

Drugs in Nepal: History, Law, and the Case for a Balanced Policy

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Abstract

The history of drug use in Nepal is complicated and has been influenced by open borders, traditional cannabis cultivation, and changing government regulations. Drug use has increased even after the Narcotic Drugs (Control) Act of 1976 made drugs illegal, especially among young people. The origins and dissemination of drugs in Nepal, their effects on the economy, and the efficacy of legal frameworks are all examined in this article. To provide a descriptive and analytical account, the study adopts a doctrinal and narrative policy review approach and relies on secondary literature, government reports, and primary legal documents. The results indicate that although the cannabis trade used to bring in regulated revenue for the state, an important economic opportunity was lost when it was outlawed due to outside pressure. The findings reveal that prohibitionist policies have failed to reduce drug use and instead led to the criminalization of users, while also eliminating a potential source of revenue. The study concludes that Nepal needs a well-rounded drug policy that regulates cannabis under state control, prioritizes supervision of pharmaceutical drugs, rehabilitation and harm reduction. These steps would not only be in line with best practices around the world, but they would also be better for Nepal's own social and economic situation.

Keywords: *Cannabis, Drug policy, Department of Drug Administration, Harm reduction, Narcotic drug use trends*

Introduction

Drugs, as defined by WHO, “are a category of psychoactive substances that, when taken in or administered into one’s system, affect mental processes, e.g. perception, consciousness, cognition or mood and emotions” (WHO, 2021). Drugs have been shown to alter mental state and are shown to be highly addictive, which can lead to serious negative consequences (NIDA, 2018).

This is particularly concerning to the youth of the society, as it may lead to their deterioration in society. Therefore, this study is both relevant and important.

Drug use and abuse are growing global trends that go beyond borders, age, and socioeconomic status. According to the United Nations Office on Drugs and Crime (UNODC, 2023), over 296 million people worldwide used drugs at least once in 2021, which marked a 23% increase over the past decade. The rise in accessibility of synthetic drugs, combined with social and economic pressures, has worsened the issue. Developing nations like Nepal face unique challenges due to weak enforcement mechanisms, porous borders, and limited rehabilitation facilities.

In this context, Nepal's geographic location, socioeconomic conditions, and historical connection to psychoactive substances make it a significant case study. The country's open borders, traditional cannabis use, and evolving drug culture reflect broader regional trends across South Asia.

Psychoactive substances have long been part of Nepalese society. Due to open borders with India, the drug trade has been easier for Nepal. It has a large cultivation of cannabis and is exported to other countries like India and China. However, even cannabis, criminalised under the Narcotic Drugs (Control) Act, 2033 (1976), has deep political and economic roots in Nepal according to the Narcotic Drugs (Control) Act 2033 (1976 AD), and it has a large history with politics and economy. There has been a long-running controversy over the legalisation of cannabis because of its economic and social importance that had been observed back in the days when cannabis was legal in Nepal. So, we will also explore the impact of drugs in Nepalese economy.

In this study, we also examine Nepal's legal framework for drugs. Nepal has a regulatory body called the Department of Drug Administration, which is under the Ministry of Health and Population, which works to regulate drugs in the country (DDA, 2017). We will discuss the laws that have been formulated with regard to drug use and if they have been effective enough to make an impact.

Understanding drug use, trade, and regulation in Nepal helps tackle local issues and adds to the global discussion on drug policy and harm reduction.

This article aims to explore the origins and entry routes of drugs in Nepal, assess the impact of drugs on Nepal's economy, review the effectiveness of Nepal's drug-related legal frameworks, and provide recommendations for a more balanced and effective approach to drug control.

Methodology

This study employs a doctrinal and narrative policy review approach that combines legal analysis with descriptive and analytical examination of Nepal's drug control framework. It is based on an interpretivist epistemological stance, acknowledging that drug use, regulation, and enforcement are socially constructed and context-dependent phenomena. The research applies a qualitative and descriptive method to explore the formulation and implementation of drug-related legislation, particularly the Narcotic Drugs (Control) Act, 2033 (1976), and its broader social and economic effects. Data were collected from secondary sources, including official records, legislative documents, academic works, and credible media reports. The study uses documentary and thematic analysis to interpret legal provisions, trace policy evolution, and compare Nepal's experience with international models. Reliability and validity were ensured through triangulation of verified data from multiple authoritative sources and the inclusion of peer-reviewed references, while recognizing inherent limitations such as incomplete documentation and underreporting. Overall, this methodological framework enables a comprehensive and context-sensitive understanding of Nepal's drug policies by integrating historical insight with legal and policy analysis.

Impact of Drugs in Nepal's Economy

Cannabis is considered a narcotic drug in Nepal. Its cultivation and trade are prohibited under the Narcotic Drugs (Control) Act, 2033 (1976). Before 1973 AD, cannabis was legal in Nepal (Adhikari, 2019). It was regulated by government through licensed shops particularly in areas like Jhochhen Tole which was and is still famously known as Freak Street (Himalayan Trekkers, 2025). The government regulation made cultivation and commercialization of cannabis easy in Nepal. It was expected to generate a revenue of about \$100,000 per year (Adhikari, 2019).

Under pressure from the U.S. and the wider international community, the Government of Nepal canceled the licenses that were given to dealers, shops and farmers (Adhikari, 2019). Thus,

the trade of cannabis in Nepal halted and so did the cannabis farmers' income sources. Though the exact figures about the revenue generated from cannabis trade cannot be found, the positive economic impact of the cultivation is discussed in many studies (Khanal, Khanal, & Christian, 2021).

Fortune Business Insights (2025) reports that “in 2022, the global cannabis market was valued at USD 43.72 billion, and it is predicted to grow to USD 444.34 billion by 2030”. Nepal could use its terrain and climate diversity and produce high-quality cannabis which could be exported to international market (Poudel & Thapa, 2025). Besides the use for medical and recreational purpose, hemp, the same species of plant as cannabis, is considered one of the strongest fibers (WebMD, 2018). In 2023, the global hemp fibre market revenue was estimated to be around USD 7.72 billion (Jaiswal, 2025).

Brief Overview of Policy and Regulation

Narcotic Drugs (Control) Act, 2033 (1976)

This Act also carries extra-territorial jurisdiction, meaning that it applies not only to Nepali citizens but also to foreigners who, while residing abroad, engage in the import or export of narcotic drugs into or from Nepal. In this context, the term “Narcotic Drugs” covers cannabis (marijuana), medicinal cannabis, opium, medicinal opium, processed opium, coca plants and leaves, as well as any substances derived from mixing opium with coca extracts, including their mixtures or salts (Government of Nepal, 1976). It also extends to any natural or synthetic narcotic drugs, psychotropic substances, and their salts, along with any additional substances that the Government of Nepal may designate through notifications published in the Nepal Gazette from time to time (Government of Nepal, 1976).

The Act has few prohibitions in its provisions – such include restrictions on cultivation, preparation, purchase, sale, distribution, export, import, conduct trafficking, or consumption of cannabis/marijuana, opium, coca leaves, narcotic drugs and so on. However, purchase and consumption of narcotic drug by any person in the recommended dose from any licensed shop on the recommendation of any recognized medical practitioner for the purpose of medical treatment and consumption of narcotic drugs by persons belonging to the prescribed categories in prescribed doses are acceptable (Government of Nepal, 1976).

One of the major developments of the Nepalese legal framework on narcotics can be discussed in the Narcotic Drugs (Control) Act, 1976, which introduced criminal liability to the cultivation and production of cannabis, opium, and cocaine, and to their sale and use. This was highly promoted by the pressure of the international community and represented a strong shift on the part of Nepal, which had previously tolerated traditional drug use. It gave elaborate rules on what should be punished, and the level of punishment would depend on the kind and the amount of drug to be used, and it recommended that both fines and imprisonment could be imposed. Besides using these means of punishment, the act also considered a rehabilitative option by providing treatment centers to the drug users. In addition, it gave the government tremendous authority in searching, confiscating, and observing narcotics in the nation. Even today, the provisions of this Act still inform and guide over drug control policy developed by Nepal.

Drugs Act, 2035 (1978)

According to its preamble, the act was made to prevent the misuse of drugs and related substances and to stop false or misleading information about their effectiveness and use. It also aimed to regulate the production, sale, distribution, export, import, storage, and consumption of drugs that are unsafe for public use, ineffective, or fail to meet the required standards of quality (Government of Nepal, 1978). The Act defines a “drug” as any substance that can be used to diagnose, cure, reduce, treat, or prevent a disease in humans, animals, or birds. It also includes substances intended to control or eliminate vermin or insects that cause diseases in humans, animals, or birds. In addition, any substance that can affect the structure or functions of the body in humans, animals, or birds is considered a drug under the act. The definition further extends to any ingredients or components that are used to prepare such substances.

The Chapter 6 of the Act provides the provisions of inquiry and inspection. It gives authority to the inspectors to examine, investigate, and search any place where drugs are being manufactured, stored, sold, distributed, or transported (Government of Nepal, 1978). In a similar way, the Chapter 7 enables the Government of Nepal an authority to publish notices in the Nepal Gazette to prohibit the manufacture, sale, distribution, storage, transportation, export, import, or use of any drug, if it thinks that such restrictions are required (Government of Nepal, 1978).

The Drugs Act, passed in 1978, was intended to control drug production, distribution, and use in Nepal. Its main goals were to prevent abuse and false advertising while simultaneously

guaranteeing that medications on the market were safe, efficient, and of consistent quality. The Department of Drug Administration (DDA) was formed as the regulatory agency to monitor the compliance with the act, which required that the majority of drug-related activities must be licensed. Pharmacy sales of unregistered or expired medications were prohibited under this framework, and violations could result in fines and jail time. The act became a crucial legislative tool in regulating synthetic and prescription medications, which have since gained more importance in Nepal's drug industry, even though cannabis and heroin remained outside of jurisdiction.

Trend of Drug Use in Nepal

According to national surveys and administrative data that are currently available, drug use in Nepal has been steadily increasing over the past ten years, with greater prevalence among young males and in urban areas. There are also indications that the substances used and the routes of administration have become more diverse. With an average annual growth of 5.06% since the last national estimate in 2069 (2013), the Government of Nepal's Drug Users Survey 2076 (2019) estimated 130,424 drug users nationwide (Ministry of Home Affairs Nepal, 2020). About three-quarters of users are under 30 years old, and the profile is still overwhelmingly male.

According to the Survey Report on Current Hard Drug Users in Nepal, 2069, it found 91,534 "hard drug" users and recorded high levels of polydrug use (Central Bureau of Statistics Nepal, 2013). The direction of change is consistent with an increase in both the number of users and the complexity of use patterns, although methodological differences limit exact comparability (Bhandari, et al., 2021).

Routes of administration vary substantially. According to a variety of sources, injection is still widely used in Nepal, though estimates differ depending on the study and technique. According to one reading of the 2076 survey, approximately one-third of users inject and some summaries of the same dataset report ~29.6% people who inject drugs (PWID) (Gurung & Rigoni, 2023) A much larger absolute PWID estimate has been cited in other human rights reporting, highlighting the fact that size-estimation techniques can produce inconsistent numbers and the need for caution when comparing sources (Harm Reduction International et al., 2021).

Although there are credible signs of diversification, cannabis is still the most widely used drug in the country (The Kathmandu Post, 2025). The 2076 survey which is summarized by health sector bulletins highlight the prevalence of cannabis, but police and media reports from 2024–2025 indicate an increase in heroin and pharmaceutical product seizures, suggesting supply-side shifts (and potentially demand-side substitution) (Department Of Drug Administration Nepal, 2023; The Kathmandu Post, 2025). Geographically, drug use and enforcement encounters are concentrated in urbanized districts (e.g., Kathmandu Valley and major eastern Terai districts), mirroring internal migration and economic hubs. Although precise district-level prevalence from the 2076 survey is not publicly found in government web page, both the 2076 survey and subsequent reporting highlight urban concentration among users and in arrests/seizures (Harm Reduction International et al., 2021).

Criminal-justice indicators support the growing footprint of the drug economy. As of fiscal year 2024/25 (to mid-May 2025), Nepal Police data reported that 6,126 out of 29,012 prisoners (21.11%) were jailed on drug-trafficking charges, up from 5,911 out of 22,602 (20.73%) the previous year; police also reported year-over-year increases in seizures of cannabis, opium, heroin, and pharmaceutical drugs (The Kathmandu Post, 2025). These enforcement trends do not directly measure prevalence, but they do reflect a sustained and possibly expanding market.

Finally, under-representation of women and hidden populations remains a persistent measurement weakness. The 2076 survey itself notes potential undercounting of women due to stigma and sampling barriers, which means we should be cautious about drawing strong conclusions about the number of men and women involved (Harm Reduction International et al., 2021).

Discussion

The findings of the research show that there is a paradox in Nepal's drug situation. Narcotic use and trafficking have increased despite strict prohibitions since the 1970s. This is consistent with global findings demonstrating that prohibition often fails to eliminate drug markets (Global Commission on Drug Policy, 2021). The persistence of cannabis use, in particular, demonstrates the resilience of traditional practices even under criminalization. Nepal's decision to ban cannabis under outside pressure took away a possible source of regulated state revenue. Historical records show that the industry made a lot of money before 1973 (Adhikari, 2019), but Nepal is still not

part of a rapidly growing global cannabis market that is expected to reach USD 400 billion by 2030 (Fortune Business Insights, 2025). This suggests that prohibition has not only failed to decrease drug consumption but has also denied Nepal a valuable development opportunity.

From a policy perspective, Nepal's laws are still very harsh, and the Narcotic Drugs (Control) Act of 1976 is still used to enforce them. But, as human rights reports have shown, these methods have often resulted in overcrowded prisons and the criminalization of users instead of successful rehabilitation (IDPC, 2021). There is a global trend toward harm reduction and medicalized treatment models, but Nepal has not yet fully embraced these changes.

Finally, survey data show that drug use among teens is rising at an alarming rate, especially opioids and synthetic drugs. This trend shows that Nepal's current focus on cannabis regulation is out of date because the biggest threats come from prescription drugs that are brought in and used incorrectly. These findings collectively indicate a misalignment among Nepal's policies, public health requirements, and economic prospects.

Conclusion

This article has explored the historical entry of drugs into Nepal, their economic implications, and the evolution of the country's legal responses. The evidence demonstrates that prohibitionist approaches, particularly since the 1970s, have failed to contain drug use while simultaneously eliminating a potential source of regulated revenue. Nepal continues to experience rising drug abuse among youths, compounded by the misuse of opioids and pharmaceutical substances. A more balanced approach is needed urgently. First, Nepal should consider legalizing cannabis in a controlled manner. This would make use of the country's favourable climate and long history of cultivation to generate revenue and cut down on black market trade. Second, the focus of policy should change from punishment to strategies that focus on public health, such as rehabilitation, harm reduction, and education. Third, strict monitoring on drug imports and prescription abuse are needed to deal with the most immediate problems. Nepal's drug policy needs to change from criminalisation to take both global best practices and local realities into account. In addition to safeguarding public health, doing this will create opportunities for long-term, sustainable economic growth.

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