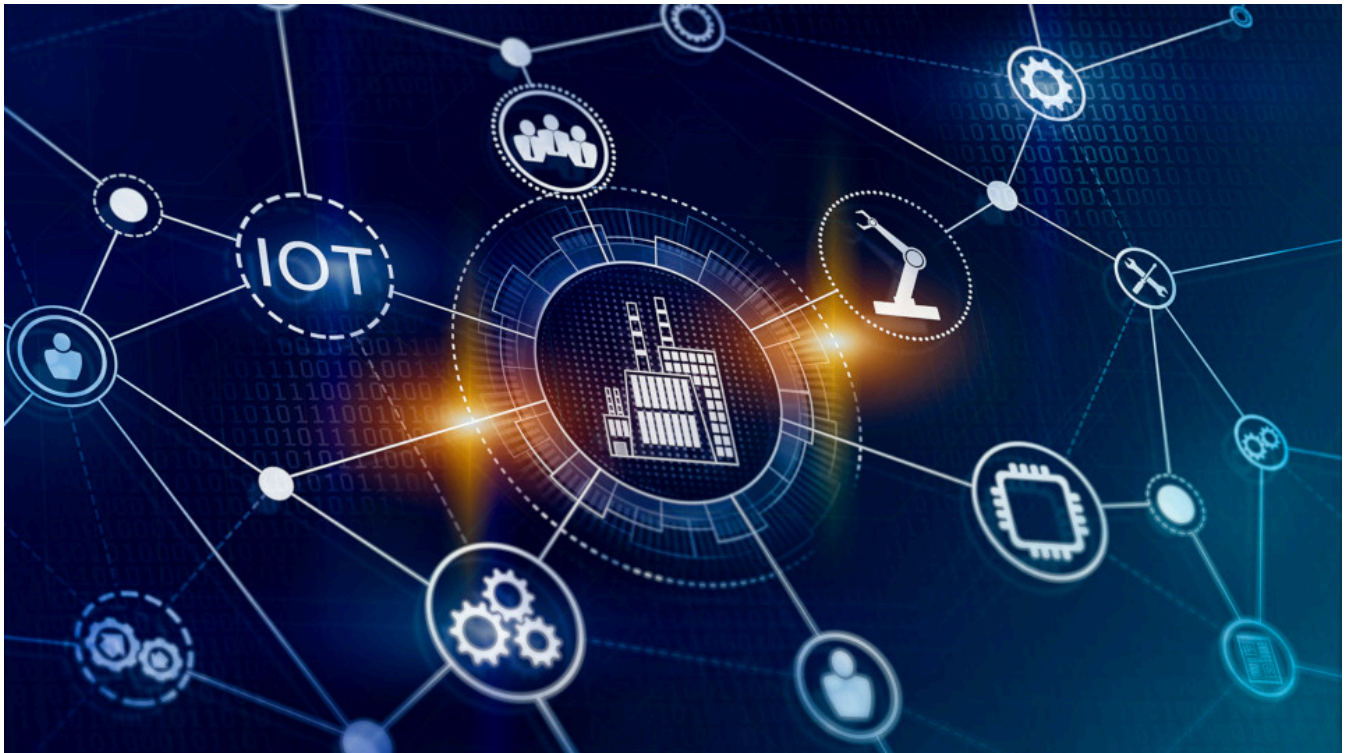


Nepal's IT service exports reach estimated USD 1 billion annually; industry seeks policy push

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Dhaka: Nepal's information technology (IT) service exports have climbed to an estimated NPR 145 billion, equivalent to USD 1 billion, annually, according to the Nepal Association for Software and IT Services Companies (NAS-IT).

NAS-IT President Gaurav Raj Pandey revealed the figures on Wednesday, February 25, during an interaction program organized by the Society of Economic Journalists Nepal (SEJON) in Kathmandu.

Pandey said a 2022 study by the Institute for Integrated Development Studies (IIDS) had placed exports at NPR 67 billion. Although no new nationwide study has been completed, multiple industry assessments suggest exports have now nearly doubled.

The government has set a target of achieving USD 22 billion in

cumulative IT exports over the next 10 years and generating 500,000 new jobs in the sector.

According to NAS-IT, Nepal's IT industry currently employs around 100,000 people. Industry leaders say the country's young population, English proficiency, and favorable time zone compared to markets such as Australia, Japan, and Europe provide a competitive advantage.

NAS-IT Treasurer Abhaya Poudel called for a stable 10-year policy framework to support the sector's growth. He urged the government to reduce the corporate tax rate to below 1 percent for at least a decade and simplify the VAT refund process.

Poudel also said unclear tax provisions for foreign investors and the absence of double taxation avoidance agreements with key markets, including the United States, the United Kingdom, and Australia, remain major obstacles.

During the event, industry stakeholders also stressed prioritizing domestic IT firms in public procurement. NAS-IT has recommended making it mandatory to award software contracts worth up to NPR 100 million to local companies and ensuring at least 40 percent participation of Nepali firms in larger projects.

The association has also called for the formation of an IT Promotion Board, modeled after the Nepal Tourism Board, to coordinate policy support and international promotion.

Pandey described artificial intelligence as a transformative force and said Nepal must treat AI and big data as national priorities to avoid missing another industrial shift.

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