

# Nepal GOVERNANCE

EP: 200 20/MAR /2026

## Nepal Watches the Conflict in West Asia with Growing Concern

WEEKLY

The escalating conflict in West Asia, centered around tensions involving Israel, Iran and the United States is beginning to have far-reaching ripple effects. The conflict has spread beyond direct confrontations, with Iranian strikes reportedly targeting U.S. military facilities located in several West Asian states, including Saudi Arabia and the United Arab Emirates.

For Nepal, this war is particularly worrying. West Asia remains the primary destination for majority of Nepali migrant workers, who are a pillar of the country's remittance-driven economy. According to the Ministry of Foreign Affairs Nepal (MoFA), around 1.7 million Nepalis are officially working and residing in Gulf countries, while the total number including undocumented workers may exceed two million.

Reports indicate that [one Nepali migrant](#) worker employed in the UAE has died and 20 have been injured. Adding to these concerns, at least seven Nepali nationals have reportedly been detained in the UAE, Saudi Arabia, and Kuwait for sharing videos and information related to the conflict on social media. The Nepali Embassy in Abu Dhabi has warned that sharing social media contents on the war could carry severe legal consequences under UAE law including prison sentences and hefty fines.

### Government Response and Preparedness

Recognizing the potential risks to Nepalese in West Asia, the Nepal government has begun taking precautionary measures. The MoFA has established an [Emergency Control Room](#) that operates 24/7 to coordinate and assist affected Nepali citizens to receive immediate support. The government has formed a cross-ministerial response team led by Foreign Secretary Amrit Bahadur Rai. The team is tasked with tracking developments in the region and preparing contingency plans for possible evacuations if the security situation deteriorates further. But as no country has yet initiated mass evacuations so far, Nepal is also currently focusing on preparedness rather than immediate evacuation.

Authorities have indicated that evacuation options such as air or maritime transport are being explored. However, a large-scale or blanket evacuation may prove logistically difficult, given the large number of Nepali nationals spread across multiple countries in the Gulf.

### Far-reaching Impacts on Nepal

Beyond immediate security risks, the conflict also has broader economic consequences for Nepal. West Asia is a critical supplier of global energy, and the escalating instability in the region has already begun to influence global oil markets. This has contributed to [rising fuel prices](#) in Nepal, increasing the cost of imports and adding pressure on domestic inflation.

For a country heavily dependent on remittances and imported energy, prolonged instability in West Asia presents both humanitarian and economic challenges. As tensions evolve and the conflict risks is expanding across the region, the Nepali government's ability to safeguard migrant workers and respond swiftly to emerging risks will be an important test of its diplomatic and crisis-management capacity.

## Governance Issues of the Week

- **Nepal Expands Immigration Blacklist as Fugitives Evade Capture** : The Department of Immigration has blacklisted around 13,000 individuals, including about 8,000 Nepalese and 5,000 foreigners barring them from crossing airports and land borders due to criminal allegations or convictions. The list includes 612 inmates who escaped during the September 9, 2025 prison breaches, many of whom are still at large, prompting heightened surveillance at major airports and border points. In the current fiscal year, over 450 foreigners have been deported, with 501 banned from re-entry for 3-10 years. Despite measures like the Advance Passenger Information System, officials say weak coordination and international challenges allow many fugitives including high-profile financial crime suspects to evade arrest and repatriation. [Read more](#)
- **34 Defendants Appear as Pokhara Airport Corruption Trial Progresses** : In the corruption case over the construction of Pokhara International Airport, 34 of 55 defendants have presented at the Special Court. The hearings will proceed once all are present. The court ordered bail for five individuals (ranging from NPR 1 lakh to 5 lakh) while others were released on general dates. The Commission for the Investigation of Abuse of Authority alleges irregularities worth over NPR 8.36 billion with former ministers and a former finance minister among the accused. A representative of China CAMC Engineering also appeared, and the company has been asked to post NPR 25 lakh bail over allegations of inflated project costs. [Read more](#)
- **Health Insurance Linked to National ID Amid Service Gaps and Medicine Shortages** : The Health Insurance Board is linking insurance to the National ID to prevent misuse and duplicate services, requiring ID presentation and biometric verification for new and renewing members. About 70% of insured already have IDs. The program covers 1.02 million people, but high demand has caused medicine shortages and delayed payments. Of 1,289 covered medicines, only around 300 are available at major hospitals, often at higher-than-approved prices. Officials aim to standardize medicine access and strengthen local health centers to reduce overcrowding. [Read more](#)
- **“Good Governance Roadmap” Proposed to Advance Transparency and Digital Reform** : “Good Governance Roadmap” has been proposed as a blueprint for the next government, focusing on digital governance, transparency, and anti-corruption. Prepared by a high-level committee after broad consultations, it outlines legal reforms, stronger institutional coordination, and more efficient public service delivery. Key recommendations include digitizing government systems, improving transparency in public procurement and customs, reforming fiscal transfers, and modernizing services like land and social security to reduce corruption and enhance governance. [Read more](#)
- **NOC Tightens Monitoring to Prevent Gas Hoarding Amid Shortage** : The Nepal Oil Corporation (NOC) has urged the public and LPG sellers to avoid hoarding gas and to prioritize household consumers, emphasizing that people should buy and use LPG only as needed. Despite global supply disruptions caused by the Middle East conflict, NOC continues that regular distribution of petroleum products and LPG continues across Nepal. The corporation has directed industries to share daily sales information, including quantities and consumer details, to improve supply management. Additionally, 7.1kg LPG cylinders are being sold at NPR 955 each under the current scheme to ensure fair and accessible distribution. [Read more](#)

Nepal Governance Weekly is an analytical update of Nepal's current affairs based on media and real sources mining, to sensitize the communities on hot news on various Political economic governance and policy issues from the perspective of accountability.

Presented By



with the technical support from 

Join us online

[www.nepal.accountabilitylab.org](http://www.nepal.accountabilitylab.org)



Copyright © 2021 Accountability Lab Nepal, All rights reserved.

Our return e-mailing address is:

[nepal@accountabilitylab.org](mailto:nepal@accountabilitylab.org)