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Strengthening Nepal-Niger Relations: The Future Prospects of bilateral trade

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Abstract

Bilateral relations between Federal Democratic Republic of Nepal and Republic of Niger have been limited – also due to geography – with little direct diplomatic engagement, trade, or people-to-people contact. Nevertheless, both countries share important structural characteristics as Least Developed Countries (LDCs), and face vulnerabilities associated with climate change, economic dependence, and development financing constraints. Nepal and Niger both rely on multilateral platforms to advance their development priorities, and economic integration.

Nepal and Niger formally established diplomatic relations in 20, September 2017. While their engagement remains modest, thereby giving much wider scope for the future bilateral trade and investment opportunities. This Policy Brief assesses the current state of Nepal-Niger bilateral relations and identifies practical avenues for cooperation, particularly within the framework of the United Nations (UN), the Doha Programme of Action (DPoA) for LDCs (2022-2031), climate diplomacy, and South–South cooperation.

This Policy Brief also explores the evolution of Nepal-Niger relations, identifies emerging trade and investment opportunities, and presents actionable recommendations to transform decade-old bilateral relations into potential business partnership, especially in trade collaboration, renewable energy, and public health (pharmaceuticals industry) by figuring out how both the countries can bridge the geographical distance with bilateral trade.

Introduction

Nepal and Niger, though are geographically distant – one in the Himalayas of South Asia, the other in the Sahel of West Africa - they share similar developmental realities. Though, the landmass of Niger is around eight times larger than Nepal's, the population is almost equal. Nepal is bordered by India and China only two countries, whereas Niger shares its border with seven countries including Algeria, Benin, Burkina Faso, Chad, Libya, Mali, and Nigeria. Both are landlocked but trying to be land-linked, both depend heavily on agriculture, and strive to overcome structural barriers to trade and connectivity.

As of now, diplomatic engagement between the two countries has largely occurred through multilateral institutions rather than direct bilateral channels. Neither country maintains a resident diplomatic mission in the other's territory, nor have major high-level bilateral visits been recorded recently.

Nepal's formal engagement with Africa operates primarily through its embassies in South Africa and Egypt – which now Nepal government is rethinking and relocating – which handle relations with more than two dozen African countries.[1]

Niger's diplomatic footprint in South Asia is also similarly lean, managed through regional representation. Despite low key presence, both countries have cooperated in multilateral settings like the United Nations and the Non-Aligned Movement, and they share membership in the group of Landlocked Developing Countries (LLDCs).

The relationship is primarily shaped by two common platforms: United Nations (UN) and South-South Cooperation.

United Nations Cooperation

As members of the United Nations and the LDC Group, Nepal and Niger frequently support common positions on issues like sustainable development financing, climate adaptation, debt sustainability, and equitable global economic governance. The adoption of the Doha Programme of Action has further strengthened opportunities for collective advocacy among LDCs.[2]

South-South Cooperation

Both countries share development challenges associated with limited productive capacity, vulnerability to external shocks, and dependence on international support mechanisms. These common concerns create opportunities for policy coordination and knowledge exchange within broader South-South cooperation frameworks.

Nepal has historically served as a key trans-Himalayan trade corridor between India and Tibet, while Niger was part of the great trans-Saharan network under the Mali and Songhai empires, trading salt, gold, and ideas across continents. These parallel histories remind us that isolation is not inevitable – trade and cultural exchange have always found their way.

The Current Landscape

Diplomatic Context

Diplomatic relations between Nepal and Niger were formalized on September 20, 2017.[3] Nepal's Deputy Prime Minister and Foreign Minister Krishna Bahadur Mahara, and Niger's Minister of Foreign Affairs, Cooperation and African Integration Ibrahim Yacoubou signed the

[1] "Nepal to close three embassies, two consulates under revised economic diplomacy strategy", Republica, 29 May 2026, https://www.myrepublica.nagariknetwork.com/amp/news/nepal-to-close-three-embassies-two-consulates-under-revised-economic-diplom-96-45.html (accessed on 05 July 2026)
[2] Permanent Mission of Nepal to the United Nations, "Press Release on the adoption of the Doha Programme of Action", 17 March 2022, https://www.un.int/nepal/statements_speeches/press-release-adoption-doha-programme-action?utm_source=chatgpt.com (accessed on 05 July 2026)
[3] Ministry of Foreign Affairs, MOFA BULLETIN Current Affairs, 2017, https://giwmscdntwo.gov.np/media/pdf_upload/MOFA-Bulletin-Vol-2-Issue-2_tyswcnd.pdf

Memorandum establishing diplomatic relations between Nepal and Niger during the 72nd United Nations General Assembly (UNGA) in New York. Since then, engagement has primarily occurred through multilateral meetings and concurrent accreditation rather than direct high-level exchanges.

Economic Relations

According to the preliminary data from the National Statistics Office (NSO), Nepal's GDP for the fiscal year 2025/26 is estimated at approximately USD 43.7 billion (NPR 6.6 trillion), and per capita income at USD 1513.[4] However, the GDP of Niger is projected to be USD 24.81 billion and the per capital income is projected to be at USD 821.52.[5] Like Nepal, Niger also depends on agriculture as a quarter of the economy has contribution from agriculture.

Nepal key imports are fuel, raw materials, machinery, and consumer goods. Likewise, Nepal exports processed agricultural products including tea, coffee and cardamom, and traditional handicrafts. Similarly, uranium ore, gold, agricultural products like onions, beans, and livestock are Niger's key exports,[6] and it primarily imports manufactured goods, cereals, machinery, petroleum products, and pharmaceutical products[7].

However, bilateral trade between Nepal and Niger remains negligible. Geographical distance, limited transport connectivity, and the absence of formal trade agreements have constrained economic interaction between the two nations. Current engagement is largely indirect and mediated through participation in global commodity and development markets.

However, the geographical distance has not stopped both Niger and Nepal from doing trade, though limited. There seems limited bilateral trade. Nepal's exports to Niger increased from approximately USD 3,440 in 2017 to around USD 460,000 in 2022, an annualized growth rate of over 160 percent.[8] These exports consist primarily of pharmaceutical products like vaccines and packaged medicines. But imports from Niger to Nepal remain negligible.

According to the International Monetary Fund (IMF), Niger's GDP is expected to grow by 6.7 percent in 2026 – one of the strongest growth rate in Africa – driven by oil exports and favorable agricultural yields. The IMF also projects this momentum to continue.

In contrast, IMF has projected Nepal's GDP to grow by 4.6 percent in 2026.[9] The smooth political transition, increasing private sector confidence and also due to increased hydropower

[4] National Accounts Statistics of Nepal 2025-26, National Statistics Office, 2026, https://nsonepal.gov.np/content/13488/national-accounts-statistics-of-nepal-2025-26/

[5] International Monetary Fund (Niger): https://www.imf.org/external/datamapper/profile/NER

[6] Niger Exports, Trading Economics, 2025, https://tradingeconomics.com/niger/exports (accessed on 05 July 2026)

[7] Niger Imports By Category, *Trading Economics*, https://tradingeconomics.com/niger/imports-by-category (accessed on 05 July 2026)

[8] Nepal Exports to Niger, *Trading Economics*, https://tradingeconomics.com/nepal/exports/niger (accessed on 05 July 2026)

[9] International Monetary Fund, "IMF Executive Board Concludes the 2026 Article IV Consultation with Nepal and Completes the Seventh Review under the Extended Credit Facility", 8 June 2026,

production domestic pharmaceutical sector that has become one of Nepal's most dynamic industries, contributing significantly to national output. Eleven Nepali companies reported annual sales exceeding NPR 1 billion in 2023-24.[10] The industrial hub of Bhairahawa, in particular, is emerging as the country's main center for pharmaceutical manufacturing.[11]

Tourism and Migration

Tourism exchanges are virtually non-existent between the two countries also due to limited awareness, low connectivity, and the absence of facilitative visa regime. According to Non-Resident Nepalis Association (NRNA), it has National Coordination Council (NCC) in more than one dozen African countries including Zambia, Uganda, Tanzania, South Sudan, Rwanda, Nigeria, Mozambique, Malawi, Madagascar, Libya, Ghana, Congo and Botswana.[12] The NRNA has aggressively expanded its network in Africa, establishing NCCs in respective countries to protect and advocate for the growing number of Nepali migrant workers facing complex labor and legal challenges across the continents.[13] Though, Nepali diaspora has been increasing in the African countries – around Niger – migration flows remain insignificant, with no sizeable Nepali community in Niger or Nigerien diaspora in Nepal. However, cultural and educational exchanges could provide a foundation for future engagement, despite the limitations.

The primary risks to tourism are natural disasters and climate change affecting trekking routes in Nepal, whereas Niger faces chronic challenges stemming from regional political instability, safety warnings from international governments, and security issues.

Challenges in Bilateral Relations

The Nepal-Niger relationship faces three key structural barriers.

- **Geographical Distance and Logistics Constraint:** The absence of direct air or maritime connectivity leads to high transportation costs and logistical inefficiencies for frequent people-to-people and goods movement between the two countries. On the other hand, limited diplomatic engagement and institutional connectivity also have been a major barrier for bilateral relations among Nepal and Niger. Resource constraints have affected foreign policy outreach and implementation capacity of both the

https://www.imf.org/en/news/articles/2026/06/08/pr26188-nepal-imf-exec-board-concludes-2026-article-iv-consult-completes-seventh-review-ecfc (accessed on 05 July 2026)

[10] "Nepal's Domestic Pharma Industry Surges: Rs 35 Billion Sales in a Year", *Nepal Health News*, 19 April 2025, https://www.nepalhealthnews.com/detail/63556 (accessed on 05 July 2026)

[11] Amrita Anmol, "Bhairahawa Fast Rising as Country's Pharmaceutical Hub" *The Kathmandu Post*, 27 March 2022, https://kathmandupost.com/money/2022/03/27/bhairahawa-fast-rising-as-country-s-pharmaceutical-hub (accessed on 05 July 2026)

[12] Non-Resident Nepalis Association (National Coordination Committees), https://nrna.org/page/our-nccs (accessed on 05 July 2026)

[13] Mapping the Nepalese Diaspora, *International Organization for Migration*, Kathmandu (2024), https://www.idiaspora.org/system/files/resources/document/diaspora-mapping-and-engagement-in-nepal.pdf

countries. Likewise, Nepal and Niger both has been passing through internal instability that has held them back from expanding the political and economic relations.

- **Low Diplomatic Engagement:** Neither country maintains a resident embassy in the other's capital, which limits diplomatic, policy and business continuity and facilitation. Since long, there has been no high-level visits between them to reinvigorate the bilateral relations.
- **Market Information Gaps:** Limited or no awareness among private sectors of both the countries about potential markets restrict business exploration, which has resulted in the absence or very low trade, investment, and transportation links. The weak infrastructure and limited administrative capacity constrain their ability to forge new trade and investment initiatives.

Policy Priorities

- **Supporting Smooth LDC Graduation:** Nepal, which was preparing for graduation from LDC status – from November 2026 – has though deferred for the time being, expressing concerns regarding economic vulnerabilities and the potential loss of international support measures, it will graduate in future. Similar concerns exist across many LDCs, including Niger. Both the countries can work together on smooth transition from LDC as apriority by lobbying in the international arena. The less bilateral engagement also means, the maximum exploitation of international or multilateral forums in advantages of both the countries.

  Both countries could advocate for continued preferential market access, and targeted technical assistance to ensure that graduation strengthens long-term resilience rather than creating new vulnerabilities that the small nations face after graduation. The capacity building and export promotion of niche products, if lobbied by both the countries, can help strengthen not only their individual economic benefits, but also can open avenues for bilateral trade and economic engagements. Likewise, the Doha Programme of Action for LDCs (2022–2031) that provides a useful framework for Nepal and Niger will help strengthen cooperation around shared development priorities.

- **Climate-Resilient Infrastructure and Adaptation Financing:** Climate change presents serious challenges to both the countries. Nepal faces glacier melt, floods, and landslides, while Niger confronts drought, desertification, and water scarcity, not due to their actions but as the byproducts of developed countries. UNDP-supported adaptation initiatives in Niger demonstrate the importance of integrating climate adaptation into national planning and financing frameworks.[14] Similarly, the UN supported sustainable tourism initiative has been ray of hope for Nepal.[15]

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[14] Planning and Financing for Climate Change Adaptation in Niger, *UNDP Climate Change Adaptation*, https://www.adaptation-undp.org/projects/planning-and-financing-climate-change-adaptation-niger (accessed on 05 July 2026)

[15] NTB and UNDP Launch $5 Million 'Sustainable Tourism Project'. *Nepal Tourism Board*, 22 March 2025, https://trade.ntb.gov.np/ntb-and-undp-launch-5-million-sustainable-tourism-project/ (accessed on 05 July 2026)

- **Digital Transformation and Technology Transfer:** Science, technology, and innovation constitute a major pillar of the Doha Programme of Action. The United Nations Technology Bank for LDCs was established to help countries strengthen technological capabilities and productive capacities.[16]

  Nepal and Niger could jointly advocate for greater access to technological resources, digital infrastructure financing, and knowledge-sharing mechanisms in sectors such as agriculture, healthcare, and renewable energy. As agriculture is mainstay for Nepal and Niger both, the technology transfer in agriculture sector can help both countries improve their economic growth, and at the same time create jobs in their countries.

- **Strengthening South–South Cooperation:** Given resource constraints faced by the LDCs, innovative approaches to diplomacy and representation are increasingly important, among and between them. Nepal and Niger could explore coordinated representation mechanisms in major multilateral centers such as Geneva, Brussels, and New York to improve efficiency and amplify their negotiating influence on trade, development, and climate issues.

Prospects for Enhanced Cooperation

- **Renewable Energy Cooperation:** Niger's electrification rate remains below 20 percent[17], with vast rural areas lacking grid access, whereas Nepal is one of the countries that has harnessed hydropower sector to become energy sufficient. Nepal's success with hydropower sector especially micro-hydropower and solar mini-grids provides a tested model for rural electrification. Joint ventures, skill transfer, and private sector partnerships could help Niger pilot community-based energy projects. Nepali hydropower experts can not only help Niger develop micro-hydropower and solar mini-grids but also design bigger hydropower projects and capacity building of manpower.

- **Tea and Pharmaceuticals:** Niger imported USD 576000 worth tea from Sri Lanka in 2024, according to the Observatory of Economic Complexity (OEC). Likewise, Niger imports agriculture products especially cereals and pharmaceutical products from India. Thus, Nepal can export tea – as Nepali tea is of the best quality in the region – and pharmaceutical products to Niger. Nepal's pharmaceutical sector – that has witnessed growth in last fiscal years – can also become a strategic partner for Niger's public health system. Similarly, both the countries face challenges related to drought, low productivity, and reliance on rain-fed agriculture. Thus, Nepal's experience in

[16] Who We Are, Technology Bank for the Least Developed Countries, *United Nations*, https://www.un.org/technologybank/en/who-we-are (accessed on 05 July 2026)
[17] Niger, *The World Bank* https://www.worldbank.org/ext/en/country/niger (accessed on 05 July 2026)

community forestry, small-scale irrigation, and climate-resilient farming could help Niger form food-security strategies.

- **Education and Capacity Building:** Low-cost, high-impact exchange programs – such as scholarships, peacekeeping logistics training, hydropower trainings, and public health conferences – could deepen institutional linkages. For instance, Nepal's experience in UN peacekeeping could be valuable for Niger's security-sector reform. The exchange in education and capacity building can help promote the shared interests in climate finance, sustainable development, and LDC advocacy. Likewise, both the countries can work on exchange of complementary expertise in environmental management and adaptation strategies.

- **Natural Resource Governance:** Niger's expanding oil and uranium industries make transparent regulation and environmental management critical. Nepal could offer governance models from its hydropower sector and community resource management systems for Niger to maximum exploit the natural resources with the participation of locals.

- **Exploitation and Advocacy of Multilateral Forums:** Both countries are members of the United Nations (UN), Non-Aligned Movement (NAM), and Landlocked Developing Countries (LLDC) group. Coordinating policy positions, especially on trade facilitation, smooth LDC graduation facilitation and debt reform, would amplify their collective voice in global forums. Since, Nepal and Niger have less bilateral engagements, both the countries can form uniform voices in the multilateral forums like potential collaboration through UN mechanisms, South–South cooperation initiatives and technical exchange programs.

Recommendations

To realize the huge potential between Nepal and Niger bilateral relations, the following strategies can be taken.

- **Strengthen Diplomatic Representation:** Establish resident or at least full-time accredited missions in each other's capital to facilitate coordination and visibility. The diplomatic representation can help bridge the gap between the two countries and facilitate people-to-people and trade relations. Establishing a formal diplomatic mechanism between both the governments like by appointing non-resident ambassadors or honorary consul and creating regular consultation mechanisms would help facilitate policy dialogue and identify areas for cooperation. Since both the countries, at present, have no diplomatic representation, permanent missions in New York and Geneva could primarily collaborate.

- **Negotiate Sectoral Memorandum of Understandings:** Initiate memoranda of understanding (MoUs) on pharmaceuticals, renewable energy, and agriculture sector for better coordinated and planned bilateral exchange modalities. Such MoU would provide an institutional foundation for technical cooperation between relevant ministries and agencies.

- **Enhance People-to-People Exchange:** Introduce scholarships and faculty exchange programs in various sectors like health management, energy policy, international relations, economy, and peacekeeping logistics for people-to-people engagement. Similarly, universities, think tanks, and research institutions in both the countries should be encouraged to participate in virtual dialogues and collaborative research programs to strengthen people-to-people ties.

- **Launch Joint Pilot Projects:** Jointly launch pilot projects in renewable energy and agriculture sector to demonstrate partnership effectiveness, and also as experience sharing platform to replicate the best practices. The two countries should pursue technical exchanges in areas of climate adaptation, natural resource management, renewable energy, and sustainable agriculture and tourism by expanding technical cooperation.

- **Promote Trade and Investment Dialogue:** Organize, jointly or individually**,** business forums, business working groups or set up bilateral chamber between the Nepali and Nigerien private sectors to explore joint ventures, promote trade and attract investment. The more private sectors are engaged, the less burden the governments will have in enhancing the bilateral relations. Nepal should start export of Nepali Tea to Niger as a pilot project in support of both the governments. The private sectors of both the countries engagement will help strengthen the bilateral trade and economic development. It will also prepare a foundation for government-to-government (G2G) engagement for better coordinated strategies for economic benefits, in the long run.

- **Leverage Multilateral Platforms:** Utilize the multilateral forums like UN and World Bank frameworks for technical cooperation. As the World Bank notes, ‘collaboration among landlocked developing countries can enhance resilience and policy learning’. Similarly, Nepal and Niger should also strengthen coordination within the LDC Group, particularly on issues relating to climate finance, debt sustainability, and smooth post-graduation support measures. The active participate in LDC graduation support mechanisms could help ensure that the concerns of landlocked and environmentally vulnerable states, like Nepal and Niger, are reflected in future reviews of the Doha Program of Action. Likewise, the diplomatic missions in UN could also collaborate on policy papers addressing climate-induced debt vulnerability, adaptation financing, and sustainable development challenges faced by LDCs.

Conclusion

Nepal and Niger's relationship is still at an early stage, but that also offers a unique opportunity to shape it strategically for bilateral benefit. Both countries can transform their shared vulnerabilities – landlocked geography, dependency on agriculture, limited infrastructure – into areas of mutual learning, by jointly exploring areas of cooperations.

If Nepal leverages its strengths in renewable energy, pharmaceuticals and peacekeeping, and Niger continues to diversify its economy through good governance, both countries can forge a resilient and pragmatic partnership in future. As Nepal's Foreign Ministry emphasized when relations were first established in 2017, 'geographical distance does not limit friendship or cooperation when mutual benefit and solidarity guide diplomacy.' To begin with, both the countries can incorporate political-risk insurance, transparent contracts, and governance standards in agreements to promote bilateral trade and economic relations.

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