



**MACROECONOMIC INDICATORS
OF
NEPAL**

December 2005

NEPAL RASTRA BANK
RESEARCH DEPARTMENT
STATISTICS DIVISION

www.nrb.org.np

Table 1	
General Information	
Area (In Sq. Km.)	
Area	147181
Area Under Cultivation	39003
Forest	62405
Snow	5004
Pasture	17367
Others	23402
Population*	
Total Population (In Million)	23.2
Average Annual Growth Rate (In Percent)	2.2
Density of Population (Per Sq. Km.)	157
Rural Population:	
In Million	20.0
In Percent of Total Population	86.0
Urban Population:	
In Million	3.2
In Percent of Total Population	14.0
Average household size	5.4
Socio-Physical Infrastructure (July 2005)	
Literacy Rate (Above 6 years)	54.1
Percent of Households Having Access to Improved Sources of Drinking Water (Piped & Tube-well)	82.0
Percent of Households Having Access to Electricity (Lighting)	39.8
Area Under Irrigation (In Percent of Total Arable Land)	49.6
Number of Hospital Beds	5250
Number of Doctors**	1259
Number of Primary Schools	24746
Number of Lower Secondary Schools	7436
Number of Secondary Schools	4547
Number of Higher Secondary Schools	1000
Number of Universities	5
Telephone Line Distribution (In Units)	433631
Roads (Black Topped) (In Km)	4871
Bank and Non-Bank Financial Institutions (Mid-July 2005)	
Number of Commercial Banks	17
Number of Commercial Bank Branches***	375
Number of Development Banks	26
Number of Rural Development Banks	5
Number of Finance Companies	60
Number of Cooperative Societies	20
(Licensed by NRB)	
Number of Micro Finance Non Governmental Organizations	47
(Licensed by NRB)	
Number of Insurance Companies	19
Tourism (2004)	
Tourists Arrival (In Thousand)	385.3
Number of Hotel Beds (In Thousand)	39.7
Per Capita Expenditure of Third Country Tourists (In Rs.)	45210
Average Duration of Stay (Days)	13.5
* Based on Population Census of 2001.	
** HMG employees only	
*** Including commercial banking branches of ADB/N.	

Source: Economic Survey and other HMG Publications.

Table 2				
Summary Macroeconomic Indicators				
	2001/02	2002/03	2003/04	2004/05
Percentage Changes Over Previous Year				
Real GDP at Producers' Price	-0.6	3.4	3.4	2.5 ^E
Nominal GDP at Producers' Price	2.8	8.0	8.5	6.7 ^E
GNP at Current Price	3.2	7.2	7.5	6.1 ^E
Total Consumption	6.4	8.2	8.1	6.9 ^E
Total Investment	2.9	16.5	13.2	2.3 ^E
Gross National Saving	-10.9	1.9	4.5	1.4 ^E
Gross Domestic Saving	-17.3	6.8	11.8	5.9 ^E
Gross Fixed Capital Formation	4.6	6.6	9.3	7.1 ^E
Money Supply (M1)	9.3	8.6	12.2	6.6 ^R
Broad Money (M2)	4.4	9.8	12.8	8.3 ^R
Domestic Credit	10.4	10.2	9.9	13.5 ^R
Time Deposits	2.1	10.4	13.1	9.2 ^R
Total Exports	-15.6	6.4	8.0	8.0 ^P
Total Imports	-7.2	15.8	9.6	-3.0 ^P
Gross Forex Reserve	0.7	2.2	20.3	-0.2 ^P
Government Revenue	3.2	11.5	10.9	14.4 ^R
Government Tax Revenue	1.2	8.3	13.1	13.1 ^R
Government Expenditure	0.3	4.9	6.5	12.9 ^R
Revenue Surplus	84.2	11.7	-25.9	10.8 ^R
Government Budgetary Deficit	13.1	48.6	12.9	17.2 ^R
National Urban Consumer Price Index	2.9	4.8	4.0	4.5
National Wholesale Price Index	4.9	3.8	4.1	7.3
As % of Gross Domestic Product (Nominal GDP at Producers' Prices)				
Total Consumption	87.9	88.0	87.6	87.7 ^E
Total Investment	24.2	26.1	27.2	26.1 ^E
Gross National Saving	16.5	15.5	14.9	14.2 ^E
Gross Domestic Saving	12.1	12.0	12.4	12.3 ^E
Gross Fixed Capital Formation	19.3	19.1	19.2	19.3 ^E
Money Supply (M1)	18.3	18.4	19.0	18.9 ^R
Broad Money (M2)	53.0	54.1	56.0	56.8 ^R
Domestic Credit	49.1	50.2	50.7	53.9 ^R
Time Deposits	34.8	35.6	37.0	37.9 ^R
Total Exports	11.1	10.9	10.9	11.0 ^P
Total Imports	25.4	27.2	27.5	25.0 ^P
Trade Balance	-14.3	-16.3	-16.6	-14.0 ^P
Current Account Balance	4.3	2.5	2.9	5.5 ^P
Gross Forex Reserves	25.0	23.7	26.3	24.6 ^P
Government Revenue	11.9	12.3	12.6	13.5 ^R
Government Tax Revenue	9.3	9.3	9.7 ^R	10.3 ^R
Government Expenditure	18.9	18.4	18.0 ^R	19.1 ^R
Revenue Surplus	-1.1	-1.2	0.8 ^R	0.8 ^R
Government Budgetary Deficit	1.5	2.1	2.2 ^R	2.4 ^R
Domestic Borrowing*	3.6	1.3	0.6	1.6 ^R
* Including change in cash balance.				
E Estimated. P Provisional. R Revised.				

Source: Central Bureau of Statistics and Nepal Rastra Bank.

Table 3				
Real Sector				
(Rs. in Million)				
	2001/02	2002/03	2003/04	2004/05 ^E
Real GDP at Producers' Price (1994/95)	291241	301095	311222	319057
Real GDP at Factor Cost	279169	287857	297231	303298
Agriculture	108752	111471	115774	119016
Non-agriculture	170417	176386	181457	184282
Total Investment	102174	119048	134791	137885
Gross Fixed Capital Formation	81613	87024	95129	101915
Public Sector	32044	31228	32521	32716
Private Sector	49569	55796	62608	69199
Change in Stock	20561	32024	39662	35970
Total Consumption	371526	401897	434359	464133
Public Consumption	42327	46362	50381	53277
Private Consumption	329199	355535	383978	410856
Gross Domestic Saving	51281	54778	61230	64870
Gross National Saving	69656	70972	74185	75234
Nominal GDP at Producers' Price	422807	456675	495589	529003
Nominal GDP at Factor Cost	406138	437546	474129	504101
Agriculture	160144	171104	183357	193291
Non-agriculture	245994	266442	290772	310810
Mining & Quarrying	2056	2188	2377	2615
Manufacturing	32805	34337	36634	39494
Electricity, Gas & Water	8635	10905	11340	12258
Construction	42290	45068	49033	52729
Trade, Restaurant & Hotel	40772	43978	49320	49478
Transportation Communication and Storage	34652	38286	43664	47558
Finance and Real Estate	43882	47719	51411	56088
Community & Social Service	40902	43961	46993	50590
E Estimated.				

Source: Central Bureau of Statistics.

Table 4
National Urban Consumer Price Index
 (Base Year : 1995/96 = 100)

	Weight (Percent)	Percentage Changes			
		2001/02	2002/03	2003/04	2004/05
Overall Index	100.00	2.9	4.8	4.0	4.5
Food and Beverages	53.20	3.7	4.4	3.3	4.0
Grains and Cereal Products	18.00	2.1	8.2	1.2	3.8
Rice & Rice Products	(14.16)	1.1	8.6	1.0	3.2
Pulses	2.73	1.9	1.1	0.6	4.4
Vegetables and Fruits	7.89	7.5	0.5	3.4	4.7
Spices	1.85	2.0	-8.8	4.0	-1.0
Meat, Fish and Eggs	5.21	4.1	3.3	6.8	6.4
Milk and Milk Products	4.05	1.2	1.0	1.8	0.5
Oil and Ghee	3.07	8.3	19.6	12.3	-1.9
Sugar and Related Products	1.21	5.9	-7.0	-0.4	24.8
Beverages	2.28	5.0	6.9	0.3	1.8
Restaurant Meals	6.91	3.3	3.5	5.2	5.1
Non-food and Services	46.80	2.1	5.0	4.7	5.1
Cloths, Clothing and Sew. Ser.	8.92	2.5	1.4	1.8	2.5
Cloths	(2.28)	1.7	-0.7	1.4	3.5
Clothing and Sew. Ser.	(5.75)	2.5	2.3	1.1	1.7
Footwear	2.20	1.6	1.1	0.5	0.5
Housing	14.87	1.4	5.9	6.6	9.2
Fuel, Light & Water	(5.92)	-0.9	8.3	10.0	14.7
Transportation & Communication	4.03	2.5	6.0	7.5	7.0
Medical & Personal Care	8.03	6.2	4.3	3.7	1.7
Education, Read. & Recreation	7.09	-1.3	9.3	4.6	4.4
Tobacco & Related Products	1.66	4.6	2.9	1.8	2.0

Table 5				
Monetary Survey				
(Rs. in Million)				
	Mid-July			
	2002	2003	2004	2005 ^E
Foreign Assets, Net	88419.1	91407.0	108804.6	107744.4
Foreign Assets	106996.2	109306.3	131366.0	130919.1
Foreign Liabilities	18577.1	17899.3	22561.3	23174.8
Net Domestic Assets	135569.2	154504.3	168501.2	192695.6
Domestic Credit	207323.0	228443.8	251088.9	285032.1
Net Claims on Govt.	59576.6	62825.0	62313.7	68686.1
Claims on Govt.	59576.6	63286.7	63066.7	68686.1
Government Deposits	0.0	461.7	753.0	0.0
Claims on Non-financial Govt.	3076.0	2833.2	2914.9	6566.2
Claims on Financial Institution	11355.1	11828.7	13343.9	12762.8
Claims on Private Sector	133315.3	150956.9	172516.5	197017.0
Net Non-monetary Liabilities	71753.8	73939.6	82587.7	92336.5
Broad Money	223988.3	245911.3	277305.9	300440.0
Money Supply	77156.2	83754.1	93969.5	100205.8
Currency	55658.3	56885.2	63218.9	68784.1
Demand Deposits	21497.9	26868.9	30750.7	31421.6
Time Deposits	146832.1	162157.2	183336.4	200234.2
Reserve Money	78969.7	80979.5	94415.2	96411.1
E Estimated.				

Table 6				
Stock Market				
	Mid-July			
	2002	2003	2004	2005
Number of Listed Companies	96	108	114	125
Paid-up Value of Listed Shares (Rs. in Million)	8680.2	11898.0	12016.0	16771.0
Paid-up Value /GDP (In Percent)	2.1	2.6	2.4	3.2
Market Capitalization (Rs. in Million)	34704.0	35240.4	41424.8	61365.9
Market Capital/GDP (In Percent)	8.6	7.7	8.4	11.6
Annual Turnover (Rs. in Million)	1540.6	576.0	2144.3	4507.7
Total Turnover/Paid up Value (In Percent)	17.7	4.8	17.8	26.9
Turnover/Market Capitalisation (In Percent)	4.4	1.6	5.2	7.3
NEPSE Index (Closing)	227.5	204.9	222.0	286.7

Source: Nepal Stock Exchange Ltd.

Table 7
Condensed Assets and Liabilities of Commercial Banks
(Rs. in Million)

	Mid-July			
	2002	2003	2004	2005 ^R
Total Deposits 183728.1	202733.8	232576.3	250464.9	
Demand Deposits	24629.2	28299.4	33038.7	34120.0
Domestic Deposits	19247.5	23188.2	28065.2	28673.5
Foreign Deposits	4501.7	5111.2	4973.5	5446.5
Saving Deposits	83817.7	97236.4	114106.3	130013.6
Domestic Deposits	79984.4	92889.4	107497.2	123917.8
Foreign Deposits	3833.3	4347.0	6609.1	6095.8
Fixed Deposits	74373.7	75348.4	83268.2	84137.4
Domestic Deposits	65060.2	67418.2	73676.2	74122.5
Foreign Deposits	9313.5	7930.2	9592.1	10014.9
Margin Deposits	1787.5	1849.6	2163.1	2194.0
Borrowings from NRB	1043.7	947.4	477.9	1724.0
Foreign Liabilities	228.4	134.2	521.4	27.6
Capital & Other Liabilities	65933.2	88234.2	75655.4	88416.0
Assets = Liabilities	250933.4	292049.6	309230.9	340632.5
Liquid Funds 46951.9	41330.0	50385.0	50094.6	
Cash in Hand	4116.9	4723.3	4283.8	4773.0
Balance with NRB	16152.1	15690.3	24227.0	20105.9
Foreign Currency in Hand	616.9	721.6	435.5	374.8
Balance Held Abroad	23258.3	19366.1	20798.6	24045.1
Cash in Transit	2015.7	828.7	640.1	795.9
Loans and Advances	173319.2	201822.5	228234.9	260867.3
Claims on Government	29143.8	39469.3	43796.3	48550.7
Claims on Non-financial Govt.	3068.5	2825.7	2907.4	6557.7
Claims on Financial Institution	9692.0	10278.7	11783.3	11436.2
Claims on Private Sector	130088.4	148073.2	168692.8	193270.0
Foreign Bills Purchased and Discounted	1326.5	1175.6	1055.1	1052.8
Other Assets	30662.2	48897.1	30611.0	29670.6
^R Revised.				

Table 8				
Government Budgetary Operation				
(Rs. in Million)				
	2001/02	2002/03	2003/04	2004/05^R
Revenue	50445.5	56229.8	62331.0	71322.2
Tax Revenue	39330.6	42586.9	48173.0	54477.1
Non-Tax Revenue	9225.8	12103.2	12307.5	15657.6
Principal Refund	1889.1	1539.7	1850.5	1187.5
Total Expenditure	80072.2	84006.1	89442.6	100937.3
Recurrent	48863.9	52090.5	55552.1	63117.3
Capital		24773.4	22356.1	23095.6
25165.1				
Principal Repayment	6434.9	9559.5	10794.9	12654.8
Surplus (+)/Deficit (-) Before Grants	-29626.7	-27776.3	-27111.6	-29615.1
Foreign Grants	6686.1	11339.1	11283.4	11170.0
Surplus (+)/Deficit (-) After Grants	-22940.6	-16437.2	-15828.2	-18445.1
Sources of Deficit Financing				
Foreign Loans	7698.7	4546.4	7629.0	8814.0
Domestic Borrowings	8000.0	8880.0	5607.8	9060.0
Cash Balances Surplus (+)/Deficit (-)	7241.9	3010.8	2591.4	571.1

Source: Budget Speech of HMG, MOF.

**Table 9
Foreign Trade***

(Rs. in Million)

	2001/02	2002/03	2003/04 ^R	2004/05 ^P
Total Exports	46944.8	49930.6	53910.7	58236.2
To India	27956.2	26430.0	30777.1	39448.4
To Other Countries	18988.6	23500.6	23133.6	18787.8
Total Imports	107389.0	124352.1	136277.1	132186.8
From India	56622.1	70924.2	78739.5	85836.2
From Other Countries	50766.9	53427.9	57537.6	46350.6
Major Exports				
Woolen Carpet	6212.5	5320.0	5677.5	5832.7
Readymade Garments	8046.5	12289.3	10176.7	6405.0
Hides and Skin	622.5	475.8	641.3	560.7
Pulses	1221.7	1095.3	859.8	764.7
Raw Jute and Jute Goods	1638.4	1899.0	1882.6	2693.5
Handicrafts	265.6	396.9	653.8	624.2
Vegetable Ghee	7081.4	3812.3	2959.0	4635.9
Polyester Yarn	1070.4	656.9	1114.5	1896.2
Soap ^{528.9}	469.2	539.6	367.3	
Tooth Paste	1606.7	1002.8	1478.8	1283.0
Major Imports				
Petroleum Products	14308.3	19102.0	20460.6	26867.7
Transport Equipment & Parts	6072.8	5542.3	6573.8	6844.9
Chemical Fertilizer	2652.0	984.1	1844.9	558.0
Raw Wool	1010.9	1604.8	2017.8	1633.0
Thread	2628.3	2561.9	2981.4	1919.6
Textiles	5048.8	6218.1	6027.7	3478.4
Medicine	3661.3	3845.0	3924.0	4391.4
Electrical Goods	2372.7	2441.3	2722.6	2286.6
Cement	2749.8	2934.7	2318.9	1193.5
Other Machinery and Parts	3949.5	4508.1	5755.4	5578.0
* Based on customs data. P Provisional. R Revised.				

Table 10
Balance of Payments

(Rs. in Million)

	2002/03	2003/04 ^R	2004/05 ^P	Percentage Change	
				2003/04	2004/05
A. Current Account	11614.7	14598.0	29243.3	25.7	100.3
Goods: Exports, f.o.b.	50760.7	55228.3	59543.9	8.8	7.8
Goods: Imports, f.o.b.	-121053.0	-132909.9	-130154.0	9.8	-2.1
Balance on Goods	-70292.3	-77681.6	-70610.1	10.5	-9.1
Services: Credit	26518.9	34315.9	25815.5	29.4	-24.8
Travel	11747.7	18147.4	10396.7	54.5	-42.7
Government, n.i.e.	6624.0	7143.9	6804.9	7.8	-4.7
Other	8147.2	9024.6	8613.9	10.8	-4.6
Services: Debit	-19469.2	-25241.0	-25348.9	29.8	0.4
Transportation	-8618.4	-9382.1	-9089.3	8.9	-3.1
Travel	-6171.5	-10021.5	-9088.5	62.4	-9.3
Other	-4679.3	-5837.4	-7171.1	24.7	22.8
Balance on Goods and Services	-63242.6	-68606.7	-70143.5	8.5	2.2
Income: Credit	4487.0	3841.5	7708.4	-14.4	100.7
Income: Debit	-5162.7	-5525.4	-5911.1	7.0	7.0
Balance on Goods, Services and Income	-63918.3	-70290.6	-68346.2	10.0	-2.8
Current Transfers: Credit	77765.1	89161.8	101084.4	14.7	13.4
Grants	13842.2	19577.8	21067.2	41.3	7.7
Workers' Remittances	54203.3	58587.6	65416.0	8.1	11.7
Pensions	7327.3	7906.2	12496.4	7.9	68.1
Other	2392.3	3110.2	2104.8	30.0	-32.3
Current Transfer: Debit	-2232.1	-4273.2	-3494.9	91.4	-18.2
B. Capital Account (Capital Transfers)	5393.9	1452.2	1573.6	-73.1	8.4
C. Financial Account (excluding Group E)	-17198.9	-21540.1	-28309.6	25.2	31.4
Direct Investment in Nepal	961.4	0.0	136.0	-100.0	0.0
Other Investment: Assets	-34629.5	-32591.2	-23241.6	-5.9	-28.7
Other Investment: Liabilities	16469.2	11051.1	-5204.0	-32.9	-147.1
Trade Credits	16899.3	3629.8	-5903.4	-78.5	-262.6
Loans	-52.4	3325.2	764.5	-6445.8	-77.0
General Government	-432.8	3479.1	1300.4	-903.9	-62.6
Drawings	5236.0	9244.7	7253.7	76.6	-21.5
Repayments	-5668.8	-5765.6	-5953.3	1.7	3.3
Other Sectors	380.4	-153.9	-535.9	-140.5	248.2
Currency and Deposits	-377.7	4096.1	-65.1	-1184.5	-101.6
D. Miscellaneous Items, Net <i>Total Group A through D</i>	4176.1 <i>-3985.8</i>	25591.2 <i>20101.3</i>	3172.1 <i>5679.4</i>	512.8 <i>404.3</i>	-87.6 <i>-71.7</i>
E. Reserves and Related Items	-3985.5	-20101.3	-5679.4	404.3	-71.7
Change in Net Foreign Assets (-Increase)	-4363.5	-16005.2	-5744.5	266.8	-64.1
Gross Foreign Exchange Reserve	108229.4	130205.1	129898.7		
Months of Import Covered	10.4	11.5	11.8		
Official Exchange Rate Per US\$ (Annual Buying Average in Rs.)	77.49	73.49	71.76		
P	Provisional.				
R	Revised.				

Table 11
Structure of Interest Rates
(Percent Per Annum)

	Mid-July			
	2002	2003	2004	2005
Nepal Rastra Bank				
Bank Rate ¹	5.5	5.5	5.5	5.5
Refinance Rates ²	2.0-5.5	2.0-5.5	2.0-5.5	1.5-5.5
Government Securities				
Treasury Bills ³ (91 days)	3.78	2.98	1.47	3.94
National Savings Certificates	8.0-13.25	7.0-13.0	6.5-13.0	6.5-13.0
Development Bonds	3.0-8.0	3.0-8.0	3.0-8.0	3.0-8.0
Interbank Rate	1.96	4.50	0.71	4.71
Commercial Banks				
<i>Deposit Rates</i>				
Savings Deposits	2.5-6.25	2.5-6.0	2.0-5.0	1.75-5.0
Time Deposits				
1 Month	2.0-4.5	--	2.0-3.5	1.75-3.5
3 Months	2.5-2.5	2.0-5.0	2.0-4.0	1.5-4.0
6 Months	2.5-6.0	2.5-6.0	2.0-4.5	2.5-4.5
1 Year	3.5-7.0	3.0-7.0	2.75-5.75	2.25-5.0
2 Years and Above	3.25-8.0	3.25-7.50	3.0-6.0	2.5-6.05
<i>Lending Rates</i>				
Industry	7.0-14.5	8.50-14.0	8.5-13.5	8.25-13.5
Agriculture	12.0-14.0	10.5-14.5	10.5-13.0	10.0-13.0
Export Bills	6.5-12.0	4.0-12.5	4.0-11.5	4.0-12.0
Commercial Loans	7.0-16.0	7.50-16.0	9.0-14.5	8.0-14.0
Overdrafts	11.0-17.0	10.+0-17.0	10.0-16.0	5.0-14.5
Cash Reserve Ratio (CRR)				
With NRB ⁴	6.0	6.0	6.0	5.0
Cash in Vault	3.0	2.0	--	--

- 1 Effective July 22, 2005, the bank rate has been increased to 6.0 percent.
- 2 Effective July 22, 2005, the refinance rate for export loan in domestic currency and agricultural credit has been revised upward to 3.5 percent from existing 3.0 percent. The refinance rate for export loans in foreign currency which was revised to 3.25 percent on May 31, 2005 will be continued in FY 2005/06 too. However, the refinance rate for sick industries has been kept unchanged at 1.5 percent.
- 3 Weighted average discount rate.
- 4 CRR is applied to commercial banks' total domestic deposit.

Table 12						
Distribution of Banks and Financial Institutions*						
(Development Regionwise)						
	Development Region					Total
	Eastern	Central	Western	Mid Western	Far Western	
No. of Commercial Bank Branches**	81	172	77	25	22	375
No. of Development Banks***	1	19	4	1	1	26
No. of Rural Development Banks	1	1	1	1	1	5
No. of Finance Companies	4	48	8	0	0	60
No. of Cooperative Societies	3	11	2	2	21	39
No. of Microfinance NGOs	10	21	8	7	1	47
* As at mid-July 2005						
** Including commercial banking branches of ADB/N						
*** Including ADB/N, NIDC and other Development Banks						

Table 13				
Outstanding Debt of HMG				
(Rs. in Million)				
	2001/02	2002/03	2003/04	2004/05^{RR}
Domestic	73620.7	84645.3	86133.7	87564.3
Treasury Bills	41106.5	48860.7	49429.6	51383.1
Development Bonds	11090.7	16059.2	17549.2	19999.2
National Savings Certificate	11536.1	9629.8	9029.8	6576.8
Citizen Savings Certificate	628.1	931.1	1178.9	1428.9
Special Bonds	9259.3	9164.5	8946.2	8176.3
Foreign	220125.6	223433.2	232779.3	235204.0
Domestic Debt/GDP(In Percent)	17.4	18.5	17.4	16.6
Foreign Debt/GDP (In Percent)	52.1	48.9	47.0	44.5
Total Debt/GDP (In Percent)	69.5	67.5	64.4	61.0
* First eight months.				
R Revised.				

Source: Economic Survey, FY 2004/5