

**VOLUME I**

**MID-JULY 2007**

**NUMBER 5**



**INFLATION ANALYSIS AND PRICE SITUATION**  
*(Annual Issue)*



**NEPAL RASTRA BANK**  
**RESEARCH DEPARTMENT**

***PRICE DIVISION***

Baluwatar, Kathmandu

Web : [www.nrb.org.np](http://www.nrb.org.np)

Email : [pricediv@nrb.org.np](mailto:pricediv@nrb.org.np)

Phone/Fax: 977-1-4411782

## CONTENT

		<u>Pages</u>
<b>1.</b>	<b>Price Situation : FY 2006/07 Annual ( Including Mid-May, Mid-June, Mid-July 2007)</b>	
	* Consumer Price	1-4
	* Wholesale Price	5-9
	* Salary and Wage Rate	10-13
<b>2.</b>	<b>Boxes</b>	
	1. Overview of Global Output and Inflation	1-2
	1. Inflation and Price Situation in India	2
	2. Global Commodity Market (Fuel, Non-Fuel)	3-4
	3. Annual World Inflation (1991-2006)	5
	3. Annual Inflation of SAARC Countries (1991-2006)	5
	4. Countries with Hyper-Inflation (1991-2006)	6
	5. Issues on "Hyper-inflation"	7-8
	6. Gold Prices (Kathmandu) (1995/96 - 2006/07)	9
	7. Comparison of Gold Market : International and Kathmandu	10
	8. A Brief Discussion on "Gold"	11
	9. Petroleum Prices and Public Transport Index in Nepal	12
	10. Price Collection Centers and Number of Collected Items in Nepal	13
	11. Household Budget Surveys and Relative Weightages of Different Groups in CPI	14
	12. Computing Consumer Price Index and Core Inflation in Nepal	15
	13. Computing Wholesale Price Index in Nepal	16
	14. Computing Salary and Wage Rate Index in Nepal	17
	15. New Publication "Inflation in Nepal"	18
<b>3.</b>	<b>Tables/Graphs</b>	
	* Graph : Monthly Price Changes of Some Selected Commodities in Nepal and India (2006/07)	1
	* Annual Tables (CPI, Core, WPI, SWRI)	2-5
	* Consumer Price Index (CPI)	5-20
	* Wholesale Price Index (WPI)	21-25
	* Salary and Wage Rate Index (SWRI)	26
	* AVERAGE RETAIL PRICES OF SELECTED COMMODITIES IN BORDER MARKETS	27-29
	* Weekly Average Retail Prices of Some Essential Commodities	30-35
	* Average Wage Rates of Nepal (1977/78 – 2006/07)	36

### INFLATION AND PRICE SITUATION : AT A GLANCE

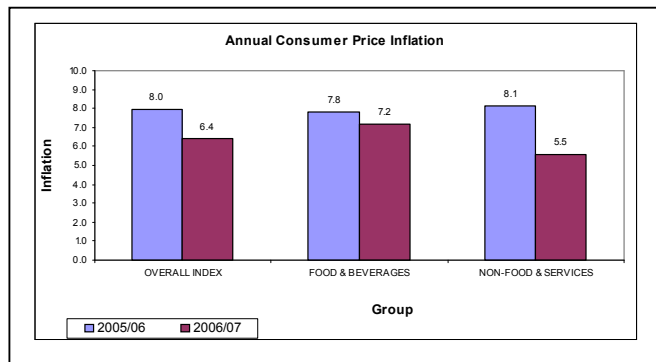
	2005/06	2006/07
• World Inflation+	3.5	3.2*
• Inflation in India (based on WPI)	4.1	5.7
• Inflation in Nepal (based on CPI)	8.0	6.4
• CPI		
- Annual Index	174.7	185.9
- Annual Change in CPI	8.0	6.4
- Y-O-Y Change in CPI (Mid-July)	8.3	5.1
• Food and Beverages Group		
- Annual Index	166.8	178.8
- Annual Change	7.8	7.2
- Y-O-Y Change (Mid-July)	7.9	6.9
• Non Food and Services Group		
- Annual Index	183.9	194.1
- Annual Change	8.1	5.5
- Y-O-Y Change (Mid-July)	8.7	3.1
• WPI		
- Annual Index	134.3	146.4
- Annual Change	8.9	9.0
- Y-O-Y Change (Mid-July)	7.7	8.5
• SWRI		
- Annual Index	103.9	114.1
- Annual Change	3.9	9.8
- Y-O-Y Change (Mid-July)	6.2	12.3

Note : All Expressed in Percent (Other Than Index)

\* Projection

+ Calendar Years 2006 and 2007

# INFLATION ANALYSIS AND PRICE SITUATION



## Consumer Price

### (a) Annual Inflation

The average annual inflation, based on consumer price index, moderated to 6.4 percent in 2005/06 from the level of 8.0 percent in 2004/05. This deceleration was largely on account of the non-food and services group index due to elapse of the base effect of hike in prices of petroleum products in March 2006. Simultaneously, the food and beverage index for the review period grew at lower rate as compare to previous year. The significant appreciation of the Nepalese currency against the US dollar also contributed to dampen prices of imported goods. All these contributed to moderate the overall price level in review year.

Likewise, the y-o-y inflation was 5.1 percent in mid-July, 4.5 percent in mid-June and 4.6 percent in mid-May 2007. These rates were 8.3 percent, 9.1 percent and 9.1 percent respectively in the corresponding periods last year.

## Box 1 : An Overview of Global Output and Inflation

### Global Output

In the face of turbulent conditions in financial markets, the global economy is projected to grow by 5.2 percent in 2007 and 4.8 percent in 2008. The growth rate was 5.4 percent in 2006. In the US, the growth is expected to come down to 1.9 percent in 2007 from 2.9 percent in 2006 as the housing downturn continued to apply considerable drag. Growth is also expected to ease in the Euro area too from 2.8 percent in 2006 to 2.5 percent in 2007. The growth is accelerated to its fastest pace in six years as domestic demand was boosted by increasing business confidence and improving labor market. In Japan, the growth rate is expected to moderate to 2.0 percent in 2007 from 2.2 percent in 2006. Emerging market and developing countries are expected to continue to grow strongly at the same pace of 8.1 percent in 2007 as in the 2006. This rapid growth in emerging market was led by China, India and Russia. These three countries alone have accounted for one-half of global growth over the past year. Driven by investment and export growth, China's growth rate reached 11.1 percent in 2006 and is projected to hit 11.5 percent in 2007. Likewise, India registered a rapid growth rate of 9.7 percent in 2006 and expected to grow at 8.9 percent in 2007. Elsewhere, growth was also generally sustained at robust rates, supported by high commodity prices and favorable financial conditions.

	(Annual Percentage Change)			
	2005	2006	2007*	2008*
World Output	4.8	5.4	5.2	4.8
Advanced Economies	2.5	2.9	2.5	2.2
- USA	3.1	2.9	1.9	1.9
- Euro Area	1.5	2.8	2.5	2.1
- UK	1.8	2.8	3.1	2.3
- Japan	1.9	2.2	2.0	1.7
Emerging Markets and Developing Countries	7.5	8.1	8.1	7.4
- Russia	6.4	6.7	7.0	6.5
Developing Asia	9.2	9.8	9.8	8.8
- ASEAN-4 (Indonesia, Thailand, the Philippines, Malaysia)	5.1	5.4	5.6	5.6
- China	10.4	11.1	11.5	10.0
- Afghanistan	14.0	7.5	13.0	8.4
- Bangladesh	6.3	6.4	5.8	6.0
- Bhutan	6.9	11.0	22.4	7.8
- India	9.0	9.7	8.9	8.4
- Maldives	-4.5	19.1	5.5	4.5
- Nepal	3.1	2.8	2.5	4.0
- Pakistan	7.7	6.9	6.4	6.5
- Sri Lanka	6.0	7.4	6.5	6.5

Source : World Economic Outlook, October 2007, IMF

\* IMF Projections

### Global Inflation

Inflation has been contained in the advanced economies in 2007. Both headline and core inflation in major economies remained firm during the first half of 2007. Amongst major economies, headline inflation in June was 2.7 per cent in the US, 2.4 per cent in the UK and 1.9 per cent in the euro area. Core inflation also remained firm in major economies. In the US, CPI inflation was 2.2 per cent against the 2.5 per cent in March. In Japan, prices have essentially been flat. But many of the emerging and developing countries have seen more inflationary pressure due to higher energy and food prices as well as the reflection of strong growth. The acceleration in food prices has reflected pressure from the rising use of corn and other food items for bio-fuel production and poor weather conditions in some countries. Strong demand has kept oil and other commodity prices high. Amongst major emerging economies, consumer price inflation in China increased to 4.4 per cent in June 2007 from 3.3 per cent in March 2007 and 1.5 per cent a year earlier, partly on the back of higher food prices. Economic activity has remained buoyant in 2007 so far; real GDP growth accelerated to 11.9 per cent during the second quarter of 2007 from 10.9 per cent a year ago. In India, inflation based on the wholesale price index (WPI) initially rose to above 6.0 per cent in early April 2007 but eased to 4.4 per cent by July 14, 2007. Consumer price inflation also eased during the quarter ended June 2007, though it continued to remain above the WPI inflation, mainly reflecting the impact of higher food prices. The annual average consumer price inflation in some of the major countries are given below:

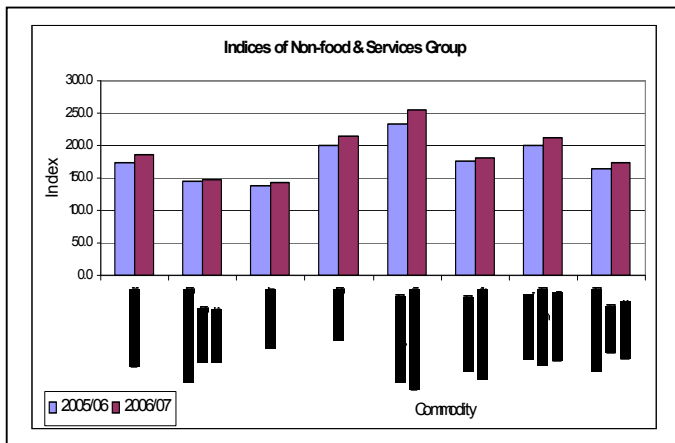
### Consumer Price Inflation

	(Annual Percentage Change)		
	2005	2006	2007*
Advanced Economies	2.3	2.3	2.1
- USA	3.4	3.2	2.7
- EU	2.3	2.3	2.3
- Japan	-0.3	0.3	-
ASEAN-4 (Indonesia, Thailand, Philippines, Malaysia)	7.3	8.2	4.0
- China	1.8	1.5	4.5
South Asia	5.0	6.4	6.6
- Afghanistan	12.3	5.1	8.3
- Bangladesh	7.0	6.5	7.2
- Bhutan	5.3	5.0	4.9
- India	4.2	6.1	6.2
- Maldives	3.3	3.7	7.0
- Nepal	4.5	8.0	6.4
- Pakistan	9.3	7.9	7.8
- Sri Lanka	10.6	9.5	17.0

Source : World Economic Outlook, October 2007, IMF

\* : Projections





### (c) Non-food and Services Group

The index of non-food and services group increased by 5.5 percent in 2006/07 compared to 8.1 percent in the previous year. This moderation was mainly on account of the elapse of the base effect of previous year's hike in petroleum prices.

Likewise, the index of non-food and services group increased by 3.1 percent in mid-July, 3.1 percent in mid-June and 3.0 percent in mid-May 2007. These rates were 8.7 percent, 9.0 percent and 9.1 percent in the corresponding periods last year.

### Box 2 : Global Commodity Market

Commodity prices firmed up further in the first quarter of 2007-08 led by crude oil, metals and edible oil. The change in the overall prices of crude oil as well as the non-fuel commodities is shown as below :

	2005	2006	2007*
Global Crude Oil Prices	41.3	20.5	6.6
Global Non-fuel Commodity Prices	10.3	28.4	12.2

( percent change)

Source : World Economic Outlook, IMF

\* : Projections

a) **Oil Prices** : International crude oil prices (WTI) rose reflecting limited spare capacity, renewed interest by hedge funds and concerns over supply disruptions due to strike in Nigeria. The two rounds of production cuts by the OPEC (1.2 million barrels per day on November 2006 and 0.5 million barrels per day on February 2007) also supported rise in prices. WTI crude prices increased to US \$ 76 a barrel on July 19, 2007 from around US \$ 60 a barrel level in March 2007. During this period, Brent prices were US \$ 3.8 a barrel above WTI prices.

#### International Crude Oil Prices

(US \$ Per Barrel)

Date	Dubai	UK Brent	US WTI	Average	Indian Basket Price
2001-02	21.8	23.2	24.1	23.0	22.4
2002-03	25.9	27.6	29.2	27.6	26.6
2003-04	26.9	29.0	31.4	29.1	27.8
2004-05	36.4	42.2	45.0	41.3	38.9
2005-06	53.4	58.0	59.9	57.1	55.4
2006-07	60.9	64.4	64.7	63.3	62.4
March 2004	30.5	33.8	36.7	33.7	31.9
March 2005	45.6	53.1	54.2	50.9	48.8
March 2006	57.7	62.3	62.9	60.9	59.6
April 2006	64.1	70.4	69.4	68.0	66.8
May 2006	64.9	70.2	70.9	68.7	67.2
June 2006	65.1	68.9	70.9	68.3	66.7
July 2006	69.1	73.9	74.4	72.5	71.1
August 2006	68.8	73.6	73.0	71.8	70.9
September 2006	59.8	62.8	63.8	62.1	61.1
October 2006	56.5	58.4	58.9	57.9	57.3
November 2006	56.8	58.5	59.1	58.1	57.5
December 2006	58.7	62.3	62.0	61.0	60.2
January 2007	52.0	54.3	54.2	53.5	53.0
February 2007	55.7	57.8	59.3	57.6	56.6
March 2007	59.1	62.1	60.6	60.6	60.4
April 2007	63.8	67.4	63.9	65.1	65.4
May 2007	64.5	67.5	63.5	65.2	65.8
June 2007	65.8	71.3	67.5	68.2	68.2

Source: IMF and the World Bank

Regarding oil supply and consumption, global oil demand in 2006 grew by 0.8 million barrels a day (mbd) below the 1.3 mbd growth in 2005. Demand growth in developing countries rose to 1.3 mbd in 2006. Consumption was stronger than projected in China and India. Demand growth in emerging markets was generally stronger in countries with administered prices, which typically have been lower than market prices in recent years. In Europe and Japan, conservation measures and increased utilization of nuclear and coal power plants, along with some fuel switching to natural gas have helped reduce oil demand. In line with the weakening demand, overall oil production growth fell to 0.8 mbd in 2006 from 1.3 mbd in 2005. OPEC's output declined in late 2006 reflecting a 0.7 mbd production cut in the fourth quarter following OPEC's decision to cut quotas by 1.2 mbd starting in November. Looking forward, the international energy agency (IEA) has projected the global consumption growth of 1.6 mbd in 2007 owing to continued robust demand from emerging markets such as China and the Middle East, and a planned buildup of official stocks by China and the USA.

#### World Balance of Oil

(million barrel per day)

Item	2003	2004	2005	2006	2007 Q1*	2007 Q2*
<b>Demand</b>						
OECD	48.7	49.5	49.6	49.1	49.5	48.2
Non-OECD	31.2	33.0	34.4	35.4	36.0	36.4
- of which : China	5.6	6.5	6.9	7.3	7.5	7.8
Total Demand	79.9	82.5	84.0	84.6	85.5	84.7
<b>Supply</b>						
Non-OPEC	48.9	50.1	50.3	49.2	49.6	49.5
OPEC	30.7	32.9	34.2	35.3	34.5	34.7
Total Supply	79.6	83.1	84.5	84.5	84.1	84.3
<b>Stock Changes</b>						
	0.3	-0.6	-0.5	0.0	1.4	0.4

Source: US Energy Information Administration

\* Projection



### (d) Regional Indices

Region-wise, the y-o-y price level in Kathmandu Valley, Terai and the Hills rose by 6.1 percent, 6.7 percent and 6.0 percent respectively in 2006/07. The rates were 6.5 percent, 8.6 percent and 8.6 percent in the previous year respectively. A relatively higher price level was observed in the Terai region due mainly to the effect of continuous unrest in the Terai region in the second half of the review year.

Likewise, the price indices of Kathmandu valley, Terai and Hills increased by 5.1 percent, 5.0 percent and 5.1 percent in mid-July 2007 respectively. These rates were 7.3 percent, 8.8 percent and 8.1 percent in the corresponding period last year. In mid-June 2007, the respective regions recorded the rates of 4.9 percent, 4.2 percent and 4.3 percent as against 7.9 percent, 9.9 percent and 9.0 percent in the corresponding periods last year. Similarly in mid-May, the respective rates were 4.4 percent, 5.0 percent and 4.0 percent. These rates were 8.0 percent, 9.5 percent and 9.7 percent in the corresponding periods last year.

### (e) Core CPI inflation

The average core inflation rose by 6.0 percent in 2006/07 from the level of 4.5 percent in the previous year. This indicates the rise in inflationary expectations in the review year.

Likewise, the y-o-y core inflation was 5.2 percent in mid-July, 5.0 percent in mid-June and 5.6 percent in mid-May 2007. The respective rates were 5.4 percent, 5.3 percent and 5.1 percent in the corresponding periods last year.

## Box 2 : Global Commodity Market (Contd....)

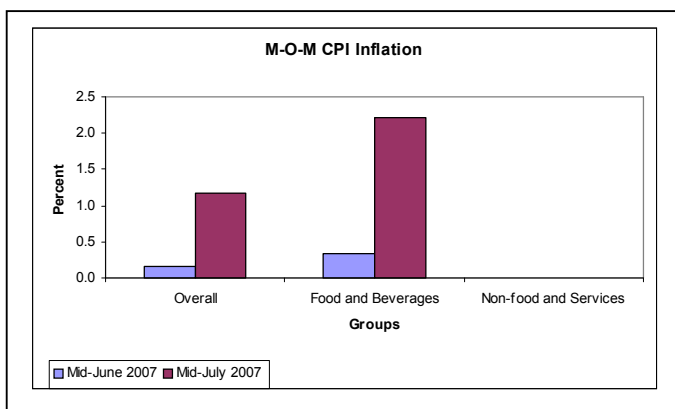
**b) Non-Energy Prices :** The prices of metal firmed up further during the quarter on the back of robust demand and supply constraints amidst speculative investor interest. Between March 2007 and June 2007, prices of lead and copper rose by 27 per cent and 16 per cent, respectively. On a year-on-year basis, prices of lead, nickel and tin during June 2007 were higher by about 152 per cent, 101 per cent and 79 per cent, respectively.

### International Commodity Price Movements

Commodities	Unit	Price Changes June 2007 over June 2006 (percent)
Coal	\$/mt	15.3
Crude Oil (Avg)	\$/barrel	-0.1
Palm Oil	\$/mt	84.7
Soybean Oil	\$/mt	38.3
Soybeans	\$/mt	35.2
Rice	\$/mt	3.5
Wheat	\$/mt	14.2
Sugar	cent/kg	-39.7
Cotton	cent/kg	5.9
Aluminum	\$/mt	8.1
Copper	\$/mt	3.8
Gold	\$/troy oz	10.0
Silver	cent/troy oz	22.0
Steel Cold-rolled coil/sheet	\$/mt	0.0
Steel Hot-rolled coil/sheet	\$/mt	-4.3
Tin	cent/kg	78.6
Zinc	cent/kg	11.7

Source: World Bank

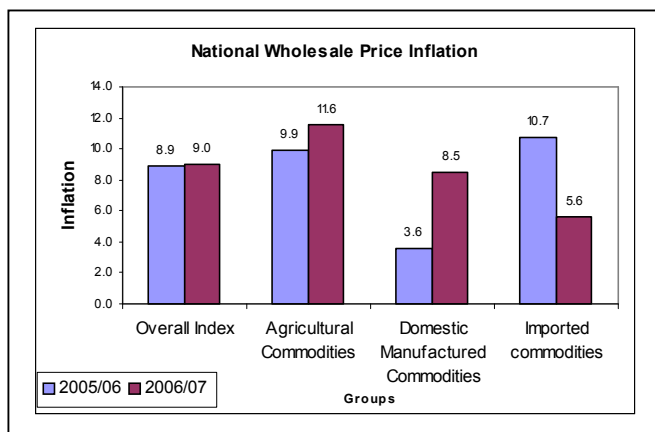
The prices of food were led by oilseeds/edible oils, reflecting a shortfall in global production and rising demand for non-food uses. Edible oil prices hardened by 16-30 per cent between March 2007 and June 2007; on a y-o-y basis, prices in June 2007 were higher by 38-85 per cent. Amongst other food items, prices of wheat rose by 12 per cent between March 2007 and June 2007. Global wheat stocks are likely to decline in 2007-08 to 116.6 million tonnes – its lowest level since 1981-82. Rice stocks are also expected to decline by about 5 per cent during 2007-08. The overall food price index compiled by the IMF increased by about 10 per cent in June 2007 (y-o-y) on top of an increase of 12 per cent a year ago. The IMF's food price index in June 2007 has been the highest since early 1981. The decline in international sugar prices that began in August 2006 continued through this quarter. Sugar prices fell by 11 per cent during April-June 2007 and have almost halved from the recent peak touched in February 2006. According to the International Sugar Organisation, global sugar production is estimated to increase by 10.5 million tonnes to 162.6 million tonnes during 2006-07 season, exceeding global consumption by 9.1 million tonnes. A record crop in Brazil, the world's largest producer, significant growth in sugar output in countries such as Bangladesh, Thailand and Vietnam along with higher production in India are expected to more than offset the contraction in the output in the European Union. Global cotton prices have largely remained unchanged since March 2007, but are expected to harden during 2007-08 reflecting shortfalls in production.



### (f) M-O-M CPI Inflation

The overall M-O-M price index in mid-July 2007 increased by 1.2 percent compare to that of mid-June 2007. During the review period, the indices of food and beverages increased by 2.2 percent while the non-food and services group remained at par. The indices of Kathmandu valley, Terai and Hills also increased by 0.8 percent, 1.4 percent and 1.2 percent during this month, respectively.

Likewise as compared to respective previous months, the overall M-O-M price indices increased by 0.2 percent in mid-June and 0.8 percent in mid-May 2007. During those two months, the indices of Kathmandu recorded the increase of 0.1 percent and 0.9 percent where as the prices in the Terai increased by 0.3 percent and 0.4 percent. In the Hills, it remained at par in mid-June and increased by 1.7 percent in mid-May 2007.



## Wholesale Price

### (a) Wholesale Price Inflation

The annual average National Wholesale Price Index (NWPI) increased by 9.0 percent in 2006/07 compared to a rise of 8.9 percent in the previous year. Such higher level of inflation was mainly due to the increase in the prices of agricultural commodities as well as domestic manufactured commodities. However, the elapse of the base effect of the hike in the prices of petroleum products in March 2006 helped to slowdown the pace of the y-o-y wholesale price inflation.

Likewise, the y-o-y wholesale price index increased at a rate of 8.5 percent in mid-July, 5.5 percent in mid-June and 6.2 percent in mid-May 2007. The corresponding rates in the same period last year were 7.7 percent, 9.2 percent and 9.3 percent respectively.

**Box 3 (a) : Annual World Inflation (1991-2006)**

(in percent)

Year	World	Developed Countries	Transition Countries	Aisa and Pacific	Latin America and Caribbean	Sub-Saharan Africa	Middle East and North Africa
1991	18.9	5.5	92.6	13.2	158.3	15.8	13.0
1992	26.8	4.1	567.1	10.2	141.1	22.2	14.0
1993	28.4	3.6	436.7	6.7	183.9	24.2	11.6
1994	28.7	3.7	271.0	8.2	233.5	26.4	16.0
1995	15.0	3.8	128.9	8.7	45.1	28.3	21.5
1996	8.6	3.5	39.6	7.5	19.4	25.3	12.3
1997	6.4	3.2	26.6	6.4	11.9	13.8	6.2
1998	6.3	2.6	20.3	13.3	9.0	9.5	6.7
1999	6.2	2.4	43.8	6.0	8.2	10.0	6.3
2000	5.1	3.3	20.1	3.7	7.5	11.7	4.2
2001	4.4	3.0	16.0	4.9	6.1	11.8	3.8
2002	3.9	2.2	9.9	4.1	9.3	12.8	4.7
2003	4.1	2.3	8.5	3.6	10.9	14.8	5.7
2004	3.8	2.2	8.2	4.2	6.8	11.0	7.6
2005	4.2	2.7	8.3	5.3	6.6	11.5	5.5
2006	3.7	2.5	4.6	6.0	6.0	7.7	5.9

Source : International Labor Organization

The annual world inflation (1991-2006) shows that the highest inflation registered in the world was 28.7 percent in 1994. The two-digit world inflation during 1990-1995 was mainly attributed to the hyper-inflationary pressure in transition economies as well as in Latin American countries. The transition economies registered the 3-digit inflation during 1992-1995 where as the Latin American countries witnessed the same during 1991-1994. Since 1996, the global inflation remained stable with-in a single digit.

**Box 3 (b) : Annual Inflation of SAARC Countries (1991-2006)**

(in percent)

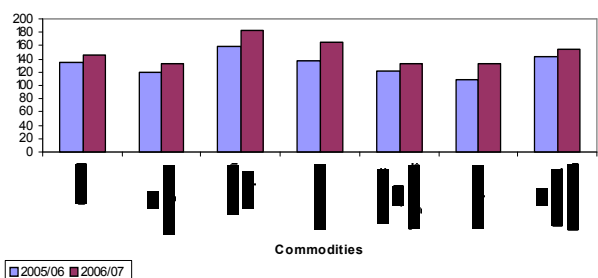
Year	World	Bangladesh	Bhutan	India	Maldives	Nepal*	Pakistan	Sri Lanka
1991	18.9	-	12.3	13.8	7.2	9.7	11.9	12.3
1992	26.8	-	16.0	12.0	4.6	21.1	9.5	11.4
1993	28.4	-	11.3	6.7	10.5	8.8	10.0	11.8
1994	28.7	7.4	7.0	9.1	7.4	9.0	12.4	8.6
1995	15.0	10.2	9.5	9.8	6.0	7.7	12.4	7.8
1996	8.6	2.3	8.8	8.7	1.4	8.1	10.4	15.9
1997	6.4	5.1	6.5	7.6	7.6	8.1	11.4	9.7
1998	6.3	8.5	10.6	11.0	-1.3	8.3	6.2	9.5
1999	6.2	6.3	6.8	5.7	3.1	11.4	4.2	4.7
2000	5.1	2.2	4.0	5.2	-1.1	3.5	4.4	6.2
2001	4.4	1.5	3.4	5.4	0.8	2.4	3.2	14.2
2002	3.9	3.8	2.5	4.0	1.0	2.9	4.0	9.5
2003	4.1	5.8	1.6	3.7	-2.8	4.8	2.9	6.4
2004	3.8	6.1	2.7	3.6	6.4	4.0	7.4	7.6
2005	4.2	7.0	5.4	4.5	3.4	4.5	9.1	11.7
2006	3.7	6.2	-	5.9	2.0	8.0	7.9	11.5

Source : International Labor Organization

\* : Nepal Rastra Bank ( Mid-July to Mid-July)

In the SAARC region, inflation has hovered significantly around single to double digit during 1991-2006. In this period, the highest inflation registered was 21.1 percent in 1992 where as the lowest one was witnessed in Maldives with the negative inflation of -2.8 percent in 2003. The country also observed negative inflations in 1998 (-1.3 percent) and 2000 (-1.1 percent) as well. Overall, the SAARC countries had faced comparatively higher inflation before 1999. Except Sri Lanka, all the other SAARC countries experienced single-digit inflation after 1998. However, Sri Lankan inflation is still hovering around double-digit.

Sub-group Indices of Agricultural Commodities



### (b) Agricultural Commodities

The wholesale price of agricultural commodities rose by 11.6 percent in 2006/07 compared to an increase of 9.9 percent in the previous year. This rise was mainly attributed to the rise in the prices of spices by 22.1 percent, pulses 20.4 percent, cash crops 14.8 percent, food-grains 10.8 percent and fruits and vegetables by 9.1 percent.

Likewise, the index of agriculture commodities increased by the rate of 11.6 percent in mid-July, 5.8 percent in mid-June and 7.5 percent in mid-May 2007. These rates were 7.6 percent, 10.9 percent and 11.6 percent in the corresponding periods last year.

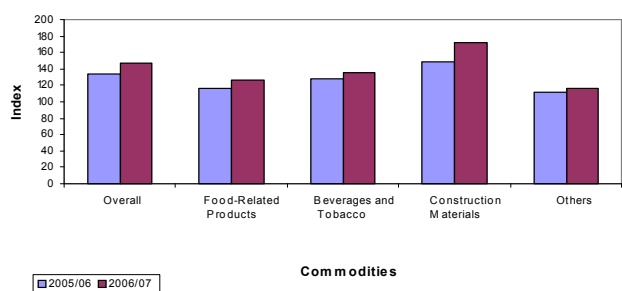
Box 4 : Countries with Hyper-Inflation (1991-2006)

(Annual Inflation %)

Countries	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Albania	-	-	109.2	23.0	8.0	12.8	32.9	21.6	0.4	0.1	2.9	5.4	2.3	2.8	2.3	2.4
Algeria	25.6	30.3	22.7	31.4	29.0	20.5	6.1	6.2	2.1	-0.6	3.6	2.3	3.5	4.6	2.0	1.6
Angola	-	275.7	1169.7	1155.8	2067.0	5866.5	570.6	103.9	231.5	344.4	169.3	109.3	100.2	45.3	23.2	13.4
Argentina	254.4	27.0	10.7	4.2	3.4	0.2	0.5	0.9	-1.2	-0.9	-1.1	25.9	14.9	4.4	9.6	10.9
Armenia	-	-	-	-	308.3	19.3	14.1	9.2	0.8	-0.8	3.1	1.0	4.8	6.5	0.6	-0.1
Azerbaijan	-	845.2	1066.5	1554.7	727.5	20.9	3.7	-0.8	-8.5	1.8	1.5	2.8	2.2	6.7	9.6	5.3
Belarus	-	919.8	965.7	2307.1	1287.4	59.1	63.4	69.6	296.1	181.5	63.7	42.9	28.5	18.3	10.4	7.6
Brazil	492.3	854.7	1638.4	2951.9	148.0	16.0	7.0	3.2	4.9	7.1	6.8	8.4	14.8	6.6	6.9	4.3
Cambodia	-	-	1099.6	278.4	36.0	7.1	7.9	14.9	4.2	-0.7	-0.7	3.3	1.2	3.9	5.8	4.9
Colombia	30.5	28.1	21.7	23.2	21.0	20.2	18.9	20.4	11.3	9.5	8.7	7.2	7.3	5.9	5.4	3.9
Croatia	117.6	551.1	1468.8	260.9	4.0	4.3	4.1	6.4	3.6	5.3	4.5	1.7	1.8	2.1	3.3	3.5
Dominican	5.6	4.3	5.3	8.2	12.6	5.4	8.3	4.8	6.5	7.7	9.0	5.2	27.2	52.4	4.4	7.6
Ecuador	48.8	54.0	46.4	27.5	23.0	24.3	30.6	35.8	52.0	95.4	40.3	12.6	8.0	2.7	2.2	3.3
Estonia	264.0	1043.4	133.5	47.6	29.2	23.4	11.2	-6.8	3.2	4.1	5.8	3.6	1.3	3.1	4.1	4.5
Ethiopia	35.8	10.7	3.8	7.6	10.2	-4.2	-31.9	0.9	3.8	2.0	-7.2	1.1	7.4	5.1	8.2	-
Georgia	2.7	3.8	2.8	2.6	678.4	41.6	7.1	3.6	19.3	4.1	4.7	5.6	4.8	5.7	8.3	5.2
Ghana	18.5	10.0	24.9	24.7	58.5	48.6	28.0	19.0	12.5	24.9	33.6	14.9	26.7	12.7	15.1	11.1
Haiti	15.7	13.8	25.9	48.1	-5.9	-72.4	16.4	10.7	8.7	13.6	14.4	9.8	39.2	22.9	17.5	12.5
Honduras	34.5	8.9	10.7	21.6	29.6	23.8	20.5	13.7	11.7	11.1	9.7	7.7	7.7	8.1	8.8	5.6
Hungary	15.7	13.8	22.5	18.8	28.2	23.6	18.3	14.2	10.0	9.8	9.2	5.3	4.7	6.8	3.6	2.5
Indonesia	9.4	7.6	9.7	8.5	9.4	8.0	6.6	57.4	24.0	3.7	11.5	11.9	6.6	6.2	10.4	16.1
Jamaica	49.7	81.4	22.2	35.3	20.0	26.7	9.7	8.6	6.0	8.2	7.0	7.1	10.3	13.7	15.3	8.7
Kazakhstan	8.1	3.0	2.5	2227.2	323.4	39.9	17.7	7.2	8.4	13.4	8.4	5.9	6.4	6.9	7.6	8.2
Kenya	18.9	29.3	45.4	31.5	2.3	7.9	11.4	5.9	2.7	5.9	3.7	1.7	10.8	14.5	12.1	19.6
Kyrgyzstan	20.3	29.3	1099.6	278.4	44.2	32.0	23.8	10.5	35.7	19.9	7.0	2.1	3.1	4.1	4.3	5.8
Lao Republic	13.3	9.9	6.3	6.8	19.4	13.9	-81.3	87.4	134.0	27.0	7.8	10.6	15.5	10.6	7.2	-
Latvia	3.1	899.9	175.7	36.1	25.1	17.7	8.5	4.7	2.4	2.7	2.5	2.0	2.9	6.2	6.8	6.7
Lithuania	17.8	942.5	527.1	82.7	40.0	25.1	8.9	5.1	0.8	0.9	1.3	0.3	-1.2	1.2	2.7	3.4
Madagascar	8.5	14.6	10.1	38.6	50.0	20.8	4.5	6.2	9.9	11.9	7.4	16.6	-1.4	13.9	18.9	10.8
Malawi	23.1	23.3	34.0	83.5	40.8	9.2	29.8	45.8	29.5	23.0	14.8	9.6	11.5	15.4	15.6	-
Mexico	23.3	15.6	9.8	7.0	34.8	35.3	20.8	15.9	16.7	9.5	6.4	5.0	4.6	4.7	4.0	3.5
Mongolia	1.6	-7.7	1.4	24.7	12.5	6.6	37.4	9.7	7.6	11.6	6.4	1.0	5.1	8.3	12.7	5.1
Mozambique	4.4	4.8	3.6	3.7	47.3	50.6	7.5	1.5	2.9	12.7	9.1	17.1	13.4	12.7	6.4	13.3
Mtyanmar	32.6	22.0	31.6	24.5	25.4	16.2	29.5	51.5	21.9	0.1	21.3	56.8	39.0	4.6	9.3	14.0
Nicaragua	1748.4	80.6	20.4	7.8	10.9	11.7	9.2	13.0	-17.9	11.6	7.4	9.2	5.3	8.5	9.6	9.2
Nigeria	13	44.0	56.9	56.5	74.6	30.3	8.8	10.0	6.8	7.1	18.9	13.1	13.9	17.2	-	-
Paraguay	25.3	15.1	18.3	20.7	13.5	9.8	7.0	11.5	6.9	9.0	7.3	10.5	14.4	4.4	6.8	9.6
Peru	2377.7	77.7	49.2	24.3	11.2	11.6	8.6	7.3	3.5	3.8	2.0	0.2	2.3	3.7	1.6	2.0
Poland	78.7	45.4	37.1	33.3	28.4	19.8	15.1	11.8	6.0	10.1	5.5	1.9	0.8	3.5	2.2	1.1
Romania	61.0	216.0	243.1	166.5	33.4	38.2	153.4	64.0	45.3	46.2	34.8	22.8	15.3	11.9	9.0	6.8
Russia	230.8	1431.7	838.5	412.5	205.2	52.9	14.9	27.3	92.6	20.9	21.5	15.8	13.7	10.9	12.7	10.1
Rwanda	19.8	9.3	12.8	241.9	205.2	29.4	11.9	6.3	-2.4	3.9	3.4	2.0	7.4	11.9	9.3	8.3
Sierra Leone	-	10.2	23.2	24.2	25.6	24.6	14.9	39.2	33.8	0.3	2.3	-3.2	7.6	14.9	14.7	8.1
Slovakia	109.3	10.2	23.2	13.5	9.9	5.7	6.1	6.7	10.5	12.2	7.3	3.1	8.6	7.6	2.7	4.5
Slovenia	109.3	238.4	33.7	21.0	13.7	9.9	8.4	7.9	6.1	8.9	8.4	7.5	5.6	3.6	2.5	2.6
Suriname	25.9	43.0	136.5	342.9	321.1	0.3	7.1	18.9	97.0	40.5	25.7	15.9	33.0	8.7	10.2	14.1
Turkey	65.7	70.6	65.6	103.9	97.3	79.5	84.5	86.6	64.8	56.4	53.5	47.2	25.5	10.7	22.7	9.6
Uganda	27.7	54.3	6.3	10.1	6.7	7.1	8.0	0.8	5.8	3.4	2.0	-0.2	8.7	3.7	8.5	7.3
Ukraine	3.7	4.5	3271.8	2821.9	423.7	88.3	16.3	10.5	22.8	28.2	12.3	0.8	5.2	9.0	13.6	8.8
Uruguay	105.9	69.7	54.3	45.0	42.5	28.6	20.0	10.9	5.7	4.8	4.4	13.9	20.0	9.2	4.7	6.4
Venezuela	34.4	31.3	37.8	59.8	61.1	98.2	53.6	36.0	23.8	16.3	12.5	22.2	31.4	21.9	16.0	13.0
Vietnam	82.8	39.0	8.4	9.5	17.0	5.7	3.2	7.8	4.4	-1.6	-0.3	4.0	3.2	7.7	8.8	8.2
Zambia	100.1	162.3	185.9	61.9	34.8	43.5	24.8	24.3	27.0	25.9	21.7	22.2	21.5	18.0	18.3	9.1
Zimbabwe	22.6	42.4	28.4	22.3	22.5	21.7	18.9	31.5	58.2	55.7	74.5	473.5	328.6	381.4	266.8	613.2

Source : International Labor Organization

Sub-group Indices of Domestic Manufactured Commodities



### (c) Domestic Manufactured Commodities

The price of domestically manufactured commodities also recorded a higher growth of 8.5 percent in 2006/07 compared to that of 3.6 percent in the previous year. This was mainly due to the significant rise in the prices of construction material by 15.6 percent and the food-related products by 8.2 percent.

Likewise, the indices of this group increased by 8.7 percent in mid-July, 8.2 percent in mid-June and 8.4 percent in mid-May 2007. The respective rates in the corresponding period last year were 3.5 percent, 2.7 percent and 2.6 percent.



## Box 5 : Issues on "Hyperinflation"

### What is Hyperinflation?

Inflation is a sustained increase in the aggregate price level. Hyperinflation is very high inflation. Although there is no universally accepted precise definition of hyperinflation, it is the inflation that is "out of control," a condition in which prices increase rapidly as a currency loses its value. Though the threshold is arbitrary, economists generally reserve the term hyperinflation to describe episodes where the monthly inflation rate is greater than 50 percent. The definition used by most economists is "an inflationary cycle without any tendency toward equilibrium." Although there is a great deal of debate about the root causes of hyperinflation, it becomes visible when there is an unchecked increase in the money supply or drastic debasement of coinage, and is often associated with wars, economic depressions, and political or social upheavals etc.

### What Causes Hyperinflation?

Hyperinflations are caused by extremely rapid growth in the supply of "paper" money. In other words, hyperinflation has its root cause in money growth which is not supported by growth in the output of goods and services. They occur when the monetary and fiscal authorities of a nation regularly issue large quantities of money to pay for a large stream of government expenditures. Usually the excessive money supply growth is caused by financing of the government budget deficit through the printing of money. So, the main cause of hyperinflation is a massive imbalance between the supply and demand of a certain currency or type of money, usually due to a complete loss of confidence in local currency. This has most often occurred because of excessive money printing, although other factors may have a reinforcing effect. Unlike inflation, which is widely considered to be normal in a healthy economy, hyperinflation is always regarded as destructive. It effectively wipes out the purchasing power of private and public savings, distorts the economy in favor of extreme consumption and hoarding of real assets, causes the monetary base whether specie or hard currency to flee the country, and makes the afflicted area anathema to investment.

### What are Characteristics?

International Accounting Standard 29 describes four signs that an economy may be in hyperinflation: a) The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power; b) The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency; c) Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short; and d) Interest rates, wages and prices are linked to a price index and the cumulative inflation rate over three years approaches, or exceeds, 100%.

### Some of Historic Hyperinflations

Hyperinflations are largely a twentieth-century phenomenon. The most widely pronounced hyperinflations in the world include; i) *Germany*: the German hyperinflation after World War I.

<u>Some Historic Hyperinflations</u>		
<i>World War I</i>		
1. Germany 1920-1923		3.25 million %
2. Russia 1921-1924		213 %
3. Austria 1921-1922		134 %
4. Poland 1922-1924		275 %
5. Hungary 1922-1924		98 %
<i>World War II</i>		
1. Greece 1943-1944		8.55 billion %
2. Hungary 1945-1946		4.19 quintillion %

In the early 1920s, their rate of inflation hit  $3.25 \times 10^6$  percent per month, with the prices doubled in every 49 hours. On an average, prices quadrupled each month during the sixteen months of hyperinflation (August 1922 - November 1923). In 1922 alone the German inflation reached 5,000 percent and in October 1923, their average price level rose at the rate of 41 percent per day. In less than two years (January 1922- November 1923), the average German-price level increased by a factor of about 20 billion. In December of 1923, the exchange rate from marks to US dollars was 4,000,000,000:1. During the worst times, one U.S. dollar was equal to 80 billion Mark.

<u>German Hyperinflation (WPI)</u>		
July 1914		1.0 %
Jan 1919		2.6 %
July 1919		3.4 %
Jan 1920		12.6 %
Jan 1921		14.4 %
Jan 1922		36.7 %
July 1922		100.6 %
Jan 1923		2,785.0 %
July 1923		194,000.0 %
Nov 1923		726,000,000,000.0 %

ii) *Hungary*: The most severe known incident of inflation was in Hungary after the end of World War II at  $4.19 \times 10^{16}$  percent per month. Its prices doubled in every 15 hours during that time. Between August 1945 and July 1946, the general price level in Hungary rose at the astounding rate of over 19,000 percent per month, or 19 percent per day. In July 1946, their prices more than tripled each day. When their then currency 'pengo' was replaced in August 1946 by the forint, the total value of all Hungarian banknotes in circulation amounted to one-thousandth of one US cent. Previously, between 1922 and 1924 inflation in Hungary reached 98 percent. iii) *Greece*: Another historic case of hyperinflation was of Greece which witnessed a hyperinflation of 8.5 billion percent ( $8.55 \times 10^9$  percent) per month during its occupation by Germany (1941-1944). It witnessed its worst inflation in 1944. At that time, their prices doubled in every 28 hours. iv) *Yugoslavia*: The worst episode of hyperinflation in recent decades was the case of Yugoslavia which went through a period of hyperinflation and subsequent currency crisis during the period of 1989-1994. It recorded the inflation rate of  $5 \times 10^{15}$  percent per month in 1993-94. Its prices doubled in every 16 hours between October 1993 and January 1994. In the 1992 currency reform, 1 new dinar was exchanged for 10 old dinars. In the 1993 currency reform, 1 new dinar was exchanged for 1,000,000 old dinars. In the 1994 currency reform, 1 new dinar was exchanged for 1,000,000,000 old dinars. In another currency reform a month later, 1 novi dinar was exchanged for 10-13 million dinars. The overall impact of hyperinflation: 1 novi dinar =  $1 \times 10^{27}$  -  $1.3 \times 10^{27}$  pre-1990 dinars.

### Some Moderate Cases

i) *Former USSR States and East European Countries*: Besides the historic hyperinflations, the moderate examples include the case of former USSR states and the Eastern European countries during the economic transition from controlled socialist economy to free market economy in the early 1990s. The prime cause of hyperinflation in those countries was the decontrol of government administered prices. In 1992, the first year of post-Soviet economic reform, inflation in *Russia* hit high of 2,520 percent (annual average 1432 percent). Their annual inflation was 231 percent in 1991, 840 percent in 1993, 412 percent in 1994 and 205 percent in 1995. In the currency front, the Russian ruble devalued from about 100 r/\$ in 1991 to about 30,000 r/\$ in 1999. Earlier, Russian inflation reached 213% during their civil war (1921-1922). The most hit former USSR state was *Ukraine*. It went through its worst inflation between 1993 and 1995 hitting the world record for most inflation of 5,000 percent in one calendar year in 1993 (annual average 3272 percent). It witnessed annual average of 2822 percent and 424 percent in 1994 and 1995. Earlier in 1992, the Ukrainian 'karbovanets' was introduced, which was exchanged with the defunct Soviet ruble at a rate of 1 UAK = 1 SUR. In 1996, the exchange rate was 100,000 UAK = 1 UAH. This translates to a hyperinflation rate of approximately 1,400 percent per month. *Belarus* also suffered from high inflation during 1992-1995 with its highest inflation of 2307 percent in 1994. It saw 920 percent in 1992, 966 percent in 1993 and 1287 percent in 1995. It also witnessed high inflation of 296 percent and 182 percent in 1999 and 2000 respectively due to political instability. *Georgia* went through the worst inflation in 1995 hitting 678 percent. Likewise, *Armenia* saw a high inflation of 308 percent in 1995. *Azerbaijan* on the other hand suffered from the situation of hyperinflation during 1992-1995, hitting the high of 2307 percent in 1994. It observed 920 percent in 1992, 966 percent in 1993 and 1287 percent in 1995. *Estonia* also met with the hyperinflation during 1991-1993. Their highest inflation of 1043 percent was recorded in 1992, along-with 264 percent in 1991 and 134 percent in 1993. The least affected *Georgia* witnessed its highest inflation of 678 percent in 1995. *Kazakhstan* saw its higher inflation of 2227 percent in 1994 and 323 percent in 1995. Kyrgyzstan on the other hand recorded its highest inflation of 1100 percent in 1993 followed by 278 percent in 1994. Likewise, *Lavia* recorded its high inflation of 900 percent and 527 percent during 1992 and 1993 respectively. *Slovenia* hit its highest inflation of 238 percent in 1992 followed by 109 percent in 1991. In case of the East European countries, *Bosnia Herzegovina* saw its worst inflation in 1993, besides Yugoslavia. Similarly, inflation in *Austria* reached 134% during 1921-1922. *Poland*, likewise, went through the worst inflation between 1990 and 1993. Previously, between 1922 and 1924, Polish inflation reached 275%. *Croatia* also observed its higher inflation situation during 1991-1994 hitting the highest of 1469 percent in 1993. It recorded 118 percent in 1991, 551 percent in 1992 and 261 percent in 1994. *Romania* on the other hand recorded its higher inflations of 216 percent in 1992, 243 percent in 1993, 167 percent in 1994 and 153 percent in 1997. *Slovakia* witnessed its highest inflation of 109 percent in 1991.

### Box 5 : Issues on "Hyperinflation" (Contd.....)

ii) **Latin American Countries:** The latest examples of high inflation mostly occurred with the Latin American countries like *Argentina, Bolivia, Brazil, Chile, Peru, and Uruguay* which together experienced an average annual inflation rate of 121 percent between 1970 and 1987. Most of the hyperinflations in Latin American countries were caused as many of them borrowed heavily during the seventies and agreed to repay their debts in dollars. As interest rates rose, all of these countries found it increasingly difficult to meet their debt-service obligations. The high-inflation countries were those that responded to these higher costs by printing money. Country-wise, *Bolivia* went through the worst inflation between 1984 and 1986. Its prices increased by 12,000 percent in 1985. In the 1987 currency reform, its 'peso boliviano' was replaced by 'boliviano' which was pegged to U. S. dollar. *Peru* went through the worst inflation since 1984 suffering mostly during 1988-1990. In 1988 alone, their prices rose by about 2,000 percent averaging 30 percent a month. Its inflation reached up to the higher rate of 7500 percent in 1990 followed by 2378 percent in 1991. *Argentina*, likewise, recorded an inflation of 3100 percent in 1989. It went through steady inflation from 1975 to 1991. *Brazil*, on the other hand, suffered with the high inflation in the early 1990s. It recorded its highest inflation of 2,952 percent in 1994 followed by 492 percent in 1991, 855 percent in 1992, and 1638 percent in 1993. It observed 148 percent inflation rate in 1995. From 1986 to 1994, the base currency unit was shifted three times to adjust for inflation in Brazil. A 1960s cruzeiro was, in 1994, worth less than one trillionth of a US cent, after adjusting for multiple devaluations and note changes. A new currency called real was adopted in 1994, and hyperinflation was eventually brought under control. Likewise, *Mexico* suffered from the hyperinflation during 1982-1988 with Mexican peso facing a turbulent time in late 1980's and early 1990's which culminated in the 1994 economic crisis. Likewise, *Nicaragua* went through the worst inflation from 1987 to 1991 due to its civil war. It recorded its highest inflation of 17485 percent in 1991. *Uruguay* also recorded its highest inflation of 106 percent in 1991. *Chile* was another Latin American country to witness hyperinflation during 1970's and 1980's. Chilean inflation began to rise and reached peaks of 1,200% in 1973. As a result of the hyperinflation, food became scarce and overpriced. Pinochet's free-market economic policy ended the inflation and except for an economic depression in 1981 the economy has fully recovered.

iii) **Some Other Cases:** Regarding other economies in the world, *Angola* due to its civil war passed through the worst inflation during the decade of 1990s. The most hit period was 1993-1996 recording its higher inflations of 1170 percent in 1993, 1156 percent in 1994, 2067 percent in 1995 and highest of 5867 percent in 1996. *Zaire* also suffered from its higher inflations during 1989 and 1996. *China* also went through the worst inflation 1948-49. Inflation in *Israel* accelerated in the 1970s, rising steadily from 13 percent in 1971 to 111 percent in 1979. From 133 percent in 1980, it leaped to 191 percent in 1983 and then to 445 percent in 1984, threatening to become a four-digit figure within a year or two. In 1985, Israel froze all prices by law. That same year, inflation more than halved, to 185%. By 1986, inflation was down to 19%. *Cambodia*, due to political instability, recorded its higher inflations of 1100 percent in 1993 and 278 percent in 1994. African country *Zambia* also faced the inflationary pressure during early 1990s. It recorded its higher inflations of 100 percent in 1991 followed by 162 percent in 1992 and 186 percent in 1993. In case of *Taiwan*, severe inflation existed in the late 1940s due to the factors like corruption as well as Chinese Civil War. Inflation was eventually controlled after the new Taiwan dollar was issued in 1949 at a ratio of 40,000-to-1 against the old Taiwan yuan. Regarding *Turkey*, it dealt with severe inflation rates throughout the 1990s that finally crippled the economy into a recession in 2001. *Surinam* also passed through the inflationary stage during 1993-1995, recording 137 percent in 1993, 343 percent in 1994 and 321 percent in 1995. In recent years, Turkey has achieved single digit inflation for the first time in decades. In 2005, its currency reform introduced the New Turkish Lira exchanging 1 with 1,000,000 old lira. Talking about the *USA*, the Continental Congress authorized the printing of paper currency, called continental currency, during its Revolutionary War Period. Between January 1861 and April 1865, the Lerner Commodity Price Index of leading cities in the eastern Confederacy states increased from 100 to over 9000. As the U.S. Civil War dragged on the Confederate States of America dollar had less and less value, until it was almost worthless by the last few months of the war. The most recent case is of *Zimbabwe*. It started to experience hyperinflation early in the 21st century. It recorded its higher inflations of 474 percent in 2002, 329 percent in 2003, 381 percent in 2004, 267 percent in 2005 and hitting highest 613 percent in 2006. In August 2006, the Zimbabwean government issued new currency and asked citizens to turn in old notes; the new currency had three zeroes slashed from it. In February 2007, the central bank of Zimbabwe declared inflation "illegal", outlawing any raise in prices on certain commodities between March 1 and June 30, 2007. Officials have arrested executives of some Zimbabwean companies for increasing prices on their products. In April 2007 it was announced that in the preceding month the cost of living had doubled, bringing Zimbabwe's annual inflation to 3700%. The government is currently circulating a \$200,000 note, and reports of extreme shortages of basic foodstuffs, fuel, and medical supplies abound.

#### What effects do hyperinflations have?

One effect with serious consequences is the reallocation of wealth. Hyperinflations transfer wealth from the general public, which holds money, to the government, which issues money. Hyperinflations also cause borrowers to gain at the expense of lenders when loan contracts are signed prior to the worst inflation. Businesses that hold stores of raw materials and commodities gain at the expense of the general public. Hyperinflation reduces an economy's efficiency by driving agents away from monetary transactions and toward barter. In a normal economy great efficiency is gained by using money in exchange. During hyperinflations people prefer to be paid in commodities in order to avoid the inflation tax. If they are paid in money, they spend that money as quickly as possible. So, hyperinflation may be a wasteful game of "hot potato" where individuals use up valuable resources trying to avoid holding on to paper money.

#### What is Dollarization?

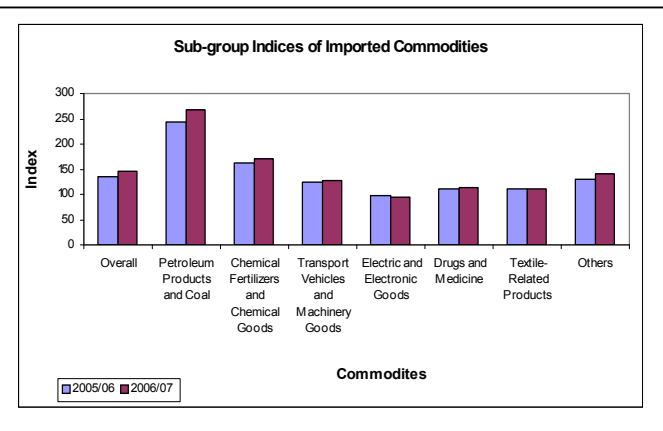
The Latin American countries with high inflation also experienced a phenomenon called *dollarization*. Dollarization is the use of U.S. dollars by the countries with high inflation in place of their domestic currency. As inflation rises, people come to believe that their own currency is not a good way to store value and they attempt to exchange their domestic money for dollars. In 1973, 90 percent of time deposits in Bolivia were denominated in Bolivian pesos. By 1985, the year of the Bolivian hyperinflation, more than 60 percent of time deposit balances were denominated in dollars.

#### What about Remedies?

The standard answer to the hyperinflation basically is that the governments have to make a credible commitment to halting the rapid growth in the stock of money. It should be met with drastic remedies; whether by imposing a shock therapy of slashing government expenditures or by altering the currency basis. The aftermath of hyperinflation is equally complex. As hyperinflation has always been a traumatic experience for the area which suffers it, the next policy regime almost always enacts policies to prevent its recurrence. Often this means making the central bank very aggressive about maintaining price stability or moving to some hard basis of currency such as a currency board. Many governments have enacted extremely stiff wage and price controls in the wake of hyperinflation, which is, in effect, a form of forced savings: goods become unavailable, and hence people hoard cash, as was the case in the People's Republic of China under "Great Leap Forward" and "Cultural Revolution". For a variety of reasons, governments have occasionally resorted to printing money to meet their expenses. During hyperinflation, the monetary authority can't even do that as it becomes a net loss. Those holding government debt, directly or indirectly, have less buying power. That is, when fiat money is printed government obligations that are not denominated in money increase in cost by more than the value of the money created.

Since hyperinflation is visible as a monetary effect, models of hyperinflation center on the demand for money. Economists see both a rapid increase in the money supply and an increase in the velocity of money. Either one or both of these encourage inflation and hyperinflation. A dramatic increase in the velocity of money as the cause of hyperinflation is central to the "crisis of confidence" model of hyperinflation, where the risk premium that sellers demand for the paper currency over the nominal value grows rapidly. The second theory is that there is first a radical increase in the amount of circulating medium, which can be called the "monetary model" of hyperinflation. In either model, the second effect then follows from the first — either too little confidence forcing an increase in the money supply, or too much money destroying confidence.

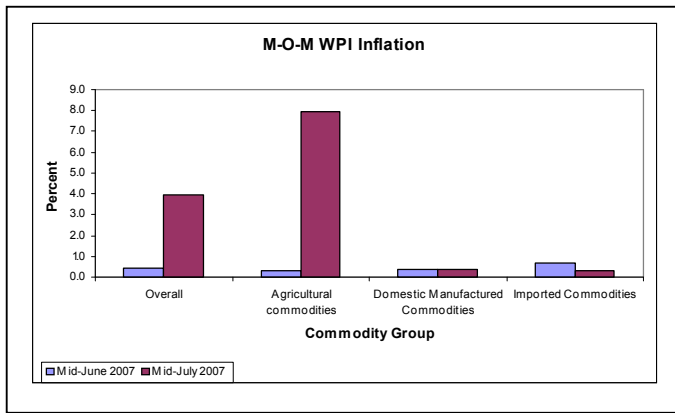
**References :** (i) Bernard Muñiz, *Hyperinflation: causes, cures*, 2003 (ii) Judi, Tony, *Postwar: A History of Europe Since 1945*, 2006 (iii) Yuriy Skolotnyy, *The past and the future of Ukrainian national currency*, 2006 (iv) Costantino Bresciani-Turroni, *The Economics of Inflation*, 1937 (v) Shun-Hsin Chou, *The Chinese Inflation 1937-1949*, 1963 (vi) Andrew Dickson White, *Fiat Money Inflation in France*, 1969 (vii) F.A. Hayek, *Choice in Currency: A Way to Stop Inflation*, 1976 (viii) Michael J. Kosares, *The Nightmare German Inflation* (ix) Michael K. Salemi, *Hyperinflation* (x) Martin J. Bailey, *The Welfare Costs of Inflationary Finance*, 1969 (xi) Phillip Cagan, *The Monetary Dynamics of Hyperinflations*, 1987 (xii) Pierre L. Siklos, *War Finance, Reconstruction, Hyperinflation and Stabilization in Hungary, 1938-48*, 1991 (xiii) Luiz Bresser Pereira and Yoshiaki Nakano, *The Theory of Inertial Inflation: The Foundation of Economic Reform in Brazil and Argentina*, 1987 (xiv) Jim Powell, *The Gnomes of Tokyo: The Positive Impact of Foreign Investment in North America*, 1989 (xv) William Greider, *Secrets of the Temple: How the Federal Reserve Runs the Country*, 1987; (xvi) Home page of applet-magic ([www.applet-magic.com](http://www.applet-magic.com)) and Home page of Thayer Watkins ([www.sjsu.edu](http://www.sjsu.edu))



#### (d) Imported Commodities

In the review year, the group of imported commodities observed a significant deceleration in the prices to 5.6 percent from 10.7 percent in the previous year. This deceleration was on account of the elapse of the base effect of last year's hike in the petroleum prices on the one hand and the positive impact (on imported commodities) of the significant appreciation (of about 14 percent) of Nepalese currency against the US dollar on the other.

Likewise, the indices of this group increased by 3.9 percent in mid-July, 3.5 percent in mid-June and 3.0 percent in mid-May 2007. The corresponding rates during the previous year were 10.5 percent, 10.7 percent and 10.5 percent respectively.



### (e) M-O-M WPI Inflation

The overall M-O-M Wholesale Price Index in mid-July 2007 increased by 4.0 percent. It is attributed to the 8.0 percent increase in the indices of agricultural commodities mainly due to the significant rise in the prices of fruits and vegetable (27.8 percent) and cash crops (12.8 percent).

Likewise, the M-O-M Wholesale Price Index increased by 0.3 percent in mid-June and 1.5 percent in Mid-May 2007.

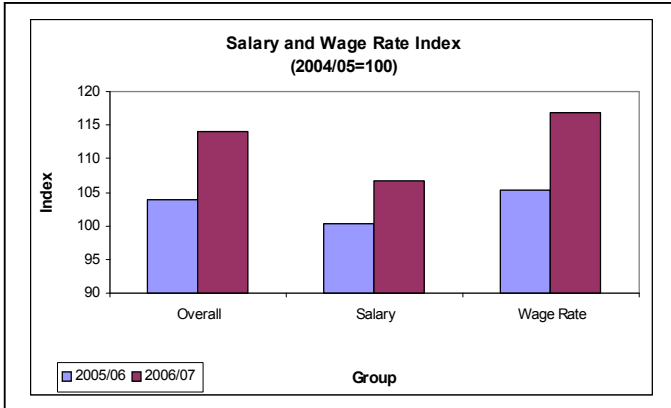
### Box 6 : Gold Prices (Kathmandu)

(maximum prices Rs / 10gm)

<b>1995/96</b>	Jul/Aug	8,570	<b>1999/00</b>	Jul/Aug	6,440	<b>2003/04</b>	Jul/Aug	8,970
(2052/53)	Aug/Sept	8,680	(2056/57)	Aug/Sept	6,465	(2060/61)	Aug/Sept	9,230
	Sept/Oct	8,920		Sept/Oct	7,545		Sept/Oct	9,225
	Oct/Nov	9,120		Oct/Nov	7,320		Oct/Nov	9,490
	Nov/Dec	9,250		Nov/Dec	7,255		Nov/Dec	9,650
	Dec/Jan	9,575		Dec/Jan	7,085		Dec/Jan	9,945
	Jan/Feb	10,550		Jan/Feb	7,500		Jan/Feb	9,930
	Feb/Mar	10,000		Feb/Mar	7,475		Feb/Mar	9,920
	Mar/Apr	9,600		Mar/Apr	7,225		Mar/Apr	9,850
	Apr/May	9,700		Apr/May	7,100		Apr/May	9,800
	May/June	9,735		May/June	7,220		May/June	9,480
	Jun/Jul	9,450		Jun/Jul	7,290		Jun/Jul	9,860
	<b>Average</b>	<b>9429</b>		<b>Average</b>	<b>7160</b>		<b>Average</b>	<b>9613</b>
<b>1996/97</b>	Jul/Aug	9,500	<b>2000/01</b>	Jul/Aug	7,125	<b>2004/05</b>	Jul/Aug	9,880
(2053/54)	Aug/Sept	9,500	(2057/58)	Aug/Sept	7,245	(2061/62)	Aug/Sept	10,100
	Sept/Oct	9,460		Sept/Oct	7,205		Sept/Oct	10,245
	Oct/Nov	9,450		Oct/Nov	7,130		Oct/Nov	10,460
	Nov/Dec	9,330		Nov/Dec	7,225		Nov/Dec	10,810
	Dec/Jan	9,120		Dec/Jan	7,200		Dec/Jan	10,435
	Jan/Feb	8,950		Jan/Feb	7,000		Jan/Feb	10,220
	Feb/Mar	9,170		Feb/Mar	7,010		Feb/Mar	10,280
	Mar/Apr	8,825		Mar/Apr	6,900		Mar/Apr	10,245
	Apr/May	7,544		Apr/May	7,040		Apr/May	10,170
	May/June	7,536		May/June	7,245		May/June	9,920
	Jun/Jul	7,394		Jun/Jul	7,115		Jun/Jul	10,180
	<b>Average</b>	<b>8815</b>		<b>Average</b>	<b>7120</b>		<b>Average</b>	<b>10245</b>
<b>1997/98</b>	Jul/Aug	7,158	<b>2001/02</b>	Jul/Aug	7,110	<b>2005/06</b>	Jul/Aug	10,290
(2054/55)	Aug/Sept	7,193	(2058/59)	Aug/Sept	7,395	(2062/63)	Aug/Sept	10,440
	Sept/Oct	7,201		Sept/Oct	7,590		Sept/Oct	11,130
	Oct/Nov	7,017		Oct/Nov	7,415		Oct/Nov	11,275
	Nov/Dec	6,610		Nov/Dec	7,285		Nov/Dec	12,800
	Dec/Jan	6,858		Dec/Jan	7,425		Dec/Jan	12,600
	Jan/Feb	6,661		Jan/Feb	7,800		Jan/Feb	13,050
	Feb/Mar	7,378		Feb/Mar	7,920		Feb/Mar	13,190
	Mar/Apr	6,816		Mar/Apr	7,950		Mar/Apr	14,040
	Apr/May	6,945		Apr/May	8,280		Apr/May	16,850
	May/June	6,860		May/June	8,575		May/June	17,000
	Jun/Jul	6,965		Jun/Jul	8,430		Jun/Jul	16,000
	<b>Average</b>	<b>6972</b>		<b>Average</b>	<b>7765</b>		<b>Average</b>	<b>13222</b>
<b>1998/99</b>	Jul/Aug	6,895	<b>2002/03</b>	Jul/Aug	8,275	<b>2006/07</b>	Jul/Aug	16,175
(2055/56)	Aug/Sept	6,880	(2059/60)	Aug/Sept	8,300	(2063/64)	Aug/Sept	15,750
	Sept/Oct	7,050		Sept/Oct	8,480		Sept/Oct	14,960
	Oct/Nov	6,970		Oct/Nov	8,300		Oct/Nov	15,000
	Nov/Dec	6,985		Nov/Dec	8,530		Nov/Dec	15,220
	Dec/Jan	6,960		Dec/Jan	8,940		Dec/Jan	15,025
	Jan/Feb	6,970		Jan/Feb	9,400		Jan/Feb	15,450
	Feb/Mar	7,020		Feb/Mar	9,150		Feb/Mar	15,900
	Mar/Apr	7,010		Mar/Apr	8,810		Mar/Apr	15,435
	Apr/May	7,010		Apr/May	8,825		Apr/May	15,530
	May/June	6,700		May/June	9,100		May/June	14,580
	Jun/Jul	6,560		Jun/Jul	8,975		Jun/Jul	14,355
	<b>Average</b>	<b>6918</b>		<b>Average</b>	<b>8757</b>		<b>Average</b>	<b>15282</b>

Source : Nepal Gold and Silver Traders Association

The gold price in Kathmandu during the last twelve years has fluctuated within the range of Rs. 6400-17000 per 10gm. Month-wise, the price of gold reached its highest during May/June 2005/06 (Rs 17000) while the lowest price of Rs. 6440 was recorded during July/August 1999/00. Regarding the annual average, the lowest price of Rs. 6918 was witnessed in 1989/99 while the highest of Rs. 15282 was recorded recently in 2006/07. In general, the price of yellow metal has crossed the four-digit barrier after 2003/04 and is still hovering around Rs. 14000-15000. Although the local demand as well as the fluctuations in exchange rate affects the gold market of Kathmandu, the gold prices are significantly determined by the fluctuations in international market. Moreover, the gold-prices in Indian market also play a vital role in determining gold prices in Nepal as both the countries share open boarder.



## Wage Rate

### (a) Overall Index

The annual average National Salary and Wage Rate Index increased by 9.8 percent in 2006/07. It had increased by 3.9 percent in the previous year. Such an increase was on account of ten percent increase in the allowances of civil servants in mid-July 2006; a rise in the wages of industrial laborers mostly in the second half of the review year; and labor supply constraints due mainly to the migration of youths from rural areas along with the increasing trend of Nepalese youths seeking employment abroad.

Likewise, the national salary and wage rate index increased by 12.3 percent in mid-July, 11.6 percent in mid-June and 11.9 percent in mid-May 2007. The corresponding rates during last year were 6.2 percent, 5.7 percent and 4.8 percent respectively.

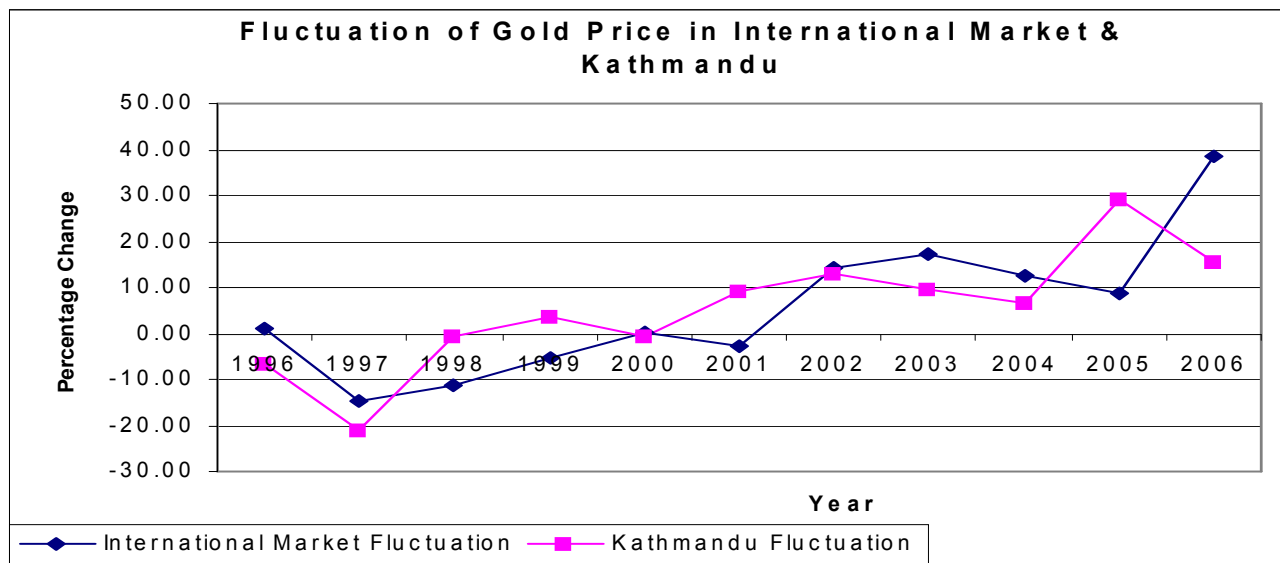
### Box 7 : Comparison of Gold Market : International and Kathmandu

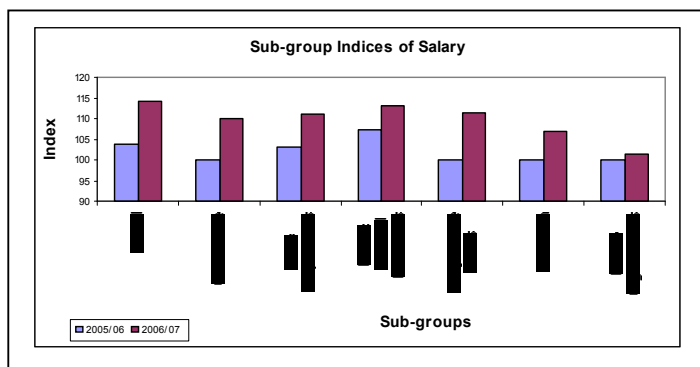
Year	London (US \$/ounce)*	% change	Year	Kathmandu (Rs/10gms)**	% change
1995	384.16		1995/96	9429	
1996	387.82	0.95	1996/97	8815	-6.51
1997	331.00	-14.65	1997/98	6972	-20.91
1998	294.14	-11.14	1998/99	6918	-0.78
1999	278.87	-5.19	1999/00	7160	3.51
2000	279.17	0.11	2000/01	7120	-0.56
2001	271.05	-2.91	2001/02	7765	9.05
2002	310.04	14.38	2002/03	8757	12.78
2003	363.53	17.25	2003/04	9613	9.77
2004	409.23	12.57	2004/05	10245	6.58
2005	444.84	8.70	2005/06	13222	29.05
2006	616.21	38.52	2006/07	15282	15.58***

\*: Yearly Average Prices, (International Monetary Fund)

\*\* : Average of Monthly Highest Prices (Gold & Silver Traders Association, Kathmandu)

\*\*\* : NRs is appreciated approximately by 14 percent against US dollar in 2006/07





## (b) Salary

The index of salary group increased by 6.3 percent in the review year as compared to the rise of 0.3 percent in the preceding year. Basically, the impact of the 10 percent increase in the allowances of civil servants in mid-July 2006 contributed to this rise.

Likewise, the salary index increased by 6.2 percent each in mid-July, mid-June and mid-May 2007. There were marginal increments of 0.4 percent each in the corresponding periods last year.

### Box 8 : A Brief Discussion on "Gold"

Gold is a rare metallic element with a melting point of 1064 degrees centigrade and a boiling point of 2808 degrees centigrade. Its chemical symbol is 'Au'. It has several properties that have made it very useful to mankind over the years, notably its excellent conductive properties and its inability to react with water or oxygen. 'Carat' is used for measuring the purity of gold where pure gold is defined as 24 carats. Gold is traditionally weighed in Troy Ounces (31.1035 grams). A metric tonne of gold equals 32,150.72 troy ounces. Gold is made into a large number of different bars of different weights. The most well known are the large 'London Good Delivery Bars' which are traded internationally. These weigh about 400 Troy Ounces. Around 70% of gold demand is for jewellery, 11% for industrial use and 13% for investment purpose. Gold has strong "investment" attributes in all countries, and in markets such as India and Middle East is sold by weight at the prevailing daily rates. Gold is not used as currency in any market. If we include jewellery ownership, then India is the largest repository of gold in terms of total gold within the national boundaries.

Gold possesses a unique combination of properties that have resulted in its use in a wide range of industrial applications. These applications in total account for a current consumption of approximately 450 tonnes of gold per annum. Between 1970 and 1992 around 65 per cent of all gold available to the market was used in jewellery, and from the late 1980's into the 1990's, it absorbed much of the rise in production. Since 1991 over 2,000 tonnes of gold has been used annually. The most widely used alloys for jewellery in Europe are 18 and 14 carat, although 9 carat is popular in Britain. Portugal has a unique designation of 19.2 carats. In the United States 14 carat predominates, with some 10 carat. In the Middle East, India and South East Asia, jewellery is traditionally 22-24 carat. In China, Hong Kong and some other parts of Asia, pure gold is of 990 fineness (almost 24 carat). This is often controlled through hallmarking, a system which originated in London at Goldsmiths' Hall in the 14th century. Today it is compulsory in such countries as Britain, France, the Netherlands, Morocco, Egypt, and Bahrain. Italy has remained at the forefront of the gold jewellery industry which uses over 400 tonnes of gold annually, more than two-thirds of it for exports. The Spanish acquisition of South American gold, however, was achieved at the expense of the ancient heritage of Pre-Columbian goldsmiths. The gold rushed to California and Australia in the mid- 19th century ushered in a new dimension of gold supply. In the 20th century gold jewellery has come within the pocket of most people. The most emerging gold markets in the early 1990s are Hong Kong, Singapore, Malaysia and Thailand, and China, which requires several hundred tonnes of gold per year. In Japan jewellery fabrication for the domestic market has become a major industry, using around 100 tonnes a year. Attitudes to jewellery still vary. In the industrial countries gold jewellery is primarily a fashion item. But in the Middle East and much of Asia gold ornaments are seen equally as investment.

Gold mining, basically, is very capital intensive. Particularly in the deep mines of South Africa mining is carried out at depths of 3000 meters and proposals to mine even deeper at 4,500 meters are being pursued. The gold-containing ore has to be dug from the surface or blasted from the rock face underground. This is then hauled to the surface and milled to release the gold. The gold is then separated from the rock (gangue) by techniques such as flotation, smelted to a gold-rich doré and cast into bars. These are then refined to gold bars by the Miller chlorination process to a purity of 99.5%. If higher purity is needed or platinum group metal contaminants are present, this gold is further refined by the Wohlwill electrolytic process to 99.9% purity. The ore is normally sent to a refinery, which will extract and melt down the gold into a pure 24ct form, normally as bars or ingots. As of now, it is estimated that all the gold ever mined amounts to about 1,50,000 tonnes.

The World Gold Council is an organization of world's leading gold mining companies with the aim of stimulating and maximizing the demand for, and holding of, gold by consumers, investors, industry, and the official sector. It was founded in 1987. As well as undertaking marketing initiatives to drive demand, the World Gold Council is also instrumental in working to lower regulatory barriers to the widespread ownership of gold products, helping to develop distribution systems and promoting the role of gold as a reserve asset in the official sector. The council also co-sponsors research in the development of new uses of gold, or of new products containing gold, in dentistry, jewellery, and technical scientific components.

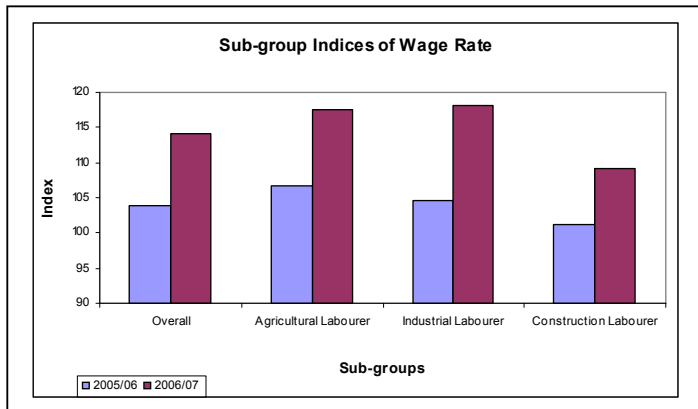
As of end of 2006, the international gold reserve stands at around 868 million ounces. The most gold is owned by the USA followed by Germany and the IMF. The gold reserves of some selected countries/sectors are given below:

#### International Gold Reserves

(End of 2006)

	Reserve (million ounce)	Share in world reserve
<b>World Reserve</b>	<b>867.15</b>	<b>100.0%</b>
<b>Industrial Countries</b>	<b>712.90</b>	<b>82.2%</b>
- USA	261.50	30.2%
- Euro Area	(365.21)	(42.1%)
- Germany	110.04	12.7%
- France	87.44	10.1%
- Italy	78.83	9.1%
- Switzerland	41.48	4.8%
- Japan	24.60	2.8%
- UK	9.97	1.1%
<b>Developing Countries</b>	<b>154.25</b>	<b>17.8%</b>
<b>Asia</b>	<b>61.02</b>	<b>7.1%</b>
- China	19.29	2.2%
- India	11.50	1.3%
- Pakistan	2.10	0.2%
- Sri Lanka	0.17	0.0
- Bangladesh	0.11	0.0
- Nepal	0.13	0.0

Source : IFS, Sept 2007, IMF



**(c) Wage Rate**

In the review year, the wage rate index increased at a higher rate of 10.9 percent as compare to an increase of 5.3 percent during last year. The growth is mainly attributable to the higher rise in the wage of industrial labourer (11.3 percent), agricultural labourer (10.3 percent) and construction labourer (7.7 percent).

Likewise, the wage rate index rose at a higher rate of 14.4 percent in mid-July, 13.6 percent in mid-June and 13.8 percent in mid-May 2007. These rates were 8.4 percent, 7.7 percent and 6.5 percent in the corresponding months last year.

**Box 9 : Petroleum Prices and Public Transport Index in Nepal**

**Price of Petroleum Products in Nepal**

FY	Petrol	% Change	Diesel	% Change	Kerosene	% Change	LP Gas ( Per Clnd)	(NRs/Ltr)
								% Change
1985/86	10.90	-	7.50	-	5.75	-	-	-
1986/87	12.90	18.3	7.50	0.0	5.75	0.0	-	-
1987/88	12.90	0.0	7.50	0.0	5.75	0.0	-	-
1988/89	12.90	0.0	7.50	0.0	5.75	0.0	-	-
1989/90	19.00	47.3	9.10	21.3	6.90	20.0	-	-
1990/91	20.00	5.3	10.00	9.9	8.00	15.9	-	-
1991/92	25.00	25.0	10.00	0.0	8.00	0.0	-	-
1992/93	29.00	16.0	11.50	15.0	9.75	21.9	-	-
1993/94	29.00	0.0	12.00	4.3	9.00	-7.7	-	-
1994/95	29.00	0.0	12.00	0.0	8.50	-5.6	-	-
1995/96	34.00	17.2	14.00	16.7	9.50	11.8	380.00	-
1996/97	39.00	14.7	15.50	10.7	10.50	10.5	495.00	30.3
1997/98	39.00	0.0	15.50	0.0	10.50	0.0	465.00	-6.1
1998/99	40.00	2.6	15.50	0.0	10.50	0.0	465.00	0.0
1999/00	40.00	0.0	23.00	48.4	13.00	23.8	465.00	0.0
2000/01	46.00	15.0	26.50	15.2	17.00	30.8	550.00	18.3
2001/02	46.00	0.0	26.50	0.0	17.00	0.0	550.00	0.0
2002/03	54.00	17.4	31.00	17.0	24.00	41.2	700.00	27.3
2003/04	54.00	0.0	31.00	0.0	24.00	0.0	700.00	0.0
2004/05	62.00	14.8	41.00	32.3	34.00	41.7	900.00	28.6
2005/06	67.75	9.3	53.00	29.3	48.20	41.8	900.00	0.0
2006/07	67.75	0.0	53.51	1.0	48.20	0.0	900.00	0.0

Source : Price Division, Nepal Rastra Bank

**Public Transport Index on National Urban CPI of Nepal**

Months	2004/05	2005/06	2006/07	Percentage Change	
				2005/06	2006/07
mid-Aug	204.5	246.4	301.7	20.5	22.4
mid-Sept	204.5	246.4	301.7	20.5	22.4
mid-Oct	204.5	246.4	301.7	20.5	22.4
mid-Nov	204.5	246.4	301.7	20.5	22.4
mid-Dec	204.5	246.4	301.7	20.5	22.4
mid-Jan	204.5	246.4	301.7	20.5	22.4
mid-Feb	236.6	249.2	302.5	5.3	21.4
mid-Mar	236.6	300.3	302.5	26.9	0.7
mid-Apr	236.6	300.3	302.5	26.9	0.7
mid-May	236.6	300.3	302.5	26.9	0.7
mid-June	236.6	300.3	302.5	26.9	0.7
mid-July	236.6	300.3	302.5	26.9	0.7
<b>Annual</b>	<b>220.6</b>	<b>269.1</b>	<b>302.1</b>	<b>21.9</b>	<b>13.3</b>

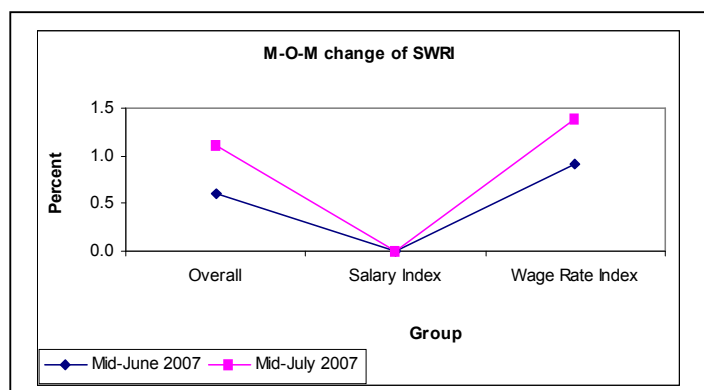
Source : Price Division, Nepal Rastra Bank

**Box 10 : PRICE COLLECTION CENTERS AND COLLECTED ITEMS**

List of Price Collection Centers				Number of Items and Quotations of Some Major Groups						
NEPAL			INDIA	Groups	No. of Items			Price Quotations		
CPI	WPI	SWRI			Ktm Valley	Terai	Hills	Ktm Valley	Terai	Hills
<b>A. Index Towns</b>	1 Ilam	<b>Wage Sector</b>	1 Araria	Food and Beverages	102	88	100	40	8	7
<b>Ktm Valley Sector</b>	2 Bhadrapur	1 Ilam	2 Muzzafarpur	Clothing & Sewing Services	54	52	52	21	5	3
1 Kathmandu	3 Biratnagar	2 Bhadrapur	3 Gorakhpur	Footwear	13	12	14	6	2	6
2 Lalitpur	4 Dharan	3 Biratnagar	4 Baharaich	Household Goods	26	22	20	1	1	1
3 Bhakatapur	5 Sunsari	4 Janakpur		House Rent	1	1	1	4	0	7
4 Thimi	6 Janakpur	5 Kathmandu		Cleaning Supplies	9	12	6	36	2	4
<b>Hills Sector</b>	7 Udayapur	6 Lalitpur		Fuel, Light and Water	7	7	7	28	7	4
5 Ilam	8 Rautahat	7 Birgunj		Transport and Communication	11	8	6	44	8	4
6 Dhankuta	9 Bara	8 Pokhara		Medical and Personal Care	41	35	41	16	3	2
7 Hetauda	10 Hetauda	9 Bhairahawa		Education and Recreation	30	22	30	4	0	7
8 Banepa	11 Birgunj	10 Nepalgunj		Tobacco and Related Products	7	8	7	12	2	1
9 Phokhara	12 Narayangadh	11 Dhangadhi		<b>All Total</b>	<b>301</b>	<b>267</b>	<b>284</b>	<b>1204</b>	<b>67</b>	<b>198</b>
10 Surkhet	13 Ktm Valley	<b>Salary Sector</b>								
11 Dipayal	14 Pokhara	1 Civil Services Public								
<b>Terai Sector</b>	15 Bhairahawa	2 Enterprises Bank and								
12 Damak	16 Butwal	3 Fin. Inst. Army and								
13 Biratnagar	17 Nawalparasi	4 Police Education								
14	18	5								

**Number of Items Selected for Price Collection**

Sectors	Weekly	Monthly	Qtrly	Half Yearly	Yearly	Total



**(d) M-O-M Basis**

The overall M-O-M National Salary and Wage Rate Index increased by 1.1 percent in mid-July 2007. It is mainly attributed to the 1.4 percent growth in wage rate index during the month.

Likewise, the M-O-M NSWRI increased by a marginal rate of 0.6 percent in mid-June and 2.2 percent in mid-May 2007.

### **Box 11 : House Hold Budget Surveys and Relative Weightages of Different Groups in CPI**

NRB is the domestic authority which collects price information and construct CPI index. The CPI index captures the average household's consumption basket. This basket is determined by national level Household Budget Surveys (HBS). The objective of the survey is to make more representative basket in terms of cities, markets, items and weights for different commodities, income and occupation of the people. NRB has conducted three Household Budget Surveys (HBS) during 1972/73, 1984/85 and 1995/96 respectively; the basic compositions and relative weightage of the different commodities and services for the three completed HBS are provided in the figures below. Likewise, the fourth survey is presently under progress and purposes to address the shortcoming of previous HBS of being urban-focused and hence suggests to include the rural market centers. The comparative statements of the different household budget surveys are provided below:

**Comparative statement of the Household Budget Survey**

Subject	First HBS	Second HBS	Third HBS	Fourth HBS*
Survey Period	1972/73	1983/84	1995/96	2005/06
Coverage	Rural+ Urban	Rural + Urban	Urban Only	Rural + Urban
Number of Market Centers	18	35 (12 Urban, 23 Rural)	21	52 (23 Urban, 29 Rural)
Sample Households	6,625	5,323	2,500	5,095
Population of the country	11,555,983	15,022,839	18,491,097	23,151,423
No. of Households of the country	2,084,062	2,584,948	3,328,721	4,253,220

Source : Inflation in Nepal, Research Department, NRB, 2007 July

\*Proposed

Presently, NRB constructs a number of price indices using the composition from the third HBS. These are namely: National Urban CPI, CPI for Kathmandu Valley, CPI for Hills, and CPI for Terai. The CPI basket for Kathmandu Valley consists of 301 items, while it includes 284 and 267 items in the Hills and the Terai regions respectively.

**Relative Weightage of Different Groups in CPI (As per HBS)**

Groups and Sub-groups of Items	1972/73 (HBS I)	1983/84 (HBS II)	1995/96 (HBS III)
<b>All Items</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Foods and beverages</b>	<b>66.78</b>	<b>62.63</b>	<b>53.20</b>
Grains and cereals products	33.01	29.43	18.00
Rice and rice products	(28.90)	(24.13)	(14.16)
Wheat and wheat flour		(24.13)	
Pulses	3.25	3.27	2.73
Vegetables, fruits and nuts	7.60	8.47	7.89
Spices	2.17	2.23	1.85
Meat, fish and eggs	4.58	4.07	5.21
Milk and milk products	3.82	3.76	4.05
Oil and ghee	5.01	3.36	3.07
Sugar and related products	2.08	1.68	1.21
Beverages	1.24	1.48	2.28
Restaurant meals	4.02	4.88	6.91
<b>Other goods and services</b>	<b>33.22</b>	<b>37.37</b>	<b>46.80</b>
Cloths, clothing and sewing services	8.31	10.09	8.92
Cloths	(3.71)	(4.04)	(2.28)
Clothing	(4.60)	(6.05)	(5.75)
Footwear	1.22	1.72	2.20
Housing	11.02	12.66	14.87
Fuel, light and water	(4.95)	(6.88)	(5.92)
Transport and communication	1.73	2.13	4.03
Medical and personal care	4.41	4.59	8.03
Education, reading and recreation	3.87	4.14	7.09
Tobacco and related products	2.66	2.04	1.66

Source : Inflation in Nepal, Research Department, NRB, 2007 July

Based on the results derived from different Household Budget Surveys (HBSs), it is observed that the weight of food item is continuously falling while the share of non-food item is in increasing trend. The weight of food and beverages group was initially 66.78% in 1972-73 which fell to 62.63% in 1983-84 and further to 53.20% in 1995-96. Contrary to that, the weight of non-food items (other goods and services) has substantially increased from 33.22% in 1972-73 to 37.37% in 1983-84 and 46.80% in 1995-96. This indicates that the consumption pattern of general public is shifting towards non-food items from food items.

Observing item-wise within the food and beverage group, the largest weight has been held by the sub-group grains and cereal products. The share of this sub-group is also falling continuously from 33.01% in 1972-73 to 29.43% in 1983-84 and further to 18.00% in 1995-96. Talking about the rice, the largest shareholder in this sub-group, its share is also declining from 28.90% to 24.13% and 14.16% respectively. It indicates that the people are expending less of their money for grains and cereal products and more in other food items. Regarding other subheadings of food and beverage group, the weights of restaurant meals, beverages, meat, fish and eggs, milk and milk products are found in increasing trend while that of sugar and related products, oil and ghee, spices and pulses are slightly declining during the different HBSs.

Regarding the sub-headings of non-food items, the largest share has been held by housing. Its share has been continuously rising from 11.02% in 1972-73 to 12.66% in 1983-84 and 14.87% in 1995-96. Likewise, the share of education, transport and communication and the medical and personal care are substantially rising during the different HBS. Likewise, the weights of the items like cloths, footwear, fuel, light and water are found in increasing trend while the expenditure towards tobacco and related products is falling in slow pace.



## Box 12 : Computing Consumer Price Index and Core Inflation in Nepal

### A) Consumer Price Index

1. Nepal Rastra Bank had started to develop Weighted National Urban Consumer Price Index for the first time in 1972/73. Efforts have been made since then to make CPI more representative by improving and expanding its scope and coverage in terms of items, market places, and the weight. Accordingly, the CPI series were computed with 1983/84 and 1995/96 subsequent as new base years. The current series of Urban Consumer Price Indices is based on 1995/96 base year.
2. In total, 21 urban market centers have been selected to represent the CPI of the country. The selected market centers according to major geographic regions are as follows:
  - (1) Kathmandu Valley - Kathmandu, Lalitpur, Bhaktapur and Thimi.
  - (2) Terai - Damak, Biratnagar, Lahan, Janakpur, Birgunj, Bharatpur, Siddharthanagar, Nepalgunj, Mahendranagar and Dhanagadhi.
  - (3) Hills - Ilam, Dhanakuta, Hetauda, Pokhara, Banepa, Dipayal and Birendranagar.
    - The National Urban Consumer Price Index is derived from regional urban consumer price indices by using the population weight of each region. The population weight is based on 1995 population projection made by Central Bureau of Statistics. The total population covered by the index was estimated to be 26,75,149.
3. To develop the weighting factors for urban consumer price index, households were selected from the total sample excluding the ones in the following four categories.
  - (i) Households falling on the first, second, ninth and tenth income decile.
  - (ii) One person households and households composed of more than eight persons.
  - (iii) Households which obtain more than 50 percent of the value of their consumption expenditures from home production or sources other than the market place.
  - (iv) Households which have less than 50 percent of their income in cash.

Based on the above four criteria, the income range for households in the different urban regions was found as follows:  
 Kathmandu Valley - Rs. 4,200 - Rs. 13,498      Hills - Rs. 2,851 - Rs. 8,466      Terai - Rs. 2,570 - Rs. 8,570
4. To construct the price indices, the prices of the commodities included in the commodity basket are collected according to the fixed price collection cycle. Prices are collected from about 900 retail stores and outlets by personal visits. In order to compute the indices, those prices are collected from the market centres from where the consumer has paid a certain price to purchase the specified goods and services including VAT and excise duties. House rents are collected once a year through house rent survey, which covers about 1612 households.
5. The periodicity of Price collection are :
  - (a) Weekly (Four times per month) :- Rice, Pulses, Flour, Cereal Products, Oil and Ghee, Fresh Vegetables and Fruits, Spices, Milk & Milk Products, Sugar & Sweets.
  - (b) Monthly :- Meat, Fish & Eggs, Beverages, Restaurant Meals, Cloth, Clothing, Fuel, Cleaning Supplies and religious items.
  - (c) Quarterly :- Private Transport, Hard Drinks, Footwear, Household Goods, Medicine & Personal Care items and Cigarettes.
  - (d) Half Yearly :- Sewing Charges, Public Transport, Medical & Personal Care and Reading Materials.
  - (e) Yearly :- Education Fees, Telephone, Water & Electricity Charges and House Rent.
6. The index is computed according to the Laspeyres' formula as a weighted arithmetic average. The formula is expressed in statistical notation as follows:

$$I_{no} = \frac{\sum (Q_o P_{i-1}) \left( \frac{P_i}{P_{i-1}} \right)}{\sum Q_o P_o} = \sum \left( \frac{P_i}{P_{i-1}} \times \frac{Q_o \times P_{i-1}}{Q_o P_o} \right)$$

Where,

$I_{no}$	=	Represents the index number for the period (i) with base period (o) equal to 100
$(Q_o P_{i-1})$	=	Represents the index expenditure weights adjusted for price change to the preceding period
$(P_i / P_{i-1})$	=	Represents the change in price from the preceding period to the current period
$Q_o P_o$	=	Represents the index expenditure weight

### B) Core Inflation

Though the concept of core inflation was first initiated in the 1970s, it has been used by many central banks in the world today. Core inflation is generally computed either from the CPI or WPI. The headline inflation is influenced by both demand and supply side factors. But, core inflation is that inflation which is influenced by demand side factors only. It is also defined as the persistent part of measured inflation, consists of common trend excluding the relative shocks originated from the supply side. While the headline inflation is often volatile, core inflation can be a more accurate measure of underlying inflation, hence useful for price stability. In the economic literature, it has been argued that core inflation would be a good indicator of current and future trend of inflation, a good measure of inflation for empirical work, and the most importantly, a viable target for monetary policy. In fact, core inflation measures assist the monetary authority to separate the noise and the short-run fluctuations in the inflation from its more persistent trend.

Nepal Rastra Bank has also produced core inflation figures since mid-November, 2005. As used by many central banks, NRB applies exclusion-based method for calculating core inflation. This method excludes some supply prone items from CPI list such as (a) rice and rice products, (b) vegetables and fruits, (c) fuel, light and water, and (d) transports. However, there are other methods as well, such as trimmed mean method and weighted median. So far, there is no unanimous view on using the particular method, however. A complete isolation of supply side effects on inflation is still not possible. But, core inflation measures can produce a highly persistent part of inflation from the headline inflation. Since monetary policy hardly influences the supply side disturbance in the economy, it would be pertinent to guide and evaluate the monetary policy in terms of core inflation.

### Box 13 : Computing Wholesale Price Index in Nepal

#### 1. Introduction

The changes in prices, influence a wide range of economic activities and a constant watch on prices becomes necessary for the operation and regulation of current economic policies as well as for the purpose of planning and policy formulation. The changes in prices over a period of time can be gauged by the statistical device of index number of prices. The price index can be either at the wholesale level or at the retail level of the marketing channel. This index is important as it helps in understanding the movement of prices relating to bulk transactions. It is designed to measure the directional movement of prices for a set of selected items in the primary and wholesale market. Item covered in the series are those, which could be precisely defined and are offered in lots by producers/wholesalers/importers. Prices used are generally those which conform to the primary sellers realization at ex-factory or at an organized wholesale level.

#### 2. Definition

##### (a) Agricultural Goods

- Selling price of wholesalers and mills
- In the case of Raw Jute and Sugarcane selling price of farmers to the factory or mills.

##### (b) Domestic Manufactured Goods

- First commercial transaction in bulk.

##### (c) Imported Goods

- First commercial transaction within the country.

##### (d) Government Controlled Goods

- Selling price of public enterprises.

#### 3. Base Elements of Wholesale Price Index

##### (a) Base year :

- Fiscal year 1999/2000 (2056/57) is taken as the base year.
- Twelve month's average price is taken as the base year's price.

##### (b) Commodity Basket and Market Centers

Group	No. of Commodity	Price Quotation Number
Agricultural Goods	18	133
Domestic Manufactured Goods	31	129
Imported Goods	22	153
Total	71	415

#### Marketwise Number of Price Quotation

Price Quotation Number					Price Quotation Number						
	Market Centre	Agricultural Goods	Domestic Manufactured Goods	Imported Goods	Total		Market Centre	Agricultural Goods	Domestic Manufactured Goods	Imported Goods	Total
1	Ilam	2	1	-	3	12	Narayanghat	12	4	-	3
2	Bhadrapur	5	5	-	10	13	Kathmandu Valley	38	41	105	10
3	Birartnagar	13	24	8	45	14	Pokhara	6	2	3	45
4	Dharan	3	-	-	3	15	Bhairahawa	11	4	1	3
5	Sunsari Area	-	13	-	13	16	Butwal	8	1	1	13
6	Janakpur	7	3	-	10	17	Nawalparasi	-	3	-	10
7	Udayapur	-	1	-	1	18	Dang	2	1	-	1
8	Rautahat	1	1	-	2	19	Nepalgunj	5	4	-	2
9	Bara	-	6	-	6	20	Dhangadhi	4	2	-	6
10	Hetaudea	-	5	-	5						
11	Birganj	16	8	35	59		Total	133	129	153	5

#### c) Weight : Weights have been divided on the basis of total annual turnover of the selected commodities.

S. No.	Group and Sub-groups	Weight
	Overall Index	100.0000
1.1	Agricultural Commodities	49.5930
	1.1.1 Food Grains	16.5857
	1.1.2 Cash Crops	6.0860
	1.1.3 Pulses	3.7705
	1.1.4 Fruits and Vegetables	11.1830
	1.1.5 Spices	1.9487
	1.1.6 Livestock Production	10.0191
1.2	Domestic Manufactured Commodities	20.3727
	1.2.1 Food Related Products	6.1177
	1.2.2 Beverages and Tobacco	5.6936
	1.2.3 Construction Materials	4.4958
	1.2.4 Others	4.0656
1.3	Imported Commodities	30.0343
	1.3.1 Petroleum Products and Medicine	8.0230
	1.3.2 Chemical Fertilizers and Chemical Goods	2.4560
	1.3.3 Machinery and Transport Vehicles	6.4800
	1.3.4 Others	13.0753

#### e) Sources and Frequency of Data Collection

- Data are collected from primary source on monthly basis. But some essential and important commodities price is collected bi-monthly.
- The wholesale price index is prepared on national level and published on monthly basis.

#### Commodity-wise Weight

(1)	Overall Index	100.0000	36.	Iron Rod	0.5019
1.1	Agricultural Commodities	49.5930	37.	GI/HB Wires	0.4672
1.	Rice	10.9589	38.	Corrugated Sheets	1.1644
2.	Maize	0.8938	39.	Electric Wires	0.1776
3.	Wheat	4.7330	40.	Animal Feed	0.2090
4.	Sugarcane	1.2489	41.	Jute Goods	0.6414
5.	Oilseed	1.2720	42.	Leather (Processed)	0.1276
6.	Jute	0.1463	43.	Leather Shoes	0.3591
7.	Potato	3.4188	44.	Paper	0.8911
8.	Pulses	3.7705	45.	Matches	0.0962
9.	Fruits	5.6427	46.	Soap	1.2906
10.	Vegetables	5.5403	47.	Slipper	0.1020
11.	Spices (Other Crops)	1.9487	48.	Plastic Goods	0.0763
12.	Milk	0.9712	49.	Dry cell Battery	0.2723
13.	Meat (Buffalo)	3.9899	1.3	Imported Goods	30.0343
14.	Meat (Goat)	2.5783	50.	Petroleum Products	5.2914
15.	Meat (Pig)	0.5421	51.	Medicine	2.7316
16.	Meat (Chicken)	0.5225	52.	Chemical Fertilizers	1.3953
17.	Eggs	0.7482	53.	Chemicals Goods	1.0607
18.	Fish	0.6669	54.	Others Machinery & Parts	3.8464
1.2	Domestic Manufactured Commodities	20.3727	55.	Transport Vehicle & Parts	2.6336
19.	Sugar	1.0886	56.	Horlicks & Powder Mills	0.3216
20.	Vegetables Ghee	1.5631	57.	Raw Wool	0.9219
21.	Mustard Oil	0.0710	58.	Salt	0.1138
22.	Soybean Oil	0.6830	59.	Polythene Granules	0.5649
23.	Biscuit	0.1855	60.	Readymade Garments	0.5502
24.	Processed Milk	0.8386	61.	Agri. Instru. & Parts	0.3271
25.	Wheat Floor	0.2575	62.	Cotton Fabrics & Textiles	1.0879
26.	Noodles	0.6480	63.	Electro. Goods & Equip.	1.6000
27.	Tea	0.1686	64.	Coal	0.1066
28.	Beaten Rice	0.6138	65.	Radio, T.V. & Parts	0.2660
29.	Soft Drinks	0.9239	66.	Tire, Tube & Flapes	0.1667
30.	Liquor	1.4558	67.	Pipe & Pipe Fittings	0.1456
31.	Beer	1.0686	68.	Thread	0.5401
32.	Cigarette	2.2453	69.	Glass Sheet & Wares	0.1619
33.	Polythene Pipe	0.0993	70.	Other Stationary	0.1340
34.	Bricks	0.2181	71.	Others	6.0670
35.	Cement	1.8676			

#### d) Formula used for computation of WPI

The following Laspeyres' formula is used to construct the index:

$$WPI = \frac{\sum (I_i \times W_i)}{\sum W_i} \times 100$$

$$I_i = \frac{P_i}{P_o}$$

Where :

WPI = Wholesale price index  
 P<sub>i</sub> = Price in the current period  
 P<sub>o</sub> = Price in the base year  
 W<sub>i</sub> = Weight assigned to item/sub-groups /group  
 N = Total number of observation

## Box 14 : Computing Salary and Wage Rate Index in Nepal

**1. Introduction :** The changes in salaries and wages influence a wide range of economic activities, that is why a continuous watch on salary and wage prices becomes necessary for the smooth operation and regulation of current economic policies as well as for the purpose of planning and policy formulation. The statistical device called "The Salary and Wage Rate Index (SWRI)" can gauge changes in the salary and wage prices over a period of time. Thus, SWRI is designed to measure the directional movement of salary and wage for a set of selected groups in the primary markets.

**2. Definitions :** Broadly speaking, salary is something that remunerates. Alternatively, salary is simply a fixed payment at regular intervals for services like clerical and professionals. Following are the major components and their respective definitions, which are taken into consideration while constructing the salary index. **a) Civil Services :** Salary prices provided to the civil servants by government as remuneration and allowances. **b) Public Corporations :** Salary prices provided by public corporations to their employees as remuneration and allowances. **c) Bank and Financial Institutions :** Salary prices provided by banks and financial institutions to their employees as remuneration and allowances. **d) Army and Police Forces :** Salary prices provided by Royal Nepalese Army and Nepalese police and Armed police forces to their respective employees as remuneration and allowances. **e) Education :** Salary prices in the form of remuneration and allowances, provided by Tribhuvan University, Government schools and the Private Schools to their respective teaching professionals. **f) Private Organizations :** Salary prices provided by the private business and industrial organizations to their technical and administrative staffs.

### 3. Wage Rate Index and Definitions :

In broad term, wage is the money or anything, which is paid as a return to a labourer for work done and usually figured on an hourly or daily or piecework basis. Following are the major components and their respective definitions, which are used to construct the wage index: **(a) Agricultural Labourer :** Wage Prices received by the labourer or workers including kind who are involved in the agriculture sector. **(b) Industrial Labourer :** Wages and allowances provided by the Industries to their labourer or workers. **(c) Construction Labourer :** Wages and allowances provided by the construction agencies to their labourer or workers involved in the construction related works.

**4 (a) Base year :** Fiscal year 2004/05 is taken as the base year. Twelve month's average salary and wage rate are taken as the base year's salary and wage rate.

### 4 (b) Number of Salary Quotation :

Agencies	Price Quotation Number		
	Officer	Non Officer	Total
1 Civil Service	1	1	2
2 Public Corporations	5	5	10
3 Bank and Financial Institutions	4	4	8
4 Army and Police Forces	3	3	6
5 Education	4	4	8
6 Private Organizations	3	3	6
<b>Total</b>	<b>20</b>	<b>20</b>	<b>40</b>

### 4 (c) Marketwise Number of Wage Rate Quotation:

	Market Center	Price Quotation Number			Total
		Agricultural Labourer <sup>1</sup>	Industrial Labourer <sup>2</sup>	Construction Labourer <sup>3</sup>	
1	Ilam	6	12	18	36
2	Bhadrapur	6	12	18	36
3	Biratnagar	6	12	18	36
4	Janakpur	6	12	18	36
5	Birgunj	6	12	18	36
6	Kathmandu	6	12	18	36
7	Lalitpur	6	12	18	36
8	Pokhara	6	12	18	36
9	Bhairahawa	6	12	18	36
10	Nepalgunj	6	12	18	36
11	Dhangadhi	6	12	18	36
<b>Total</b>		<b>66</b>	<b>132</b>	<b>198</b>	<b>396</b>

- Each quotation comprises male and female labourer.
- Each quotation comprises of four classification based on skills of labourer.
- Construction group have been divided into 3 sub-groups namely Mason, Carpenter and Worker and first two sub-groups (Mason & carpenter) have been further classified as skilled and unskilled labourers whereas, worker sub-group has been divided into male & female sub-group.

### 4 (d) Weights :

Weights have been divided and assigned on the basis of Population engaged in employment excluding self -employment. Group-wise and sub-Group-wise weights are assigned as follows.

#### Note :

- As classified data on officers and non-officers are unavailable for public corporations and bank & financial institutions, weights on the same have been assigned based on the average of five public corporations and four bank's data.
- Due to the unavailability of data on labourer's skills classification in industrial and construction sectors, equal weights have been assigned for the same.

S.No.	Groups and Sub-groups	Number of Employment	Weight
	<b>Overall</b>	<b>3454384</b>	<b>100.00</b>
<b>1</b>	<b>Salary</b>	<b>931506</b>	<b>26.97</b>
	Officers	338613	9.80
	Non Officers	592893	17.17
<b>2</b>	<b>Wage Rate</b>	<b>2522878</b>	<b>73.03</b>
	Agricultural Labourer	1364207	39.49
	Industrial Labourer	872253	25.25
	Construction Labourer	286418	8.29
<b>1.1</b>	<b>Civil service</b>	<b>97273</b>	<b>2.82</b>
1.1.1	Officers	10536	0.31
1.1.2	Non Officers	86737	2.51
<b>2.1</b>	<b>Public Corporations</b>	<b>39153</b>	<b>1.14</b>
2.1.1	Officers	6494	0.19
2.1.2	Non Officers	32659	0.95
<b>1.3</b>	<b>Bank &amp; Financial Institutions</b>	<b>19000</b>	<b>0.55</b>
1.3.1	Officers	3478	0.10
1.3.2	Non Officers	15522	0.45
<b>1.4</b>	<b>Army &amp; Police Forces</b>	<b>138631</b>	<b>4.01</b>
1.4.1	Officers	5919	0.17
1.4.2	Non Officers	132712	3.84
<b>1.5</b>	<b>Education</b>	<b>364449</b>	<b>10.55</b>
1.5.1	Officers	234851	6.80
1.5.2	Non Officers	129598	3.75
<b>1.6</b>	<b>Private Organisations</b>	<b>273000</b>	<b>7.90</b>
1.6.1	Officers	77325	2.24
1.6.2	Non Officers	195675	5.66
<b>2</b>	<b>Wage Rate Index</b>	<b>2522878</b>	<b>73.03</b>
<b>2.1</b>	<b>Agricultural Labourer</b>	<b>1364207</b>	<b>39.49</b>
2.1.1	Male	708023	20.49
2.1.2	Female	656184	19.00
<b>2.2</b>	<b>Industrial Labourer</b>	<b>872253</b>	<b>25.25</b>
2.2.1	High Skilled	218063	6.31
2.2.2	Skilled	218063	6.31
2.2.3	Semi Skilled	218063	6.31
2.2.4	Unskilled	218064	6.32

S.No.	Groups and Sub-groups	Number of Employment	Weight
<b>2.3</b>	<b>Construction Labourer</b>	<b>286418</b>	<b>8.29</b>
<b>2.3.1</b>	<b>Mason</b>	<b>95472</b>	<b>2.76</b>
2.3.1.1	Skilled	47736	1.38
2.3.1.2	Unskilled	47736	1.38
<b>2.3.2</b>	<b>Carpenter</b>	<b>95472</b>	<b>2.76</b>
2.3.2.1	Skilled	47736	1.38
2.3.2.2	Unskilled	47736	1.38
<b>2.3.3</b>	<b>Worker</b>	<b>95474</b>	<b>2.77</b>
2.3.3.1	Male	47737	1.38
2.3.3.2	Female	47737	1.39

### 4 (e) Formula used for the computation of SWRI:

The following working Laspeyres' formula is used to construct the index:

$$SWRI = \frac{\sum \frac{SWR_n}{SWR_o} \times 100 \times W_i}{\sum W_i}$$

Where:

- SWRI = Salary and Wage Rate Index  
 SWR<sub>n</sub> = Salary and Wage Rate of current period  
 W<sub>i</sub> = Weight of the Particular Groups/sub-groups  
 SWR<sub>o</sub> = Salary and Wage Rate of base period  
 ΣW<sub>i</sub> = Total Weight

### 4 (f) Sources and Frequency of Data Collection

- Data are collected from the primary and secondary sources on monthly basis.
- The salary and wage Rate index is constructed on the national level and will be published every month.

**Box 15 : New Publication "Inflation in Nepal"**

Achieving a low and stable inflation is the prime goal of monetary policy. To this end, the Nepal Rastra Bank as the monetary authority of Nepal has been committed for long. However, the dynamics of price and inflation in Nepal is somewhat complex mainly because of the large trade dependence with India, along with sharing the open border. Also the level of financial development is still at the nascent stage in Nepal. In this reference, the grave responsibility for maintaining price stability has been conferred upon the Nepal Rastra Bank (NRB) by the Nepal Rastra Bank Act, 2002. For the Bank to adequately discharge this responsibility, it was important to identify and determine the factors that influence inflation in the country, so that it can adequately manage and control and also accurately forecast the domestic inflation situation. In this context, Nepal Rastra Bank has undertaken an empirical study entitled "*Inflation in Nepal*". This study, published in July 2007, has basically focused on the factors influencing inflation in Nepal.

This study was primarily conducted with a view to develop a short- and long-term price projection tools. Besides discussing the historical evolution and development of price indexing in Nepal, it has further analyzed the domestic inflation trends, including the decomposition of inflation into trend, cyclical and random component. On the basis of theoretical and empirical exercise, the study has come out with a hybrid open monetary model which has tried to capture major factors (monetary, structural, external, etc) influencing inflation in Nepal. The general model of inflation in Nepal broadly combines demand factors like interest rates, money supply, velocity of money; supply factors like real gross domestic product, industrial worker wages; and external factor like inflation in India, exchange rate etc. The study has reviewed past inflation process from both international (Albania, Swaziland, Pakistan etc.) and national (Mathema 1998, Pandey 2005, NRB Price Division 2006 etc) literatures. Regarding empirical methodology, it has used cointegration technique and error correction modeling (ECM) for the analysis. The coverage of the study is 1977/78-2005/06. Contrary to earlier studies, this study has chosen Indian CPI (Industrial workers), instead of WPI, as the proxy for Indian price level. This choice was based on the necessity for having comparable price indexes from the view point of both pricing process and the basket composition. The study also contains valuable comments received from Dr. Gunanidhi Sharma, Professor, Tribhuvan University and Dr. Shankar Sharma, former Vice Chairman, National Planning Commission.

The general model of inflation in Nepal was translated into the equation with six variations. The variations include two forms of money supply (narrow and broad money) and their velocity in one hand and three forms of interest rates (3-months fixed deposit rates of commercial banks, commercial lending rates, re-finance rates of central bank) on the other. Using linear regression and utilizing the general to specific methodology of variable deletion, the following model of inflation was obtained which is simply a function of two variables: narrow money supply and Indian inflation.

$$p = f(m, v, y, r, w, ext) \dots\dots\dots (i)$$

In the model, *p* stands for inflation, *m* stands money supply, *v* stands for velocity of money supply, *y* stands for real GDP, *r* stands for interest rate, *w* stands money wage rate, and *ext* stands for external factors. The dots over the alphabets indicate logarithmic growth rates. This specific model of inflation in Nepal was then run to estimate the short-term, long-term and a co-integrating relationship for the domestic inflation process. As per the analysis, a short-run inflation equation has been developed as follows :

$$\Delta_n P_N = -0.03 + 0.18* \Delta_n M_1 + 1.13* \Delta_n P_{IN} \dots\dots\dots(ii)$$

t-value (-1.5) (1.92) (5.73)

The estimation explained 61% ( $R^2 = 0.61$ ) of regression with the F-statistic being significant and the Durbin Watson statistic (2.63) rejecting the null of serial correlation. The results indicates that in the short term (less than one year), inflation in Nepal is found to be significantly affected by both narrow money and Indian inflation, although the effect of money supply growth is only a fraction of that to Indian inflation.

For the long term, the model has developed the following Cointegration Equation by using the cointegration test and error correction model (ECM) :

$$I_n P_N = -0.49 + 1.09* I_n P_{IN} \dots\dots\dots(iii)$$

t-value (-9.98) (95.25)

The long-term equation indicates that Nepalese price level is significantly influenced by Indian price level. The coefficient suggests that Nepalese price levels are more reactive to Indian prices; a one percent increase in Indian price level is reflected in a 1.09 percent increase in Nepalese price levels.

By using error correction model (ECM), the long term equation for Nepal is derived as;

$$I_n P_N = -0.05 + 0.20*\Delta_n M_1 + 1.37* \Delta_n P_{IN} - 0.31 EC (-1) \dots\dots\dots(iv)$$

t-value (2.295) (6.7) (-2.52)

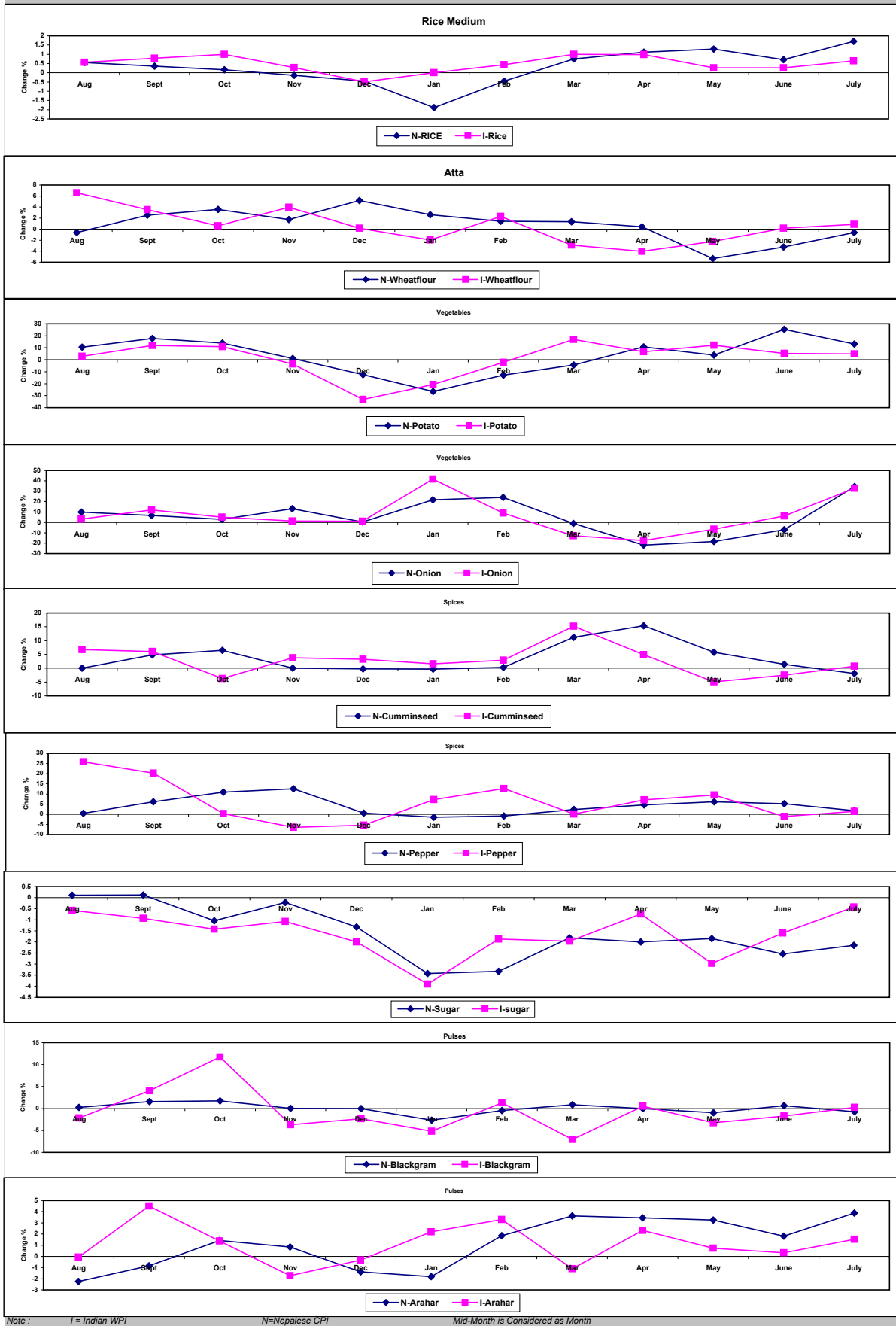
In the long-term, however, the price level in Nepal is mainly determined by Indian price level. In terms of ECM analysis, Nepalese inflation overshoots in the first period, with an adjustment taking place in the following period. The results were tested for robustness using time series data of different price indexes, frequencies and base years, with consistent results. The error term of -0.31 indicates that there is a 31 percent feedback from the previous year disequilibrium into the short-run dynamic process, and that error or residuals within the estimate equation are corrected 31 percent in a year. This means if Indian inflation in period one increases by one percent with domestic money growth constant, this results in a 1.37 percent increase in Nepalese inflation; this inflation sensitively is adjusted in the coming year by 0.31 percent such that Nepali and Indian inflation move via similar growth trajectory in the long-run.

The above mentioned empirical results are attributed to the geographical situation of shared open and contiguous border between Nepal and India which facilitate informal trade and goods arbitrage. The conclusion of a close relation of Nepalese and Indian price level and inflation is consistent with absolute and relative purchasing power parity holding between both countries. It was also found that narrow money has a short term effect on inflation. This conclusion of less efficacy of monetary policy is consistent with the presence of a rigid pegged exchange rate regime between the Nepalese and Indian currency, along with time varying capital mobility: it is less mobile in the short term (less than one year) but being more so in the long term. It is therefore the study concludes that within the existing framework of pegged exchange rate and capital mobility, the main influencing factor of inflation is from India with the NRB having control over domestic inflation only in the short run (a one year window) but limited control beyond that.

Based on the above findings, the study makes three recommendations:

- i) To establish a mechanism to continuously monitor price developments in India and ensure harmonization of domestic regulated prices (e.g. petroleum products etc.);
- ii) To commence studies for examining the implication of increasing the level of capital mobility between both countries; and
- iii) To refine monetary policy formulation based on the above results.

**Monthly Price Changes of Some Selected Commodities in Nepal and India (2006-07)**



Note : I = Indian WPI N=Nepalese CPI Mid-Month is Considered as Month

Table - Ab

**Annual National Urban Consumer Price Index**

(1995/96 = 100)

Groups & sub-groups 1	Weight %	2061/62	2062/63	2063/64P	Percentage Change	
		2004/05	2005/06	2006/07	2062/63 2005/06	2063/64 2006/07
<b>1. OVERALL INDEX</b>	<b>100.00</b>	<b>161.8</b>	<b>174.7</b>	<b>185.9</b>	<b>8.0</b>	<b>6.4</b>
<b>1.1. FOOD &amp; BEVERAGES</b>	<b>53.20</b>	<b>154.7</b>	<b>166.8</b>	<b>178.8</b>	<b>7.8</b>	<b>7.2</b>
Grains and Cereals Products	18.00	145.1	164.6	175.1	13.4	6.4
Rice and Rice Products	(14.16)	142.4	163.6	168.1	14.9	2.8
Pulses	2.73	131.6	150.4	175.9	14.3	17.0
Vegetables and Fruits	7.89	146.9	153.8	170.8	4.7	11.1
Spices	1.85	146.5	149.1	182.6	1.8	22.5
Meat, Fish and Eggs	5.21	168.5	174.8	186.3	3.7	6.6
Milk and Milk Products	4.05	151.1	158.1	169.9	4.6	7.5
Oil and Ghee	3.07	150.8	147.4	157.3	-2.3	6.7
Sugar and Related Products	1.21	154.6	163.7	152.0	5.9	-7.1
Beverages	2.28	165.0	180.7	188.1	9.5	4.1
Restaurant Meals	6.91	192.6	204.0	210.7	5.9	3.3
<b>1.2. NON-FOOD &amp; SERVICES</b>	<b>46.80</b>	<b>170.1</b>	<b>183.9</b>	<b>194.1</b>	<b>8.1</b>	<b>5.5</b>
Cloth, Clothing & Sewing Services	8.92	141.5	145.4	148.6	2.8	2.2
Cloths	(2.28)	130.7	133.7	135.6	2.3	1.4
Clothings	(5.75)	140.5	144.6	147.9	2.9	2.3
11.3 Sewing Services	0.89	180.3	186.5	192.5	3.4	3.2
Footwear	2.20	133.9	137.8	143.5	2.9	4.1
Housing	14.87	178.1	200.9	215.4	12.8	7.2
13.1 House Furnishing and Household Goods	3.50	135.9	141.4	148.7	4.0	5.2
13.2 House Rent	4.19	151.6	158.4	165.2	4.5	4.3
13.3 Cleaning Supplies	1.26	141.8	144.6	159.2	2.0	10.1
Fuel, Light and Water	(5.92)	230.3	277.6	301.5	20.5	8.6
Transport and Communication	4.03	198.2	232.8	254.8	17.5	9.5
14.1 Transport	3.61	206.7	245.2	269.8	18.6	10.0
14.1.1 Public Transport	2.54	220.6	269.1	302.1	22.0	12.3
14.1.2 Private Transport	1.07	170.2	182.7	184.6	7.3	1.0
14.2 Communication	0.42	124.2	126.6	126.6	1.9	0.0
Medical and Personal Care	8.03	172.1	176.5	181.0	2.6	2.5
15.1 Medical Care	6.21	177.1	182.1	187.0	2.8	2.7
15.2 Personal Care	1.82	154.6	157.2	160.0	1.7	1.8
Education, Reading and Recreation	7.09	190.1	200.0	211.8	5.2	5.9
16.1 Education	4.78	210.4	221.1	236.9	5.1	7.1
16.2 Reading and Recreation	1.63	141.2	150.5	149.8	6.6	-0.5
16.3 Religious Activities	0.68	172.1	177.8	191.2	3.3	7.5
Tobacco and Related Products	1.66	156.2	163.1	173.1	4.4	6.1
PETROLEUM PRODUCT	2.71	309.8	404.4	449.0	30.5	11.0
NON-PETROLEUM PRODUCT	97.29	157.8	168.5	178.8	6.8	6.1
<b>Urban Consumer Price Index : Kathmandu Valley</b>						
OVERALL INDEX	100.00	157.6	167.8	178.0	6.5	6.1
FOOD & BEVERAGES	51.53	151.8	159.5	169.4	5.1	6.2
NON-FOOD & SERVICES	48.47	163.8	176.7	187.2	7.9	5.9
DOMESTIC GOODS	81.26	154.4	163.3	172.6	5.8	5.7
IMPORTED GOODS	18.74	171.3	187.5	201.6	9.5	7.5
TRADABLE GOODS	68.86	154.1	163.7	174.3	6.2	6.5
NON-TRADABLE GOODS	31.14	165.4	177.0	186.3	7.0	5.3
GOVT.CONTROLLED GOODS	17.03	177.6	205.2	221.9	15.5	8.1
NON-CONTROLLED GOODS	82.97	153.5	160.1	169.0	4.3	5.6
PETROLEUM PRODUCT	3.04	296.9	381.4	418.3	28.5	9.7
NON-PETROLEUM PRODUCT	96.96	153.2	161.1	170.5	5.2	5.8
<b>Urban Consumer Price Index : Terai</b>						
OVERALL INDEX	100.00	163.8	177.9	189.9	8.6	6.7
FOOD & BEVERAGES	54.98	155.0	169.5	182.8	9.4	7.8
NON-FOOD & SERVICES	45.02	174.5	188.1	198.6	7.8	5.6
PETROLEUM PRODUCT	2.54	311.4	406.9	451.5	30.7	11.0
NON-PETROLEUM PRODUCT	97.46	159.9	171.9	183.1	7.5	6.5
<b>Urban Consumer Price Index : Hills</b>						
OVERALL INDEX	100.00	163.5	177.5	188.2	8.6	6.0
FOOD & BEVERAGES	53.04	158.8	171.5	183.4	8.0	6.9
NON-FOOD & SERVICES	46.96	168.8	184.2	193.7	9.1	5.2
PETROLEUM PRODUCT	2.33	327.1	435.7	492.7	33.2	13.1
NON-PETROLEUM PRODUCT	97.67	159.6	171.3	180.9	7.3	5.6

P = Provisional.

Table - Ac  
**Annual Core CPI Inflation\*\***  
(1995/96 = 100)

Group & sub-groups	Weight %	Revised Weight	2004/05	2005/06	2006/07P	Change %	
						2005/06	2006/07P
<b>OVERALL (Adjusted)</b>	<b>100.00</b>	<b>100.00</b>	<b>160.2</b>	<b>167.4</b>	<b>177.5</b>	<b>4.5</b>	<b>6.0</b>
<b>FOOD AND BEVERAGES (Adjusted)</b>	<b>53.20</b>	<b>45.53</b>	<b>162.9</b>	<b>171.9</b>	<b>186.0</b>	<b>5.6</b>	<b>8.2</b>
Grains and Cereal Products							
Rice and Rice Products	14.16	0.00	142.4	163.6	168.1	14.9	2.8
Wheat and Wheat Flour	1.79	2.62	169.7	191.6	234.6	12.9	22.4
Other Grains and Cereal Products	2.05	3.00	142.5	147.8	168.4	3.7	13.9
Pulses	2.73	3.99	131.6	150.4	175.9	14.3	17.0
Vegetables and Fruits	7.89	0.00	146.9	153.8	170.8	4.7	11.1
ALL VEGETABLES		0.00	141.8	149.7	168.0	5.6	12.2
VEG WITHOUT LEAFY GREEN		0.00	142.5	152.7	171.5	7.2	12.3
LEAFY GREEN VEGETABLES		0.00	152.4	145.9	165.4	-4.3	13.4
FRUITS & NUTS		0.00	166.7	169.1	179.6	1.4	6.2
FRUITS		0.00	165.3	167.1	179.3	1.1	7.3
NUTS		0.00	201.9	215.6	181.4	6.8	-15.9
Spices	1.85	2.70	146.5	149.1	182.6	1.8	22.5
Meat, Fish and Eggs	5.21	7.61	168.5	174.8	186.3	3.7	6.6
Milk and Milk Products	4.05	5.92	151.1	158.1	169.9	4.6	7.5
Oil and Ghee	3.07	4.49	150.8	147.4	157.3	-2.3	6.7
Sugar and Related Products	1.21	1.77	154.6	163.7	152.0	5.9	-7.1
Beverages	2.28	3.33	165.0	180.7	188.1	9.5	4.1
NON ALCOHOLIC BEVERAGES		0.00	136.4	141.7	143.6	3.9	1.3
ALCOHOLIC BEVERAGES		0.00	176.4	196.0	205.9	11.1	5.1
Restaurant Meals	6.91	10.10	192.6	204.0	210.7	5.9	3.3
<b>NON-FOOD AND SERVICES (Adjusted)</b>	<b>46.80</b>	<b>54.47</b>	<b>158.0</b>	<b>163.7</b>	<b>170.4</b>	<b>3.6</b>	<b>4.1</b>
Cloth, Clothing & Sewing Services	8.92	13.04	141.5	145.4	148.6	2.8	2.2
CLOTH		0.00	130.7	133.7	135.6	2.3	1.4
CLOTHING		0.00	140.5	144.6	147.9	2.9	2.3
SEWING SERVICES		0.00	180.3	186.5	192.5	3.4	3.2
Footwear	2.20	3.22	133.9	137.8	143.5	2.9	4.1
Housing goods and Services							
House Furnishing and Household Goods	3.50	5.12	135.9	141.4	148.7	4.0	5.2
House Rent	4.19	6.12	151.6	158.4	165.2	4.5	4.3
Cleaning Supplies	1.26	1.84	141.8	144.6	159.2	2.0	10.1
Fuel, Light and Water	5.92	0.00	230.3	277.6	301.5	20.5	8.6
TRANSPORT & COMMUNICATION		0.00	198.2	232.8	254.8	17.5	9.5
Transport	3.61	0.00	206.7	245.2	269.8	18.6	10.0
PUBLIC TRANSPORT		0.00	220.6	269.1	302.1	22.0	12.3
PRIVATE TRANSPORT		0.00	170.2	182.7	184.6	7.3	1.0
Communication	0.42	0.61	124.2	126.6	126.6	1.9	0.0
Medical and Personal Care	8.03	11.74	172.1	176.5	181.0	2.6	2.5
MEDICAL CARE		0.00	177.1	182.1	187.0	2.8	2.7
PERSONAL CARE		0.00	154.6	157.2	160.0	1.7	1.8
Education, Reading and Recreation	7.09	10.36	190.1	200.0	211.8	5.2	5.9
EDUCATION		0.00	210.4	221.1	236.9	5.1	7.1
READING AND RECREATION		0.00	141.2	150.5	149.8	6.6	-0.5
RELIGIOUS ACTIVITIES		0.00	172.1	177.8	191.2	3.3	7.5
Tobacco and Related Products	1.66	2.43	156.2	163.1	173.1	4.4	6.1

P: Provisional

\*\*Based on the exclusion principle by excluding rice and rice products, vegetables and fruits, fuel, light and water and transports.

Total weight excluded 31.58

Total weight included 68.42

Table - Ad

## Annual National Wholesale Price Index

(1999/00 = 100)

Groups & sub-groups 1	Weight %	2061/62	2062/63	2063/64	% Change	
		2004/05	2005/06	2006/07	2062/63	2063/64
		6	7	8	2005/06	2006/07
<b>1. Overall Index</b>	<b>100.00</b>	<b>123.3</b>	<b>134.3</b>	<b>146.4</b>	<b>8.9</b>	<b>9.0</b>
<b>1.1 Agricultural Commodities</b>	<b>49.59</b>	<b>118.5</b>	<b>130.2</b>	<b>145.3</b>	<b>9.9</b>	<b>11.6</b>
Foodgrains	16.58	102.4	119.0	131.9	16.2	10.8
Cash Crops	6.09	147.3	159.4	183.0	8.2	14.8
Pulses	3.77	118.7	136.4	164.2	14.9	20.4
Fruits and Vegetables	11.18	114.7	120.7	131.7	5.2	9.1
Spices	1.95	102.0	108.5	132.5	6.4	22.1
Livestock Production	10.02	134.8	143.8	155.0	6.7	7.8
<b>1.2 Domestic Manufactured Commodities</b>	<b>20.37</b>	<b>121.6</b>	<b>126.0</b>	<b>136.7</b>	<b>3.6</b>	<b>8.5</b>
Food-Related Products	6.12	112.0	116.4	125.9	3.9	8.2
Beverages and Tobacco	5.68	122.2	128.2	135.2	4.9	5.5
Construction Materials	4.50	145.9	149.1	172.3	2.2	15.6
Others	4.07	108.5	111.9	115.9	3.1	3.6
<b>1.3 Imported Commodities</b>	<b>30.04</b>	<b>132.3</b>	<b>146.5</b>	<b>154.7</b>	<b>10.7</b>	<b>5.6</b>
Petroleum Products and Coal	5.40	196.2	244.5	267.3	24.6	9.3
Chemical Fertilizers and Chemical Goods	2.46	143.1	162.1	169.5	13.3	4.6
Transport Vehicles and Machinery Goods	6.97	117.3	125.3	128.2	6.8	2.3
Electric and Electronic Goods	1.87	96.7	96.2	95.6	-0.5	-0.6
Drugs and Medicine	2.73	108.3	111.7	113.5	3.1	1.6
Textile-Related Products	3.10	113.2	111.2	110.7	-1.8	-0.4
Others	7.51	122.2	130.4	141.5	6.7	8.5

P = Provisional.



Table - Ae

## Annual National Salary and Wage Rate Index (2004/05 = 100)

	Groups & sub-groups	Weight	2061/62	2062/63	2063/64	% Change	
			2004/05	2005/06	2006/07	2062/63	2063/64
						2005/06	2006/07
	<b>Overall Index</b>	<b>100.00</b>	<b>100.0</b>	<b>103.9</b>	<b>114.1</b>	<b>3.9</b>	<b>9.8</b>
1	<b>Salary Index</b>	<b>26.97</b>	<b>100.0</b>	<b>100.3</b>	<b>106.6</b>	<b>0.3</b>	<b>6.3</b>
	Officers	9.80	100.0	100.2	105.8	0.2	5.6
	Non Officers	17.17	100.0	100.3	107.1	0.3	6.8
1.1	<b>Civil Service</b>	<b>2.82</b>	<b>100.0</b>	<b>100.0</b>	<b>110.0</b>	<b>0.0</b>	<b>10.0</b>
	Officers	0.31	100.0	100.0	110.0	0.0	10.0
	Non Officers	2.51	100.0	100.0	110.0	0.0	10.0
1.2	<b>Public Corporations</b>	<b>1.14</b>	<b>100.0</b>	<b>102.9</b>	<b>111.0</b>	<b>2.9</b>	<b>7.8</b>
	Officers	0.19	100.0	104.3	113.8	4.3	9.1
	Non Officers	0.95	100.0	102.7	110.5	2.7	7.6
1.3	<b>Bank &amp; Financial Institutions</b>	<b>0.55</b>	<b>100.0</b>	<b>107.3</b>	<b>113.1</b>	<b>7.3</b>	<b>5.4</b>
	Officers	0.10	100.0	109.4	117.3	9.4	7.2
	Non Officers	0.45	100.0	106.9	112.1	6.8	4.9
1.4	<b>Army &amp; Police Forces</b>	<b>4.01</b>	<b>100.0</b>	<b>100.0</b>	<b>111.4</b>	<b>0.0</b>	<b>11.4</b>
	Officers	0.17	100.0	100.0	109.9	0.0	9.9
	Non Officers	3.84	100.0	100.0	111.5	0.0	11.5
1.5	<b>Education</b>	<b>10.55</b>	<b>100.0</b>	<b>100.0</b>	<b>107.0</b>	<b>0.0</b>	<b>7.0</b>
	Officers	6.80	100.0	100.0	106.5	0.0	6.5
	Non Officers	3.75	100.0	100.0	108.0	0.0	8.0
1.6	<b>Private Institutions</b>	<b>7.90</b>	<b>100.0</b>	<b>100.0</b>	<b>101.3</b>	<b>0.0</b>	<b>1.3</b>
	Officers	2.24	100.0	100.0	101.5	0.0	1.5
	Non Officers	5.66	100.0	100.0	101.3	0.0	1.3
2	<b>Wage Rate Index</b>	<b>73.03</b>	<b>100.0</b>	<b>105.3</b>	<b>116.8</b>	<b>5.3</b>	<b>10.9</b>
2.1	<b>Agricultural Labourer</b>	<b>39.49</b>	<b>100.0</b>	<b>106.6</b>	<b>117.6</b>	<b>6.6</b>	<b>10.3</b>
	Male	20.49	100.0	105.8	116.3	5.8	10.0
	Female	19.00	100.0	107.6	119.0	7.6	10.6
2.2	<b>Industrial Labourer</b>	<b>25.25</b>	<b>100.0</b>	<b>104.6</b>	<b>118.1</b>	<b>4.5</b>	<b>13.0</b>
	High Skilled	6.31	100.0	103.0	112.4	3.0	9.1
	Skilled	6.31	100.0	104.4	116.6	4.4	11.6
	Semi Skilled	6.31	100.0	105.3	119.9	5.3	13.9
	Unskilled	6.32	100.0	105.5	123.7	5.5	17.2
2.3	<b>Construction Labourer</b>	<b>8.29</b>	<b>100.0</b>	<b>101.3</b>	<b>109.1</b>	<b>1.3</b>	<b>7.7</b>
	<b>Mason</b>	<b>2.76</b>	<b>100.0</b>	<b>102.3</b>	<b>109.6</b>	<b>2.3</b>	<b>7.1</b>
	Skilled	1.38	100.0	102.3	109.3	2.3	6.8
	Unskilled	1.38	100.0	102.2	109.8	2.2	7.4
	<b>Carpenter</b>	<b>2.76</b>	<b>100.0</b>	<b>101.1</b>	<b>107.0</b>	<b>1.1</b>	<b>5.8</b>
	Skilled	1.38	100.0	101.2	107.8	1.2	6.5
	Unskilled	1.38	100.0	101.1	106.2	1.1	5.1
	<b>worker</b>	<b>2.77</b>	<b>100.0</b>	<b>100.4</b>	<b>110.7</b>	<b>0.4</b>	<b>10.2</b>
	Male	1.38	100.0	100.2	110.3	0.2	10.1
	Female	1.39	100.0	100.7	111.2	0.7	10.4









Table-1a  
Core CPI Inflation\*\*  
(1995/96 = 100)  
MID-JULY 2007 (ASADH 2064)

Group & sub-groups	Weight %	Revised Weight	2004/05	2005/06	2006/07P	Change %	
			Jun/July	Jun/July	Jun/July	2005/06	2006/07P
<b>OVERALL (Adjusted)</b>	<b>100.00</b>	<b>100.00</b>	<b>162.6</b>	<b>171.4</b>	<b>180.3</b>	<b>5.4</b>	<b>5.2</b>
<b>FOOD AND BEVERAGES (Adjusted)</b>	<b>53.20</b>	<b>45.53</b>	<b>166.1</b>	<b>179.4</b>	<b>190.2</b>	<b>8.0</b>	<b>6.0</b>
Grains and Cereal Products							
Rice and Rice Products	14.16	0.00	150.2	166.7	175.1	11.0	5.0
Wheat and Wheat Flour	1.79	2.62	173.0	214.6	230.0	24.0	7.2
Other Grains and Cereal Products	2.05	3.00	144.3	154.6	175.0	7.1	13.2
Pulses	2.73	3.99	134.0	171.2	189.2	27.8	10.5
Vegetables and Fruits	7.89	0.00	158.0	160.9	182.4	1.8	13.4
Spices	1.85	2.70	147.4	159.9	187.8	8.5	17.4
Meat, Fish and Eggs	5.21	7.61	172.0	183.9	190.1	6.9	3.4
Milk and Milk Products	4.05	5.92	154.5	163.7	177.9	6.0	8.7
Oil and Ghee	3.07	4.49	148.2	148.4	163.4	0.1	10.1
Sugar and Related Products	1.21	1.77	158.4	164.7	134.9	4.0	-18.1
Beverages	2.28	3.33	167.4	183.8	188.0	9.8	2.3
Restaurant Meals	6.91	10.10	199.9	206.6	215.0	3.4	4.1
<b>NON-FOOD AND SERVICES (Adjusted)</b>	<b>46.80</b>	<b>54.47</b>	<b>159.6</b>	<b>164.8</b>	<b>172.0</b>	<b>3.3</b>	<b>4.3</b>
Cloth, Clothing & Sewing Services	8.92	13.04	143.1	145.9	149.3	2.0	2.3
Footwear	2.20	3.22	134.9	139.5	146.7	3.4	5.2
Housing goods and Services							
House Furnishing and Household Goods	3.50	5.12	138.2	143.1	152.0	3.5	6.2
House Rent	4.19	6.12	154.9	161.8	168.5	4.5	4.1
Cleaning Supplies	1.26	1.84	143.5	144.1	160.0	0.4	11.0
Fuel, Light and Water	5.92	0.00	246.0	300.8	301.9	22.3	0.4
Transport	3.61	0.00	219.6	268.4	270.1	22.2	0.6
Communication	0.42	0.61	126.6	126.6	126.6	0.0	0.0
Medical and Personal Care	8.03	11.74	172.7	177.7	183.2	2.9	3.1
Education, Reading and Recreation	7.09	10.36	191.2	200.3	212.0	4.8	5.8
Tobacco and Related Products	1.66	2.43	159.7	164.6	173.2	3.1	5.2

P: Provisional

\*\*Based on the exclusion principle by excluding rice and rice products, vegetables and fruits, fuel, light and water and transports.

Total weight excluded 31.58

Total weight included 68.42

Table-1a  
Core CPI Inflation\*\*  
(1995/96 = 100)  
MID-JUNE 2007 (JESTH 2064)

Group & sub-groups	Weight %	Revised Weight	2004/05	2005/06	2006/07P	Change %	
			May/June	May/June	May/June	2005/06	2006/07P
<b>OVERALL (Adjusted)</b>	<b>100.00</b>	<b>100.00</b>	<b>162.5</b>	<b>171.2</b>	<b>179.8</b>	<b>5.3</b>	<b>5.0</b>
<b>FOOD AND BEVERAGES (Adjusted)</b>	<b>53.20</b>	<b>45.53</b>	<b>166.2</b>	<b>178.9</b>	<b>189.2</b>	<b>7.6</b>	<b>5.8</b>
Grains and Cereal Products							
Rice and Rice Products	14.16	0.00	146.5	166.7	172.0	13.8	3.2
Wheat and Wheat Flour	1.79	2.62	171.5	217.9	231.4	27.1	6.2
Other Grains and Cereal Products	2.05	3.00	144.7	152.3	174.2	5.3	14.4
Pulses	2.73	3.99	130.5	172.0	185.8	31.8	8.0
Vegetables and Fruits	7.89	0.00	139.8	149.6	164.0	7.0	9.6
Spices	1.85	2.70	149.2	156.8	190.4	5.1	21.4
Meat, Fish and Eggs	5.21	7.61	172.5	183.0	190.8	6.1	4.3
Milk and Milk Products	4.05	5.92	154.5	160.2	169.9	3.7	6.1
Oil and Ghee	3.07	4.49	149.8	149.6	163.2	-0.1	9.1
Sugar and Related Products	1.21	1.77	158.9	167.4	137.2	5.3	-18.0
Beverages	2.28	3.33	167.4	183.7	188.0	9.7	2.3
Restaurant Meals	6.91	10.10	200.1	206.6	214.9	3.2	4.0
<b>NON-FOOD AND SERVICES (Adjusted)</b>	<b>46.80</b>	<b>54.47</b>	<b>159.4</b>	<b>164.8</b>	<b>171.9</b>	<b>3.3</b>	<b>4.3</b>
Cloth, Clothing & Sewing Services	8.92	13.04	142.5	145.7	149.3	2.2	2.5
Footwear	2.20	3.22	134.9	139.5	146.7	3.4	5.2
Housing goods and Services							
House Furnishing and Household Goods	3.50	5.12	138.2	143.1	152.0	3.5	6.2
House Rent	4.19	6.12	154.9	161.8	168.5	4.5	4.1
Cleaning Supplies	1.26	1.84	142.5	144.2	158.3	1.2	9.8
Fuel, Light and Water	5.92	0.00	242.7	300.8	301.9	23.9	0.4
Transport	3.61	0.00	219.6	268.4	270.1	22.2	0.6
Communication	0.42	0.61	126.6	126.6	126.6	0.0	0.0
Medical and Personal Care	8.03	11.74	172.7	177.7	183.2	2.9	3.1
Education, Reading and Recreation	7.09	10.36	191.2	200.2	212.0	4.7	5.9
Tobacco and Related Products	1.66	2.43	159.7	164.6	173.2	3.1	5.2

P: Provisional

\*\*Based on the exclusion principle by excluding rice and rice products, vegetables and fruits, fuel, light and water and transports.

Total weight excluded 31.58

Total weight included 68.42

Table-1a  
Core CPI Inflation\*\*  
(1995/96 = 100)  
MID-MAY 2007 (BAISAKH 2064)

Group & sub-groups	Weight %	Revised Weight	2004/05	2005/06	2006/07P	Change %	
			Mar/Apr	Mar/Apr	Mar/Apr	2005/06	2006/07P
<b>OVERALL (Adjusted)</b>	<b>100.00</b>	<b>100.00</b>	<b>162.3</b>	<b>170.6</b>	<b>180.1</b>	<b>5.1</b>	<b>5.6</b>
<b>FOOD AND BEVERAGES (Adjusted)</b>	<b>53.20</b>	<b>45.53</b>	<b>165.9</b>	<b>177.4</b>	<b>189.7</b>	<b>7.0</b>	<b>6.9</b>
Grains and Cereal Products							
Rice and Rice Products	14.16	0.00	143.8	163.9	170.2	14.0	3.8
Wheat and Wheat Flour	1.79	2.62	173.0	211.9	240.9	22.5	13.7
Other Grains and Cereal Products	2.05	3.00	144.7	151.1	173.9	4.4	15.1
Pulses	2.73	3.99	129.0	164.4	182.8	27.4	11.2
NUTS	0.00	0.00	212.5	220.9	160.5	4.0	-27.3
Spices	1.85	2.70	148.2	156.1	187.3	5.3	20.0
Meat, Fish and Eggs	5.21	7.61	173.2	182.5	193.2	5.4	5.9
Milk and Milk Products	4.05	5.92	151.6	159.3	169.4	5.1	6.3
Oil and Ghee	3.07	4.49	150.1	149.2	163.9	-0.6	9.9
Sugar and Related Products	1.21	1.77	161.6	168.3	140.9	4.1	-16.3
ALCOHOLIC BEVERAGES							
Restaurant Meals	6.91	10.10	177.9	199.9	205.3	12.4	2.7
<b>NON-FOOD AND SERVICES (Adjusted)</b>	<b>46.80</b>	<b>54.47</b>	<b>159.4</b>	<b>164.8</b>	<b>172.0</b>	<b>3.4</b>	<b>4.3</b>
SEWING SERVICES							
Footwear	2.20	3.22	134.9	139.5	146.7	3.4	5.2
Housing goods and Services							
House Furnishing and Household Goods	3.50	5.12	138.2	143.1	152.2	3.5	6.4
House Rent	4.19	6.12	154.9	161.8	168.5	4.5	4.1
Cleaning Supplies	1.26	1.84	142.6	144.4	158.0	1.3	9.4
TRANSPORT & COMMUNICATION							
PRIVATE TRANSPORT							
Communication	0.42	0.61	126.6	126.6	126.6	0.0	0.0
PERSONAL CARE							
RELIGIOUS ACTIVITIES							
Tobacco and Related Products	1.66	2.43	159.7	164.6	173.2	3.1	5.2

P: Provisional

\*\*Based on the exclusion principle by excluding rice and rice products, vegetables and fruits, fuel, light and water and transports.

Total weight excluded 31.58

Total weight included 68.42

Table - 1b  
**National Urban Consumer Price Index**  
**(1995/96 = 100)**

YEARS	FOOD & BEVERAGES		NON-FOOD & SERVICES		OVERALL INDEX	
	Index	% Change	Index	% Change	Index	% Change
1972/73 (2029/30)	10.9	-	11.7	-	11.2	-
1973/74 (2030/31)	13.3	22.0	12.9	10.3	13.3	18.8
1974/75 (2031/32)	15.4	15.8	15.3	18.6	15.5	16.5
1975/76 (2032/33)	14.8	-3.9	16.4	7.2	15.4	-0.6
1976/77 (2033/34)	14.8	0.0	17.6	7.3	15.8	2.6
1977/78 (2034/35)	17.1	15.5	18.3	4.0	17.6	11.4
1978/79 (2035/36)	17.3	1.2	19.7	7.7	18.2	3.4
1979/80 (2036/37)	19.2	11.0	21.2	7.6	19.9	9.3
1980/81 (2037/38)	21.8	13.5	24.1	13.7	22.6	13.6
1981/82 (2038/39)	24.2	11.0	26.3	9.1	25.0	10.6
1982/83 (2039/40)	28.1	16.1	29.1	10.6	28.5	14.0
1983/84 (2040/41)	29.6	5.3	31.6	8.6	30.3	6.3
1984/85 (2041/42)	29.9	1.0	34.7	9.8	31.5	4.0
1985/86 (2042/43)	35.5	18.7	38.4	10.7	36.5	15.9
1986/87 (2043/44)	40.9	15.2	42.1	9.6	41.4	13.4
1987/88 (2044/45)	45.8	12.0	45.9	9.0	45.9	10.9
1988/89 (2045/46)	48.5	5.9	51.8	12.9	49.7	8.3
1989/90 (2046/47)	53.8	10.9	55.9	7.9	54.5	9.7
1990/91 (2047/48)	59.2	10.0	61.1	9.3	59.8	9.7
1991/92 (2048/49)	73.7	24.5	70.2	14.9	72.4	21.1
1992/93 (2049/50)	78.4	6.4	79.7	13.5	78.8	8.8
1993/94 (2050/51)	85.5	9.1	86.8	8.9	85.9	9.0
1994/95 (2051/52)	91.8	7.4	93.7	7.9	92.5	7.7
1995/96 (2052/53)	100.0	8.9	100.0	6.7	100.0	8.1
1996/97 (2053/54)	108.2	8.2	108.0	8.0	108.1	8.1
1997/98 (2054/55)	116.6	7.8	117.8	9.1	117.1	8.3
1998/99 (2055/56)	135.5	16.2	124.6	5.8	130.4	11.4
1999/00 (2056/57)	136.1	0.4	133.4	7.1	134.9	3.5
2000/01 (2057/58)	133.0	-2.3	144.2	8.1	138.1	2.4
2001/02 (2058/59)	137.9	3.7	147.2	2.1	142.1	2.9
2002/03 (2059/60)	144.0	4.4	154.6	5.0	148.9	4.8
2003/04 (2060/61)	148.8	3.3	161.8	4.7	154.8	4.0
2004/05 (2061/62)	154.7	4.0	170.1	5.1	161.8	4.5
2005/06 (2062/63)	166.8	7.8	183.9	8.1	174.7	8.0
2006/07 (2063/64)	178.8	7.2	194.1	5.5	185.9	6.4

Table-1b.1  
**NATIONAL URBAN CONSUMER PRICE INDEX**  
(1995/96 = 100)

**YEARLY INDEX**

Years	Terai		Kathmandu		Hill		National	
	Index	% Change	Index	% Change	Index	% Change	Index	% Change
1972/73(2029/30)	11.9	-	10.1	-	12.3	-	11.2	-
1973/74(2030/31)	14.5	21.8	11.6	14.9	14.1	14.6	13.3	18.8
1974/75(2031/32)	17.0	17.2	13.5	16.4	16.1	14.2	15.5	16.5
1975/76(2032/33)	16.0	-5.9	14.2	5.2	16.6	3.1	15.4	-0.6
1976/77(2033/34)	16.7	4.4	14.3	0.7	17.2	3.6	15.8	2.6
1977/78(2034/35)	18.6	11.4	15.7	9.8	19.0	10.5	17.6	11.4
1978/79(2035/36)	19.3	3.8	16.3	3.8	19.7	3.7	18.2	3.4
1979/80(2036/37)	20.8	7.8	18.2	11.7	21.6	9.6	19.9	9.3
1980/81(2037/38)	23.5	13.0	20.9	14.8	24.4	13.0	22.6	13.6
1981/82(2038/39)	26.1	11.1	23.1	10.5	26.9	10.2	25.0	10.6
1982/83(2039/40)	30.0	14.9	26.0	12.6	30.9	14.9	28.5	14.0
1983/84(2040/41)	31.9	6.3	27.4	5.4	32.9	6.5	30.3	6.3
1984/85(2041/42)	32.9	3.1	28.4	3.6	35.9	9.1	31.5	4.0
1985/86(2042/43)	38.1	15.8	33.3	17.3	40.1	11.7	36.5	15.9
1986/87(2043/44)	42.8	12.3	37.9	13.8	45.6	13.7	41.4	13.4
1987/88(2044/45)	48.1	12.4	41.5	9.5	51.0	11.8	45.9	10.9
1988/89(2045/46)	51.7	7.5	45.0	8.4	56.3	10.4	49.7	8.3
1989/90(2046/47)	55.9	8.1	52.1	15.8	56.5	0.4	54.5	9.7
1990/91(2047/48)	61.3	9.7	57.3	10.0	61.9	9.6	59.8	9.7
1991/92(2048/49)	74.5	21.5	69.2	20.8	74.2	19.9	72.4	21.1
1992/93(2049/50)	80.9	8.6	77.5	12.0	79.6	7.3	78.8	8.8
1993/94(2050/51)	85.1	5.2	87.4	12.8	84.7	6.4	85.9	9.0
1994/95(2051/52)	91.3	7.3	94.4	8.0	91.3	7.8	92.5	7.7
1995/96(2052/53)	100.0	9.5	100.0	5.9	100.0	9.5	100.0	8.1
1996/97(2053/54)	108.2	8.2	107.7	7.7	108.6	8.6	108.1	8.1
1997/98(2054/55)	117.9	9.0	115.7	7.4	117.3	8.0	117.1	8.3
1998/99(2055/56)	133.6	13.3	125.1	8.1	130.8	11.5	130.4	11.4
1999/00(2056/57)	137.7	3.1	129.7	3.7	135.6	3.7	134.9	3.5
2000/01(2057/58)	139.2	1.1	133.8	3.2	142.6	5.2	138.1	2.4
2001/02(2058/59)	144.0	3.4	136.5	2.0	146.2	2.5	142.1	2.9
2002/03(2059/60)	152.2	5.7	141.7	3.8	151.8	3.8	148.9	4.8
2003/04(2060/61)	156.9	3.1	150.1	5.9	156.6	3.2	154.8	4.0
2004/05(2061/62)	163.8	4.4	157.6	5.0	163.5	4.4	161.8	4.5
2005/06(2062/63)	177.9	8.6	167.8	6.5	177.5	8.6	174.7	8.0
2006/07(2063/64)	189.9	6.7	178.0	6.1	188.2	6.0	185.9	6.4



Table 1b.2a : National Urban Consumer Price Index

BASE YEAR = 1995/96											
Fiscal Year/ Quarter/Month	Overall Index	Food and Beverages	Non-Food and Services	Fiscal Year/ Quarter/Month	Overall Index	Food and Beverages	Non-Food and Services	Fiscal Year/ Quarter/Month	Overall Index	Food and Beverages	Non-Food and Services
1972/73 (2029/30)	11.2	10.9	11.7	-	-	-	-	-	-	-	-
1973/74 (2030/31)	13.3	13.3	12.9	1978/79 (2035/36)	18.2	17.3	19.7	1983/84 (2040/41)	30.3	29.6	31.6
I Qtr	12.5	12.4	12.7	I Qtr	18.3	17.6	19.5	I Qtr	30.9	30.6	31.5
Jul/Aug	12.3	12.1	12.7	Jul/Aug	18.3	17.7	19.6	Jul/Aug	30.8	30.4	31.6
Aug/Sep	12.6	12.4	12.6	Aug/Sep	18.3	17.7	19.5	Aug/Sep	30.9	30.6	31.5
Sep/Oct	12.6	12.5	12.7	Sep/Oct	18.3	17.6	19.6	Sep/Oct	30.9	30.7	31.5
II Qtr	13.0	13.0	12.8	II Qtr	18.2	17.3	19.6	II Qtr	30.4	29.6	31.6
Oct/Nov	12.9	12.8	12.8	Oct/Nov	18.4	17.7	19.6	Oct/Nov	30.7	30.2	31.4
Nov/Dec	13.0	12.9	12.8	Nov/Dec	18.2	17.4	19.6	Nov/Dec	30.4	29.6	31.6
Dec/Jan	13.2	13.2	12.8	Dec/Jan	17.9	16.9	19.7	Dec/Jan	30.2	29.1	31.8
III Qtr	13.7	13.8	12.9	III Qtr	18.1	17.0	19.8	III Qtr	30.1	29.1	31.6
Jan/Feb	13.4	13.6	12.7	Jan/Feb	18.0	17.0	19.7	Jan/Feb	30.3	29.5	31.3
Feb/Mar	13.7	13.8	13.0	Feb/Mar	18.1	17.0	19.9	Feb/Mar	30.0	28.9	31.6
Mar/Apr	13.9	14.2	13.0	Mar/Apr	18.1	17.1	19.9	Mar/Apr	29.9	29.0	31.7
IV Qtr	13.9	14.2	13.1	IV Qtr	18.2	17.3	19.9	IV Qtr	29.8	28.8	31.6
Apr/May	13.9	14.1	13.1	Apr/May	18.1	17.1	20.0	Apr/May	29.8	28.8	31.6
May/June	14.0	14.3	13.1	May/June	18.3	17.4	19.9	May/June	29.6	28.7	31.4
June/July	13.9	14.1	13.1	June/July	18.2	17.4	19.8	June/July	29.9	29.0	31.8
1974/75 (2031/32)	15.5	15.4	15.3	1979/80 (2036/37)	19.9	19.2	21.2	1984/85 (2041/42)	31.5	29.9	34.7
I Qtr	15.5	15.5	15.2	I Qtr	19.1	18.2	20.9	I Qtr	31.3	30.0	34.0
Jul/Aug	15.2	15.1	15.2	Jul/Aug	19.1	18.1	21.0	Jul/Aug	31.2	29.9	34.0
Aug/Sep	15.5	15.6	15.2	Aug/Sep	19.1	18.2	20.9	Aug/Sep	31.3	30.1	33.9
Sep/Oct	15.7	15.8	15.3	Sep/Oct	19.1	18.2	21.0	Sep/Oct	31.3	30.0	34.0
II Qtr	15.5	15.3	15.3	II Qtr	19.5	18.7	21.0	II Qtr	31.2	29.3	34.8
Oct/Nov	15.5	15.5	15.2	Oct/Nov	19.1	18.1	20.9	Oct/Nov	31.3	29.7	34.3
Nov/Dec	15.5	15.4	15.3	Nov/Dec	19.5	18.6	21.0	Nov/Dec	31.3	29.4	34.9
Dec/Jan	15.4	15.1	15.4	Dec/Jan	20.0	19.3	21.1	Dec/Jan	31.0	28.8	35.2
III Qtr	15.5	15.3	15.4	III Qtr	20.3	19.6	21.4	III Qtr	31.5	29.6	35.0
Jan/Feb	15.5	15.4	15.3	Jan/Feb	20.1	19.4	21.2	Jan/Feb	31.4	29.5	34.7
Feb/Mar	15.4	15.2	15.5	Feb/Mar	20.3	19.5	21.5	Feb/Mar	31.3	29.2	35.1
Mar/Apr	15.5	15.4	15.4	Mar/Apr	20.5	19.9	21.5	Mar/Apr	31.8	30.0	35.2
IV Qtr	15.5	15.5	15.3	IV Qtr	20.9	20.5	21.6	IV Qtr	32.2	30.8	35.0
Apr/May	15.5	15.5	15.4	Apr/May	20.8	20.2	21.6	Apr/May	32.2	30.6	35.3
May/June	15.7	15.8	15.3	May/June	21.0	20.7	21.5	May/June	32.5	31.3	35.0
June/July	15.4	15.4	15.3	June/July	20.8	20.5	21.5	June/July	32.0	30.6	34.9
1975/76 (2032/33)	15.4	14.8	16.4	1980/81 (2037/38)	22.6	21.8	24.1	1985/86 (2042/43)	36.5	35.5	38.4
I Qtr	16.0	15.8	16.4	I Qtr	22.3	21.5	23.7	I Qtr	34.3	32.8	37.4
Jul/Aug	15.9	15.6	16.5	Jul/Aug	22.0	21.1	23.8	Jul/Aug	33.9	32.1	37.4
Aug/Sep	16.1	15.9	16.4	Aug/Sep	22.4	21.7	23.8	Aug/Sep	34.3	33.0	37.3
Sep/Oct	16.0	15.8	16.4	Sep/Oct	22.4	21.8	23.6	Sep/Oct	34.6	33.4	37.4
II Qtr	15.6	15.1	16.5	II Qtr	22.3	21.4	23.9	II Qtr	35.6	34.3	37.8
Oct/Nov	15.8	15.5	16.4	Oct/Nov	22.2	21.4	23.7	Oct/Nov	34.8	33.5	37.3
Nov/Dec	15.7	15.2	16.5	Nov/Dec	22.4	21.5	24.0	Nov/Dec	35.6	34.4	37.6
Dec/Jan	15.4	14.6	16.6	Dec/Jan	22.3	21.2	24.1	Dec/Jan	36.4	35.0	38.4
III Qtr	15.0	14.2	16.3	III Qtr	22.9	22.0	24.2	III Qtr	37.5	36.5	39.2
Jan/Feb	15.1	14.4	16.2	Jan/Feb	22.7	21.9	23.8	Jan/Feb	37.2	36.1	38.8
Feb/Mar	15.1	14.3	16.4	Feb/Mar	22.9	21.9	24.4	Feb/Mar	37.4	36.2	39.4
Mar/Apr	14.9	14.1	16.4	Mar/Apr	23.0	22.2	24.4	Mar/Apr	38.0	37.3	39.4
IV Qtr	14.9	14.1	16.4	IV Qtr	23.0	22.3	24.4	IV Qtr	38.8	38.4	39.3
Apr/May	15.0	14.1	16.5	Apr/May	23.0	22.1	24.5	Apr/May	38.5	37.7	39.6
May/June	15.0	14.2	16.4	May/June	23.0	22.4	24.3	May/June	39.0	38.8	39.3
June/July	14.7	13.9	16.4	June/July	23.1	22.5	24.3	June/July	38.9	38.8	39.1
1976/77 (2033/34)	15.8	14.8	17.6	1981/82 (2038/39)	25.0	24.2	26.3	1986/87 (2043/44)	41.4	40.9	42.1
I Qtr	15.5	14.3	17.8	I Qtr	24.6	23.9	26.1	I Qtr	41.2	40.8	42.1
Jul/Aug	15.4	14.3	17.9	Jul/Aug	24.4	23.5	26.2	Jul/Aug	40.9	40.2	42.3
Aug/Sep	15.5	14.5	17.8	Aug/Sep	24.7	24.1	26.0	Aug/Sep	41.4	41.1	42.0
Sep/Oct	15.4	14.3	17.8	Sep/Oct	24.7	24.1	26.1	Sep/Oct	41.5	41.1	42.1
II Qtr	15.3	14.1	17.7	II Qtr	24.7	23.8	26.4	II Qtr	40.7	39.7	42.2
Oct/Nov	15.3	14.1	17.7	Oct/Nov	24.7	23.8	26.2	Oct/Nov	40.8	40.0	42.1
Nov/Dec	15.3	14.1	17.7	Nov/Dec	24.8	23.9	26.4	Nov/Dec	40.5	39.5	42.2
Dec/Jan	15.4	14.1	17.7	Dec/Jan	24.8	23.6	26.5	Dec/Jan	40.9	39.7	42.3
III Qtr	16.0	15.2	17.5	III Qtr	24.9	24.1	26.4	III Qtr	41.3	40.7	42.0
Jan/Feb	15.6	14.6	17.3	Jan/Feb	24.8	24.0	26.2	Jan/Feb	41.3	40.7	41.7
Feb/Mar	16.0	15.1	17.5	Feb/Mar	24.9	23.9	26.5	Feb/Mar	41.3	40.5	42.3
Mar/Apr	16.4	15.8	17.5	Mar/Apr	25.1	24.4	26.4	Mar/Apr	41.5	40.9	42.2
IV Qtr	16.4	15.8	17.4	IV Qtr	25.6	25.1	26.4	IV Qtr	42.3	42.3	42.0
Apr/May	16.4	15.7	17.5	Apr/May	25.2	24.4	26.5	Apr/May	41.8	41.4	42.2
May/June	16.5	15.9	17.4	May/June	25.8	25.5	26.3	May/June	42.6	42.9	41.9
June/July	16.3	15.8	17.3	June/July	25.7	25.4	26.4	June/July	42.4	42.7	41.9
1977/78 (2034/35)	17.6	17.1	18.3	1982/83 (2039/40)	28.5	28.1	29.1	1987/88 (2044/45)	45.9	45.8	45.9
I Qtr	17.4	16.9	18.4	I Qtr	28.2	27.8	29.0	I Qtr	46.1	46.4	45.4
Jul/Aug	17.1	16.5	18.4	Jul/Aug	27.4	26.6	29.1	Jul/Aug	45.2	45.0	45.5
Aug/Sep	17.5	17.0	18.5	Aug/Sep	28.5	28.4	28.9	Aug/Sep	46.8	47.5	45.3
Sep/Oct	17.6	17.1	18.5	Sep/Oct	28.6	28.3	28.9	Sep/Oct	46.3	46.6	45.4
II Qtr	17.6	17.0	18.4	II Qtr	27.8	27.0	29.1	II Qtr	45.4	45.0	45.8
Oct/Nov	17.5	17.0	18.4	Oct/Nov	28.0	27.4	28.9	Oct/Nov	45.7	46.0	45.5
Nov/Dec	17.6	17.1	18.4	Nov/Dec	27.8	26.9	29.1	Nov/Dec	45.3	44.8	45.7
Dec/Jan	17.6	17.0	18.4	Dec/Jan	27.8	26.8	29.2	Dec/Jan	45.2	44.3	46.1
III Qtr	17.6	17.1	18.2	III Qtr	28.5	28.1	29.0	III Qtr	45.9	45.5	45.9
Jan/Feb	17.6	17.2	18.1	Jan/Feb	28.3	27.6	28.8	Jan/Feb	45.6	45.3	45.4
Feb/Mar	17.6	17.1	18.3	Feb/Mar	28.4	28.1	29.1	Feb/Mar	45.8	45.2	46.2
Mar/Apr	17.6	17.2	18.2	Mar/Apr	28.8	28.5	29.2	Mar/Apr	46.3	45.9	46.2
IV Qtr	17.6	17.2	18.4	IV Qtr	29.5	29.5	29.4	IV Qtr	46.5	46.4	46.4
Apr/May	17.7	17.2	18.4	Apr/May	29.4	29.2	29.5	Apr/May	46.6	46.4	46.6
May/June	17.7	17.2	18.4	May/June	29.7	29.7	29.3	May/June	46.6	46.6	46.4
June/July	17.6	17.2	18.3	June/July	29.4	29.5	29.3	June/July	46.2	46.2	46.3



Table 1b.2c : National Urban Consumer Price Index (contd...)

BASE YEAR = 1995/96											
Fiscal Year/ Quarter/Month	Overall Index	Food and Beverages	Non-Food and Services	Fiscal Year/ Quarter/Month	Overall Index	Food and Beverages	Non-Food and Services	Fiscal Year/ Quarter/Month	Overall Index	Food and Beverages	Non-Food and Services
<b>2003/04 (2060/61)</b>	<b>154.8</b>	<b>148.8</b>	<b>161.8</b>	<b>2005/06 (2062/63)</b>	<b>174.7</b>	<b>166.8</b>	<b>183.9</b>	<b>2006/07 (2063/64)</b>	<b>185.9</b>	<b>178.8</b>	<b>194.1</b>
<b>I Qtr</b>	<b>156.2</b>	<b>152.0</b>	<b>161.0</b>	<b>I Qtr</b>	<b>172.6</b>	<b>167.3</b>	<b>178.8</b>	<b>I Qtr</b>	<b>184.9</b>	<b>178.3</b>	<b>192.6</b>
Jul/Aug	155.4	150.6	160.9	Jul/Aug	170.7	165.0	177.2	Jul/Aug	183.1	175.0	192.5
Aug/Sep	156.1	151.8	161.1	Aug/Sep	173.3	168.0	179.5	Aug/Sep	184.8	178.0	192.7
Sep/Oct	157.1	153.7	161.1	Sep/Oct	173.8	168.8	179.7	Sep/Oct	186.9	181.9	192.7
<b>II Qtr</b>	<b>154.4</b>	<b>148.4</b>	<b>161.5</b>	<b>II Qtr</b>	<b>172.7</b>	<b>166.0</b>	<b>180.6</b>	<b>II Qtr</b>	<b>185.4</b>	<b>178.3</b>	<b>193.5</b>
Oct/Nov	156.6	152.5	161.3	Oct/Nov	174.5	169.3	180.5	Oct/Nov	186.9	181.2	193.4
Nov/Dec	154.2	147.9	161.5	Nov/Dec	173.0	166.6	180.5	Nov/Dec	185.6	178.7	193.6
Dec/Jan	152.5	144.8	161.6	Dec/Jan	170.6	162.0	180.7	Dec/Jan	183.6	175.0	193.6
<b>III Qtr</b>	<b>153.3</b>	<b>145.7</b>	<b>162.2</b>	<b>III Qtr</b>	<b>173.7</b>	<b>162.6</b>	<b>186.6</b>	<b>III Qtr</b>	<b>185.2</b>	<b>176.6</b>	<b>195.0</b>
Jan/Feb	152.7	144.7	162.1	Jan/Feb	170.8	161.3	181.8	Jan/Feb	184.5	175.5	195.0
Feb/Mar	153.1	145.3	162.2	Feb/Mar	174.3	161.7	188.9	Feb/Mar	185.1	176.5	195.0
Mar/Apr	154.1	147.2	162.3	Mar/Apr	176.0	164.9	189.0	Mar/Apr	185.9	177.9	195.0
<b>IV Qtr</b>	<b>155.2</b>	<b>149.0</b>	<b>162.5</b>	<b>IV Qtr</b>	<b>179.7</b>	<b>171.2</b>	<b>189.6</b>	<b>IV Qtr</b>	<b>188.2</b>	<b>181.9</b>	<b>195.4</b>
Apr/May	154.1	147.1	162.4	Apr/May	179.0	169.8	189.7	Apr/May	187.3	180.2	195.4
May/June	155.0	148.7	162.5	May/June	179.6	170.9	189.5	May/June	187.6	180.8	195.4
June/July	156.4	151.2	162.5	June/July	180.6	172.9	189.6	June/July	189.8	184.8	195.4
<b>2004/05 (2061/62)</b>	<b>161.8</b>	<b>154.7</b>	<b>170.1</b>								
<b>I Qtr</b>	<b>160.2</b>	<b>156.2</b>	<b>164.8</b>								
Jul/Aug	159.1	154.8	164.1								
Aug/Sep	160.2	156.8	164.2								
Sep/Oct	161.2	157.0	166.0								
<b>II Qtr</b>	<b>159.8</b>	<b>152.7</b>	<b>168.1</b>								
Oct/Nov	160.8	155.9	166.7								
Nov/Dec	159.0	152.4	166.7								
Dec/Jan	159.5	149.7	170.8								
<b>III Qtr</b>	<b>162.1</b>	<b>152.4</b>	<b>173.6</b>								
Jan/Feb	161.4	150.6	174.1								
Feb/Mar	161.9	152.2	173.2								
Mar/Apr	163.1	154.3	173.4								
<b>IV Qtr</b>	<b>165.1</b>	<b>157.5</b>	<b>174.0</b>								
Apr/May	164.0	155.7	173.8								
May/June	164.6	156.6	173.9								
June/July	166.8	160.3	174.4								

Table - 1b.3

**URBAN CONSUMER PRICE INDEX : KATHMANDU VALLEY****(1995/96 = 100)****YEARLY INDEX**

Years	Food and Beverage		Non-Food and Services		Overall Index	
	Index	% Change	Index	% Change	Index	% Change
1972/73 (2029/30)	9.5	-	11.1	-	10.1	-
1973/74 (2030/31)	11.1	16.8	12.1	9.0	11.6	14.9
1974/75 (2031/32)	12.9	16.2	14.6	20.7	13.5	16.4
1975/76 (2032/33)	13.4	3.9	15.8	8.2	14.2	5.2
1976/77 (2033/34)	12.9	-3.7	16.6	5.1	14.3	0.7
1977/78 (2034/35)	14.8	14.7	17.3	4.2	15.7	9.8
1978/79 (2035/36)	15.1	2.0	18.1	4.6	16.3	3.8
1979/80 (2036/37)	17.3	14.6	19.1	5.5	18.2	11.7
1980/81 (2037/38)	19.9	15.0	22.6	18.3	20.9	14.8
1981/82 (2038/39)	22.0	10.6	25.0	10.6	23.1	10.5
1982/83 (2039/40)	25.2	14.5	27.1	8.4	26.0	12.6
1983/84 (2040/41)	26.4	4.8	28.9	6.6	27.4	5.4
1984/85 (2041/42)	26.6	0.8	31.5	9.0	28.4	3.6
1985/86 (2042/43)	32.0	20.3	35.2	11.7	33.3	17.3
1986/87 (2043/44)	37.3	16.6	38.9	10.5	37.9	13.8
1987/88 (2044/45)	41.2	10.5	41.8	7.5	41.5	9.5
1988/89 (2045/46)	44.0	6.8	46.6	11.5	45.0	8.4
1989/90 (2046/47)	52.6	19.5	51.2	9.9	52.1	15.8
1990/91 (2047/48)	57.8	9.9	56.4	10.2	57.3	10.0
1991/92 (2048/49)	70.8	22.5	66.7	18.3	69.2	20.8
1992/93 (2049/50)	77.6	9.6	77.3	15.9	77.5	12.0
1993/94 (2050/51)	88.3	13.8	86.0	11.3	87.4	12.8
1994/95 (2051/52)	94.2	6.7	94.7	10.1	94.4	8.0
1995/96 (2052/53)	100.0	6.2	100.0	5.6	100.0	5.9
1996/97 (2053/54)	107.1	7.1	108.4	8.4	107.7	7.7
1997/98 (2054/55)	115.2	7.6	116.1	7.1	115.7	7.4
1998/99 (2055/56)	128.7	11.7	121.3	4.5	125.1	8.1
1999/00 (2056/57)	130.9	1.7	128.4	5.9	129.7	3.7
2000/01(2057/58)	130.5	-0.3	137.2	6.9	133.8	3.2
2001/02 (2058/59)	133.8	2.5	139.4	1.6	136.5	2.0
2002/03 (2059/60)	137.5	2.8	146.3	4.9	141.7	3.8
2003/04 (2060/61)	145.6	5.9	155.0	6.0	150.1	5.9
2004/05 (2061/62)	151.8	4.3	163.8	5.7	157.6	5.0
2005/06 (2062/63)	159.5	5.1	176.7	7.9	167.8	6.5
2006/07 (2063/64)	169.4	6.2	187.2	5.9	178.0	6.1

Table - 1b.4

**URBAN CONSUMER PRICE INDEX : TERAJ****(1995/96 = 100)****YEARLY INDEX**

YEARS	Food and Beverage		Non-Food and Services		Overall Index	
	Index	% Change	Index	% Change	Index	% Change
1972/73 (2029/30)	11.8	-	12.1	-	11.9	-
1973/74 (2030/31)	15.1	28.0	13.2	9.1	14.5	21.8
1974/75 (2031/32)	17.5	15.9	15.8	19.7	17.0	17.2
1975/76 (2032/33)	15.7	-10.3	16.7	5.7	16.0	-5.9
1976/77 (2033/34)	16.1	2.5	18.1	8.4	16.7	4.4
1977/78 (2034/35)	18.4	14.3	18.7	3.3	18.6	11.4
1978/79 (2035/36)	18.7	1.6	20.4	9.1	19.3	3.8
1979/80 (2036/37)	20.4	9.1	21.7	6.4	20.8	7.8
1980/81 (2037/38)	23.0	12.7	24.5	12.9	23.5	13.0
1981/82 (2038/39)	25.7	11.7	26.7	9.0	26.1	11.1
1982/83 (2039/40)	29.9	16.3	30.0	12.4	30.0	14.9
1983/84 (2040/41)	31.5	5.4	32.7	9.0	31.9	6.3
1984/85 (2041/42)	31.6	0.3	35.8	9.5	32.9	3.1
1985/86 (2042/43)	37.4	18.4	39.4	10.1	38.1	15.8
1986/87 (2043/44)	42.7	14.2	42.8	8.6	42.8	12.3
1987/88 (2044/45)	48.2	12.9	47.3	10.5	48.1	12.4
1988/89 (2045/46)	50.5	4.8	54.0	14.2	51.7	7.5
1989/90 (2046/47)	54.5	7.9	58.6	8.5	55.9	8.1
1990/91 (2047/48)	60.3	10.6	63.3	8.0	61.3	9.7
1991/92 (2048/49)	76.1	26.2	71.4	12.8	74.5	21.5
1992/93 (2049/50)	82.9	8.9	80.5	12.7	80.9	8.6
1993/94 (2050/51)	84.2	1.6	86.7	7.7	85.1	5.2
1994/95 (2051/52)	90.5	7.5	92.9	7.2	91.3	7.3
1995/96 (2052/53)	100.0	10.5	100.0	7.6	100.0	9.5
1996/97 (2053/54)	108.3	8.3	108.0	8.0	108.2	8.2
1997/98 (2054/55)	116.8	7.8	119.3	10.5	117.9	9.0
1998/99 (2055/56)	138.7	18.8	127.3	6.7	133.6	13.3
1999/00 (2056/57)	138.1	-0.4	137.1	7.7	137.7	3.1
2000/01(2057/58)	132.0	-4.4	147.9	7.9	139.2	1.1
2001/02 (2058/59)	138.0	4.5	151.5	2.4	144.0	3.4
2002/03 (2059/60)	146.4	6.1	159.3	5.1	152.2	5.7
2003/04 (2060/61)	149.2	1.9	166.4	4.5	156.9	3.1
2004/05 (2061/62)	155.0	3.9	174.5	4.9	163.8	4.4
2005/06 (2062/63)	169.5	9.4	188.1	7.8	177.9	8.6
2006/07 (2063/64)	182.8	7.8	198.6	5.6	189.9	6.7

Table - 1b.5

**URBAN CONSUMER PRICE INDEX : HILLS**  
**(1995/96 = 100)**  
**YEARLY INDEX**

YEARS	Food and Beverage		Non-Food and Services		Overall Index	
	Index	% Change	Index	% Change	Index	% Change
1972/73 (2029/30)	12.1	-	12.7	-	12.3	-
1973/74 (2030/31)	14.1	16.5	13.9	9.4	14.1	14.6
1974/75 (2031/32)	16.1	14.2	15.9	14.4	16.1	14.2
1975/76 (2032/33)	16.0	-0.6	17.6	10.7	16.6	3.1
1976/77 (2033/34)	16.4	2.5	18.8	6.8	17.2	3.6
1977/78 (2034/35)	18.5	12.8	20.1	6.9	19.0	10.5
1978/79 (2035/36)	18.8	1.6	21.5	7.0	19.7	3.7
1979/80 (2036/37)	20.8	10.6	23.1	7.4	21.6	9.6
1980/81 (2037/38)	23.4	12.5	26.3	13.9	24.4	13.0
1981/82 (2038/39)	25.9	10.7	28.8	9.5	26.9	10.2
1982/83 (2039/40)	30.5	17.8	31.1	8.0	30.9	14.9
1983/84 (2040/41)	31.8	4.3	34.9	12.2	32.9	6.5
1984/85 (2041/42)	33.8	6.3	40.4	15.8	35.9	9.1
1985/86 (2042/43)	38.2	13.0	44.1	9.2	40.1	11.7
1986/87 (2043/44)	44.4	16.2	47.8	8.4	45.6	13.7
1987/88 (2044/45)	50.4	13.5	51.5	7.7	51.0	11.8
1988/89 (2045/46)	54.8	8.7	58.8	14.2	56.3	10.4
1989/90 (2046/47)	54.8	0.0	59.6	1.4	56.5	0.4
1990/91 (2047/48)	59.6	8.8	66.5	11.6	61.9	9.6
1991/92 (2048/49)	73.2	22.8	76.1	14.4	74.2	19.9
1992/93 (2049/50)	77.5	5.9	83.8	10.1	79.6	7.3
1993/94 (2050/51)	82.4	6.3	89.1	6.3	84.7	6.4
1994/95 (2051/52)	89.7	8.9	94.4	5.9	91.3	7.8
1995/96 (2052/53)	100.0	11.5	100.0	5.9	100.0	9.5
1996/97 (2053/54)	109.6	9.6	107.4	7.4	108.6	8.6
1997/98 (2054/55)	118.3	7.9	116.1	8.1	117.3	8.0
1998/99 (2055/56)	137.8	16.5	122.9	5.9	130.8	11.5
1999/00 (2056/57)	139.0	0.9	131.8	7.2	135.6	3.7
2000/01(2057/58)	139.8	0.6	145.7	10.5	142.6	5.2
2001/02 (2058/59)	144.1	3.1	148.6	2.0	146.2	2.5
2002/03 (2059/60)	148.5	3.1	155.5	4.6	151.8	3.8
2003/04 (2060/61)	153.0	3.0	160.8	3.4	156.6	3.2
2004/05 (2061/62)	158.8	3.8	168.8	5.0	163.5	4.4
2005/06 (2062/63)	171.5	8.0	184.2	9.1	177.5	8.6
2006/07 (2063/64)	183.4	6.9	193.7	5.2	188.2	6.0







Table-2  
National Wholesale Price Index

(1999/00=100)

Mid July 2007 (Asadh 2064)

Groups and Sub-groups	Weight %	2004/05		2005/06		2006/07P			Percentage Change			
		June/July	May/June	June/July	Apr/May	May/June	June/July	Column 5	Column 5	Column 8	Column 8	
1	2	3	4	5	6	7	8	Over 3	Over 4	Over 5	Over 7	
<b>1. Overall Index</b>	<b>100.00</b>	<b>129.9</b>	<b>138.2</b>	<b>139.9</b>	<b>145.4</b>	<b>146.0</b>	<b>151.8</b>	<b>7.7</b>	<b>1.2</b>	<b>8.5</b>	<b>4.0</b>	
<b>1.1 Agricultural Commodities</b>	<b>49.59</b>	<b>127.7</b>	<b>133.9</b>	<b>137.4</b>	<b>141.7</b>	<b>142.1</b>	<b>153.4</b>	<b>7.6</b>	<b>2.6</b>	<b>11.6</b>	<b>8.0</b>	
Foodgrains	16.98	112.0	125.7	123.7	127.8	128.2	130.9	10.4	-1.6	5.8	2.1	
Cash Crops	6.09	163.2	155.5	172.3	163.6	196.2	221.4	5.6	10.8	28.5	12.8	
Pulses	3.77	123.5	155.3	156.1	168.9	170.7	173.6	26.4	0.5	11.2	1.7	
Fruits and Vegetables	11.18	125.4	117.0	123.8	131.3	114.4	146.2	-1.3	5.8	18.1	27.8	
Spices	1.95	101.6	108.8	111.4	118.2	123.0	124.4	9.6	2.4	11.7	1.1	
Livestock Production	10.02	141.6	150.1	152.3	157.3	156.1	155.5	7.6	1.5	2.1	-0.4	
<b>1.2 Domestic Manufactured Commodities</b>	<b>20.37</b>	<b>124.9</b>	<b>129.4</b>	<b>129.3</b>	<b>139.5</b>	<b>140.0</b>	<b>140.5</b>	<b>3.5</b>	<b>-0.1</b>	<b>8.7</b>	<b>0.4</b>	
Food-Related Products	6.12	115.3	118.2	119.0	128.5	129.4	131.0	3.2	0.7	10.1	1.2	
Beverages and Tobacco	5.68	124.7	128.8	128.8	136.0	136.0	136.0	3.3	0.0	5.6	0.0	
Construction Materials	4.50	152.4	159.8	160.1	179.9	180.1	180.6	5.1	0.2	12.8	0.3	
Others	4.07	109.4	113.4	111.3	116.2	117.4	116.5	1.7	-1.9	4.7	-0.8	
<b>1.3 Imported Commodities</b>	<b>30.04</b>	<b>136.7</b>	<b>151.2</b>	<b>151.1</b>	<b>155.4</b>	<b>156.5</b>	<b>157.0</b>	<b>10.5</b>	<b>-0.1</b>	<b>3.9</b>	<b>0.3</b>	
Petroleum Products and Coal	5.40	211.9	263.2	263.2	268.7	268.7	268.7	24.2	0.0	2.1	0.0	
Chemical Fertilizers and Chemical Goods	2.46	153.1	169.5	169.5	168.1	176.7	176.7	10.7	0.0	4.2	0.0	
Transport Vehicles and Machinery Goods	6.97	119.5	126.1	126.1	128.9	129.5	130.5	5.5	0.0	3.5	0.8	
Electric and Electronic Goods	1.87	96.6	96.0	95.3	96.1	96.1	95.7	-1.3	-0.7	0.4	-0.4	
Drugs and Medicine	2.73	108.0	111.3	111.3	115.1	117.2	117.2	3.1	0.0	5.3	0.0	
Textile-Related Products	3.10	112.1	111.0	111.5	107.8	107.7	107.8	-0.5	0.5	-3.3	0.1	
Others	7.51	123.8	132.8	132.6	143.4	143.9	144.7	7.1	-0.2	9.1	0.6	

P = Provisional

Table-2  
National Wholesale Price Index

(1999/00=100)

Mid June 2007 (Jeshth 2064)

Groups and Sub-groups	Weight %	2004/05		2005/06		2006/07P			Percentage Change			
		May/June	Apr/May	May/June	Mar/Apr	Apr/May	May/June	Column 5	Column 5	Column 8	Column 8	
1	2	3	4	5	6	7	8	Over 3	Over 4	Over 5	Over 7	
<b>1. Overall Index</b>	<b>100.00</b>	<b>126.5</b>	<b>136.9</b>	<b>138.2</b>	<b>143.2</b>	<b>145.4</b>	<b>145.8</b>	<b>9.2</b>	<b>0.9</b>	<b>5.5</b>	<b>0.3</b>	
<b>1.1 Agricultural Commodities</b>	<b>49.59</b>	<b>120.7</b>	<b>131.8</b>	<b>133.9</b>	<b>137.5</b>	<b>141.7</b>	<b>141.7</b>	<b>10.9</b>	<b>1.6</b>	<b>5.8</b>	<b>0.0</b>	
Foodgrains	16.58	108.5	124.9	125.7	129.6	127.8	128.2	15.9	0.6	2.0	0.3	
Cash Crops	6.09	150.4	156.7	155.5	147.4	163.6	196.2	3.4	-0.8	26.2	19.9	
Pulses	3.77	117.0	151.0	155.3	165.0	168.9	170.7	32.7	2.8	9.9	1.1	
Fruits and Vegetables	11.18	108.0	110.3	117.0	116.9	131.3	114.4	8.3	6.1	-2.2	-12.9	
Spices	1.95	104.9	110.4	108.8	138.1	118.2	113.2	3.7	-1.4	4.0	-4.2	
Livestock Production	10.02	141.4	149.2	150.1	156.9	157.3	156.1	6.2	0.6	4.0	-0.8	
<b>1.2 Domestic Manufactured Commodities</b>	<b>20.37</b>	<b>126.0</b>	<b>128.7</b>	<b>129.4</b>	<b>139.3</b>	<b>139.5</b>	<b>140.0</b>	<b>2.7</b>	<b>0.5</b>	<b>8.2</b>	<b>0.4</b>	
Food-Related Products	6.12	116.4	118.0	118.2	127.6	128.5	129.4	1.5	0.2	9.5	0.7	
Beverages and Tobacco	5.68	124.6	128.8	128.8	135.7	136.0	136.0	3.4	0.0	5.6	0.0	
Construction Materials	4.50	155.7	157.5	159.8	178.3	179.9	180.1	2.6	1.5	12.7	0.1	
Others	4.07	109.4	113.0	113.4	118.8	116.2	117.4	3.7	0.4	3.5	1.0	
<b>1.3 Imported Commodities</b>	<b>30.04</b>	<b>136.6</b>	<b>150.9</b>	<b>151.2</b>	<b>155.3</b>	<b>155.4</b>	<b>156.5</b>	<b>10.7</b>	<b>0.2</b>	<b>3.5</b>	<b>0.7</b>	
Petroleum Products and Coal	5.40	212.0	263.5	263.2	268.7	268.7	268.7	24.2	-0.1	2.1	0.0	
Chemical Fertilizers and Chemical Goods	2.46	154.8	161.0	169.5	168.1	168.1	176.7	9.5	5.3	4.2	5.1	
Transport Vehicles and Machinery Goods	6.97	118.1	126.0	126.1	128.9	128.9	129.5	6.8	0.1	2.7	0.5	
Electric and Electronic Goods	1.87	96.7	96.0	96.0	96.1	96.1	96.1	-0.7	0.0	0.1	0.0	
Drugs and Medicine	2.73	109.8	111.3	111.3	113.4	115.1	117.2	1.4	0.0	5.3	1.8	
Textile-Related Products	3.10	112.4	111.0	111.0	111.8	107.8	107.7	-1.2	0.0	-3.0	-0.1	
Others	7.51	123.3	134.0	132.8	142.2	143.4	143.9	7.7	-0.9	8.4	0.3	

P = Provisional

Table-2  
National Wholesale Price Index

(1999/00=100)

Mid May 2007 (Baisakh 2064)

Groups and Sub-groups	Weight %	2004/05		2005/06		2006/07P			Percentage Change			
		Apr/May	Mar/Apr	Apr/May	Feb/Mar	Mar/Apr	Apr/May	Column 5	Column 5	Column 8	Column 8	
1	2	3	4	5	6	7	8	Over 3	Over 4	Over 5	Over 7	
<b>1. Overall Index</b>	<b>100.00</b>	<b>125.2</b>	<b>133.1</b>	<b>136.9</b>	<b>146.7</b>	<b>143.2</b>	<b>145.4</b>	<b>9.3</b>	<b>2.9</b>	<b>6.2</b>	<b>1.5</b>	
<b>1.1 Agricultural Commodities</b>	<b>49.59</b>	<b>118.1</b>	<b>125.0</b>	<b>131.8</b>	<b>145.0</b>	<b>137.5</b>	<b>141.7</b>	<b>11.6</b>	<b>5.4</b>	<b>7.5</b>	<b>3.1</b>	
Foodgrains	16.58	102.3	120.5	124.9	137.7	129.6	127.8	22.1	3.7	2.3	-1.4	
Cash Crops	6.09	134.7	146.0	156.7	140.2	147.4	163.6	16.3	7.3	4.4	11.0	
Pulses	3.77	114.8	134.6	151.0	161.6	165.0	168.9	31.5	12.2	11.9	2.4	
Fruits and Vegetables	11.18	114.5	106.5	110.3	143.8	116.9	131.3	-3.7	3.6	19.0	12.3	
Spices	1.95	110.9	118.7	110.4	138.3	138.1	118.2	-0.5	-7.0	7.1	-14.4	
Livestock Production	10.02	141.0	138.0	149.2	156.3	156.9	157.3	5.8	8.1	5.4	0.3	
<b>1.2 Domestic Manufactured Commodities</b>	<b>20.37</b>	<b>125.4</b>	<b>126.7</b>	<b>128.7</b>	<b>137.7</b>	<b>139.3</b>	<b>139.5</b>	<b>2.6</b>	<b>1.6</b>	<b>8.4</b>	<b>0.1</b>	
Food-Related Products	6.12	115.1	116.0	118.0	125.4	127.6	128.5	2.5	1.7	8.9	0.7	
Beverages and Tobacco	5.68	124.6	128.8	128.8	135.7	135.7	136.0	3.4	0.0	5.6	0.2	
Construction Materials	4.50	154.5	150.6	157.5	175.6	178.3	179.9	1.9	4.6	14.2	0.9	
Others	4.07	110.0	113.6	113.0	117.1	118.8	116.2	2.7	-0.5	2.8	-2.2	
<b>1.3 Imported Commodities</b>	<b>30.04</b>	<b>136.6</b>	<b>150.9</b>	<b>150.9</b>	<b>155.5</b>	<b>155.3</b>	<b>155.4</b>	<b>10.5</b>	<b>0.1</b>	<b>3.0</b>	<b>0.1</b>	
Petroleum Products and Coal	5.40	212.0	263.5	263.5	268.7	268.7	268.7	24.3	0.0	2.0	0.0	
Chemical Fertilizers and Chemical Goods	2.46	154.8	159.9	161.0	168.1	168.1	168.1	4.0	0.7	4.4	0.0	
Transport Vehicles and Machinery Goods	6.97	118.1	126.1	126.0	129.4	128.9	128.9	6.7	-0.1	2.3	0.0	
Electric and Electronic Goods	1.87	96.7	95.4	96.0	96.0	96.1	96.1	-0.7	0.6	0.1	0.0	
Drugs and Medicine	2.73	109.8	111.7	111.3	112.8	113.4	115.1	1.4	-0.4	3.4	1.5	
Textile-Related Products	3.10	112.0	110.7	111.0	112.1	111.8	107.8	-0.9	0.3	-2.9	-3.6	
Others	7.51	123.6	133.8	134.0	142.6	142.2	143.4	8.4	0.1	7.0	0.8	

P = Provisional

Table-2.1  
**Wholesale Price Index of Agricultural commodities**  
 (1999/00=100)

Mid July 2007 (Asadh 2064)

S.N	Groups and Sub-groups 1	Weight %	2004/05		2005/06		2006/07P			Percentage Change			
			June/July	May/June	June/July	Apr/May	May/June	June/July	Column 5	Column 5	Column 8	Column 8	
			3	4	5	6	7	8	Over 3	Over 4	Over 5	Over 7	
<b>Overall Index</b>		<b>100.00</b>	<b>127.7</b>	<b>133.9</b>	<b>137.4</b>	<b>141.7</b>	<b>142.1</b>	<b>153.4</b>		<b>7.6</b>	<b>2.6</b>	<b>11.6</b>	<b>8.0</b>
1 Rice		22.10	112.3	121.2	121.0	124.6	125.0	128.1		7.7	-0.2	5.9	2.5
2 Maize		1.80	91.6	105.6	104.5	116.4	118.5	117.5		14.1	-1.0	12.4	-0.8
3 Wheat		9.54	115.4	139.7	133.7	137.3	137.4	139.9		15.9	-4.3	4.6	1.8
4 Sugarcane*		2.52	0.0	0.0	0.0	137.4	0.0	0.0		0.0	0.0	0.0	0.0
5 Oilseeds		2.56	128.6	129.7	132.2	159.2	160.6	169.5		2.8	1.9	28.2	5.5
6 Jute		0.30	162.1	173.7	173.7	149.4	118.1	118.1		7.2	0.0	-32.0	0.0
7 Potato		6.89	176.1	164.3	187.1	175.4	212.7	245.1		6.2	13.9	31.0	15.2
8 Pulses		7.60	123.5	155.3	156.1	168.9	170.7	173.6		26.4	0.5	11.2	1.7
9 Fruits		11.38	117.0	145.5	135.7	140.3	117.1	119.6		16.0	-6.7	-11.9	2.1
10 Vegetables		11.17	133.9	87.9	111.6	122.1	111.7	173.3		-16.7	27.0	55.3	55.1
11 Spices (Other Crops)		3.93	101.6	108.8	111.4	118.2	123.0	124.4		9.6	2.4	11.7	1.1
12 Milk		1.96	122.2	121.7	133.4	134.0	134.0	142.8		9.2	9.6	7.0	6.6
13 Meat (Buffalo)		8.05	168.0	186.0	188.4	188.4	188.4	188.4		12.1	1.3	0.0	0.0
14 Mutton		5.20	132.2	135.2	133.0	140.6	140.6	139.5		0.6	-1.6	4.9	-0.8
15 Pork		1.09	117.8	140.8	140.8	155.0	155.0	155.0		19.5	0.0	10.1	0.0
16 Chicken		1.05	122.7	126.7	127.3	136.5	125.0	114.0		3.7	0.5	-10.4	-8.8
17 Eggs		1.51	113.2	95.6	105.1	128.9	119.2	111.7		-7.2	9.9	6.3	-6.3
18 Fish		1.34	114.4	120.8	120.8	119.5	121.2	121.2		5.6	0.0	0.3	0.0

P = Provisional

\* Revised

Table-2.1  
**Wholesale Price Index of Agricultural commodities**  
 (1999/00=100)

Mid June 2007 (Jesth 2064)

S.N	Groups and Sub-groups 1	Weight %	2004/05		2005/06		2006/07P			Percentage Change			
			May/June	Apr/May	May/June	Mar/Apr	Apr/May	May/June	Column 5	Column 5	Column 8	Column 8	
			3	4	5	6	7	8	Over 3	Over 4	Over 5	Over 7	
<b>Overall Index</b>		<b>100.00</b>	<b>120.7</b>	<b>131.8</b>	<b>133.9</b>	<b>137.5</b>	<b>141.7</b>	<b>141.7</b>		<b>10.9</b>	<b>1.6</b>	<b>5.8</b>	<b>0.0</b>
1 Rice		22.10	109.5	119.1	121.2	123.4	124.6	125.0		10.7	1.8	3.1	0.3
2 Maize		1.80	83.2	110.4	105.6	130.0	116.4	118.5		26.9	-4.3	12.2	1.8
3 Wheat		9.54	110.8	141.1	139.7	144.1	137.3	137.4		26.1	-1.0	-1.6	0.1
4 Sugarcane*		2.52	0.0	134.7	0.0	134.7	137.4	0.0		0.0	0.0	0.0	0.0
5 Oilseeds		2.56	127.5	130.4	129.7	158.5	159.2	160.6		1.7	-0.5	23.8	0.9
6 Jute		0.30	162.2	183.5	173.7	149.4	149.4	118.1		7.1	-5.3	-32.0	-21.0
7 Potato		6.89	158.3	173.5	164.3	147.8	175.4	212.7		3.8	-5.3	29.5	21.3
8 Pulses		7.60	117.0	151.0	155.3	165.0	168.9	170.7		32.7	2.8	9.9	1.1
9 Fruits		11.38	116.8	133.0	145.5	121.6	140.3	117.1		24.6	9.4	-19.5	-16.5
10 Vegetables		11.17	99.0	87.1	87.9	112.2	122.1	111.7		-11.2	0.9	27.1	-8.5
11 Spices (Other Crops)		3.93	104.9	110.4	108.8	138.1	118.2	113.2		3.7	-1.4	4.0	-4.2
12 Milk		1.96	115.7	121.7	121.7	134.0	134.0	134.0		5.2	0.0	10.1	0.0
13 Meat (Buffalo)		8.05	168.0	186.0	186.0	188.4	188.4	188.4		10.7	0.0	1.3	0.0
14 Mutton		5.20	135.2	136.2	135.2	140.6	140.6	140.6		0.0	-0.7	4.0	0.0
15 Pork		1.09	117.8	140.8	140.8	155.0	155.0	155.0		19.5	0.0	10.1	0.0
16 Chicken		1.05	120.3	121.3	126.7	143.5	136.5	125.0		5.3	4.5	-1.3	-8.4
17 Eggs		1.51	110.5	84.1	95.6	118.7	128.9	119.2		-13.5	13.7	24.7	-7.5
18 Fish		1.34	114.4	120.8	120.8	119.5	119.5	121.2		5.6	0.0	0.3	1.4

P = Provisional

\* Revised

Table-2.1  
**Wholesale Price Index of Agricultural commodities**  
 (1999/00=100)

Mid May 2007 (Baisakh 2064)

S.N	Groups and Sub-groups 1	Weight %	2004/05		2005/06		2006/07P			Percentage Change			
			Apr/May	Mar/Apr	Apr/May	Feb/Mar	Mar/Apr	Apr/May	Column 5	Column 5	Column 8	Column 8	
			3	4	5	6	7	8	Over 3	Over 4	Over 5	Over 7	
<b>Overall Index</b>		<b>100.00</b>	<b>111.2</b>	<b>122.5</b>	<b>120.9</b>	<b>145.6</b>	<b>138.5</b>	<b>142.1</b>		<b>8.7</b>	<b>-1.3</b>	<b>17.5</b>	<b>2.6</b>
1 Rice		22.10	98.0	107.2	109.2	119.8	118.4	119.4		11.4	1.9	9.3	0.8
2 Maize		1.80	95.9	119.1	121.7	124.5	124.5	129.4		26.9	2.2	6.3	3.9
3 Wheat		9.54	114.7	126.7	132.2	174.9	172.8	168.3		15.3	4.3	27.3	-2.6
4 Sugarcane*		2.52	114.8	125.0	133.1	134.7	134.7	134.7		15.9	6.5	1.2	0.0
5 Oilseeds		2.56	138.0	125.9	125.9	144.9	148.3	149.9		-8.8	0.0	19.1	1.1
6 Jute		0.30	136.2	185.8	190.2	148.9	148.9	152.8		39.6	2.4	-19.7	2.6
7 Potato		6.89	94.8	162.1	128.1	222.8	123.5	127.0		35.1	-21.0	-0.9	2.8
8 Pulses		7.60	116.0	131.1	130.4	165.2	163.3	162.5		12.4	-0.5	24.6	-0.5
9 Fruits		11.38	111.3	98.9	111.3	104.5	109.2	123.7		0.0	12.5	11.1	13.3
10 Vegetables		11.17	97.2	109.1	89.4	143.6	140.8	154.8		-8.0	-18.1	73.2	9.9
11 Spices (Other Crops)		3.93	102.1	116.1	117.5	144.6	143.9	144.8		15.1	1.2	23.2	0.6
12 Milk		1.96	110.9	122.2	122.2	134.0	134.0	134.0		10.2	0.0	9.7	0.0
13 Meat (Buffalo)		8.05	151.6	171.8	171.8	188.4	188.4	188.4		13.3	0.0	9.7	0.0
14 Mutton		5.20	133.2	123.3	129.8	135.2	135.2	138.3		-2.6	5.3	6.5	2.3
15 Pork		1.09	117.8	140.8	140.8	147.9	147.9	147.9		19.5	0.0	5.0	0.0
16 Chicken		1.05	135.2	107.7	112.6	132.8	136.0	142.5		-16.7	4.5	26.6	4.8
17 Eggs		1.51	108.5	108.0	102.9	114.3	116.7	117.8		-5.2	-4.7	14.5	0.9
18 Fish		1.34	114.8	116.3	117.8	119.3	117.8	117.8		2.6	1.3	0.0	0.0

P = Provisional

\* Revised





Table - 2a  
**NATIONAL WHOLESALE PRICE INDEX**  
*(1999/00 = 100)*

FY / Months	Agricultural Commodities		Domestic Manufactured Commodities		Imported Commodities		Overall WPI		FY / Months		Agricultural Commodities		Domestic Manufactured Commodities		Imported Commodities		Overall WPI	
	Index	% Change	Index	% Change	Index	% Change	Index	% Change	Index	% Change	Index	% Change	Index	% Change	Index	% Change	Index	% Change
<b>1900/00 (2056/57)</b>	<b>100.0</b>	-	<b>100.0</b>	-	<b>100.0</b>	-	<b>100.0</b>	-	<b>2003/04 (2060/61)</b>	<b>111.9</b>	<b>2.1</b>	<b>114.5</b>	<b>5.6</b>	<b>120.1</b>	<b>6.2</b>	<b>114.9</b>	<b>4.1</b>	
Jul/Aug	105.0	-	101.4	-	97.0	-	101.9	-	Jul/Aug	113.8	0.0	110.6	4.0	117.8	7.9	114.4	3.2	
Aug/Sep	107.2	-	101.6	-	97.0	-	103.0	0.2	Aug/Sep	116.9	0.2	110.8	3.8	118.0	8.0	116.0	3.2	
Sep/Oct	109.1	-	101.3	-	97.4	-	104.0	0.9	Sep/Oct	117.5	0.9	110.9	3.8	118.3	8.0	116.4	3.5	
Oct/Nov	105.2	-	100.4	-	100.3	-	102.7	-	Oct/Nov	118.8	2.0	111.2	3.9	118.6	8.0	117.2	4.1	
Nov/Dec	97.6	-	99.5	-	100.8	-	99.0	-	Nov/Dec	112.2	6.8	111.0	2.6	118.8	6.9	113.9	6.0	
Dec/Jan	96.6	-	99.8	-	101.0	-	98.6	-	Dec/Jan	107.5	8.1	111.8	3.6	119.5	7.7	112.9	5.2	
Jan/Feb	95.3	-	99.9	-	101.1	-	98.0	-	Jan/Feb	107.5	3.1	115.3	6.3	120.1	7.1	112.9	5.2	
Feb/Mar	94.8	-	99.3	-	100.7	-	97.5	-	Feb/Mar	107.3	-1.2	117.4	7.8	121.3	8.6	113.5	3.6	
Mar/Apr	95.2	-	99.1	-	100.6	-	97.6	-	Mar/Apr	107.6	1.5	118.5	7.7	122.0	1.0	114.2	2.6	
Apr/May	95.8	-	99.2	-	100.4	-	97.9	-	Apr/May	107.5	-2.1	119.0	7.9	122.2	3.7	114.2	2.6	
May/June	96.6	-	99.3	-	101.4	-	98.6	-	May/June	111.1	3.4	119.3	8.0	122.6	4.0	116.2	4.5	
June/July	101.6	-	99.2	-	102.1	-	101.3	-	June/July	115.3	4.2	118.7	7.8	122.4	3.8	118.1	4.8	
<b>2000/01 (2057/58)</b>	<b>98.2</b>	<b>-1.8</b>	<b>100.0</b>	<b>0.0</b>	<b>107.8</b>	<b>7.8</b>	<b>101.4</b>	<b>1.4</b>	<b>2004/05 (2061/62)</b>	<b>118.5</b>	<b>5.9</b>	<b>121.6</b>	<b>6.2</b>	<b>132.3</b>	<b>10.2</b>	<b>123.3</b>	<b>7.3</b>	
Jul/Aug	99.8	-5.0	99.6	-1.8	102.8	6.0	100.7	-1.2	Jul/Aug	122.1	7.3	118.9	7.5	124.3	5.5	122.1	6.7	
Aug/Sep	100.6	-6.2	99.6	-2.0	103.4	6.6	101.2	-1.7	Aug/Sep	123.2	5.4	118.9	7.3	123.1	6.5	123.1	6.1	
Sep/Oct	101.3	-7.1	98.6	-2.7	111.1	14.1	103.7	-0.3	Sep/Oct	121.8	3.7	119.5	7.8	125.7	8.6	123.4	6.0	
Oct/Nov	101.1	-3.9	98.5	-1.9	111.5	11.2	103.7	1.0	Oct/Nov	120.2	1.2	119.4	7.4	128.6	8.4	122.6	4.6	
Nov/Dec	95.9	-1.7	99.7	0.2	109.6	8.7	100.8	1.8	Nov/Dec	113.1	0.8	119.4	7.6	128.4	8.1	119.0	4.5	
Dec/Jan	93.9	-2.8	99.6	-0.2	109.6	8.5	99.8	1.2	Dec/Jan	112.0	4.2	119.8	7.2	132.4	10.8	119.7	7.2	
Jan/Feb	94.5	-2.6	100.3	-0.4	107.2	6.0	98.5	2.1	Jan/Feb	111.2	3.4	121.7	5.6	136.6	13.7	121.0	7.2	
Feb/Mar	92.8	-0.3	100.3	1.0	107.3	6.6	99.5	0.5	Feb/Mar	115.5	7.6	122.4	4.2	136.3	12.4	123.2	8.5	
Mar/Apr	95.3	0.1	100.8	1.7	107.2	6.6	100.0	2.5	Mar/Apr	115.9	7.7	123.3	4.1	136.9	12.2	123.7	8.3	
Apr/May	97.5	1.8	100.9	1.7	108.1	7.7	101.3	3.5	Apr/May	118.1	9.9	125.4	5.4	136.6	11.8	125.2	9.5	
May/June	101.6	5.2	101.3	2.0	108.3	6.8	103.5	5.0	May/June	120.7	8.6	126.0	5.6	136.6	11.4	126.5	8.9	
June/July	103.8	2.2	102.2	3.0	107.7	5.5	104.6	3.3	June/July	127.7	10.8	124.9	5.2	136.7	11.7	129.9	10.0	
<b>2001/02 (2058/59)</b>	<b>105.6</b>	<b>7.5</b>	<b>105.5</b>	<b>5.5</b>	<b>108.4</b>	<b>0.6</b>	<b>106.4</b>	<b>4.9</b>	<b>2005/06 (2062/63)</b>	<b>130.2</b>	<b>9.9</b>	<b>126.0</b>	<b>3.6</b>	<b>146.5</b>	<b>10.7</b>	<b>134.3</b>	<b>8.9</b>	
Jul/Aug	109.4	9.6	104.4	4.8	108.0	5.1	108.0	7.2	Jul/Aug	134.2	9.9	123.7	4.0	138.9	11.7	133.5	9.3	
Aug/Sep	111.1	10.4	104.5	4.9	108.6	5.0	109.0	7.7	Aug/Sep	133.8	8.6	124.0	4.3	143.7	14.3	134.8	9.5	
Sep/Oct	114.0	12.5	105.2	6.7	108.7	-2.2	110.6	6.7	Sep/Oct	134.0	10.0	124.6	4.3	143.7	11.8	135.0	9.4	
Oct/Nov	117.5	16.2	104.8	6.4	108.7	-2.5	112.3	8.3	Oct/Nov	136.3	13.4	124.9	4.6	144.3	12.2	136.4	11.3	
Nov/Dec	106.5	11.1	105.0	5.3	108.3	-1.2	106.7	5.9	Nov/Dec	132.1	16.8	124.7	4.4	144.4	12.5	134.3	12.9	
Dec/Jan	104.3	11.1	104.8	5.2	108.3	-1.2	105.6	5.8	Dec/Jan	122.5	9.4	124.5	3.9	144.3	9.0	129.5	8.2	
Jan/Feb	99.9	7.7	106.1	6.6	108.3	1.0	103.7	5.3	Jan/Feb	120.9	8.7	124.9	2.6	144.8	6.0	128.9	6.5	
Feb/Mar	99.4	5.2	106.6	6.3	108.2	0.8	103.5	4.0	Feb/Mar	120.9	4.7	126.7	3.5	150.0	10.1	130.8	6.2	
Mar/Apr	96.6	1.4	106.5	5.7	108.4	1.1	102.2	2.2	Mar/Apr	125.0	7.9	126.7	2.8	150.7	10.1	130.8	6.2	
Apr/May	100.1	2.7	106.9	5.9	108.5	0.4	104.0	2.7	Apr/May	125.0	11.6	128.7	2.6	150.9	10.5	136.9	7.6	
May/June	103.0	1.4	105.9	4.5	108.6	0.3	105.2	1.6	May/June	133.9	10.9	129.4	2.7	151.2	10.7	138.2	9.2	
June/July	105.0	1.2	105.7	3.4	108.8	1.0	106.3	1.6	June/July	137.4	7.6	129.3	3.5	151.1	10.5	139.9	7.7	
<b>2002/03 (2059/60)</b>	<b>109.6</b>	<b>3.8</b>	<b>108.4</b>	<b>2.7</b>	<b>113.1</b>	<b>4.3</b>	<b>110.4</b>	<b>3.8</b>	<b>2006/07 (2063/64)</b>	<b>145.3</b>	<b>11.6</b>	<b>136.7</b>	<b>8.5</b>	<b>154.7</b>	<b>5.6</b>	<b>146.4</b>	<b>9.0</b>	
Jul/Aug	113.8	4.0	106.3	1.8	109.2	1.1	110.9	2.7	Jul/Aug	140.2	4.5	132.6	7.2	152.8	10.0	142.4	6.7	
Aug/Sep	116.7	5.0	106.7	2.1	109.3	0.6	112.4	3.1	Aug/Sep	149.6	11.8	133.0	7.3	152.4	6.1	147.1	9.1	
Sep/Oct	116.5	2.2	106.8	1.5	109.3	0.7	112.5	1.7	Sep/Oct	153.5	14.6	132.9	6.7	152.4	6.1	149.0	10.4	
Oct/Nov	116.5	-0.9	107.0	2.1	109.8	1.0	112.6	0.3	Oct/Nov	154.2	13.1	135.5	8.5	154.5	7.1	150.5	10.3	
Nov/Dec	105.1	-1.3	108.2	3.0	111.1	2.6	107.5	0.7	Nov/Dec	145.6	10.2	136.0	9.1	154.7	7.0	146.3	8.9	
Dec/Jan	99.4	-4.7	107.9	3.0	111.0	2.5	104.6	-0.9	Dec/Jan	138.5	13.1	136.6	9.7	154.7	7.2	143.0	10.4	
Jan/Feb	104.3	4.4	108.5	2.3	111.5	3.0	107.3	3.5	Jan/Feb	145.1	17.5	137.2	9.8	155.4	12.6	145.1	12.6	
Feb/Mar	108.6	9.3	108.9	2.2	111.7	3.2	109.6	5.9	Feb/Mar	142.0	19.9	137.7	8.7	155.5	3.7	146.7	12.2	
Mar/Apr	106.0	9.7	110.0	3.3	120.8	11.4	111.3	8.9	Mar/Apr	137.5	10.0	139.3	9.9	155.3	3.1	143.2	7.6	
Apr/May	109.8	9.7	110.3	3.2	117.8	8.6	112.3	8.0	Apr/May	141.7	7.5	140.5	8.4	155.4	3.0	145.4	6.2	
May/June	107.4	4.3	110.5	4.3	117.9	8.6	111.2	5.7	May/June	142.1	6.1	149.0	8.2	156.5	3.5	146.0	5.6	
June/July	110.7	5.4	110.1	4.2	117.9	8.4	112.7	6.0	June/July	153.4	11.6	140.5	8.7	157.0	3.9	151.8	8.5	



Table 4  
Average Retail Prices of Selected Commodities in Border Market  
Mid-July 2007

(Prices in NRs)

S.NO.	Discreption	Unit	Nepal*			India**			Percentage Change		
			Mid-Jul 06	Mid-Jun 07	Mid-Jul 07	Mid-Jul 06	Mid-Jun 07	Mid-Jul 07	3 Over 2	6 Over 5	3 Over 6
			1	2	3	4	5	6			
<b>Foodgrains</b>											
1	Paddy Coarse	Qtl.	1109.00	1310.83	1363.33	1026.67	1203.33	1236.67	4.0	2.8	10.2
2	Paddy Fine (Basmati )	Qtl.	2137.50	2204.17	2087.50	2045.34	1933.33	2533.33	-5.3	31.0	-17.6
3	Maize	Qtl.	1011.25	1170.83	1222.92	908.67	1185.33	1198.67	4.4	1.1	2.0
4	Rice Fine ( Basmati )	Kg.	42.00	42.00	42.71	40.40	40.33	40.33	1.7	0.0	5.9
5	Rice ( Mansuli )	Kg.	24.00	24.08	24.75	21.07	21.00	21.00	2.8	0.0	17.9
6	Rice Coarse	Kg.	18.83	20.17	20.75	16.87	17.53	18.27	2.9	4.2	13.6
7	Beaten Rice	Kg.	23.50	25.08	25.25	21.07	23.67	23.33	0.7	-1.4	8.2
8	Wheat Flour ( Atta )	Kg.	20.75	23.17	23.08	18.07	18.53	18.67	-0.4	0.7	23.7
9	Wheat Flour ( Maida )	Kg.	23.25	25.25	26.00	20.00	21.47	21.60	3.0	0.6	20.4
<b>Pulses</b>											
10	Black Gram	Kg.	75.42	73.50	74.59	75.23	74.67	75.74	1.5	1.4	-1.5
11	Arahar	Kg.	56.75	65.92	66.25	51.87	60.60	62.67	0.5	3.4	5.7
12	Mung	Kg.	85.33	84.83	83.58	78.40	75.27	72.87	-1.5	-3.2	14.7
13	Musuro	Kg.	48.58	55.50	56.50	42.14	58.67	59.87	1.8	2.0	-5.6
14	Moog (Broken )	Kg.	85.75	85.34	86.00	65.33	77.27	74.73	0.8	-3.3	15.1
15	Chick Pea	Kg.	49.75	56.25	56.33	44.28	48.27	46.67	0.1	-3.3	20.7
<b>Vegetables</b>											
16	Red Potato	Kg.	15.33	16.34	20.09	13.20	13.60	14.67	23.0	7.8	36.9
17	White Potato	Kg.	14.25	14.58	18.75	12.67	11.87	13.60	28.6	14.6	37.9
18	Dry Onion	Kg.	14.42	17.83	24.75	11.33	13.00	20.80	38.8	60.0	19.0
19	Tomato	Kg.	30.50	26.17	28.25	35.73	26.13	37.45	8.0	43.3	-24.6
20	Cabbage	Kg.	16.17	17.92	24.00	24.27	25.60	25.60	33.9	0.0	-6.3
21	Cauli Flower	Kg.	38.00	31.34	43.33	60.27	64.00	56.10	38.3	-12.3	-22.8
<b>Fruits</b>											
22	Banana ( Harichhal )	Doz.	21.25	21.33	21.67	23.47	26.80	25.20	1.6	-6.0	-14.0
23	Apple (Chocolate )	Kg.	80.83	75.56	78.89	83.33	112.00	128.00	4.4	14.3	-38.4
24	Orange	Kg.	60.00	73.33	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.0	0.0	#DIV/0!
25	Sweet Orange	Kg.	55.00	43.00	43.33	48.00	44.27	46.13	0.8	4.2	-6.1
<b>Spices</b>											
26	Salt	Kg.	10.00	10.92	11.00	13.80	13.60	13.60	0.8	0.0	-19.1
27	Turmeric	250g	22.25	22.25	22.25	22.00	24.07	24.07	0.0	0.0	-7.6
28	Garlic	250g	19.33	19.25	18.25	14.27	14.14	14.74	-5.2	4.2	23.8
29	Ginger	250g	10.50	8.17	10.09	10.27	9.20	9.53	23.5	3.6	5.8
30	Cuminseed	Kg.	161.67	249.17	251.67	168.00	245.33	248.00	1.0	1.1	1.5
31	Dry Chilli	250g	30.17	28.75	29.25	25.20	25.73	25.87	1.7	0.5	13.1
32	Coriander	250g	17.84	17.75	17.50	14.93	15.53	16.60	-1.4	6.9	5.4
<b>Milk &amp; Milk Products</b>											
33	Dairy Milk	Lit.	25.00	25.83	27.42	25.20	26.40	26.40	6.1	0.0	3.8
34	Lactogen Refill Pack No.2	500g	227.50	237.42	236.59	212.00	228.00	228.80	-0.4	0.4	3.4
35	Horlicks	500g	165.50	177.50	177.50	175.60	178.40	178.40	0.0	0.0	-0.5
<b>Meat &amp; Fish</b>											
36	Mutton	Kg.	228.33	232.50	232.50	214.67	224.00	224.00	0.0	0.0	3.8
37	Chicken	Kg.	137.50	141.25	141.25	120.67	164.00	166.67	0.0	1.6	-15.3
38	Fish (Rahu)	Kg.	109.58	112.50	118.75	102.00	102.67	108.67	5.6	5.8	9.3
39	Egg	Piece	4.13	4.75	4.75	2.26	3.47	3.60	0.0	3.8	32.0
<b>Oil &amp; Ghee</b>											
40	Mustard Oil	Lit.	95.50	103.92	103.92	84.93	100.00	99.20	0.0	-0.8	4.8
41	Vegetable Ghee	Lit.	56.84	75.00	74.67	73.60	85.47	85.20	-0.4	-0.3	-12.4
42	Soyabean Oil	Lit.	71.92	83.34	81.75	74.80	89.87	89.87	-1.9	0.0	-9.0
43	Sunflower Oil	Lit.	92.25	96.78	96.78	110.22	117.33	117.33	0.0	0.0	-17.5
<b>Soap</b>											
44	Lundry Soap	Piece	9.00	9.64	9.97	8.60	8.80	8.80	3.5	0.0	13.3
45	Bath Soap (Lux)	Piece	17.00	17.00	17.00	20.80	22.00	22.00	0.0	0.0	-22.7
<b>Chemical Fertilizers</b>											
46	Urea	50Kg.	920.00	892.50	992.50	396.80	396.80	401.60	11.2	1.2	147.1
47	D.A.P.	50Kg.	1263.33	1331.25	1331.25	777.20	760.93	774.00	0.0	1.7	72.0
48	Potas	50Kg.	685.00	735.83	735.83	349.33	360.00	371.47	0.0	3.2	98.1
<b>Construction Materials</b>											
49	Cement (Indian)	50Kg.	406.67	456.56	462.22	313.60	362.27	369.60	1.2	2.0	25.1
50	Iron Rods (10 mm.)	Kg.	46.14	53.71	53.46	39.08	47.91	47.84	-0.5	-0.1	11.7
51	Corrugated Sheet (26 Gage)	Bundle	4785.00	5749.17	5749.17	5394.00	6196.00	6196.00	0.0	0.0	-7.2
52	Bricks (Big Size)	Thou.	3675.00	4133.33	4533.33	3253.33	3760.00	4100.00	9.7	9.0	10.6
53	Timber 3"x4"x12' (Sal Tree)	Cft.	1110.42	1122.92	1122.92	1271.92	1324.00	1324.00	0.0	0.0	-15.2
<b>Wages</b>											
54	Mason	Day	224.17	237.92	237.92	230.67	249.34	249.34	0.0	0.0	-4.6
55	Carpenter	Day	217.92	231.67	231.67	226.27	234.67	234.67	0.0	0.0	-1.3
56	Labourer (Male)	Day	116.67	123.33	130.42	132.00	141.33	144.00	5.7	1.9	-9.4
57	Labourer (Female)	Day	109.58	117.08	124.17	126.00	135.33	138.00	6.0	2.0	-10.0
<b>Petroleum Products</b>											
58	Kerosene (Open)	Lit.	47.71	47.25	47.25	44.80	43.87	43.87	0.0	0.0	7.7
59	Kerosene (Quota)	Lit.	0.00	#DIV/0!	#DIV/0!	17.80	17.60	17.61	0.0	0.1	0.0
60	Diesel	Lit.	52.39	52.39	52.39	56.86	53.45	53.44	0.0	0.0	-2.0
61	Petrol	Lit.	67.24	67.24	67.24	81.12	74.23	74.23	0.0	0.0	-9.4
62	L.P. Gas	Cylinder	900.00	900.00	900.00	484.58	494.72	494.72	0.0	0.0	81.9
<b>Other</b>											
63	Sugar	Kg.	37.47	29.50	29.67	33.73	25.20	25.20	0.6	0.0	17.7
64	Tea (Red Label)	250g	85.50	88.00	88.00	74.20	78.80	79.20	0.0	0.5	11.1
<b>Service Sector</b>											
65	Electricity Tariff	30 Ampiar	664.00	664.00	664.00	155.20	155.20	168.00	0.0	8.2	295.2
66	Telephone Tariff	Minimum	259.90	248.60	248.60	323.20	310.63	311.60	0.0	0.3	-20.2
67	Drinking Water Tariff	Minimum	50.00	50.00	50.00	80.00	80.00	88.00	0.0	10.0	-43.2
68	Postal Stamp (Registry)	Minimum	10.00	10.00	10.00	35.20	35.20	35.20	0.0	0.0	-71.6
69	Doctor Fee (Specialist)	Per Patient	210.42	210.42	210.42	218.00	208.00	208.00	0.0	0.0	1.2
70	Chest X-Ray	Per X-Ray	126.25	136.25	136.25	152.00	145.33	149.33	0.0	2.8	-8.8

\* Average Prices of Biratnagar, Birganj, Sidhharthanagar and Nepalganj.

\*\* Average Prices of Purnia, Mujaffarpur, Gorakhpur and Baharaich.

Table 4  
**Average Retail Prices of Selected Commodites in Border Market**  
Mid-June 2007

(Prices in NRs)

S.NO.	Discreption	Unit	Nepal*			India**			Percentage Change		
			Mid-Jun 06	Mid-May 07	Mid-Jun 07	Mid-Jun 06	Mid-May 07	Mid-Jun 07	3 Over 2	6 Over 5	3 Over 6
			1	2	3	4	5	6			
<b>Foodgrains</b>											
1	Paddy Coarse	Qtl.	1115.83	1211.67	1310.83	1046.00	1106.67	1203.33	8.2	8.7	8.9
2	Paddy Fine (Basmati)	Qtl.	2150.00	2100.00	2204.17	2045.34	1800.00	1933.33	5.0	7.4	14.0
3	Maize	Qtl.	1076.25	1256.67	1170.83	903.33	1164.00	1185.33	-6.8	1.8	-1.2
4	Rice Fine (Basmati)	Kg.	42.00	43.25	42.00	40.13	39.13	40.33	-2.9	3.1	4.1
5	Rice (Mansuli)	Kg.	23.92	24.42	24.08	21.20	20.34	21.00	-1.4	3.3	14.7
6	Rice Coarse	Kg.	19.25	19.59	20.17	17.07	16.60	17.53	3.0	5.6	15.0
7	Beaten Rice	Kg.	24.25	24.67	25.08	20.93	23.14	23.67	1.7	2.3	6.0
8	Wheat Flour (Atta)	Kg.	20.84	24.75	23.17	17.93	18.87	18.53	-6.4	-1.8	25.0
9	Wheat Flour (Maida)	Kg.	23.17	27.17	25.25	20.53	21.60	21.47	-7.1	-0.6	17.6
<b>Pulses</b>											
10	Black Gram	Kg.	70.83	75.83	73.50	72.53	79.33	74.67	-3.1	-5.9	-1.6
11	Arahar	Kg.	57.17	64.75	65.92	52.27	59.40	60.60	1.8	2.0	8.8
12	Mung	Kg.	84.83	86.59	84.83	81.34	74.73	75.27	-2.0	0.7	12.7
13	Musuro	Kg.	49.00	55.00	55.50	42.27	58.27	58.67	0.9	0.7	-5.4
14	Moog (Broken)	Kg.	83.67	85.34	85.34	69.33	77.80	77.27	0.0	-0.7	10.4
15	Chick Pea	Kg.	48.92	58.33	56.25	44.27	48.67	48.27	-3.6	-0.8	16.5
<b>Vegetables</b>											
16	Red Potato	Kg.	14.00	14.83	16.34	11.87	12.40	13.60	10.1	9.7	20.1
17	White Potato	Kg.	13.00	12.58	14.58	12.14	10.80	11.87	15.9	9.9	22.9
18	Dry Onion	Kg.	12.17	18.75	17.83	10.40	14.33	13.00	-4.9	-9.3	37.2
19	Tomato	Kg.	27.83	17.84	26.17	27.60	18.20	26.13	46.7	43.6	0.1
20	Cabbage	Kg.	16.75	9.67	17.92	20.67	17.60	25.60	85.3	45.5	-30.0
21	Cauli Flower	Kg.	39.50	34.34	31.34	63.87	35.20	64.00	-8.7	81.8	-51.0
<b>Fruits</b>											
22	Banana (Harichhal)	Doz.	19.50	20.58	21.33	25.87	23.33	26.80	3.6	14.9	-20.4
23	Apple (Chocolate)	Kg.	77.08	80.00	75.56	82.67	106.67	112.00	-5.6	5.0	-32.5
24	Orange	Kg.	65.56	67.50	73.33	64.00	60.62	0.00	0.0	0.0	0.0
25	Sweet Orange	Kg.	53.00	44.67	43.00	55.11	47.60	44.27	-3.7	-7.0	-2.9
<b>Spices</b>											
26	Salt	Kg.	10.00	10.92	10.92	13.80	13.40	13.60	0.0	1.5	-19.7
27	Turmeric	250g	22.25	22.34	22.25	22.13	23.80	24.07	-0.4	1.1	-7.6
28	Garlic	250g	15.92	16.67	19.25	15.47	13.27	14.14	15.5	6.5	36.2
29	Ginger	250g	10.75	7.25	8.17	10.40	8.00	9.20	12.6	15.0	-11.3
30	Cuminseed	Kg.	161.67	251.67	249.17	168.00	257.33	245.33	-1.0	-4.7	1.6
31	Dry Chillli	250g	28.75	30.00	28.75	24.80	26.53	25.73	-4.2	-3.0	11.7
32	Coriander	250g	18.00	17.83	17.75	15.07	15.80	15.53	-0.5	-1.7	14.3
<b>Milk &amp; Milk Products</b>											
33	Dairy Milk	Lit.	24.00	25.83	25.83	25.20	26.40	26.40	0.0	0.0	-2.1
34	Lactogen Refill Pack No.2	500g	227.50	234.58	237.42	212.00	216.80	228.00	1.2	5.2	4.1
35	Horlicks	500g	165.50	175.00	177.50	175.60	180.80	178.40	1.4	-1.3	-0.5
<b>Meat &amp; Fish</b>											
36	Mutton	Kg.	233.33	232.50	232.50	214.67	226.67	224.00	0.0	-1.2	3.8
37	Chicken	Kg.	130.83	140.00	141.25	120.67	162.67	164.00	0.9	0.8	-13.9
38	Fish (Rahu)	Kg.	109.58	107.50	112.50	102.00	106.00	102.67	4.7	-3.1	9.6
39	Egg	Piece	3.75	4.83	4.75	2.26	3.40	3.47	-1.7	2.0	37.0
<b>Oil &amp; Ghee</b>											
40	Mustard Oil	Lit.	96.17	103.50	103.92	84.93	100.40	100.00	0.4	-0.4	3.9
41	Vegetable Ghee	Lit.	58.50	70.25	75.00	74.40	84.27	85.47	6.8	1.4	-12.2
42	Soyabean Oil	Lit.	73.84	87.25	83.34	73.60	88.67	89.87	-4.5	1.4	-7.3
43	Sunflower Oil	Lit.	93.50	96.78	96.78	112.53	112.53	117.33	0.0	4.3	-17.5
<b>Soap</b>											
44	Laundry Soap	Piece	9.00	9.64	9.64	8.60	8.80	8.80	0.0	0.0	9.5
45	Bath Soap (Lux)	Piece	17.00	17.00	17.00	20.80	22.00	22.00	0.0	0.0	-22.7
<b>Chemical Fertilizers</b>											
46	Urea	50Kg.	883.75	892.50	892.50	394.80	396.00	396.80	0.0	0.2	124.9
47	D.A.P.	50Kg.	1261.25	1331.25	1331.25	754.00	758.93	760.93	0.0	0.3	74.9
48	Potas	50Kg.	683.33	735.83	735.83	349.33	358.80	360.00	0.0	0.3	104.4
<b>Construction Materials</b>											
49	Cement (Indian)	50Kg.	424.44	461.00	456.56	311.07	361.47	362.27	-1.0	0.2	26.0
50	Iron Rods (10 mm.)	Kg.	46.09	53.65	53.71	39.27	48.04	47.91	0.1	-0.3	12.1
51	Corrugated Sheet (26 Gage)	Bundle	4693.33	5749.17	5749.17	5354.00	6133.60	6196.00	0.0	1.0	-7.2
52	Bricks (Big Size)	Thou.	3700.00	4133.33	4133.33	3193.33	3513.33	3760.00	0.0	7.0	9.9
53	Timber 3"x4"x12' (Sal Tree)	Cft.	1106.25	1124.59	1122.92	1271.92	1324.00	1324.00	-0.1	0.0	-15.2
<b>Wages</b>											
54	Mason	Day	221.67	237.92	237.92	230.67	249.34	249.34	0.0	0.0	-4.6
55	Carpenter	Day	215.42	231.67	231.67	226.27	234.67	234.67	0.0	0.0	-1.3
56	Labourer (Male)	Day	114.17	122.50	123.33	130.00	141.33	141.33	0.7	0.0	-12.7
57	Labourer (Female)	Day	109.58	116.25	117.08	124.00	135.33	135.33	0.7	0.0	-13.5
<b>Petroleum Products</b>											
58	Kerosene (Open)	Lit.	47.71	47.58	47.25	46.40	43.87	43.87	-0.7	0.0	7.7
59	Kerosene (Quota)	Lit.	0.00	#DIV/0!	#DIV/0!	17.80	18.10	17.60	0.0	-2.8	0.0
60	Diesel	Lit.	52.39	52.39	52.39	56.01	53.46	53.45	0.0	0.0	-2.0
61	Petrol	Lit.	67.24	67.24	67.24	79.30	74.26	74.23	0.0	0.0	-9.4
62	L.P. Gas	Cylinder	900.00	900.00	900.00	484.58	480.72	494.72	0.0	2.9	81.9
<b>Other</b>											
63	Sugar	Kg.	37.84	30.25	29.50	33.73	24.80	25.20	-2.5	1.6	17.1
64	Tea (Red Label)	250g	85.50	88.00	88.00	74.00	75.60	78.80	0.0	4.2	11.7
<b>Service Sector</b>											
65	Electricity Tariff	30 Ampiar	664.00	664.00	664.00	155.20	155.20	155.20	0.0	0.0	327.8
66	Telephone Tariff	Minimum	259.90	248.60	248.60	323.20	310.63	310.63	0.0	0.0	-20.0
67	Drinking Water Tariff	Minimum	50.00	50.00	50.00	80.00	80.00	80.00	0.0	0.0	-37.5
68	Postal Stamp (Registry)	Minimum	10.00	10.00	10.00	35.20	35.20	35.20	0.0	0.0	-71.6
69	Doctor Fee (Specialist)	Per Patient	210.42	210.42	210.42	198.00	208.00	208.00	0.0	0.0	1.2
70	Chest X-Ray	Per X-Ray	126.25	136.25	136.25	152.00	145.33	145.33	0.0	0.0	-6.2

\* Average Prices of Biratnagar, Birganj, Sidhdharthanagar and Nepalganj.

\*\* Average Prices of Purnia, Mujaffarpur, Gorakhpur and Baharaich.



Table 4  
Average Retail Prices of Selected Commodities in Border Market  
Mid-May 2007

(Prices in NRs)

S.NO.	Discreption	Unit	Nepal*			India**			Percentage Change		
			Mid-May 06	Mid-Apr 07	Mid-May 07	Mid-May 06	Mid-Apr 07	Mid-May 07	3 Over 2	6 Over 5	3 Over 6
			1	2	3	4	5	6			
<b>Foodgrains</b>											
1	Paddy Coarse	Qtl.	1115.08	1185.83	1211.67	1013.33	1078.00	1106.67	2.2	2.7	9.5
2	Paddy Fine (Basmati )	Qtl.	2175.00	2100.00	2100.00	2044.00	1921.78	1800.00	0.0	-6.3	16.7
3	Maize	Qtl.	1097.50	1283.33	1256.67	950.00	1204.00	1164.00	-2.1	-3.3	8.0
4	Rice Fine ( Basmati )	Kg.	39.33	42.67	43.25	39.60	39.00	39.13	1.4	0.3	10.5
5	Rice ( Mansuli )	Kg.	24.25	24.33	24.42	21.34	20.00	20.34	0.3	1.7	20.1
6	Rice Coarse	Kg.	18.42	19.42	19.59	16.93	16.40	16.60	0.9	1.2	18.0
7	Beaten Rice	Kg.	23.75	24.25	24.67	20.13	22.47	23.14	1.7	3.0	6.6
8	Wheat Flour ( Atta )	Kg.	20.84	26.42	24.75	17.93	21.39	18.87	-6.3	-11.8	31.2
9	Wheat Flour ( Maida )	Kg.	23.00	28.17	27.17	20.67	23.27	21.60	-3.6	-7.2	25.8
<b>Pulses</b>											
10	Black Gram	Kg.	66.83	78.17	75.83	72.93	79.87	79.33	-3.0	-0.7	-4.4
11	Arahar	Kg.	57.25	61.84	64.75	52.13	56.27	59.40	4.7	5.6	9.0
12	Mung	Kg.	79.67	86.59	86.59	86.00	73.73	74.73	0.0	1.4	15.9
13	Musuro	Kg.	47.83	53.92	55.00	42.00	54.80	58.27	2.0	6.3	-5.6
14	Moog (Broken )	Kg.	68.75	84.42	85.34	69.87	76.67	77.80	1.1	1.5	9.7
15	Chick Pea	Kg.	42.42	60.75	58.33	40.27	49.47	48.67	-4.0	-1.6	19.9
<b>Vegetables</b>											
16	Red Potato	Kg.	13.00	12.58	14.83	10.80	10.00	12.40	17.9	24.0	19.6
17	White Potato	Kg.	12.67	10.58	12.58	11.07	9.20	10.80	18.9	17.4	16.5
18	Dry Onion	Kg.	11.17	21.08	18.75	10.53	16.27	14.33	-11.1	-11.9	30.8
19	Tomato	Kg.	10.08	13.92	17.84	13.33	16.93	18.20	28.2	7.5	-2.0
20	Cabbage	Kg.	10.33	8.50	9.67	12.67	11.73	17.60	13.7	50.0	-45.1
21	Cauli Flower	Kg.	21.50	18.00	34.34	35.02	19.20	35.20	90.8	83.3	-2.5
<b>Fruits</b>											
22	Banana ( Harichhal )	Doz.	19.92	19.42	20.58	23.60	26.53	23.33	6.0	-12.1	-11.8
23	Apple (Chocolate )	Kg.	72.50	71.11	80.00	75.60	106.67	106.67	12.5	0.0	-25.0
24	Orange	Kg.	43.89	47.22	67.50	48.94	50.54	60.62	0.0	0.0	11.3
25	Sweet Orange	Kg.	43.00	43.89	44.67	40.71	45.87	47.60	1.8	3.8	-6.2
<b>Spices</b>											
26	Salt	Kg.	10.00	10.92	10.92	13.80	13.40	13.40	0.0	0.0	-18.5
27	Turmeric	250g	22.09	22.42	22.34	21.87	22.80	23.80	-0.4	4.4	-6.2
28	Garlic	250g	15.33	16.17	16.67	11.27	14.00	13.27	3.1	-5.2	25.6
29	Ginger	250g	10.38	7.17	7.25	10.00	7.33	8.00	1.2	9.1	-9.4
30	Cuminseed	Kg.	158.33	238.34	251.67	164.00	229.33	257.33	5.6	12.2	-2.2
31	Dry Chilli	250g	25.50	31.25	30.00	21.73	27.27	26.53	-4.0	-2.7	13.1
32	Coriander	250g	15.67	18.17	17.83	12.67	15.60	15.80	-1.8	1.3	12.9
<b>Milk &amp; Milk Products</b>											
33	Dairy Milk	Lit.	24.00	25.83	25.83	25.20	26.40	26.40	0.0	0.0	-2.1
34	Lactogen Refill Pack No.2	500g	225.92	236.25	234.58	212.00	216.80	216.80	-0.7	0.0	8.2
35	Horlicks	500g	165.50	174.25	175.00	175.60	180.80	180.80	0.4	0.0	-3.2
<b>Meat &amp; Fish</b>											
36	Mutton	Kg.	232.50	237.50	232.50	210.67	222.67	226.67	-2.1	1.8	2.6
37	Chicken	Kg.	110.83	136.25	140.00	102.67	158.27	162.67	2.8	2.8	-13.9
38	Fish (Rahu)	Kg.	107.92	106.25	107.50	100.67	102.00	106.00	1.2	3.9	1.4
39	Egg	Piece	3.70	4.74	4.83	2.38	3.44	3.40	2.1	-1.2	42.1
<b>Oil &amp; Ghee</b>											
40	Mustard Oil	Lit.	96.33	104.92	103.50	83.87	96.14	100.40	-1.3	4.4	3.1
41	Vegetable Ghee	Lit.	57.33	70.25	70.25	74.08	84.27	84.27	0.0	0.0	-16.6
42	Soyabean Oil	Lit.	71.67	89.92	87.25	73.60	88.27	88.67	-3.0	0.5	-1.6
43	Sunflower Oil	Lit.	92.17	96.78	96.78	112.36	115.73	112.53	0.0	-2.8	-14.0
<b>Soap</b>											
44	Laundry Soap	Piece	9.00	9.64	9.64	8.60	8.80	8.80	0.0	0.0	9.5
45	Bath Soap (Lux)	Piece	17.00	17.00	17.00	20.80	22.00	22.00	0.0	0.0	-22.7
<b>Chemical Fertilizers</b>											
46	Urea	50Kg.	778.33	892.50	892.50	388.40	395.20	396.00	0.0	0.2	125.4
47	D.A.P.	50Kg.	1223.75	1323.75	1331.25	750.00	756.93	758.93	0.6	0.3	75.4
48	Potas	50Kg.	683.33	719.17	735.83	349.33	360.40	358.80	2.3	-0.4	105.1
<b>Construction Materials</b>											
49	Cement (Indian)	50Kg.	435.56	456.00	461.00	321.20	362.27	361.47	1.1	-0.2	27.5
50	Iron Rods (10 mm.)	Kg.	44.86	52.67	53.65	41.93	45.60	48.04	1.9	5.4	11.7
51	Corrugated Sheet (26 Gage)	Bundle	4555.00	5749.17	5749.17	5195.60	6315.60	6133.60	0.0	-2.9	-6.3
52	Bricks (Big Size)	Thou.	3625.00	4108.33	4133.33	3153.33	3513.33	3513.33	0.6	0.0	17.6
53	Timber 3"x4"x12' (Sal Tree)	Cft.	1104.17	1122.92	1124.59	1238.67	1304.00	1324.00	0.1	1.5	-15.1
<b>Wages</b>											
54	Mason	Day	214.17	237.92	237.92	230.67	249.34	249.34	0.0	0.0	-4.6
55	Carpenter	Day	207.92	231.67	231.67	226.27	234.67	234.67	0.0	0.0	-1.3
56	Labourer (Male)	Day	105.83	122.50	122.50	124.00	141.33	141.33	0.0	0.0	-13.3
57	Labourer (Female)	Day	99.17	116.25	116.25	118.00	135.33	135.33	0.0	0.0	-14.1
<b>Petroleum Products</b>											
58	Kerosene (Open)	Lit.	47.71	47.58	47.58	46.40	43.87	43.87	0.0	0.0	8.5
59	Kerosene (Quota)	Lit.	0.00	#DIV/0!	#DIV/0!	17.80	17.74	18.10	0.0	2.0	0.0
60	Diesel	Lit.	52.64	52.39	52.39	53.84	53.46	53.46	0.0	0.0	-2.0
61	Petrol	Lit.	67.24	67.24	67.24	75.01	74.36	74.26	0.0	-0.1	-9.5
62	L.P. Gas	Cylinder	900.00	900.00	900.00	484.58	480.72	480.72	0.0	0.0	87.2
<b>Other</b>											
63	Sugar	Kg.	38.17	31.00	30.25	34.67	27.13	24.80	-2.4	-8.6	22.0
64	Tea (Red Label)	250g	83.00	88.00	88.00	74.00	75.60	75.60	0.0	0.0	16.4
<b>Service Sector</b>											
65	Electricity Tariff	30 Ampiar	664.00	664.00	664.00	155.20	155.20	155.20	0.0	0.0	327.8
66	Telephone Tariff	Minimum	259.90	248.60	248.60	323.20	310.64	310.63	0.0	0.0	-20.0
67	Drinking Water Tariff	Minimum	50.00	50.00	50.00	80.00	80.00	80.00	0.0	0.0	-37.5
68	Postal Stamp (Registry)	Minimum	10.00	10.00	10.00	35.20	35.20	35.20	0.0	0.0	-71.6
69	Doctor Fee (Specialist)	Per Patient	210.42	210.42	210.42	198.00	208.00	208.00	0.0	0.0	1.2
70	Chest X-Ray	Per X-Ray	120.00	136.25	136.25	148.00	145.33	145.33	0.0	0.0	-6.2

\* Average Prices of Biratnagar, Birganj, Sidharthanagar and Nepalganj.

\*\* Average Prices of Purnia, Mujaffarpur, Gorakhpur and Baharaich.

Table - 5.1  
**Weekly Average Retail Prices of Some Essential Commodities**  
**Kathmandu**  
**Mid - July 2007**

(Prices in Rupees)

S. No.	Name	Unit	June.21	June.29	July.06	July.15	Percentage Change		
			Asad 07	Asad 15	Asad 22	Asad 31	Column 2	Column 3	Column 4
			1	2	3	4	Over 1	Over 2	Over 3
<b>Foodgrains</b>									
1	Rice Fine(Pokhreli)	Kg.	37.33	37.33	37.33	37.33	0.00	0.0	0.0
2	Rice Mansuli(Terai )	Kg.	23.33	23.33	23.33	23.33	0.00	0.0	0.0
3	Rice Mansuli (Trishuli )	Kg.	29.33	29.33	29.33	29.33	0.00	0.0	0.0
4	Beaten Rice (Tikan)	Kg.	54.00	54.00	54.00	54.00	0.00	0.0	0.0
5	Wheat Flour (Atta)	Kg.	25.00	25.00	25.00	25.00	0.00	0.0	0.0
6	Bread	Pound	18.00	18.00	18.00	18.00	0.00	0.0	0.0
<b>Pulses</b>									
7	Black Gram	Kg.	88.33	88.33	88.33	88.33	0.00	0.0	0.0
8	Mung	Kg.	85.00	88.33	88.33	88.33	3.92	0.0	0.0
9	Musuro	Kg.	66.67	66.67	68.33	68.33	0.00	2.5	0.0
10	Chick Pea	Kg.	78.33	78.33	78.33	76.67	0.00	0.0	-2.1
<b>Vegetables</b>									
11	Cabbage	Kg.	12.00	16.00	19.33	20.00	33.33	20.8	3.5
12	Tomato	Kg.	20.00	14.67	16.67	25.67	-26.65	13.6	54.0
13	Beans Green	Kg.	38.33	38.33	30.00	26.00	0.00	-21.7	-13.3
14	Red Potato	Kg.	21.33	21.33	22.00	23.33	0.00	3.1	6.0
15	White Potato	Kg.	18.00	18.00	18.00	19.33	0.00	0.0	7.4
16	Dried Onion	Kg.	24.00	26.00	28.00	28.00	8.33	7.7	0.0
<b>Fruits</b>									
17	Apple	Kg.	71.67	73.33	73.33	75.00	2.32	0.0	2.3
18	Banana (Harichhal)	Doz.	33.33	33.33	33.33	33.33	0.00	0.0	0.0
<b>Spices</b>									
19	Salt	Kg.	11.00	11.00	11.00	11.00	0.00	0.0	0.0
20	Cuminseed	200g.	51.33	51.33	51.33	51.33	0.00	0.0	0.0
21	Turmeric	200g.	20.00	19.33	19.33	19.33	-3.35	0.0	0.0
22	Garlic	200g.	13.33	12.67	12.00	12.00	-4.95	-5.3	0.0
<b>Milk &amp; Milk Products</b>									
23	Dairy Milk	500 ml.	14.00	14.00	15.00	15.00	0.00	7.1	0.0
24	Lactogen	500g	255.00	263.33	263.33	263.33	3.27	0.0	0.0
<b>Oil and Ghee</b>									
25	Mustard Oil	Lit.	110.00	110.00	110.00	110.00	0.00	0.0	0.0
26	Soybean Oil	Lit.	83.00	82.00	81.33	80.67	-1.20	-0.8	-0.8
27	Vegetable Ghee	Lit.	75.00	75.00	75.00	75.00	0.00	0.0	0.0
<b>Meat &amp; Fish</b>									
28	Mutton	Kg.	320.00	320.00	320.00	320.00	0.00	0.0	0.0
29	Fish( Rahu )	Kg.	121.67	121.67	118.33	118.33	0.00	-2.7	0.0
<b>Soap</b>									
30	Bath Soap	100g.	17.00	17.00	17.00	17.00	0.00	0.0	0.0
31	Lundry Soap	200g.	10.91	10.91	10.91	10.91	0.00	0.0	0.0
<b>Construction Materials</b>									
32	Cement (Nepali -Everest )	50Kg.	520.00	520.00	520.00	520.00	0.00	0.0	0.0
33	Cement ( Indian - Buland )	50Kg.	540.00	540.00	540.00	540.00	0.00	0.0	0.0
34	Iron Rods ( Himal )	Kg.	56.00	56.00	56.56	56.56	0.00	1.0	0.0
35	Corrugated Sheets ( Hulas )	Bundle	5789.00	5789.00	5789.00	5789.00	0.00	0.0	0.0
36	Bricks (Big Size)	Thou.	3600.00	3600.00	3600.00	3600.00	0.00	0.0	0.0
37	Timber 3"x4"x12'(Sal Tree )	C.F.	1300.00	1300.00	1300.00	1300.00	0.00	0.0	0.0
<b>Others</b>									
38	Sugar	Kg.	32.67	32.67	32.67	32.67	0.00	0.0	0.0
39	Tea	200g.	40.00	40.00	40.00	40.00	0.00	0.0	0.0
40	Kerosene ( Open market )	Lit.	48.00	48.00	48.00	48.00	0.00	0.0	0.0

Table -5.1

**Weekly Average Retail Prices of Some Essential Commodities**Kathmandu  
Mid - June 2007

(Prices in Rupees)

S. No.	Name	Unit	May.21	May.29	June.05	June.13	Percentage Change	
			Jestha 7	Jestha 15	Jestha 22	Jestha30	Column 3	Column 4
			1	2	3	4	Over 2	Over 3
<b>Foodgrains</b>								
1	Rice Fine(Pokhrel)	Kg.	37.33	37.33	37.33	37.33	0.0	0.0
2	Rice Mansuli(Terai )	Kg.	23.33	23.33	23.33	23.33	0.0	0.0
3	Rice Mansuli (Trishuli )	Kg.	29.33	29.33	29.33	29.33	0.0	0.0
4	Beaten Rice (Tikan)	Kg.	54.00	54.00	54.00	54.00	0.0	0.0
5	Wheat Flour (Atta)	Kg.	25.00	25.00	25.00	25.00	0.0	0.0
6	Bread	Pound	18.00	18.00	18.00	18.00	0.0	0.0
<b>Pulses</b>								
7	Black Gram	Kg.	88.33	90.00	88.33	88.33	-1.9	0.0
8	Mung	Kg.	88.33	86.67	85.00	85.00	-1.9	0.0
9	Musuro	Kg.	63.33	65.00	66.67	66.67	2.6	0.0
10	Chick Pea	Kg.	78.33	78.33	78.33	78.33	0.0	0.0
<b>Vegetables</b>								
11	Cabbage	Kg.	8.67	8.00	10.67	10.67	33.4	0.0
12	Tomato	Kg.	28.33	25.00	23.33	23.33	-6.7	0.0
13	Beans Green	Kg.	20.00	19.33	21.67	23.33	12.1	7.7
14	Red Potato	Kg.	20.00	20.67	21.33	21.33	3.2	0.0
15	White Potato	Kg.	16.67	18.00	18.00	18.00	0.0	0.0
16	Dried Onion	Kg.	20.00	18.67	20.00	20.00	7.1	0.0
<b>Fruits</b>								
17	Apple	Kg.	71.67	71.67	71.67	71.67	0.0	0.0
18	Banana (Harichhal)	Doz.	28.33	28.33	26.67	30.00	-5.9	12.5
<b>Spices</b>								
19	Salt	Kg.	11.00	11.00	11.00	11.00	0.0	0.0
20	Cuminseed	200g.	55.00	54.00	54.00	53.00	0.0	-1.9
21	Turmeric	200g.	23.33	23.33	23.33	23.33	0.0	0.0
22	Garlic	200g.	15.67	15.33	15.33	15.33	0.0	0.0
<b>Milk &amp; Milk Products</b>								
23	Dairy Milk	500 ml.	13.00	13.00	13.00	13.00	0.0	0.0
24	Lactogen	500g	255.00	255.00	255.00	255.00	0.0	0.0
<b>Oil and Ghee</b>								
25	Mustard Oil	Lit.	110.00	110.00	110.00	110.00	0.0	0.0
26	Soybean Oil	Lit.	88.67	85.00	83.33	82.33	-2.0	-1.2
27	Vegetable Ghee	Lit.	72.00	74.00	74.00	74.00	0.0	0.0
<b>Meat &amp; Fish</b>								
28	Mutton	Kg.	320.00	320.00	320.00	320.00	0.0	0.0
29	Fish( Rahu )	Kg.	130.00	130.00	130.00	130.00	0.0	0.0
<b>Soap</b>								
30	Bath Soap	100g.	17.00	17.00	17.00	17.00	0.0	0.0
31	Lundry Soap	200g.	10.91	10.91	10.91	10.91	0.0	0.0
<b>Construction Materials</b>								
32	Cement (Nepali -Everest )	50Kg.	505.00	505.00	505.00	520.00	0.0	3.0
33	Cement ( Indian - Buland )	50Kg.	530.00	530.00	530.00	530.00	0.0	0.0
34	Iron Rods ( Himal )	Kg.	56.00	56.00	56.00	56.00	0.0	0.0
35	Corrugated Sheets ( Hulas )	Bundle	5789.00	5789.00	5789.00	5789.00	0.0	0.0
36	Bricks (Big Size)	Thou.	3600.00	3600.00	3600.00	3600.00	0.0	0.0
37	Timber 3"x4"x12'(Sal Tree )	C.F.	1300.00	1300.00	1300.00	1300.00	0.0	0.0
<b>Others</b>								
38	Sugar	Kg.	35.00	35.00	34.67	32.67	-0.9	-5.8
39	Tea	200g.	40.00	40.00	40.00	40.00	0.0	0.0
40	Kerosene ( Open market )	Lit.	48.00	48.00	48.00	48.00	0.0	0.0

Table -5.1

## Weekly Average Retail Prices of Some Essential Commodities

Kathmandu  
Mid - May 2007

(Prices in Rupees)

S. No.	Name	Unit	April.20	April.29	May.06	May.14	Percentage Change	
			Baisakh 7	Baisakh16	Baisakh23	Baisakh31	Column 3	Column 4
			1	2	3	4	Over 2	Over 3
<b>Foodgrains</b>								
1	Rice Fine(Pokhrel)	Kg.	37.33	37.33	37.33	37.33	0.0	0.0
2	Rice Mansuli(Terai )	Kg.	23.33	23.33	23.33	23.33	0.0	0.0
3	Rice Mansuli (Trishuli )	Kg.	29.33	29.00	29.00	29.00	0.0	0.0
4	Beaten Rice (Tikan)	Kg.	54.00	54.00	54.00	54.00	0.0	0.0
5	Wheat Flour (Atta)	Kg.	28.00	28.00	25.00	25.00	-10.7	0.0
6	Bread	Pound	18.00	18.00	18.00	18.00	0.0	0.0
<b>Pulses</b>								
7	Black Gram	Kg.	86.67	85.00	85.00	85.00	0.0	0.0
8	Mung	Kg.	86.67	86.67	86.67	86.67	0.0	0.0
9	Musuro	Kg.	61.67	61.67	63.33	63.33	2.7	0.0
10	Chick Pea	Kg.	78.33	78.33	76.67	76.67	-2.1	0.0
<b>Vegetables</b>								
11	Cabbage	Kg.	8.67	8.67	8.67	10.00	0.0	15.3
12	Tomato	Kg.	24.00	35.00	25.00	25.00	-28.6	0.0
13	Beans Green	Kg.	26.67	33.33	25.00	25.00	-25.0	0.0
14	Red Potato	Kg.	15.00	14.00	14.00	16.00	0.0	14.3
15	White Potato	Kg.	12.00	12.00	12.00	14.00	0.0	16.7
16	Dried Onion	Kg.	20.00	20.00	20.00	20.00	0.0	0.0
<b>Fruits</b>								
17	Apple	Kg.	56.67	63.33	68.33	70.00	7.9	2.4
18	Banana (Harichhal)	Doz.	30.00	30.00	35.00	35.00	16.7	0.0
<b>Spices</b>								
19	Salt	Kg.	11.00	11.00	11.00	11.00	0.0	0.0
20	Cuminseed	200g.	55.00	55.00	53.00	51.33	-3.6	-3.2
21	Turmeric	200g.	22.67	22.67	20.00	20.00	-11.8	0.0
22	Garlic	200g.	15.00	14.67	15.00	15.00	2.2	0.0
<b>Milk &amp; Milk Products</b>								
23	Dairy Milk	500 ml.	13.00	13.00	13.00	13.00	0.0	0.0
24	Lactogen	500g	250.00	250.00	250.00	250.00	0.0	0.0
<b>Oil and Ghee</b>								
25	Mustard Oil	Lit.	110.00	110.00	110.00	110.00	0.0	0.0
26	Soybean Oil	Lit.	89.33	89.33	88.67	88.67	-0.7	0.0
27	Vegetable Ghee	Lit.	70.00	70.00	72.00	73.00	2.9	1.4
<b>Meat &amp; Fish</b>								
28	Mutton	Kg.	320.00	320.00	320.00	320.00	0.0	0.0
29	Fish( Rahu )	Kg.	120.00	120.00	130.00	130.00	8.3	0.0
<b>Soap</b>								
30	Bath Soap	100g.	17.00	17.00	17.00	17.00	0.0	0.0
31	Lundry Soap	200g.	10.91	10.91	10.91	10.91	0.0	0.0
<b>Construction Materials</b>								
32	Cement (Nepali -Everest )	50Kg.	505.00	505.00	505.00	505.00	0.0	0.0
33	Cement ( Indian - Buland )	50Kg.	530.00	530.00	530.00	530.00	0.0	0.0
34	Iron Rods ( Himal )	Kg.	54.41	54.41	56.00	56.00	2.9	0.0
35	Corrugated Sheets ( Hulas )	Bundle	5663.00	5663.00	5789.00	5789.00	2.2	0.0
36	Bricks (Big Size)	Thou.	3600.00	3600.00	3600.00	3600.00	0.0	0.0
37	Timber 3"x4"x12'(Sal Tree )	C.F.	1300.00	1300.00	1300.00	1300.00	0.0	0.0
<b>Others</b>								
38	Sugar	Kg.	35.00	35.00	35.00	35.00	0.0	0.0
39	Tea	200g.	40.00	40.00	40.00	40.00	0.0	0.0
40	Kerosene ( Open market )	Lit.	48.00	48.00	48.00	48.00	0.0	0.0

Table - 5.2  
**Weekly Average Retail Prices of Some Essential Commodities**  
**Terai\***  
**Mid - July 2007**

(Prices in Rupees)

S.No.	Name	Unit	June.21	June.29	July.06	July.15	Percentage Change		
			Asad 07	Asad 15	Asad 22	Asad 31	Column 2	Column 3	Column 4
			1	2	3	4	Over 1	Over 2	Over 3
<b>Foodgrains</b>									
1	Rice Fine (Basmati)	Kg.	42.29	42.29	42.71	42.46	0.00	1.0	-0.6
2	Rice Mansuli	Kg.	24.75	24.92	24.75	25.00	0.67	-0.7	1.0
3	Beaten Rice	Kg.	25.09	25.34	25.25	25.25	1.00	-0.3	0.0
4	Wheat Flour (Atta)	Kg.	23.25	23.25	23.08	22.83	0.00	-0.7	-1.1
5	Local Bread	Pound	19.17	19.17	19.17	19.17	0.00	0.0	0.0
<b>Pulses</b>									
6	Black Gram	Kg.	73.83	73.75	73.34	73.33	-0.11	-0.6	0.0
7	Arahar	Kg.	65.50	66.17	65.92	66.50	1.02	-0.4	0.9
8	Musuro	Kg.	55.42	56.50	56.50	57.00	1.95	0.0	0.9
9	Chick Pea	Kg.	61.00	61.00	60.58	60.58	0.00	-0.7	0.0
<b>Vegetables</b>									
10	Cabbage	Kg.	18.50	19.92	19.50	24.00	7.66	-2.1	23.1
11	Local Tomato	Kg.	22.58	21.92	24.08	28.25	-2.94	9.9	17.3
12	Green Beans	Kg.	43.89	42.00	42.56	35.56	-4.30	1.3	-16.4
13	Red Potato	Kg.	18.50	19.75	20.09	20.67	6.76	1.7	2.9
14	White Potato	Kg.	16.17	18.08	18.75	18.83	11.84	3.7	0.4
15	Dried Onion	Kg.	21.17	23.25	23.75	26.00	9.85	2.2	9.5
<b>Fruits</b>									
16	Apple (Delicious)	Kg.	79.45	85.00	90.00	106.67	6.99	5.9	18.5
17	Banana (Harichhal)	Doz.	20.92	20.67	21.67	21.67	-1.20	4.8	0.0
<b>Spices</b>									
18	Salt	Kg.	11.00	11.00	11.00	11.00	0.00	0.0	0.0
19	Turmeric	250g.	22.25	22.25	22.25	22.25	0.00	0.0	0.0
20	Cuminseed	250g.	64.00	64.00	64.00	64.00	0.00	0.0	0.0
21	Dry Chilli	250g.	29.25	29.25	29.25	29.25	0.00	0.0	0.0
<b>Milk and Milk Products</b>									
22	Dairy Milk (500 ml.)	Pound	13.00	13.00	14.13	14.13	0.00	8.7	0.0
23	Lactogen Refill Pack NO.2	500g	239.09	239.09	239.09	239.09	0.00	0.0	0.0
<b>Oil and Ghee</b>									
24	Mustard Oil	Lit.	102.22	102.44	102.44	103.44	0.22	0.0	1.0
25	Soybean Oil	Lit.	82.09	81.75	81.75	81.25	-0.41	0.0	-0.6
26	Vegetable Ghee	Lit.	75.83	74.67	74.67	74.50	-1.54	0.0	-0.2
<b>Meat and Fish</b>									
27	Mutton	Kg.	232.50	232.50	232.50	237.50	0.00	0.0	2.2
28	Fish( Rahu )	Kg.	118.75	118.75	118.75	118.75	0.00	0.0	0.0
<b>Soap</b>									
29	Bath Soap	100g.	17.00	17.00	17.00	17.00	0.00	0.0	0.0
30	Lundry Soap	200g.	10.23	10.23	10.23	10.23	0.00	0.0	0.0
<b>Construction Materials</b>									
31	Cement ( Nepali )	50Kg.	425.42	425.42	426.25	442.50	0.00	0.2	3.8
32	Cement ( Indian )	50Kg.	461.67	461.67	465.42	481.67	0.00	0.8	3.5
33	Iron Rods	Kg.	53.71	53.71	53.32	53.54	0.00	-0.7	0.4
34	Corrugated Sheets	Bundle	5732.50	5732.50	5732.50	5732.50	0.00	0.0	0.0
35	Bricks (Big Size)	Thou.	4375.00	4375.00	4525.00	4625.00	0.00	3.4	2.2
36	Timber 3"x4"x12' ( Sal Tree)	C.F..	1122.92	1122.92	1122.92	1122.92	0.00	0.0	0.0
<b>Others</b>									
37	Sugar	Kg.	29.17	29.17	29.50	29.50	0.00	1.1	0.0
38	Tea Dust (Nepali)	100g.	20.88	20.88	20.88	20.88	0.00	0.0	0.0
39	Kerosene( open market )	Lit.	47.25	47.25	47.25	47.25	0.00	0.0	0.0

\*Average Prices of Biratnagar, Birgunj, Sidhharthanagar and Nepalgunj.

Table - 5.2  
**Weekly Average Retail Prices of Some Essential Commodities**  
**Terai\***  
**Mid - June 2007**

(Prices in Rupees)

S.No.	Name	Unit	May.21	May.29	June.05	June.13	Percentage Change	
			Jestha 7	Jestha 15	Jestha 22	Jestha30	Column 3	Column 4
			1	2	3	4	Over 2	Over 3
<b>Foodgrains</b>								
1	Rice Fine (Basmati)	Kg.	32.00	32.00	32.00	32.00	0.0	0.0
2	Rice Mansuli	Kg.	22.00	22.00	22.00	22.00	0.0	0.0
3	Beaten Rice	Kg.	24.67	24.67	24.67	24.67	0.0	0.0
4	Wheat Flour (Atta)	Kg.	21.67	21.67	21.67	21.67	0.0	0.0
5	Local Bread	Pound	21.00	21.00	21.00	21.00	0.0	0.0
<b>Pulses</b>								
6	Black Gram	Kg.	72.67	68.67	60.67	60.67	-11.6	0.0
7	Arahar	Kg.	63.33	63.33	63.33	63.33	0.0	0.0
8	Musuro	Kg.	57.33	57.33	57.33	57.33	0.0	0.0
9	Chick Pea	Kg.	61.33	61.33	61.33	58.67	0.0	-4.3
<b>Vegetables</b>								
10	Cabbage	Kg.	6.00	10.33	15.00	15.00	45.2	0.0
11	Local Tomato	Kg.	20.67	20.67	20.67	15.67	0.0	-24.2
12	Green Beans	Kg.	0.00	0.00	0.00	0.00	0.00	0.00
13	Red Potato	Kg.	14.67	14.67	14.67	16.33	0.0	11.3
14	White Potato	Kg.	12.33	12.33	12.33	14.33	0.0	16.2
15	Dried Onion	Kg.	12.00	15.33	15.33	20.00	0.0	30.5
<b>Fruits</b>								
16	Apple (Delicious)	Kg.	68.33	68.33	0.00	0.00	0.00	0.00
17	Banana (Harichhal)	Doz.	16.33	16.33	16.33	16.33	0.0	0.0
<b>Spices</b>								
18	Salt	Kg.	11.00	11.00	11.00	11.00	0.0	0.0
19	Turmeric	250g.	24.67	24.67	24.67	24.67	0.0	0.0
20	Cuminseed	250g.	60.00	60.00	60.00	60.00	0.0	0.0
21	Dry Chilli	250g.	30.00	30.00	30.00	30.00	0.0	0.0
<b>Milk and Milk Products</b>								
22	Dairy Milk (500 ml.)	Pound	13.00	13.00	13.00	13.00	0.0	0.0
23	Lactogen Refill Pack NO.2	500g	230.00	230.00	235.00	235.00	2.2	0.0
<b>Oil and Ghee</b>								
24	Mustard Oil	Lit.	96.00	96.00	96.00	96.00	0.0	0.0
25	Soybean Oil	Lit.	86.00	86.00	80.00	80.00	-7.0	0.0
26	Vegetable Ghee	Lit.	70.00	70.00	70.00	80.00	0.0	14.3
<b>Meat and Fish</b>								
27	Mutton	Kg.	240.00	240.00	240.00	240.00	0.0	0.0
28	Fish( Rahu )	Kg.	106.67	106.67	106.67	106.67	0.0	0.0
<b>Soap</b>								
29	Bath Soap	100g.	17.00	17.00	17.00	17.00	0.0	0.0
30	Lundry Soap	200g.	10.91	10.91	10.91	10.91	0.0	0.0
<b>Construction Materials</b>								
31	Cement ( Nepali )	50Kg.	465.00	465.00	456.00	445.00	-1.9	-2.4
32	Cement ( Indian )	50Kg.	475.00	475.00	465.00	465.00	-2.1	0.0
33	Iron Rods	Kg.	53.17	53.17	53.17	53.17	0.0	0.0
34	Corrugated Sheets	Bundle	5016.67	5016.67	5016.67	5016.67	0.0	0.0
35	Bricks (Big Size)	Thou.	4900.00	4900.00	4900.00	4900.00	0.0	0.0
36	Timber 3"x4"x12' ( Sal Tree)	C.F..	1200.00	1200.00	1200.00	1200.00	0.0	0.0
<b>Others</b>								
37	Sugar	Kg.	30.00	28.67	28.67	28.00	0.0	-2.3
38	Tea Dust (Nepali)	100g.	20.00	20.00	20.00	20.00	0.0	0.0
39	Kerosene( open market )	Lit.	47.50	47.50	47.50	47.50	0.0	0.0

\*Average Prices of Biratnagar, Birgunj, Sidhharthanagar and Nepalgunj.

Table - 5.2  
**Weekly Average Retail Prices of Some Essential Commodities**

Terai\*  
Mid - May 2007

(Prices in Rupees)

S.No.	Name	Unit	April.20	April.29	May.06	May.14	Percentage Change	
			Baisakh 7	Baisakh16	Baisakh23	Baisakh31	Column 3	Column 4
			1	2	3	4	Over 2	Over 3
<b>Foodgrains</b>								
1	Rice Fine (Basmati)	Kg.	43.33	42.08	42.00	42.00	-0.2	0.0
2	Rice Mansuli	Kg.	25.17	23.67	23.92	24.00	1.1	0.4
3	Beaten Rice	Kg.	24.08	24.58	24.67	24.92	0.3	1.0
4	Wheat Flour (Atta)	Kg.	24.33	24.33	24.17	24.17	-0.7	0.0
5	Local Bread	Pound	19.00	19.00	19.08	19.08	0.4	0.0
<b>Pulses</b>								
6	Black Gram	Kg.	77.50	76.33	75.92	75.92	-0.5	0.0
7	Arahar	Kg.	61.75	62.34	63.00	63.75	1.1	1.2
8	Musuro	Kg.	54.00	55.00	54.83	54.83	-0.3	0.0
9	Chick Pea	Kg.	61.58	62.25	62.33	61.50	0.1	-1.3
<b>Vegetables</b>								
10	Cabbage	Kg.	10.08	9.67	10.25	9.92	6.0	-3.3
11	Local Tomato	Kg.	18.50	20.17	19.33	21.09	-4.1	9.1
12	Green Beans	Kg.	38.67	49.44	38.33	39.67	-22.5	3.5
13	Red Potato	Kg.	13.08	13.42	13.92	15.50	3.7	11.4
14	White Potato	Kg.	11.58	12.42	12.92	13.84	4.0	7.1
15	Dried Onion	Kg.	17.58	18.58	18.08	17.00	-2.7	-6.0
<b>Fruits</b>								
16	Apple (Delicious)	Kg.	78.33	80.83	81.67	79.59	1.0	-2.5
17	Banana (Harichhal)	Doz.	20.08	19.08	19.25	20.67	0.9	7.4
<b>Spices</b>								
18	Salt	Kg.	11.00	11.00	11.00	11.00	0.0	0.0
19	Turmeric	250g.	22.25	22.25	22.25	22.25	0.0	0.0
20	Cuminseed	250g.	60.00	62.50	63.58	64.34	1.7	1.2
21	Dry Chilli	250g.	31.25	31.25	31.25	30.00	0.0	-4.0
<b>Milk and Milk Products</b>								
22	Dairy Milk (500 ml.)	Pound	13.00	13.00	13.00	13.00	0.0	0.0
23	Lactogen Refill Pack NO.2	500g	236.59	236.59	236.59	237.84	0.0	0.5
<b>Oil and Ghee</b>								
24	Mustard Oil	Lit.	104.67	102.33	102.33	102.44	0.0	0.1
25	Soybean Oil	Lit.	89.17	89.33	88.25	86.83	-1.2	-1.6
26	Vegetable Ghee	Lit.	70.25	70.00	70.09	70.42	0.1	0.5
<b>Meat and Fish</b>								
27	Mutton	Kg.	232.50	232.50	232.50	232.50	0.0	0.0
28	Fish( Rahu )	Kg.	111.25	111.25	111.25	111.25	0.0	0.0
<b>Soap</b>								
29	Bath Soap	100g.	17.00	17.00	17.00	17.00	0.0	0.0
30	Laundry Soap	200g.	10.30	10.30	10.30	10.30	0.0	0.0
<b>Construction Materials</b>								
31	Cement ( Nepali )	50Kg.	438.33	436.25	432.50	430.67	-0.9	-0.4
32	Cement ( Indian )	50Kg.	464.00	464.00	462.89	458.56	-0.2	-0.9
33	Iron Rods	Kg.	53.09	53.48	53.63	53.71	0.3	0.2
34	Corrugated Sheets	Bundle	5667.50	5667.50	5732.50	5732.50	1.1	0.0
35	Bricks (Big Size)	Thou.	4133.33	4133.33	4133.33	4133.33	0.0	0.0
36	Timber 3"x4"x12' ( Sal Tree)	C.F..	1122.92	1122.92	1122.92	1122.92	0.0	0.0
<b>Others</b>								
37	Sugar	Kg.	31.00	31.00	30.75	30.25	-0.8	-1.6
38	Tea Dust (Nepali)	100g.	20.88	20.88	20.88	20.88	0.0	0.0
39	Kerosene( open market )	Lit.	47.58	47.58	47.58	47.58	0.0	0.0

\*Average Prices of Biratnagar, Birgunj, Sidhharthanagar and Nepalgunj.

Table - 6

**Average Wage Rates of Nepal**

(Rupees)

	2034/35	2035/36	1978/79	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	1985/86	1986/87	2043/44	2044/45	1988/89	2045/46	2046/47	2047/48	2048/49
	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92			
<b>CARPENTER</b>																		
1. SKILLED	16.60	17.45	19.75	22.03	25.06	29.27	32.00	35.80	42.40	49.71	55.54	61.72	66.61	77.96	92.00			
2. SEMI-SKILLED	14.40	15.17	17.45	19.53	21.62	25.40	28.37	31.77	35.50	40.63	45.54	52.85	56.71	68.71	80.21			
<b>MASON</b>																		
1. SKILLED	15.80	16.85	20.01	22.03	24.18	28.67	31.40	35.20	41.40	49.44	57.54	61.97	67.02	78.05	89.08			
2. SEMI-SKILLED	14.00	14.85	17.36	19.53	21.51	25.07	28.05	31.13	35.48	40.63	45.54	53.10	57.50	68.71	77.71			
<b>INDUSTRIAL LABOURERS</b>																		
1. HIGH-SKILLED	320.00	507.00	507.00	507.00	507.00	507.00	507.00	598.00	598.00	636.33	669.93	864.95	873.00	1141.00	1141.00			
2. SKILLED	257.40	293.74	306.04	325.78	342.94	371.74	392.26	438.10	452.08	484.93	523.53	683.73	690.00	958.00	958.00			
3. SEMI-SKILLED	173.00	299.00	299.00	299.00	299.00	299.00	299.00	365.00	365.00	403.33	439.23	577.23	582.00	850.00	850.00			
4. UN-SKILLED	198.00	216.76	214.84	232.36	247.96	270.46	271.00	310.70	324.92	363.33	403.23	528.40	532.00	800.00	800.00			
<b>AGRICULTURE LABOURERS</b>																		
1. MALE	7.50	8.17	8.75	10.25	11.60	13.22	14.87	16.10	18.27	20.80	24.49	28.60	30.93	35.69	40.26			
2. FEMALE	6.50	6.83	7.09	8.85	10.12	11.33	12.78	14.00	16.18	18.87	23.65	26.25	29.13	32.17	35.02			
<b>LABOURERS</b>																		
1. MALE	-	-	-	-	-	-	12.50	12.50	14.58	19.50	25.58	28.33	30.00	36.85	41.83			
2. FEMALE	-	-	-	-	-	-	-	-	-	20.00	24.33	25.50	27.50	34.10	37.86			
<b>CARPENTER</b>																		
1. SKILLED	107.33	116.33	124.75	134.42	142.17	146.17	159.75	195.00	205.33	214.00	223.94	234.06	234.06	247.53	266.50			
2. SEMI-SKILLED	91.08	97.83	106.00	113.58	116.17	120.67	138.34	153.00	157.67	168.33	178.31	184.50	184.50	190.67	175.00			
<b>MASON</b>																		
1. SKILLED	105.26	112.33	123.08	133.42	142.17	146.17	159.75	192.00	202.67	210.33	217.28	229.25	229.25	242.53	262.33			
2. SEMI-SKILLED	89.22	95.83	104.33	112.58	115.25	120.67	140.21	150.00	157.67	165.33	176.78	183.69	183.69	185.78	195.31			
<b>INDUSTRIAL LABOURERS</b>																		
1. HIGH-SKILLED	1355.99	1482.22	1527.22	1602.22	1692.22	1874.72	1950.55	3705.13	3739.13	3979.53	4159.60	4344.70	4344.70	5434.45	6012.84			
2. SKILLED	1154.96	1275.25	1333.92	1403.58	1486.92	1689.42	1745.25	2968.60	3000.60	3261.39	3433.73	3523.53	3523.53	4302.72	4895.07			
3. SEMI-SKILLED	1050.86	1153.42	1198.42	1273.42	1363.42	1545.92	1621.75	2359.00	2421.00	2567.59	2736.40	2899.73	2899.73	3689.06	4068.21			
4. UN-SKILLED	996.32	1091.95	1136.95	1211.95	1301.95	1489.75	1560.28	1865.47	1893.47	2056.27	2222.83	2385.82	2385.82	3083.67	3652.33			
<b>AGRICULTURE LABOURERS</b>																		
1. MALE	45.67	47.25	52.08	55.83	59.33	64.83	65.92	80.00	84.60	87.33	89.33	97.03	97.03	111.53	124.92			
2. FEMALE	37.71	40.17	44.08	47.54	51.63	59.83	60.92	56.60	61.67	66.00	70.32	80.86	80.86	91.17	99.80			
<b>LABOURERS</b>																		
1. MALE	46.42	53.42	59.08	62.42	68.50	73.67	79.75	91.00	98.33	104.00	106.86	109.00	109.00	120.94	132.39			
2. FEMALE	42.58	48.75	53.08	55.50	62.08	69.67	75.75	84.00	90.27	95.40	97.58	101.00	101.00	111.19	122.17			

Source : Nepal Rastra Bank