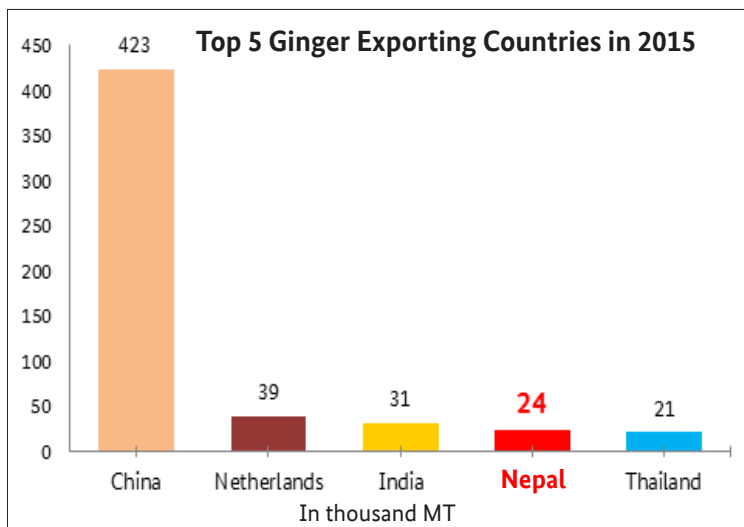


Ginger Sector in Nepal

In 2015, the global ginger production was estimated at 2,479 thousand metric tons (MT) with India being the largest producer of ginger with 790 thousand MT. Over the past nine years the global ginger exports have been growing by approximately seven per cent annually. China is the world's biggest ginger exporter with a market share of 72 per cent.

Nepal is the world's fourth largest ginger producer after India, China and Indonesia with a production of approximately 245 thousand metric tons per year. At the same time, Nepal is the world's fourth largest exporter. After an abrupt fall of the Nepalese ginger exports in the fiscal year 2013/14, the sector has been characterized by moderate growth rates in recent years. In values, Nepalese exports were of approximately US\$ six million in the fiscal year 2015/16.



Ginger is one of the 12 priority export products of the Nepal Trade Integration Strategy (NTIS) defined by the Government of Nepal. Until 2020, this national strategy aims to increase the export price for Nepalese ginger via value addition in the country from 217 US\$/MT to 815 US\$/MT. In Nepal, ginger is a crucial crop in terms of employment and area of cultivation. The diversification of export markets remains the biggest challenge for the Nepalese ginger sector.

Programme Name	Nepal-German Trade Promotion Programme (TPP)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Lead executing agency	Ministry of Commerce
Duration	February 2013 - December 2017

DID YOU KNOW?

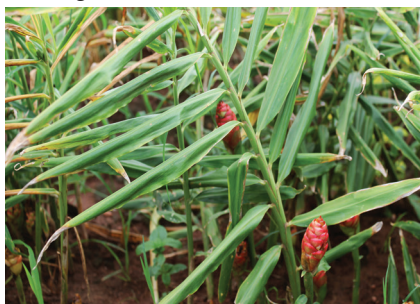
With a market share over 99%, India is the main trade partner for Nepalese ginger.

About 75 % of Nepalese ginger is traded in fresh form, the remaining 25% in processed form, mainly as Sutho (ginger dried in a traditional way) and powdered ginger.

Around 400,000 farmers are engaged in ginger farming.

Ginger farming is conducted on 23,826 hectares in Nepal.

▼ Ginger Plant



▼ Peeling Ginger



▼ Fresh Ginger





▲ Dehydrated Ginger (Sutho)



▲ Ginger Syrup



▲ Dried Powder Ginger

Value Added Ginger Products

In order to improve the trade-related environment and to strengthen the export potential of the ginger value chain, the Ministry of Commerce with the support of the programme ensures effective implementation of the NTIS. Further assistance is provided to the sector association Nepal Ginger Producers and Traders Association (NGPTA), with regards to product diversification, international market access, capacity building and policy advocacy. The potential ginger exporting companies are also provided with international market exposure through trade fair participation and Business to Business meetings.

Mr. Samir Newa, Founder/CEO of Organic Mountain Flavor Pvt. Ltd., a company exporting ginger to Europe since more than two years says,

“In Europe, there is a significant demand for Nepalese ginger, but entering and performing in the market is very difficult. Regular participation in international trade fairs gave our buyers the feeling that we are a reliable, stable and long-term partner. Once the contact with international clients is established, we maintain it regularly by providing up-to date information and doing follow-ups.”

Analysis of the Nepalese Ginger Sector

STRENGTHS

- Significant source of income and employment for small farmers
- Fourth largest producer of ginger in the world
- Low price level compared to other countries
- Strong pungency, aroma and good chemical properties for further processing

WEAKNESSES

- Poor washing, poor storage and poor packaging
- Very few processing facilities in Nepal
- Lack of internationally accredited laboratories with sufficient test parameters for quality grading
- Little cooperation in the value chain dominated by middlemen

OPPORTUNITIES

- Increasing global demand
- Due to richness in oil and oleoresin, high potential for value addition
- Rising demand in Ayurvedic medicines and other uses

THREATS

- Incidence and control of disease- pest (Rhizome rot, rhizome fly) discouraging farmers to invest
- High price fluctuation
- Cheap and quality ginger being produced in neighboring countries and Africa (Nigeria) may result in loss of market share

Sources: World Ginger Market Report. Analysis and Forecast to 2025, published by Indexbox 2017; TEPC; NTIS 2016, Searce 2017; Opportunities for Nepalese Ginger and Derivative Products to Access the EU, published by Samarth-Nepal 2014

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