



International
Trade
Centre



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EVALUATING THE EXPORT POTENTIAL OF LENTILS FROM NEPAL

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Lentils

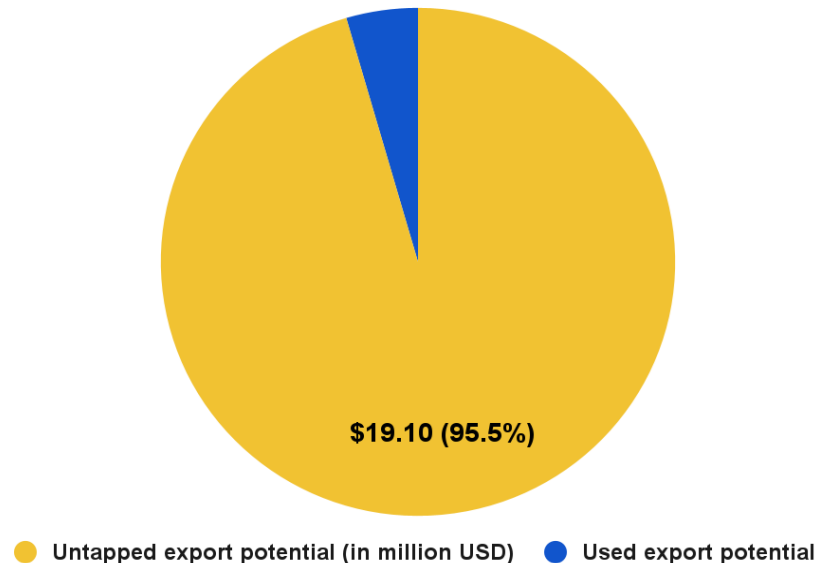
- A high-protein pulse which is dried, soaked and cooked to eat.
- In Nepal, it is harvested in Terai (the plain region), the mid-hilly region and the mountainous region.
- Types: brown, green, red and yellow, specialty, black beluga and puy lentils.
- Benefits: lentils reduce the risk of certain chronic diseases, support the digestive system, help in managing sugar levels and are a source of plant protein.



Export potential

- Nepal's total export potential for **lentils (HS code 071340)** in 2026 is **\$20 million**
- Nepal's untapped export potential for lentils is **\$19.1 million** (\$9.8 million related to growth expectations and \$9.3 million related to current trade frictions)
- Current exports = **\$8.7 million**

Used and untapped potential for Lentils (071340)



All \$ refer to USD

Export potential - Markets

- Based on their untapped export potential, Nepal could increase its exports of **lentils the most** in these markets:

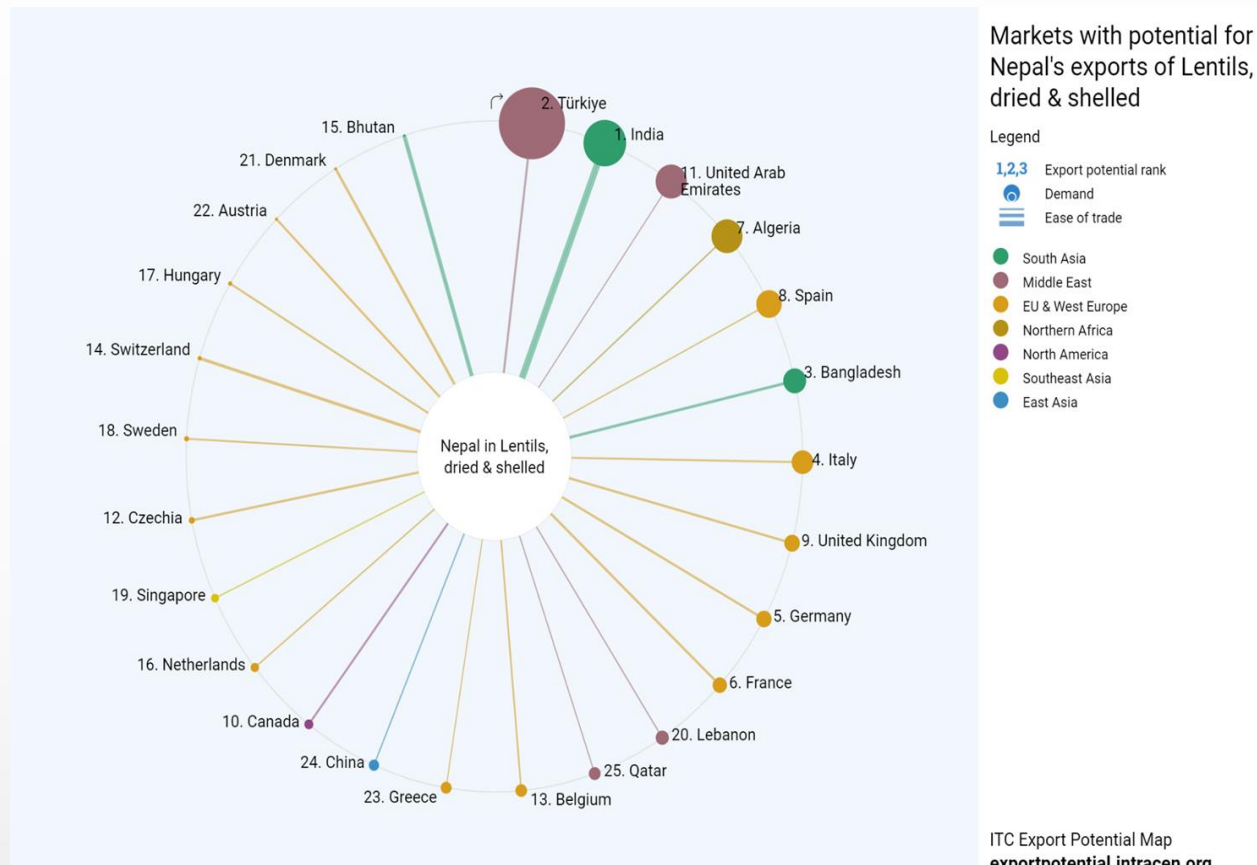
Market (Importer)	Export potential	Untapped export potential	Current exports
India	\$13 million	\$13 million	\$24,000
Turkey	\$4.1 million	\$4.1 million	\$0
France	\$215,000	\$215,000	\$0

India: half of the world lentils are consumed as staple food where daily average consumption of pulses is 147 kcal per capita (Statista, 2018)

Turkey: 5 kg per capita annually (Turkish Pulses Market Overview, 2016)

Export potential: Markets - Demand

- Why can exports to selected markets increase more than to others?
Because of their projected demand for 2026.

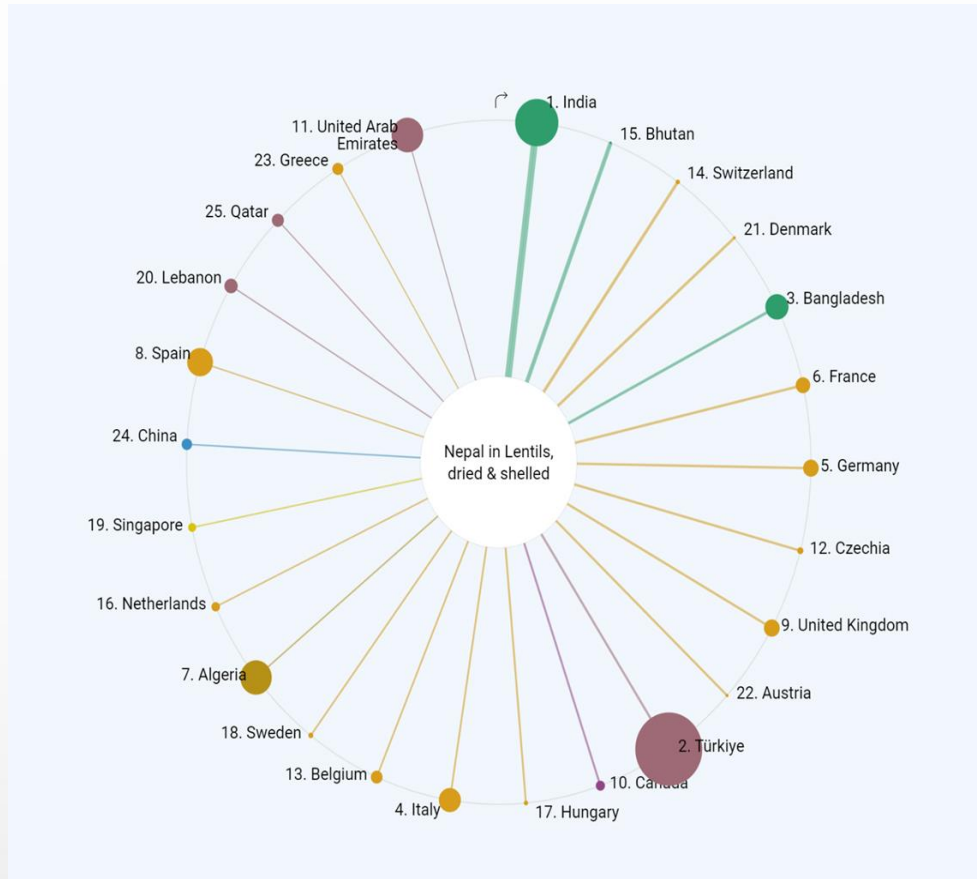


Top markets for Nepal's exports of lentils, ordered by the size of their demand in 2026:

1. Turkey
2. India
3. UAE
4. Algeria
5. Spain

Export potential: Markets - Ease of Trade

- Why can exports to selected markets increase more than to others?
Because of their ease of trade with Nepal.*



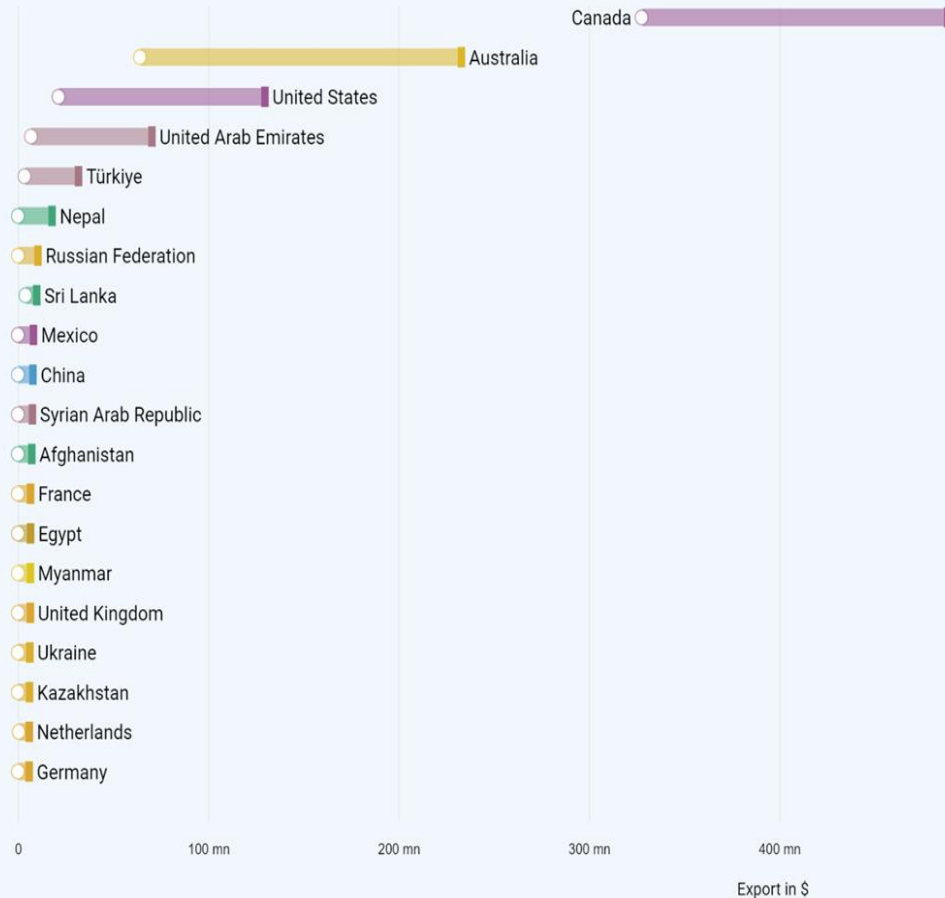
Top markets for Nepal's exports of lentils, ordered by their ease of trade* with Nepal:

- 1. India**
- 2. Bhutan**
- 3. Switzerland**
- 4. Denmark**
- 5. Bangladesh**
- 6. France**

* the "ease of trade" is a measure based on world trade data that captures how easy or difficult it is for Nepal to export to any given market, compared with world markets on average.

Possible competitors in the main markets

India



Countries with potential to export 071340 Lentils, dried & shelled to India

Legend



Top countries with export potential to India:

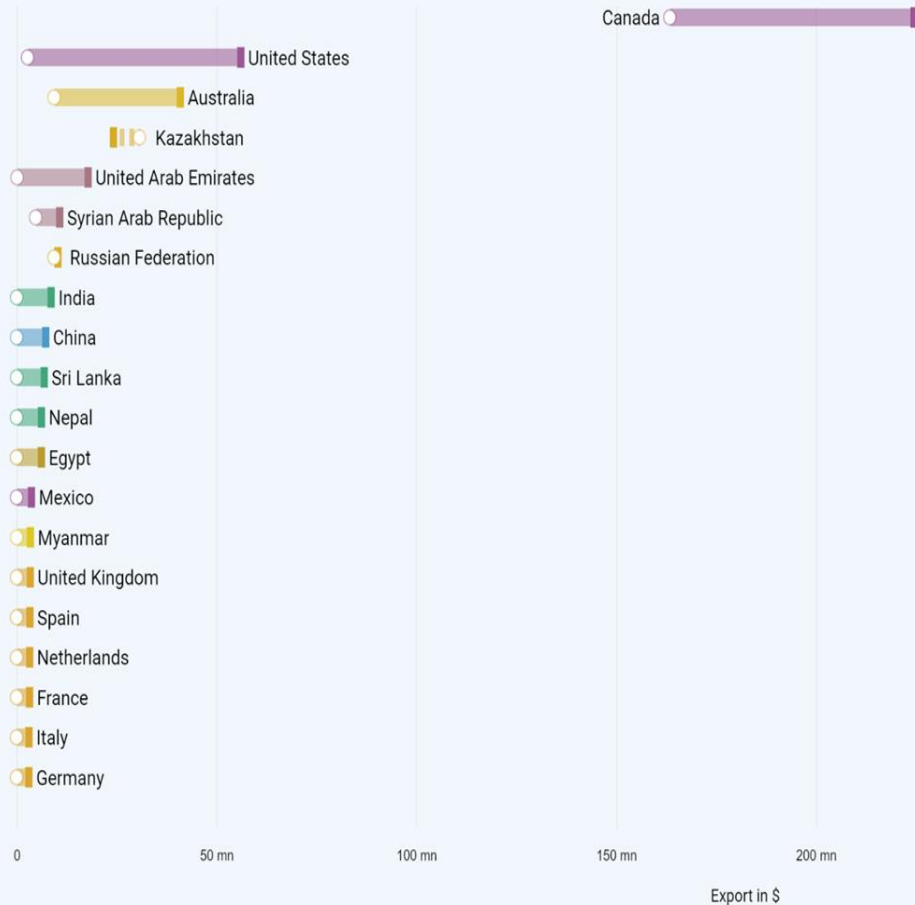
1. Canada
2. Australia
3. US
4. UAE
5. Turkey
6. Nepal

ITC Export Potential Map
exportpotential.intracen.org

Possible competitors in the main markets

Turkey

Countries with potential to export 071340 Lentils, dried & shelled to Türkiye



Legend

- Export potential
- Actual exports
- Potential to actual exports gap

- North America
- Pacific
- East Europe & Central Asia
- Middle East
- South Asia
- EU & West Europe
- East Asia
- Northern Africa
- Southeast Asia

Top countries with export potential to Turkey:

1. Canada
2. US
3. Australia
4. UAE
5. India
6. China
7. Sri Lanka
8. **Nepal**

ITC Export Potential Map
exportpotential.intracen.org

Nepal's position in the world market of lentils

Value exported by Nepal in 2021	Value exported by the world in 2021	Nepal's world market share in 2021	Nepal's trade balance in 2021	Annual growth in exported value (2017-2021)	Annual growth in exported quantity (2017-2021)	Unit value evolution 2017-2021
\$5.1 million	\$2.8 billion	0.2%	-\$51.9 million (trade deficit)	-22%	-24%	positive

- Nepal is a small player in the world market of lentils (0.2%)
- It is a net importer of lentils (-\$51.9 million trade deficit)
- The value and quantities of Nepal's exports of lentils have decreased in recent years
- The unit value of lentils exported by Nepal showed a positive trend

Main markets' position in the world market of lentils

Market (importer)	Trade balance in 2021	Ranking in world imports	Total import growth in value 2017-2021	Concentration of all supplying countries (Herfindahl index)
India	-\$516 million	1	13%	0.64
Turkey	-\$108 million	2	18%	0.55
France	-\$26 million	21	-3%	0.26

India

- Ranking of partner country in world imports = 1
- Concentration: 0.64 (high - few countries exporting lentils to India)

Turkey

- Ranking of partner country in world imports = 2
- Total import growth in value 2017-2021 = 18%

France

- Ranking of partner country in world import = 21

Market access conditions in main markets

- Exports of Lentils from Nepal face the following tariffs and regulatory requirements in the markets with most untapped potential:

India

Turkey

France

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- Nepal does not have tariff advantage in comparison to its competitors while exporting to India, Turkey and France.

Export potential in detail

- 49% (\$9.3 million) of untapped potential related to trade frictions hindering trade today
- 51% (\$9.8 million) of untapped potential related to expected tariff changes, and supply and demand growth
- In the main markets:

Market	Is most of the untapped potential static or dynamic?	Expected GDP growth	Expected population growth
India	Dynamic (52%, \$6.9 million)	51%	7%
Turkey	Dynamic (54%, \$2.2 million)	33%	5%
France	Static (65%, \$140,000)	12%	2%

- India and Turkey: high dynamic potential due to high expected GDP growth and expected population growth

Export potential in detail: supply side

Nepal's current world market share (average 2016-2020)	Nepal's world market share growth projection	Tariff advantage or disadvantage faced by Nepal in the world market
0.4%	1.16	tariff advantage (0.81*)

- Average market share (2016-2020): 0.4%
- Based on GDP projections for Nepal and competitors, as well as elasticities, Nepal's market share is projected to grow 16% by 2026
- Compared to all other lentils exporters in the world, Nepal faces a tariff advantage (0.81*)
- The tariff advantage helps Nepalese exporters, making their supply appear more competitive based on actual exports.

* This indicator is the ratio of the average tariff applied to Nepal in the world market of lentils to the average tariff applied to the world in the world market of lentils. A value < 1 indicates Nepal faces lower tariffs than the world in the world market of lentils.

Export potential in detail: demand side

Market	Actual imports (average 2016-2020)	Growth projection of demand (2026)	Tariff advantage or disadvantage faced by Nepal in each market*
India	\$427.4 million	1.16	advantage (1.62)
Turkey	\$221.4 million	1.16	neither advantage nor disadvantage (1)
France	\$ 26.9 million	1.16	neither advantage nor disadvantage (1)

- The demand of all three markets is expected to grow by 16% by 2026
- **India:** large current demand, tariff advantage for Nepal
- **Turkey:** large current demand, no tariff advantage for Nepal
- **France:** low current demand, no tariff advantage for Nepal

* This indicator is the ratio of the average tariff applied on lentils from the world in each market to the average tariff applied on lentils from Nepal in each market. A value > 1 indicates Nepal faces lower tariffs on lentils than the world in that market.

Export potential in detail: ease of trade

Market	Ease of trade*
India	27.53
Turkey	2.21
France	2.79

- The ease of trade between Nepal and all three target markets is high, particularly so with India
- However, for these three markets the ease of trade is not as important for lentils

* the “ease of trade” is the ratio of actual trade between Nepal and the target market to their hypothetical trade if Nepal had the same share in the target market that it has in the world market. A value > 1 indicates that it is easier for Nepal to trade with that market than with the world in general.

Exporting Lentils in one slide

- Countries with most unrealised export potential: India, Turkey, France
- Preferential Tariff = 0% for these countries
- India and Turkey both have high expected GDP growth
- To realize the friction-based untapped export potential, Nepal should address the non-tariff barriers (testing, modern production facilities, labelling, sanitary and phytosanitary measures)
- Production and testing facilities have to be enhanced using latest technology
- Also mitigate the effect of external factors like climate change, in order to realize the growth-based untapped potential
- Promote indigenous Nepalese Jumla Himalayan Black Lentils grown in cold regions.



Thank you