

**Table 1**



**NEPAL**

Location : 26° 22' N to 30° 27' North, 80° 4'E to 88° 12' East

Area : 147 181 Square Km.

Capital City : Kathmandu

Population\* : 23,151,423

Annual Average Growth Rate of Population\*: 2.25%

Currency : Nepalese Rupee

World Heritage Sites: Lumbini, Chitawan National Park, Sagarmatha National Park, Pashupatinath, Swayambhunath, Baudhdhanath, Changu Narayan, Kathmandu Durbar Square, Patan Durbar Square, Bhaktapur Durbar Square.

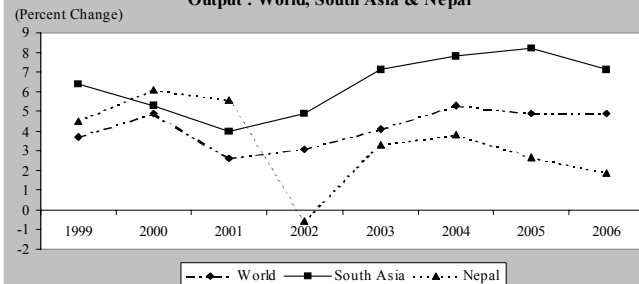
(Sources: tourism.gov.np & Central Bureau of Statistics)

\* Population Census, 2001

**Banks and Financial Institutions (mid-Nov. 2006)**

|                                |   |
|--------------------------------|---|
| Central Bank                   | : Nepal Rastra Bank (NRB)                               |
| Commercial Banks               | : 18 (Including Agricultural Development Bank)          |
| Development Banks              | : 33  |
| Finance Companies              | : 72  |
| Cooperatives                   | : 19 (Licensed by NRB for limited banking transactions) |
| Micro-credit Institutions      | : 11 (Including 5 Rural Development Banks)              |
| Non-governmental Organizations | : 47 (Licensed by NRB for micro-credit transactions)    |
| Employee Provident Fund        | : 1   |
| Citizen Investment Trust       | : 1   |
| Insurance Companies            | : 21  |
| Postal Saving Banks            | : 117   |

**Output : World, South Asia & Nepal**



**Table 2  
Summary Macroeconomic Indicators**

|  | 2002/03 | 2003/04 | 2004/05           | 2005/06           |
|--|---------|---------|-------------------|-------------------|
| <b>Percentage Changes Over Previous Year</b> |         |         |                   |                   |
| Real GDP at Producers' Price                 | 3.3     | 3.8     | 2.7 <sup>R</sup>  | 1.9 <sup>E</sup>  |
| Nominal GDP at Producers' Price              | 8.0     | 8.8     | 7.4 <sup>R</sup>  | 9.3 <sup>E</sup>  |
| GNP at Current Price                         | 7.2     | 7.8     | 6.7 <sup>R</sup>  | 9.5 <sup>E</sup>  |
| Total Consumption                            | 8.2     | 8.1     | 7.6 <sup>R</sup>  | 10.9 <sup>E</sup> |
| Total Investment                             | 15.5    | 11.0    | 17.7 <sup>R</sup> | 14.5 <sup>E</sup> |
| Gross National Saving                        | 1.9     | 6.2     | 1.8 <sup>R</sup>  | 1.0 <sup>E</sup>  |
| Gross Domestic Saving                        | 6.8     | 13.9    | 6.3 <sup>R</sup>  | -2.4 <sup>E</sup> |
| Gross Fixed Capital Formation                | 6.6     | 9.3     | 6.3 <sup>R</sup>  | 6.5 <sup>E</sup>  |
| Money Supply (M1)                            | 8.6     | 12.2    | 6.6 <sup>R</sup>  | 14.0              |
| Broad Money (M2)                             | 9.8     | 12.8    | 8.3 <sup>R</sup>  | 15.6              |
| Domestic Credit                              | 10.4    | 9.9     | 13.8 <sup>R</sup> | 7.8               |
| Time Deposits                                | 10.4    | 13.1    | 9.2 <sup>R</sup>  | 16.4              |
| Total Exports                                | 6.4     | 8.0     | 8.9 <sup>R</sup>  | 4.2               |
| Total Imports                                | 15.8    | 9.6     | 9.7 <sup>R</sup>  | 17.1              |
| Gross Forex Reserve                          | 2.2     | 20.3    | -0.2 <sup>P</sup> | 27.1              |
| Government Revenue                           | 11.5    | 10.9    | 12.5              | 3.1               |
| Government Tax Revenue                       | 8.3     | 13.1    | 12.3              | 6.1               |
| Government Expenditure                       | 4.9     | 6.5     | 14.7              | 9.3 <sup>R</sup>  |
| National Urban Consumer Price Index          | 4.8     | 4.0     | 4.5               | 8.0               |
| National Wholesale Price Index               | 3.8     | 4.1     | 7.3               | 8.9               |

**As % of Gross Domestic Product (Nominal GDP at Producers' Prices)**

|                               |       |                   |                    |                   |
|-------------------------------|-------|-------------------|--------------------|-------------------|
| Total Consumption             | 88.0  | 87.4              | 87.6 <sup>R</sup>  | 88.9 <sup>E</sup> |
| Total Investment              | 25.8  | 26.4              | 28.9 <sup>R</sup>  | 30.3 <sup>E</sup> |
| Gross National Saving         | 15.5  | 15.2              | 14.4 <sup>R</sup>  | 13.3 <sup>E</sup> |
| Gross Domestic Saving         | 12.0  | 12.6              | 12.4 <sup>R</sup>  | 11.1 <sup>E</sup> |
| Gross Fixed Capital Formation | 19.1  | 19.1              | 18.9 <sup>R</sup>  | 18.5 <sup>E</sup> |
| Money Supply (M1)             | 18.4  | 18.9              | 18.8 <sup>R</sup>  | 19.6              |
| Broad Money (M2)              | 54.1  | 55.8              | 56.3 <sup>R</sup>  | 59.6              |
| Domestic Credit               | 50.2  | 49.6              | 52.5 <sup>R</sup>  | 51.8              |
| Time Deposits                 | 35.6  | 36.9              | 37.5 <sup>R</sup>  | 40.0              |
| Total Exports                 | 10.9  | 10.9              | 11.0 <sup>R</sup>  | 10.5              |
| Total Imports                 | 27.2  | 27.4              | 28.0 <sup>R</sup>  | 30.0              |
| Trade Balance                 | -16.3 | -16.6             | -17.0 <sup>R</sup> | -19.5             |
| Current Account Balance       | 2.5   | 2.9               | 2.2 <sup>R</sup>   | 2.3               |
| Gross Forex Reserves          | 23.7  | 26.2              | 24.3 <sup>R</sup>  | 28.3              |
| Government Revenue            | 12.3  | 12.5              | 13.1               | 12.4              |
| Government Tax Revenue        | 9.3   | 9.7 <sup>R</sup>  | 10.1               | 9.9               |
| Government Expenditure        | 16.0  | 18.0 <sup>R</sup> | 19.2               | 19.2 <sup>R</sup> |
| Revenue Surplus               | -1.2  | 0.8 <sup>R</sup>  | 1.0                | 1.9 <sup>R</sup>  |
| Government Budgetary Deficit  | 2.1   | 3.2 <sup>R</sup>  | 3.4                | 4.5 <sup>R</sup>  |
| Domestic Borrowing*           | 1.3   | 1.1               | 1.7                | 2.0               |

\* Including change in cash balance.

E Estimated.

R Revised.

Source: Central Bureau of Statistics and Nepal Rastra Bank.

| <b>Table 3</b>  |               |               |                      |                      |
|---|---------------|---------------|----------------------|----------------------|
| <b>Real Sector</b>                                      |               |               |                      |                      |
| (Rs. in million)  |               |               |                      |                      |
|   | 2002/03       | 2003/04       | 2004/05 <sup>R</sup> | 2005/06 <sup>E</sup> |
| <b>Real GDP at Producers' Price<sub>(1994/95)</sub></b> | <b>300914</b> | <b>312267</b> | <b>320729</b>        | <b>326743</b>        |
| <b>Real GDP at Factor Cost</b>                          | <b>287689</b> | <b>298023</b> | <b>305244</b>        | <b>312500</b>        |
| Agriculture   | 111471        | 115774        | 119212               | 121227               |
| Non-agriculture   | 176218        | 182249        | 186032               | 191273               |
| <b>Total Investment</b>                                 | <b>118020</b> | <b>130993</b> | <b>154132</b>        | <b>176483</b>        |
| Gross Fixed Capital Formation                           | 87024         | 95124         | 101094               | 107624               |
| Public Sector   | 31228         | 31263         | 30823                | 32826                |
| Private Sector  | 55796         | 63861         | 70271                | 74798                |
| Change in Stock   | 30996         | 35869         | 53038                | 68859                |
| <b>Total Consumption</b>                                | <b>401897</b> | <b>434359</b> | <b>467202</b>        | <b>518236</b>        |
| Public Consumption                                      | 46362         | 50381         | 54426                | 59245                |
| Private Consumption                                     | 355535        | 383978        | 412776               | 458991               |
| <b>Gross Domestic Saving</b>                            | <b>54778</b>  | <b>62386</b>  | <b>66336</b>         | <b>64711</b>         |
| <b>Gross National Saving</b>                            | <b>70972</b>  | <b>75341</b>  | <b>76700</b>         | <b>77438</b>         |
| <b>Nominal GDP at Producers' Price</b>                  | <b>456675</b> | <b>496745</b> | <b>533538</b>        | <b>582948</b>        |
| <b>Nominal GDP at Factor Cost</b>                       | <b>437546</b> | <b>474919</b> | <b>508651</b>        | <b>557870</b>        |
| Agriculture   | 171104        | 183117        | 194363               | 212827               |
| Non-agriculture   | 266442        | 291802        | 314288               | 345042               |
| Mining & Quarrying                                      | 2188          | 2377          | 2530                 | 2669                 |
| Manufacturing   | 34337         | 36634         | 39286                | 41768                |
| Electricity, Gas & Water                                | 10905         | 11355         | 11892                | 12508                |
| Construction  | 45068         | 49029         | 52922                | 56558                |
| Trade, Restaurant & Hotel                               | 43978         | 49718         | 50168                | 56139                |
| Transportation, Communication<br>and Storage            | 38286         | 43668         | 48724                | 55919                |
| Finance and Real Estate                                 | 47719         | 51940         | 58335                | 64937                |
| Community & Social Service                              | 43961         | 47081         | 50431                | 54544                |
| E Preliminary estimate.                                 |               |               |                      |                      |
| R Revised estimate.                                     |               |               |                      |                      |

Source: Central Bureau of Statistics.

| <b>Table 4</b>                             |                     |                    |            |            |            |
|--|---------------------|--------------------|------------|------------|------------|
| <b>National Urban Consumer Price Index</b> |                     |                    |            |            |            |
| (Base Year : 1995/96 = 100)                |                     |                    |            |            |            |
|  | Weight<br>(Percent) | Percentage Changes |            |            |            |
|  |                     | 2002/03            | 2003/04    | 2004/05    | 2005/06    |
| <b>Overall Index</b>                       | <b>100.00</b>       | <b>4.8</b>         | <b>4.0</b> | <b>4.5</b> | <b>8.0</b> |
| <b>Food and Beverages</b>                  | <b>53.20</b>        | <b>4.4</b>         | <b>3.3</b> | <b>4.0</b> | <b>7.8</b> |
| Grains and Cereal Products                 | 18.00               | 8.2                | 1.2        | 3.8        | 13.4       |
| Rice & Rice Products                       | (14.16)             | 8.6                | 1.0        | 3.2        | 14.9       |
| Pulses                                     | 2.73                | 1.1                | 0.6        | 4.4        | 14.3       |
| Vegetables and Fruits                      | 7.89                | 0.5                | 3.4        | 4.7        | 4.7        |
| Spices                                     | 1.85                | -8.8               | 4.0        | -1.0       | 1.8        |
| Meat, Fish and Eggs                        | 5.21                | 3.3                | 6.8        | 6.4        | 3.7        |
| Milk and Milk Products                     | 4.05                | 1.0                | 1.8        | 0.5        | 4.6        |
| Oil and Ghee                               | 3.07                | 19.6               | 12.3       | -1.9       | -2.3       |
| Sugar and Related Products                 | 1.21                | -7.0               | -0.4       | 24.8       | 5.9        |
| Beverages                                  | 2.28                | 6.9                | 0.3        | 1.8        | 9.5        |
| Restaurant Meals                           | 6.91                | 3.5                | 5.2        | 5.1        | 5.9        |
| <b>Non-food and Services</b>               | <b>46.80</b>        | <b>5.0</b>         | <b>4.7</b> | <b>5.1</b> | <b>8.1</b> |
| Cloths, Clothing and Sew. Ser.             | 8.92                | 1.4                | 1.8        | 2.5        | 2.8        |
| Cloths                                     | (2.28)              | -0.7               | 1.4        | 3.5        | 2.3        |
| Clothing and Sew. Ser.                     | (5.75)              | 2.3                | 1.1        | 1.7        | 2.9        |
| Footwear                                   | 2.20                | 1.1                | 0.5        | 0.5        | 2.9        |
| Housing                                    | 14.87               | 5.9                | 6.6        | 9.2        | 12.8       |
| Fuel, Light & Water                        | (5.92)              | 8.3                | 10.0       | 14.7       | 20.5       |
| Transportation & Communication             | 4.03                | 6.0                | 7.5        | 7.0        | 17.5       |
| Medical & Personal Care                    | 8.03                | 4.3                | 3.7        | 1.7        | 2.6        |
| Education, Read. & Recreation              | 7.09                | 9.3                | 4.6        | 4.4        | 5.2        |
| Tobacco & Related Products                 | 1.66                | 2.9                | 1.8        | 2.0        | 4.4        |

**Table 5**  
**Monetary Survey**

(Rs. in million)

|                                 | Mid-July        |                 |                 |                   |
|---------------------------------|-----------------|-----------------|-----------------|-------------------|
|                                 | 2003            | 2004            | 2005            | 2006 <sup>P</sup> |
| <b>Foreign Assets, Net</b>      | <b>91407.0</b>  | <b>108804.6</b> | <b>107742.1</b> | <b>139532.8</b>   |
| Foreign Assets                  | 109306.3        | 131366.0        | 130916.8        | 166195.4          |
| Foreign Liabilities             | 17899.3         | 22561.3         | 23174.8         | 26662.6           |
| <b>Net Domestic Assets</b>      | <b>154504.1</b> | <b>168501.2</b> | <b>192697.9</b> | <b>207733.3</b>   |
| Domestic Credit                 | 224077.3        | 246171.8        | 280240.4        | 302069.3          |
| Net Claims on Govt.             | 58458.5         | 57396.6         | 63894.5         | 70567.4           |
| Claims on Govt.*                | 58920.2         | 58149.6         | 63894.5         | 70567.4           |
| Government Deposits             | 461.7           | 753.0           | 0.0             | 0.0               |
| Claims on Non-financial Govt.   | 2833.2          | 2914.9          | 6566.2          | 4460.9            |
| Claims on Financial Institution | 11828.7         | 13343.9         | 12762.8         | 12719.8           |
| Claims on Private Sector        | 150956.9        | 172516.5        | 197016.9        | 214321.3          |
| Net Non-monetary Liabilities    | 69573.2         | 77670.6         | 87542.5         | 94336.0           |
| <b>Broad Money</b>              | <b>245911.1</b> | <b>277305.9</b> | <b>300439.9</b> | <b>347266.1</b>   |
| Money Supply                    | 83753.9         | 93969.5         | 100205.7        | 114233.1          |
| Currency                        | 56885.7         | 63218.9         | 68784.1         | 77771.3           |
| Demand Deposits                 | 26868.2         | 30750.7         | 31421.6         | 36461.9           |
| Time Deposits                   | 162157.2        | 183336.4        | 200234.2        | 233033.0          |
| <b>Reserve Money</b>            | <b>80979.3</b>  | <b>94415.2</b>  | <b>96539.2</b>  | <b>110743.2</b>   |

P Provisional.

\* IMF promisory notes and government issued coins are excluded.

**Table 6**  
**Stock Market**

|  | Mid-July |         |         |         |
|--|----------|---------|---------|---------|
|  | 2003     | 2004    | 2005    | 2006    |
| Number of Listed Companies                         | 108      | 114     | 125     | 135     |
| Paid-up Value of Listed Shares<br>(Rs. in million) | 11898.0  | 12016.0 | 16776.0 | 19958.0 |
| Paid-up Value /GDP (%)                             | 2.6      | 2.4     | 3.3     | 3.4     |
| Market Capitalization<br>(Rs. in million)          | 35240.4  | 41424.8 | 61365.9 | 96763.7 |
| Market Capital/GDP (%)                             | 7.7      | 8.4     | 11.6    | 16.6    |
| Annual Turnover<br>(Rs. in million)                | 576.0    | 2144.3  | 4507.7  | 3451.7  |
| Total Turnover/Paid up Value (%)                   | 4.8      | 17.8    | 26.9    | 17.3    |
| Turnover/Market Capitalisation (%)                 | 1.6      | 5.2     | 7.3     | 3.6     |
| NEPSE Index (Closing)                              | 204.9    | 222.0   | 286.7   | 386.8   |

Source: Nepal Stock Exchange Ltd.

**Table 7**  
**Condensed Assets and Liabilities of Commercial Banks**

(Rs. in million)

|  | Mid-July        |                 |                 |                   |
|--|-----------------|-----------------|-----------------|-------------------|
|  | 2003            | 2004            | 2005            | 2006 <sup>P</sup> |
| <b>Total Deposits</b>                  | <b>202733.8</b> | <b>232576.3</b> | <b>250464.9</b> | <b>290427.6</b>   |
| Demand Deposits                        | 28299.4         | 33038.7         | 34120.0         | 36898.2           |
| Domestic Deposits                      | 23188.2         | 28065.2         | 28673.5         | 32306.4           |
| Foreign Deposits                       | 5111.2          | 4973.5          | 5446.5          | 4591.8            |
| Saving Deposits                        | 97236.4         | 114106.3        | 130013.6        | 151573.2          |
| Domestic Deposits                      | 92889.4         | 107497.2        | 123917.8        | 145639.2          |
| Foreign Deposits                       | 4347.0          | 6609.1          | 6095.8          | 5934.0            |
| Fixed Deposits                         | 75348.4         | 83268.2         | 84137.4         | 99475.4           |
| Domestic Deposits                      | 67418.2         | 73676.2         | 74122.5         | 84912.9           |
| Foreign Deposits                       | 7930.2          | 9592.1          | 10014.9         | 14562.5           |
| Margin Deposits                        | 1849.6          | 2163.1          | 2194.0          | 2480.9            |
| <b>Borrowings from NRB</b>             | <b>947.4</b>    | <b>477.9</b>    | <b>1724.0</b>   | <b>329.2</b>      |
| <b>Foreign Liabilities</b>             | <b>134.2</b>    | <b>521.4</b>    | <b>27.6</b>     | <b>7.7</b>        |
| <b>Capital &amp; Other Liabilities</b> | <b>88234.2</b>  | <b>75655.4</b>  | <b>88416.0</b>  | <b>86951.8</b>    |
| <b>Assets = Liabilities</b>            | <b>292049.6</b> | <b>309230.9</b> | <b>340632.5</b> | <b>377716.3</b>   |
| <b>Liquid Funds</b>                    | <b>41330.0</b>  | <b>50385.0</b>  | <b>50222.8</b>  | <b>61672.0</b>    |
| Cash in Hand                           | 4723.3          | 4283.8          | 4773.0          | 5908.6            |
| Balance with NRB                       | 15690.3         | 24227.0         | 20234.0         | 22907.9           |
| Foreign Currency in Hand               | 721.6           | 435.5           | 374.8           | 399.2             |
| Balance Held Abroad                    | 19366.1         | 20798.6         | 24045.1         | 31401.9           |
| Cash in Transit                        | 828.7           | 640.1           | 795.9           | 1054.5            |
| <b>Loans and Advances</b>              | <b>201822.5</b> | <b>228234.9</b> | <b>260867.3</b> | <b>286969.5</b>   |
| Claims on Government                   | 39469.3         | 43796.3         | 48550.7         | 58458.7           |
| Claims on Non-financial Govt.          | 2825.7          | 2907.4          | 6557.7          | 4452.4            |
| Claims on Financial Institution        | 10278.7         | 11783.3         | 11436.2         | 11681.3           |
| Claims on Private Sector               | 148073.2        | 168692.8        | 193270.0        | 211112.7          |
| Foreign Bills Purchased and Discounted | 1175.6          | 1055.1          | 1052.8          | 1264.3            |
| <b>Other Assets</b>                    | <b>48897.1</b>  | <b>30611.0</b>  | <b>29542.4</b>  | <b>29074.8</b>    |

P Provisional.

| <b>Table 8</b>                              |                 |                 |                 |                      |
|---|-----------------|-----------------|-----------------|----------------------|
| <b>Government Budgetary Operation</b>       |                 |                 |                 |                      |
| (Rs. in million)                            |                 |                 |                 |                      |
|   | 2002/03         | 2003/04         | 2004/05         | 2005/06 <sup>R</sup> |
| <b>Revenue</b>                              | <b>56229.8</b>  | <b>62331.0</b>  | <b>70122.7</b>  | <b>72282.1*</b>      |
| Tax Revenue                                 | 42586.9         | 48173.0         | 54104.8         | 57427.0*             |
| Non-Tax Revenue                             | 12103.2         | 12307.5         | 14770.3         | 13341.5*             |
| Principal Refund                            | 1539.7          | 1850.5          | 1247.7          | 1513.6*              |
| <b>Total Expenditure</b>                    | <b>84006.1</b>  | <b>89442.6</b>  | <b>102560.5</b> | <b>112074.7</b>      |
| Recurrent                                   | 52090.5         | 55552.1         | 61686.4         | 69066.9              |
| Capital                                     | 22356.1         | 23095.6         | 27340.7         | 28802.2              |
| Principal Repayment                         | 9559.5          | 10794.9         | 13533.3         | 14205.6              |
| <b>Surplus(+)/Deficit(-) Before Grants</b>  | <b>-27776.3</b> | <b>-27111.6</b> | <b>-32437.8</b> | <b>-38574.7</b>      |
| Foreign Grants                              | 11339.1         | 11283.4         | 14391.1         | 13807.9              |
| <b>Surplus (+)/Deficit (-) After Grants</b> | <b>-16437.2</b> | <b>-15828.2</b> | <b>-18046.7</b> | <b>-24766.8</b>      |
| <b>Sources of Deficit Financing</b>         |                 |                 |                 |                      |
| Foreign Loans                               | 4546.4          | 7629.0          | 9266.1          | 9416.6               |
| Domestic Borrowings                         | 8880.0          | 5607.8          | 8938.1          | 11850.0              |
| Cash Balances Surplus(+)/Deficit(-)         | <b>3010.8</b>   | <b>2591.4</b>   | <b>157.7</b>    | <b>-3500.2</b>       |

R Revised.

\* Updated as per NRB records, may not tally with Budget Speech of GON, 2006/07

Source: Budget Speech of GON, MOF.

| <b>Table 9</b>              |                 |                      |                      |                 |
|-----------------------------|-----------------|----------------------|----------------------|-----------------|
| <b>Foreign Trade*</b>       |                 |                      |                      |                 |
| (Rs. in million)            |                 |                      |                      |                 |
|                             | 2002/03         | 2003/04 <sup>R</sup> | 2004/05 <sup>P</sup> | 2005/06         |
| <b>Total Exports</b>        | <b>49930.6</b>  | <b>53910.7</b>       | <b>58705.7</b>       | <b>61167.1</b>  |
| To India                    | 26430.0         | 30777.1              | 38916.9              | 41012.6         |
| To Other Countries          | 23500.6         | 23133.6              | 19788.8              | 20154.5         |
| <b>Total Imports</b>        | <b>124352.1</b> | <b>136277.1</b>      | <b>149473.6</b>      | <b>175108.0</b> |
| From India                  | 70924.2         | 78739.5              | 88675.5              | 109305.9        |
| From Other Countries        | 53427.9         | 57537.6              | 60798.1              | 65802.1         |
| <b>Major Exports</b>        |                 |                      |                      |                 |
| Woolen Carpet               | 5320.0          | 5677.5               | 5868.7               | 5824.9          |
| Readymade Garments          | 12289.3         | 10176.7              | 6490.5               | 7307.3          |
| Hides and Skin              | 475.8           | 641.3                | 574.4                | 619.7           |
| Pulses                      | 1095.3          | 859.8                | 773.6                | 828.0           |
| Raw Jute and Jute Goods     | 1899.0          | 1882.6               | 2693.5               | 2637.3          |
| Handicrafts                 | 396.9           | 653.8                | 748.9                | 355.9           |
| Vegetable Ghee              | 3812.3          | 2959.0               | 4635.9               | 3861.7          |
| Polyester Yarn              | 656.9           | 1114.5               | 1896.3               | 3475.1          |
| Soap                        | 469.2           | 539.6                | 368.0                | 363.0           |
| Tooth Paste                 | 1002.8          | 1478.8               | 1283.0               | 730.8           |
| <b>Major Imports</b>        |                 |                      |                      |                 |
| Petroleum Products          | 19102.0         | 20460.6              | 26294.5              | 34203.8         |
| Transport Equipment & Parts | 5542.3          | 6573.8               | 7264.6               | 7328.2          |
| Chemical Fertilizer         | 984.1           | 1844.9               | 947.2                | 1441.2          |
| Raw Wool                    | 1604.8          | 2017.8               | 1841.1               | 1155.6          |
| Thread                      | 2561.9          | 2981.4               | 5911.3               | 3433.3          |
| Textiles                    | 6218.1          | 6027.7               | 5165.5               | 4229.9          |
| Medicine                    | 3845.0          | 3924.0               | 4138.2               | 5495.0          |
| Electrical Goods            | 2441.3          | 2722.6               | 2536.8               | 4141.6          |
| Cement                      | 2934.7          | 2318.9               | 2457.4               | 1856.6          |
| Other Machinery and Parts   | 4508.1          | 5755.4               | 6733.1               | 6270.3          |

\* Based on customs data.

P Provisional.

R Revised.

|   | 2003/04 <sup>R</sup> | 2004/05 <sup>P</sup> | 2005/06 <sup>P</sup> | Percentage Change |               |
|---|----------------------|----------------------|----------------------|-------------------|---------------|
|   |                      |                      |                      | 2004/05           | 2005/06       |
| <b>A. Current Account</b>   | <b>14598.0</b>       | <b>11544.6</b>       | <b>13832.8</b>       | <b>-20.9</b>      | <b>19.8</b>   |
| Goods: Exports, f.o.b.  | 55228.3              | 59956.1              | 62569.5              | 8.6               | 4.4           |
| Goods: Imports, f.o.b.  | -132909.9            | -145718.2            | -172891.1            | 9.6               | 18.6          |
| <b>Balance on Goods</b>   | <b>-77681.6</b>      | <b>-85762.1</b>      | <b>-110321.6</b>     | <b>10.4</b>       | <b>28.6</b>   |
| Services: Credit  | 34315.9              | 26001.9              | 26438.8              | -24.2             | 1.7           |
| Travel  | 18147.4              | 10463.8              | 9531.3               | -42.3             | -8.9          |
| Government, n.i.e.  | 7143.9               | 6804.9               | 7435.5               | -4.7              | 9.3           |
| Other   | 9024.6               | 8733.2               | 9472.0               | -3.2              | 8.5           |
| Services: Debit   | -25241.0             | -28036.1             | -33215.8             | 11.1              | 18.5          |
| Transportation  | -9382.1              | -10602.2             | -12650.5             | 13.0              | 19.3          |
| Travel  | -10021.5             | -9691.9              | -11929.9             | -3.3              | 23.1          |
| Other   | -5837.4              | -7742.0              | -8635.4              | 32.6              | 11.5          |
| <b>Balance on Goods and Services</b>                              | <b>-68606.7</b>      | <b>-87796.3</b>      | <b>-117098.6</b>     | <b>28.0</b>       | <b>33.4</b>   |
| Income: Credit  | 3841.5               | 7751.6               | 11422.9              | 101.8             | 47.4          |
| Income: Debit   | -5525.4              | -6115.1              | -6479.5              | 10.7              | 6.0           |
| <b>Balance on Goods, Services and Income</b>                      | <b>-70290.6</b>      | <b>-86159.8</b>      | <b>-112155.2</b>     | <b>22.6</b>       | <b>30.2</b>   |
| Current Transfers: Credit   | 89161.8              | 101310.1             | 130703.4             | 13.6              | 29.0          |
| Grants  | 19577.8              | 21071.9              | 18845.4              | 7.7               | -10.6         |
| Workers' Remittances  | 58587.6              | 65541.2              | 97536.2              | 11.9              | 48.8          |
| Pensions  | 7906.2               | 12502.2              | 12007.3              | 58.1              | -4.0          |
| Other   | 3110.2               | 2194.8               | 2314.5               | -29.4             | 5.5           |
| Current Transfer: Debit   | -4273.2              | -3605.7              | -4715.4              | -15.6             | 30.8          |
| <b>B. Capital Account</b><br>(Capital Transfers)                  | <b>1452.2</b>        | <b>1573.6</b>        | <b>3107.0</b>        | <b>8.4</b>        | <b>97.4</b>   |
| <b>C. Financial Account (excluding Group E)</b>                   | <b>-21540.1</b>      | <b>-25536.9</b>      | <b>3189.2</b>        | <b>18.6</b>       | <b>-112.5</b> |
| Direct Investment in Nepal  | 0.0                  | 136.0                | -469.7               | 0.0               | -445.4        |
| Other Investment: Assets  | -32591.2             | -21863.2             | -13175.4             | -32.9             | -39.7         |
| Other Investment: Liabilities                                     | 11051.1              | -3809.7              | 16834.2              | -134.5            | -541.9        |
| Trade Credits   | 3629.8               | -4489.0              | 12906.2              | -223.7            | -387.5        |
| Loans   | 3325.2               | 744.4                | 533.3                | -77.6             | -28.4         |
| General Government  | 3479.1               | 1300.4               | 703.7                | -62.6             | -45.9         |
| Drawings  | 9244.7               | 7253.7               | 7691.0               | -21.5             | 6.0           |
| Repayments  | -5765.6              | -5953.3              | -6987.3              | 3.3               | 17.4          |
| Other Sectors   | -153.9               | -556.0               | -170.4               | 261.3             | -69.4         |
| Currency and Deposits   | 4096.1               | -65.1                | 3394.7               | -101.6            | -5314.6       |
| <b>D. Miscellaneous Items, Net</b>                                | <b>25591.2</b>       | <b>18095.7</b>       | <b>8964.3</b>        | <b>-29.3</b>      | <b>-50.5</b>  |
| <i>Total Group A through D</i>                                    | <i>20101.3</i>       | <i>5677.0</i>        | <i>29093.3</i>       | <i>-71.7</i>      | <i>412.5</i>  |
| <b>E. Reserves and Related Items</b>                              | <b>-20101.3</b>      | <b>-56777.0</b>      | <b>-29093.3</b>      | <b>-71.7</b>      | <b>412.5</b>  |
| <i>Change in Net Foreign Assets (-Increase)</i>                   | <i>-16005.2</i>      | <i>-5742.1</i>       | <i>-25698.6</i>      | <i>-64.1</i>      | <i>347.5</i>  |
| Gross Foreign Exchange Reserve                                    | 130205.1             | 129896.4             | 165126.7             |                   |               |
| Months of Import Covered  | 11.5                 | 10.4                 | 11.5                 |                   |               |
| Official Exchange Rate Per US\$<br>(Annual Buying Average in Rs.) | 73.49                | 71.76                | 72.03                |                   |               |
| P Provisional.  |                      |                      |                      |                   |               |
| R Revised.  |                      |                      |                      |                   |               |

|   | Mid-July    |             |             |             |
|---|-------------|-------------|-------------|-------------|
|   | 2003        | 2004        | 2005        | 2006        |
| <b>Nepal Rastra Bank</b>                                      |             |             |             |             |
| Bank Rate   | 5.5         | 5.5         | 5.5         | 6.25        |
| Refinance Rates   | 2.0-4.5     | 2.0-3.0     | 1.5-2.35    | 1.5-2.35    |
| <b>Government Securities</b>                                  |             |             |             |             |
| Treasury Bills <sup>1</sup> (91 days)                         | 2.98        | 1.47        | 3.94        | 3.25        |
| National Savings Certificates                                 | 7.0-13.0    | 6.5-13.0    | 6.5-13.0    | 6.5-8.5     |
| Development Bonds   | 3.0-8.0     | 3.0-8.0     | 3.0-8.0     | 3.0-8.0     |
| <b>Interbank Rate</b>   | <b>4.50</b> | <b>0.71</b> | <b>4.71</b> | <b>2.13</b> |
| <b>Commercial Banks</b>                                       |             |             |             |             |
| <i>Deposit Rates</i>  |             |             |             |             |
| Savings Deposits  | 2.5-6.0     | 2.0-5.0     | 1.75-5.0    | 2.0-5.0     |
| Time Deposits   |             |             |             |             |
| 1 Month   | --          | 2.0-3.5     | 1.75-3.5    | 1.5-3.5     |
| 3 Months  | 2.0-5.0     | 2.0-4.0     | 1.5-4.0     | 1.5-4.0     |
| 6 Months  | 2.5-6.0     | 2.0-4.5     | 2.5-4.5     | 1.75-4.5    |
| 1 Year  | 3.0-7.0     | 2.75-5.75   | 2.25-5.0    | 2.25-5.0    |
| 2 Years and Above   | 3.25-7.50   | 3.0-6.0     | 2.5-6.05    | 2.5-6.4     |
| <i>Lending Rates</i>  |             |             |             |             |
| Industry  | 8.50-14.0   | 8.5-13.5    | 8.25-13.5   | 8.0-13.5    |
| Agriculture   | 10.5-14.5   | 10.5-13.0   | 10.0-13.0   | 9.5-13.0    |
| Export Bills  | 4.0-12.5    | 4.0-11.5    | 4.0-12.0    | 5.0-11.5    |
| Commercial Loans  | 7.50-16.0   | 9.0-14.5    | 8.0-14.0    | 8.0-14.0    |
| Overdrafts  | 10.0-17.0   | 10.0-16.0   | 5.0-14.5    | 6.5-14.5    |
| <b>Cash Reserve Ratio (CRR)</b>                               |             |             |             |             |
| With NRB <sup>2</sup>   | 6.0         | 6.0         | 5.0         | 5.0         |
| Cash in Vault   | 2.0         | --          | --          | --          |
| 1 Weighted average discount rate.                             |             |             |             |             |
| 2 CRR is applied in commercial banks' total domestic deposit. |             |             |             |             |

| <b>Table 12</b><br><b>Distribution of Banks and Financial Institutions*</b><br><b>(Development Regionwise)</b> |                           |                |                |                    |                    |              |
|--|---------------------------|----------------|----------------|--------------------|--------------------|--------------|
|  | <b>Development Region</b> |                |                |                    |                    | <b>Total</b> |
|  | <b>Eastern</b>            | <b>Central</b> | <b>Western</b> | <b>Mid Western</b> | <b>Far Western</b> |              |
| Commercial Bank Branches**   | 84                        | 177            | 80             | 29                 | 20                 | 390          |
| Banking Offices of ADB/N   | 7                         | 30             | 6              | 2                  | 2                  | 47           |
| Development Banks  | 3                         | 18             | 8              | 3                  | 1                  | 33           |
| Finance Companies  | 4                         | 58             | 9              | 0                  | 1                  | 72           |
| Cooperatives***  | 2                         | 11             | 2              | 2                  | 2                  | 19           |
| Micro Credit Institutions****  | 1                         | 6              | 2              | 1                  | 1                  | 11           |
| Microfinance NGOs  | 10                        | 21             | 8              | 7                  | 1                  | 47           |

\* As at mid-November 2006  
 \*\* Excluding banking offices of Agricultural Development Bank (ADB/N)  
 \*\*\* Licensed by NRB for limited banking transactions.  
 \*\*\*\* Including 5 Rural Development Banks

| <b>Table 13</b><br><b>Outstanding Debt* of Government of Nepal</b><br>(Rs. in million) |                 |                 |                 |                             |
|--|-----------------|-----------------|-----------------|-----------------------------|
|  | <b>2002/03</b>  | <b>2003/04</b>  | <b>2004/05</b>  | <b>2005/06</b>              |
| <b>Domestic</b>  | <b>80473.6</b>  | <b>81411.8</b>  | <b>82842.0</b>  | <b>89955.0</b>              |
| Treasury Bills   | 48860.7         | 49429.6         | 51383.1         | 62970.3                     |
| Development Bonds  | 16059.2         | 17549.2         | 19999.2         | 17959.2                     |
| National Savings Certificate   | 9629.8          | 9029.8          | 6576.8          | 3876.8                      |
| Citizen Savings Certificate  | 931.1           | 1178.9          | 1428.9          | 1678.9                      |
| Special Bonds  | 4992.8          | 4223.9          | 3454.0*         | 3469.8*                     |
| <b>Foreign</b>   | <b>223430.1</b> | <b>232777.5</b> | <b>219641.9</b> | <b>234220.0<sup>R</sup></b> |
| Domestic Debt/GDP (%)  | 17.6            | 14.1            | 15.5            | 15.4                        |
| Foreign Debt/GDP (%)   | 48.9            | 47.8            | 41.2            | 40.2                        |
| Total Debt/GDP (%)   | 66.5            | 61.9            | 56.7            | 55.6                        |

\* Excluding overdraft borrowing of the GON from NRB.  
 R Revised Estimate

Source: Economic Survey, NRB & FCGO.



# MACROECONOMIC INDICATORS OF NEPAL

January 2007

**NEPAL RASTRA BANK**  
RESEARCH DEPARTMENT  
STATISTICS DIVISION

www.nrb.org.np