Title: *Life or death? Realising the potential of Nepal’s forestry sector in promoting inclusive growth*

For centuries, there has been a huge cross-border trade in Medicinal and Aromatic Plants (MAPs) from Nepal, traditionally driven by demand in India and, in recent years, in China. Moving beyond anecdotal evidence and smaller case studies, limited in terms of number of products and geographical coverage, this study quantifies the national-level trade in MAPs from Nepal. It is based on a harvester, trader, central wholesaler, regional wholesaler, and processor surveys done in 15 districts for the case years 1997-1998 and 2014-2015. Findings show that, while it is largely invisible in the official statistics, trade in MAPs currently constitutes Nepal’s most valuable export product group. The sector has seen rapid growth in the past two decades: the number of species, volumes and values traded as well as the number of actors involved in the sector have all increased substantially while a large domestic processing sector has also emerged. In this paper, we show who benefits from this growth and present policy recommendations to promote inclusive growth and sustainable use of resources.