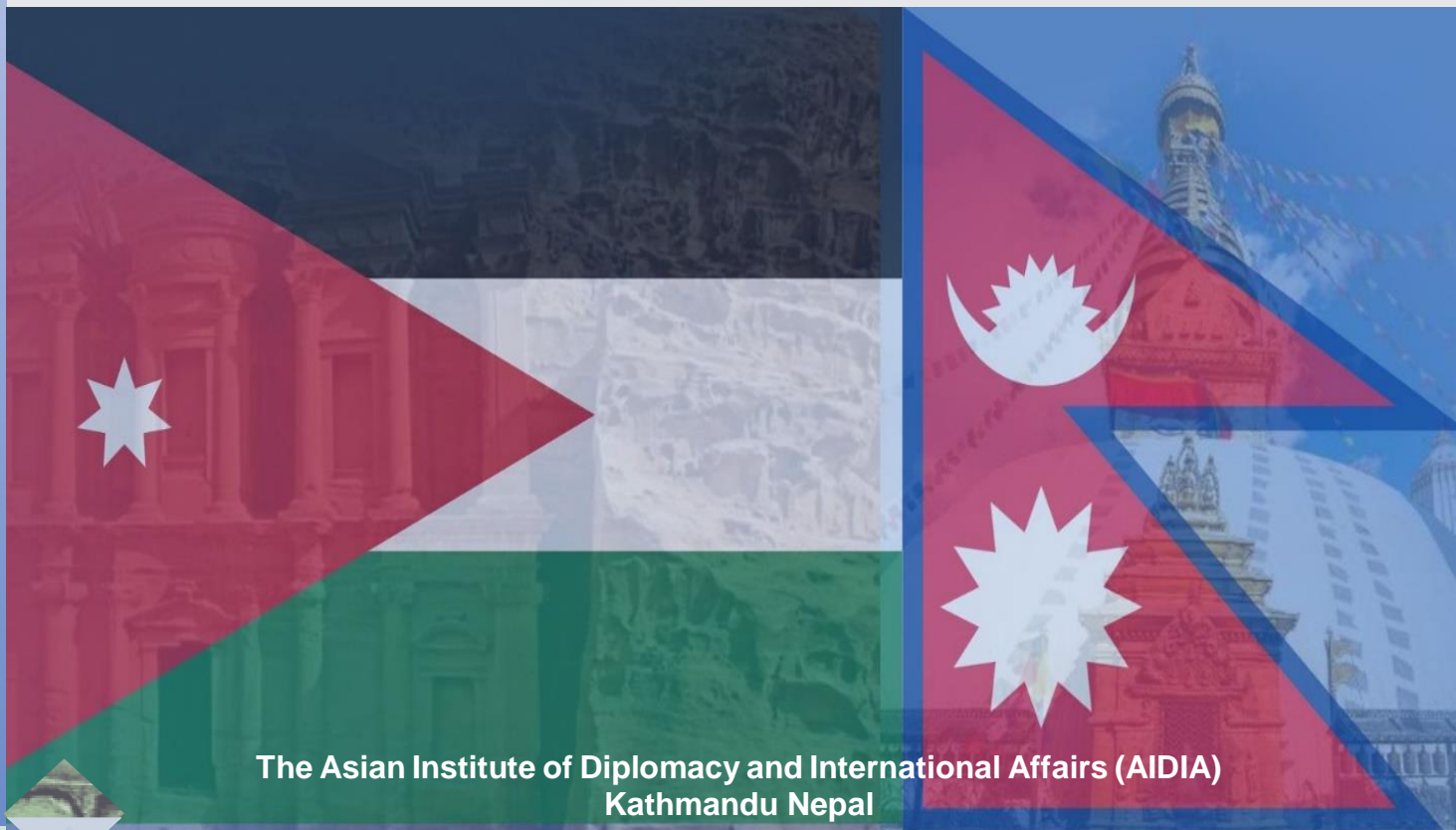


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Strengthening Nepal-Jordan Relations: Opportunities and Challenges

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Abstract Nepal and Hashemite Kingdom of Jordan first established diplomatic relations on August 20, 1965, laying the groundwork for a relationship that remained largely symbolic for decades. The lack of resident embassies and limited economic exchange kept the partnership modest, though not without potential. Recent years, however, have seen encouraging signs of renewal. The inauguration of Jordan’s Honorary Consulate in Kathmandu in June 2025 marked a significant step toward institutional engagement. Trade between the two countries, though asymmetric, has grown rapidly, with Jordan exporting about US \$128 million worth of goods, mainly fertilizers and pesticides, to Nepal in 2022, while Nepal’s exports stood at roughly US \$122,000. Beyond trade, labour migration has emerged as a defining feature of the relationship, following a 2017 bilateral labour agreement aligned with International Labour Organization (ILO) fair recruitment standards.

This policy brief examines the evolution, present dynamics, and challenges of Nepal–Jordan relations, offering policy directions for strengthening trade diversification, improving labour frameworks, and fostering development partnerships in areas such as tourism, renewable energy, and pharmaceuticals.

Introduction

Nepal and Jordan officially entered into diplomatic relations on August 20, 1965.¹ For much of the subsequent decades, engagement remained limited, characterized by the absence of resident embassies and low levels of economic and political contact. Jordan has historically accredited its diplomatic mission in New Delhi to also cover Nepal, while Nepal manages its ties with Jordan through its embassy in Cairo. This arrangement, though practical, reflected the relatively low priority of the bilateral agenda.

Economic and institutional collaboration began taking shape only at the turn of the century. A pivotal milestone came in 2000, when the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Federation of Jordanian Chambers of Commerce (FJCC) signed an agreement aimed at promoting cooperation in agriculture, hydropower, information technology, and tourism.² While this accord did not immediately transform trade volumes, it laid the foundation for structured private-sector dialogue.

A more substantive linkage emerged in 2017, when the two countries signed a bilateral labour

¹ Ministry of Foreign Affairs, Government of Nepal, Bilateral Relations, <https://mofa.gov.np/pages/bilateral-relations-2/>, (accessed on 5 October 2025)

² Federation of Nepalese Chambers of Commerce & Industry, FNCCI, FJCC sign accord on economic ties, <https://fncci.org/old/newsletter/mayjune/nepal.html> (accessed on 5 October 2025)

agreement consistent with ILO fair recruitment principles.³ This agreement formalized the employment of Nepali migrant workers in Jordan, ensuring transparency in recruitment, fair contracts, and protection against exploitation.

In June 2025, Hashemite Kingdom of Jordan inaugurated its Honorary Consulate in Kathmandu, its first official representation in Nepal.⁴ This development symbolized mutual recognition of untapped potential and reflected an intention to deepen cooperation in trade, labour, and investment. The establishment of this consulate represents a shift from sporadic contact to a more institutionalized relationship, emphasizing economic diplomacy and long-term engagement.

Although the Nepal-Jordan relationship lacks deep historical or cultural roots, unlike Nepal's long-standing ties with South Asia or Jordan's centrality in Middle Eastern affairs, the partnership has matured through pragmatic diplomacy. Both nations, relatively small in global power hierarchies, share a commitment to multilateralism, stability, and South-South cooperation, providing a strong basis for collaboration at the international level.

Current State of Bilateral Relations

Over the past decade, Nepal-Jordan relations have evolved from symbolic engagement to a more practical partnership. The opening of the Honorary Consulate in Kathmandu in 2025 underscores both governments' growing interest in strengthening ties.

Trade relations, though still limited in scope, have experienced substantial growth. Between 2017 and 2022, Jordan's exports to Nepal surged from US \$3.05 million to US \$128 million, primarily driven by fertilizers and pesticides, which together accounted for more than 99% of the total trade volume.⁵

In 2023, Nepal exported \$7.38k to Jordan. The main products that Nepal exported to Jordan were Knotted Carpets (\$3.48k), Other Furniture (\$2.82k), and Paper Containers (\$711).⁶ Over the past 5 years, exports from Nepal to Jordan have decreased at an annualized rate of 34.3%, decreasing from \$60.2k in 2018 to \$7.38k in 2023.⁷

Likewise, in 2023, Jordan exported \$455k to Nepal. The main products that Jordan exported to

³ Nepal, Jordan sign labour agreement, The Kathmandu Post, 18 October 2017, <https://kathmandupost.com/national/2017/10/18/nepal-jordan-sign-labour-agreement> (accessed on 5 October 2025)

⁴ Office of honorary consul of Jordan opens in Kathmandu, The Kathmandu Post, 5 June 2025, <https://kathmandupost.com/national/2025/06/05/office-of-honorary-consul-of-jordan-opens-in-kathmandu> (accessed on 5 October 2025)

⁵ OEC, Nepal/Jordan, <https://oec.world/en/profile/bilateral-country/npl/partner/jor#bespoke-title-475> (accessed on 10 October 2025)

⁶ Ibid

⁷ Ibid

cooperation focused on market access and knowledge exchange.

Trade diversification is central to realizing the potential of this relationship. Nepal could leverage its agricultural and handicraft sectors to develop niche exports tailored to Jordanian demand, products like organic teas, processed agro-goods, and high-quality artisanal carpets. Similarly, Jordan could use its chemical and pharmaceutical expertise to invest in Nepal's emerging industrial base. Joint ventures in these areas would help balance the trade deficit while fostering technology transfer.

Labour and Migration Links

Labour migration has emerged as the most people-centric component of Nepal-Jordan relations. Since the signing of the 2017 labour agreement, Jordan has hosted around 3,000 Nepali workers, primarily in manufacturing and domestic service sectors.¹² The agreement's adherence to ILO fair recruitment principles ensures a more ethical and transparent employment process compared to older bilateral frameworks.¹³

However, the scope of this arrangement remains limited. Expanding the agreement to include new sectors, such as hospitality, healthcare, and construction, would allow for broader employment opportunities while meeting Jordan's labour market needs. Both countries could also strengthen their monitoring mechanisms through joint labour committees and digital verification systems to prevent malpractice in recruitment.

Nepal and Jordan also engage in global forums primarily through their bilateral labour agreements and efforts to strengthen economic ties, which are discussed within larger international frameworks like the Global Forum on Migration and development.

Importantly, this cooperation aligns with Nepal's broader migration diplomacy, which seeks to balance remittance income with worker protection and skill development. Jordan's willingness to collaborate on reforming the existing framework indicates a shared recognition of migration as a tool for socio-economic development rather than merely a labour export mechanism.

Engagement in Multilateral and Regional Fora

Nepal and Jordan's engagements extend beyond bilateral exchange to active participation in international platforms. Both countries are long-standing members of the United Nations and

¹²Nepal–Jordan private sector collaboration poised for trade and economic expansion, The Annapurna Post, 4 June 2025, <https://theannapurnaexpress.com/story/54924/> (accessed on 6 October 2025)

¹³ International Labour Organization (ILO), *Nepal - Bilateral labour agreements include provisions related to fair recruitment principles*, https://wwwex.ilo.org/dyn/migpractice/migmmain.showPractice?p_lang=en&p_practice_id=198 (accessed on 6 October 2025)

maintain strong commitments to global peacebuilding and South-South cooperation. Nepal's contribution to UN peacekeeping and Jordan's leadership in Middle Eastern diplomacy create shared advocacy space on issues such as labour rights, gender equality, and sustainable development.

Despite the absence of a BIPPA or DTAA between them, Nepal's economic diplomacy framework - anchored in transparency, non-alignment, and cooperation - offers ample room for future collaboration. Regional and multilateral platforms such as the UN General Assembly (UNGA), SAARC, and BIMSTEC could serve as venues for expanding shared initiatives on fair migration and sustainable economic partnerships.

Challenges

While progress has been notable, several barriers continue to limit the depth of Nepal–Jordan relations.

Trade Imbalance and Narrow Export Base:

Jordan's exports to Nepal are overwhelmingly larger than Nepal's to Jordan, US \$128 million compared to just US \$122 thousand in 2022 (OEC, n.d.). Over 99% of Jordan's exports are fertilizers and pesticides, reflecting a highly concentrated trade structure. Nepal's exports, meanwhile, lack diversity and value addition, making them vulnerable to market fluctuations.

Absence of Formal Agreements:

There are currently no formal trade or investment agreements – such as a Bilateral Trade Agreement, BIPPA, or DTAA – between the two countries. This institutional vacuum increases transaction costs, reduces investor confidence, and limits long-term commitments.

Limited Connectivity and Market Awareness:

A lack of direct transport routes and minimal market information among private-sector actors hinder business expansion. Trade often relies on third-country routes through India or Gulf states, increasing logistical costs and delivery times.

Underdeveloped Investment Linkages:

Neither country has made significant investments in the other, partly due to limited promotional activities and the absence of dedicated business councils or joint economic commissions.

Missed Strategic Potential:

Jordan could serve as a gateway for Nepal to access Gulf and Levant markets – a former

supermarket chain in the United States, the historic trading markets of the Levant region, or the stock markets within countries like Lebanon, Syria, Iraq, Palestine, and Jordan – while Nepal could provide Jordan with a link to South Asia. However, without coordinated policy efforts, these opportunities remain largely untapped.

Policy Recommendations

To transform Nepal-Jordan relations into a balanced and mutually beneficial partnership, both governments should adopt a forward-looking strategy anchored in institutional collaboration and private-sector empowerment.

1. Formulate a Joint Action Plan:

Develop a two- to three-year roadmap outlining cooperation in trade, labour, and investment. This plan should include specific benchmarks, such as organizing business forums and signing sectoral agreements.

2. Revise and Expand the Labour Framework:

Update the 2017 labour agreement to include new job categories, enforce ethical recruitment mechanisms, and enhance worker welfare measures. Joint monitoring committees could strengthen accountability.

3. Promote Private-Sector Engagement:

Utilize the Honorary Consulate in Kathmandu as a hub for trade facilitation, business matching, and investment promotion. Establishing a Nepal–Jordan Business Council would provide continuity in engagement.

4. Pursue Formal Economic Agreements:

Initiate discussions on Bilateral Investment Protection and Bilateral Investment Promotion and Protection Agreement (BIPPA), or the Bilateral Investment Agreement (BIA) – as Nepal has recently revised the earlier bilateral trade and investment agreement to make uniformity with all the countries – and Double Taxation Avoidance Agreement (DTAA) to reduce fiscal barriers and increase investor confidence. These agreements would establish a legal foundation for long-term economic cooperation.

5. Encourage Knowledge and Technology Exchange:

Jordan’s advancements in pharmaceuticals, renewable energy, and tourism infrastructure could offer valuable lessons for Nepal. Joint capacity-building programs and academic exchanges could facilitate knowledge transfer.

6. Leverage Multilateral Platforms:

Strengthen collaboration in the United Nations General Assembly (UNGA), International Labour Organization (ILO), and regional forums to jointly advocate for fair labour practices, gender equity, and sustainable development.

If implemented effectively, these measures could move Nepal-Jordan relations from symbolic diplomacy toward a structured, resilient partnership rooted in shared economic and social objectives.

Conclusion

The Nepal-Jordan relationship, once largely ceremonial, is entering a period of strategic opportunity. The surge in trade, the institutionalization of labour cooperation, and the establishment of the Honorary Consulate in Kathmandu signal that both sides recognize the value of a stronger partnership. Yet, to sustain this momentum, the two countries must formalize economic frameworks, diversify trade, and expand labour collaboration.

By investing in institutional mechanisms and private-sector initiatives, Nepal and Jordan can transform their modest historical ties into a dynamic model of South-South cooperation, one that balances trade, safeguards workers, and builds mutual prosperity.

About the Authors



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The Asian Institute of Diplomacy and International Affairs (AIDIA) is an independent, non-partisan, and non-profit think tank based in Kathmandu, Nepal. Since its founding in 2014, AIDIA has been a leading platform for research and dialogue on foreign policy, geopolitics, economy, trade, energy, and security. By promoting Track II diplomacy, youth engagement, and international collaboration, AIDIA fosters meaningful exchanges among national and international policymakers, experts, and emerging leaders. Its research, events, and policy recommendations support informed decision-making at national, sub-regional, regional, and global levels.

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