

Inflation Report

2022-23



Nepal Rastra Bank

Economic Research Department

Price Division

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FOREWORD

Inflation is an important macroeconomic indicator that provides insights into the overall health of an economy. Central banks worldwide rely extensively on inflation data for several reasons. These include determining the appropriate stance for monetary policy, assessing the impact and effectiveness of monetary policy decisions, identifying and mitigating economic risks, and building public trust and confidence, among others. Nepal Rastra Bank (NRB) has been computing and publishing inflation data based on the Consumer Price Index for over five decades.

Inflation is among the most closely monitored yet least understood indicators. Computing inflation involves a complex process that requires substantial resources and technical expertise. The purpose of the Inflation Report is to enhance public understanding of inflation computation by presenting its methodology. Additionally, the report offers a comprehensive assessment of inflation trends and their underlying drivers in Nepal for the fiscal year 2022-23, including insights from recent Inflation Expectations Survey and expected developments in inflation.

I would like to express my deepest appreciation to all those who contributed to completing this report. Special thanks are due to Director Dr. Rajan Krishna Panta and Deputy Director Mr. Rabindra Maharjan from the Price Division of the Economic Research Department for their leadership in drafting the report, along with significant contributions from Deputy Directors Ms. Abantika Rimal, Ms. Srijana Shrestha, Assistant Directors Ms. Sweeta Timilsina, Mr. Subash Poudel, Mr. Rohan Byanjankar and Mr. Ram Kumar Thapa, as well as Assistants Mr. Man Singh Tamang and Ms. Sony Adhikari. Additionally, I am grateful to Director Mr. Madhav Dangal, Deputy Directors Mr. Suman Neupane, and Mr. Sushil Poudel for their constructive suggestions on the draft report.

I sincerely hope that this report serves as a valuable and indispensable resource for policymakers, economists, businesses, and the general public.

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Executive Director
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Table of Contents

1.	Background	1
2.	Compilation of Price Statistics and Computation of Inflation	2
3.	Inflation Trend in Nepal	4
4.	Developments in Inflation in 2022-23	7
5.	Subgroup wise Inflation	9
5.1	Food and Beverage Inflation.....	9
5.1.1	Fruit and Vegetable Prices	9
5.1.2	Cereals, Pulses and Sugar Items Prices	10
5.1.3	Ghee oil and Spices Prices	11
5.1.4	Alcoholic, Non-alcoholic drinks, Tobacco and Restaurant Prices.....	12
5.1.5	Meat, Fish, Milk Products and Eggs Prices	12
5.2	Non-Food Inflation	13
5.2.1	Clothes, Housing, Furnishing and Health related Prices.....	13
5.2.2	Transportation and communication Prices.....	14
5.2.3	Recreation, Education and Miscellaneous Prices.....	16
6.	Inflation across Regions	16
7.	Decomposition of Inflation	18
8.	Inflation in India and Nepal	21
9.	Inflation Outlook	22
10.	Inflation Expectation	24
10.1	Observation on Inflation expectation of prices for three months ahead.	25
10.2	Observation on Inflation expectation of prices for One year ahead.	25
10.3	Observation on Mean and Median Inflation expectation.....	26
10.4	Graphical Presentation of Median Inflation perception and expectation rate.....	27

List of Table

Table 1: Number of Goods and Services in CPI Basket	3
Table 2: Area Covered by Current CPI.....	4
Table 3: Number of Goods and Services in CPI Basket	4
Table 4: Period Wise Average Inflation	5
Table 5: Summary Statistics of Annual Average Inflation in 2022-23	8
Table 6: Region wise average Inflation of last five years.....	17
Table 7: Decomposition of Annual Average Inflation	18
Table 8: Determinants of Nepalese Inflation	20
Table 9: Coverage of Inflation expectation Survey	24

List of Annex

Annex 1: Summary of Household Budget Surveys (HBS) in Nepal	29
Annex 2: Frequency of the price collection	29
Annex 3: Number of Goods and services and their weight under Food and Beverage	30
Annex 4: Number of Goods and Services and their weight under Non-food and services	30
Annex 5: National Consumer Price Index	31
Annex 6: National Consumer Price Index in 2022-23	33
Annex 7: Product-wise Expectations of Prices for Three Months ahead.....	35
Annex 8: Product-wise Expectations of Prices for One year ahead.....	38
Annex 9: Household Inflation Expectations - Current Perception, Three Months and One Year Ahead Expectations	41

List of Figures

Figure 1: Inflation trend in Nepal	5
Figure 2: Inflation trend during 1974-75 to 1989-90.....	5
Figure 3: Inflation trend during 1991-92 to 2005-06.....	6
Figure 4: Inflation trend during 2006-07 to 2022-23.....	7
Figure 5: Month wise Y-o-Y Inflation rate in 2022-23	8
Figure 6: Quarter wise Average Inflation Rate in 2022-23	8
Figure 7: Annual Inflation across subgroups of Food and Beverage group	9
Figure 8: Vegetables and Fruits Price indexes in 2022-23	10
Figure 9: Cereals, Pulses and Sugar Items Price Index in 2022-23	10
Figure 10: Ghee and Oil and Spices Price Index in 2022-23.....	11
Figure 11: Alcoholic, Non-Alcoholic, Tobacco and Restaurant Price Index in 2022-23.....	12
Figure 12: Meat, Fish, Milk Products and Eggs Price Index in 2022-23.....	12
Figure 13: Annual Inflation across subgroups of Non-food and Services Group.....	13
Figure 14: Clothes & footwear, Housing & Utilities, Furnishing &	13
Figure 15: Transportation and Communication Price Index in 2022-23	14
Figure 16: Price of Petroleum Products	15
Figure 17: Recreation, Education and Misc. Price Index in 2022-23.....	16
Figure 18: Inflation across Regions in 2022-23.....	17
Figure 19: Inflation across Regions for two fiscal years	17
Figure 20: Decomposition of Inflation in 2022-23	19
Figure 21: Inflation in India and Nepal in 2022-23 (Monthly).....	21
Figure 22: CPI Inflation in India and Nepal during Last Five Years.....	21
Figure 23: WPI in India and Nepal in 2022-23.....	21
Figure 24: Inflation Fan chart	23
Figure 25: Median Inflation Rate-Perception and Three Months Ahead Expectation	27
Figure 26: Median Inflation Rate-Perception and One Year Ahead Expectation	28

1. Background

Nepal Rastra Bank (NRB), as the central bank of Nepal, operates in accordance with the Nepal Rastra Bank Act, 2002. Among its primary objectives is the formulation of monetary and foreign exchange policies aimed at maintaining price stability and achieving sustainable balance of payments.

Inflation, a key macroeconomic indicator, refers to a sustained and significant rise in the average price of goods and services within an economy over a specified period (World Bank, 2019). Typically, it is quantified as the percentage change in Consumer Price Index (CPI), which reflects the price fluctuations of a representative basket of goods and services purchased by households. Price stability, on the other hand, is characterized by a situation where the overall price level, on average, neither increases nor decreases significantly over time (European Central Bank, 2007). This stability is vital for the economy as it preserves the value of money, allowing economic agents to smoothen consumption and investment with greater certainty. It also helps anchor inflation expectations and is essential for promoting financial stability, macroeconomic stability and overall economic growth of the nation. Therefore, the accurate and comprehensive measurement of inflation is crucial for the effective implementation of monetary policy.

The history of price collection in Nepal dates back to 1902, when “Gorkhapatra”, the oldest national daily newspaper, began gathering and publishing retail prices for a few commodities (Nepal Rastra Bank, 1981). NRB initiated systematic collection of prices for essential consumer goods since its establishment in 2013 B.S. (Nepal Rastra Bank, 2005). In 1973/74, based on the results of the first nationwide household budget survey, NRB started publishing a weighted price index. Since then, the compilation of price statistics and the computation of inflation have evolved significantly, aligning with international best practice.

This report outlines the current process of compiling price statistics and computing inflation by NRB. It includes an analysis of the factors contributing to inflation during the fiscal year 2022–23. The report also provides a brief comparison of inflation trends between Nepal and India, and presents an inflation outlook for the fiscal year 2023–24. Additionally, it incorporates the findings from the Inflation Expectation Survey conducted by NRB.

2. Compilation of Price Statistics and Computation of Inflation

Measuring inflation usually involves calculating the percentage change in Consumer Price Index (CPI), which reflects the average price of goods and services consumed by a typical household. However, compiling an accurate CPI that summarizes the average prices of diverse goods and services purchased by average citizens or households is a complex task. Numerous conceptual and practical challenges arise in this process. Key considerations include selecting a base year, determining which goods and services to include in the index basket, specifying item details and assigning appropriate weights, ensuring sufficient geographical coverage, selecting outlets for price collection, handling missing prices and seasonal items, and employing aggregation formulas for both lower/elementary and higher-level indices. Resource constraints also play a significant role in CPI computation. The methods and best practices for computing CPI have evolved over time in response to changes in the economy's structure, shifts in consumption patterns, and advancements in technology.

NRB has played an active role in collecting and disseminating price statistics since its inception. A more structured approach to computing aggregated price statistics began in 1973, when expenditure-based weights for selected goods and services were derived from the first household budget survey conducted in 1973/74 (Nepal Rastra Bank, 2007). Subsequent household budget surveys conducted every 10 years span have allowed NRB to update the price index, ensuring it reflects changes in household consumption patterns over time. Currently, NRB regularly computes and publishes price statistics based on the fiscal year 2014–15 as the base year, with weights derived from the fifth household budget survey. Detailed information about these household budget surveys can be found in Annex 1.

The computation of CPI involves two main steps. Firstly, elementary indices are calculated for each group of similar goods and services at the market-center level. Prices for these items are collected from three selected outlets in each designated market. These elementary indices are computed without explicit weights. Secondly, a geometric weighted average method is employed to aggregate these elementary indices into higher-level indices. Expenditure-based weights derived from the fifth household budget survey are used for this aggregation process. These weights reflect the relative importance of different categories of goods and services in household consumption patterns.

The current CPI, as computed, encompasses a comprehensive scope including a representative index basket and extensive geographical coverage to derive both national and territorial indices. The index basket consists of 496 goods and services categorized according to the Classification of Individual Consumption by Purpose (COICOP). This selection covers approximately 97 percent of total national household expenditure.

The COICOP classification used in the current CPI index basket provides a structured framework for compiling the overall index. It specifies the coverage of sub-categories within the index in detail. According to the COICOP classification, the 496 goods and services in the CPI basket are grouped into two main categories: Food and Beverage and Non-food and Services. The Food and Beverage group comprises 192 goods, accounting for 43.91 percent of the total weight. The Non-food and Services group includes 304 goods and services, making up the remaining 56.09 percent of the index (Table 1).

Table 1: Number of Goods and Services in CPI Basket

Frequency	Number of goods and services	Weight (In percentage)
Food and Beverage	192	43.91
Non-food and Services	304	56.09
Total	496	100

The food and beverage group is subdivided into 13 subgroups. Among these, the Cereal grains and their products subgroup carries the highest weight at 11.33 percent, while the Tobacco products subgroup has the lowest weight at 0.41 percent. Additionally, the Vegetable subgroup includes the highest number of commodities, totaling 40 goods, whereas the Ghee and Oil subgroup consists of the fewest commodities, totaling 5 goods. Further details regarding the subgroups under the food and beverage group, including the number of goods and services and their respective weights, can be found in Annex 3.

Likewise, within the non-food and service group, there are 9 subgroups. The housing and utilities subgroup carries the highest weight at 20.30 percent, while the recreation and culture subgroup has the lowest weight at 2.46 percent. Additionally, the clothes and footwear subgroup includes the highest number of commodities, totaling 75 goods, whereas the communication subgroup comprises the fewest commodities, totaling only 8 goods. More detailed information about the subgroups within the non-food and services group, including the number of goods and services and their respective weights can be found in Annex 4.

The prices of selected items are gathered from 60 market centers spread across 50 districts. These centers are aggregated into 4 territorial areas: Mountain, Hill, Terai and Kathmandu Valley. Separate territorial price indices are computed and published alongside the national price index. The distribution of market centers within these territories and their corresponding weight structures are detailed as follows:

Table 2: Area Covered by Current CPI

Regions	Number of Districts	Number of Market Centers	Weight (In percentage)
Kathmandu valley	3	6	28.97
Terai	19	23	43.99
Hills	25	26	24.77
Mountain	5	5	2.30
Total	50	60	100

The frequency of price data collection varies across the 496 goods and services in the CPI basket. This variation is determined by factors such as price volatility, observed patterns in price changes, the characteristics of goods and services in the index basket, and other relevant considerations. Specifically, out of these 496 goods and services, prices of 68 commodities are collected on a weekly basis, prices of 141 goods and services are collected monthly and prices of 287 goods and services are collected quarterly. Detailed information on the frequency of price collection can be found in Annex 2.

The assigned weight for goods and services collected on a weekly, monthly and quarterly basis are 19.72 percent, 31.02 percent and 49.26 percent respectively as indicated in Table 3.

Table 3: Number of Goods and Services in CPI Basket

Frequency	Number of goods and services	Weight (In percentage)
Weekly	68	19.72
Monthly	141	31.02
Quarterly	287	49.26
Total	496	100

3. Inflation Trend in Nepal

In the past 50 years, Nepal has recorded significant fluctuations in inflation. Initially, there were wide variations, followed by a sharp increase in the early 1990s and relatively stable movements until a sudden decline in the early 2000s. Despite stabilizing at higher levels after 2010 for a period, inflation has recently receded. On average, annual inflation over the last 50 years has been 8.32 percent.

The historical analysis of Nepal’s average inflation rate spans three distinct periods, marked by the onset of economic liberalization following the promulgation of the new constitution in 1990 and the Democracy movement of 2006. (Table 4).

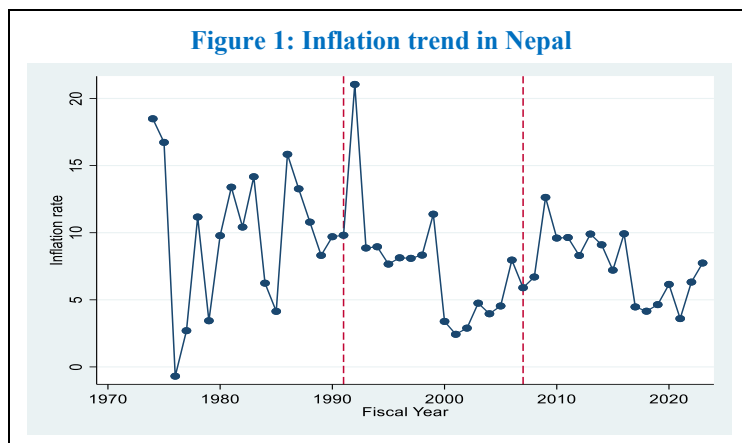
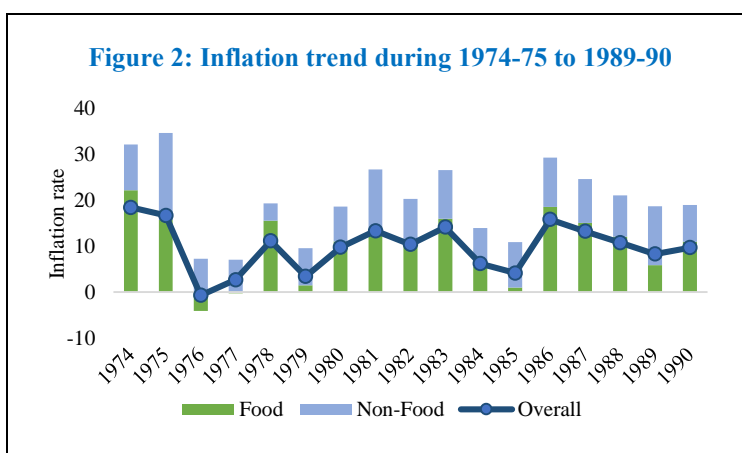


Table 4: Period Wise Average Inflation

Period	Overall Inflation	Food and Beverages Inflation	Non-Food and Services Inflation
1973-74 to 1989-90	9.88	10.09	9.69
1990-91 to 2005-06	7.64	7.48	7.76
2006-07 to 2022-23	7.41	8.60	6.39

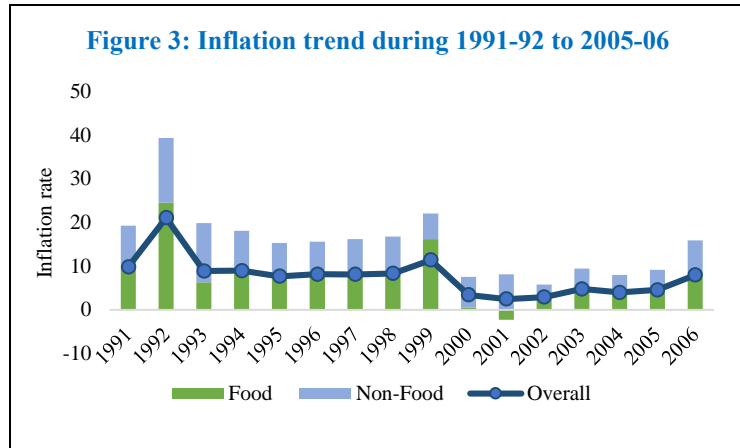
Between 1973-74 and 1989-90, the average annual inflation was 9.88%. Food and beverage inflation averaged 10.09%, while non-food and services inflation averaged 9.69%. Initially, double-digit inflation was observed, driven by increasing petroleum prices and monetary



expansion. However, a combination of factors such as favorable harvests, price controls in India, increased food grain production, and domestic monetary tightening led to a significant reduction in inflation, even reaching a negative rate of 0.6% in 1975-76. Double-digit inflation returned in 1977-78 at 11.17% attributed to decreased food grain production and a 4.3% devaluation of the Nepalese rupee against the Indian currency in April 1977. Similarly, the early years of the first half of 1980s saw a resurgence of double-digit inflation in Nepal, driven by several factors. These included the upward revision of petroleum prices in 1980, increases in fertilizer prices, high inflation in India, and an expansionary fiscal policy. Notably, three

fiscal years in the second half of 1980s also experienced double-digit inflation. This was primarily attributed to the devaluation of the Nepalese rupee against the US dollar, along with hikes in electricity tariffs and fertilizer prices.

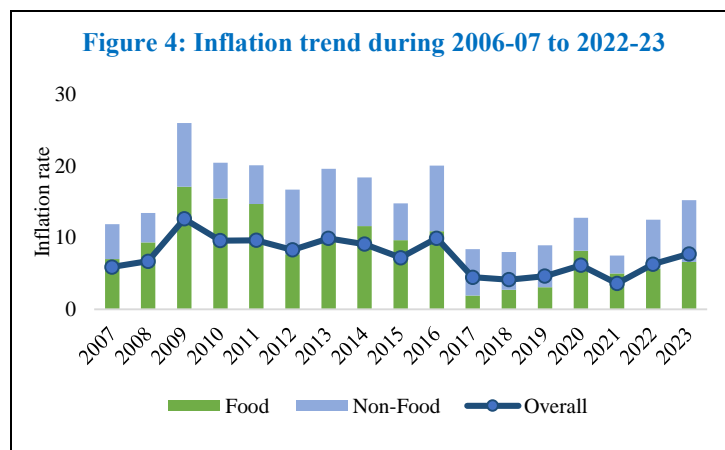
From 1990-91 to 2005-06, Nepal experienced a lower average annual inflation rate of 7.64 compared to the previous period. This included a 7.48 percent increase in food and beverage inflation and 7.76 percent increase in non-food and services inflation. However, the year 1991-92, there



was a significant spike with inflation reaching a record high of 21.05 percent. This surge was primarily attributed to two key factors, one of which was the devaluation of the Nepalese rupee against the US dollar and other convertible currencies following the implementation of the current account convertibility policy.

Another significant reason for the inflation surge during this period was market-based price adjustments. As part of economic liberalization efforts, the Nepal government implemented upward adjustments to administered prices of various goods and services, including milk, petroleum products, education fees, telephone charges and electricity. Following the initial spike in 1991-92, inflation mostly stabilized at around 8 percent for the remainder of the period until 1998-99, when high inflation resurfaced, surging to 11.38 percent. This resurgence was primarily driven by a sharp increase in food prices due to shortages in cereals, vegetables, pulses and spices. Additionally, monetary expansion in 1997-98 added to the inflationary pressures during this period.

Following the period of high inflation, Nepal experienced a remarkable phase of price stability. Over six consecutive fiscal years, inflation remained below 5 percent, reaching its lowest point in 2000-01 at 2.43 percent. This moderation in inflation was influenced by several factors, including favorable supply



conditions, stability in prices in India (a major trading partner), and favorable weather conditions that supported agricultural production domestically.

From 2006-07 to 2022-23, Nepal experienced an average annual inflation rate of 7.41 percent. This comprised 8.60 percent for food and beverage inflation and 6.39 percent for non-food and services inflation. Despite this, the period witnessed several notable spikes in inflation. The highest rate, 12.63 percent, occurred in 2008-09. The surge was primarily driven by supply-side factors such as power cuts, strikes, labor issues and suspected cartel activities. Another notable peak occurred in 2015-16, with inflation rate at 9.93 percent. This increase was attributed to a combination of factors including political turmoil, the devastating earthquake of April 25, 2015, and supply side constraints. During this period, five fiscal years experienced double-digit inflation in food and beverages, while only one fiscal year saw double-digit-growth in non-food and services inflation. There was no instances of negative inflation recorded throughout this period.

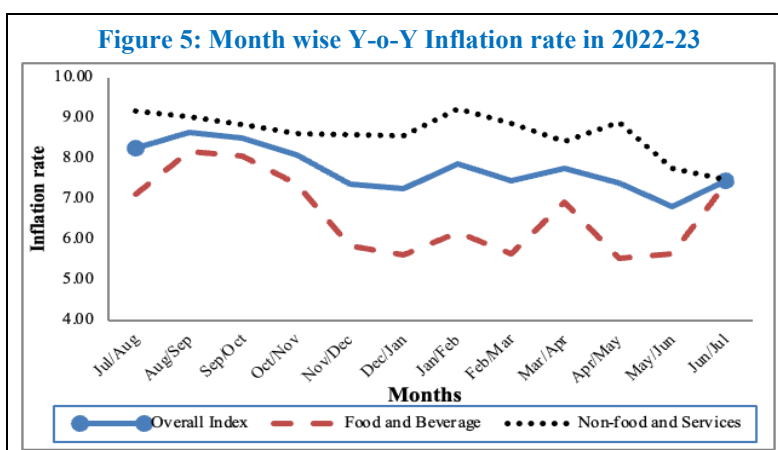
4. Developments in Inflation in 2022-23

In 2022-23, Nepal recorded relatively high inflation, continuing a rising trend that began in the last quarter of 2021-22. The annual average inflation rate was 7.74 percent, slightly above the annual targeted threshold of 7 percent. Food and beverages inflation averaged 6.62 percent annually, while non-food and services inflation stood higher at 8.62 percent. Throughout the year, non-food inflation consistently remained higher compared to food and beverages inflation. However, food and beverages inflation exhibited greater volatility than non-food and services inflation during this period.

Table 5: Summary Statistics of Annual Average Inflation in 2022-23

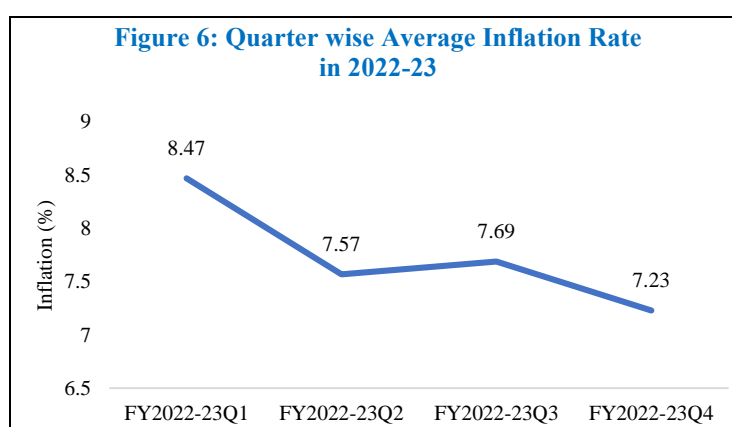
Headings	Average	Min	Max	Std dev	Skewness	Kurtosis
Overall National Index	7.74	6.83	8.64	0.55	0.24	-0.72
Food and Beverages	6.62	5.54	8.17	0.99	0.32	-1.54
Non-food and Services	8.62	7.48	9.22	0.53	-1.20	0.96

In 2022-23, Nepal experienced varying monthly inflation rates. The second month saw the highest inflation at 8.64 percent, which then decreased to a low of 6.83 percent by the eleventh month. Food and beverage inflation peaked at



8.17 percent in the second month and reached its lowest point at 5.54 percent in the tenth month, while non-food and services inflation rose to 9.22 percent in the seventh month and dropped to 7.48 percent in the twelfth month. By the end of the fiscal year, overall inflation, food and beverage inflation, and non-food inflation converged around 7.4 percent, influenced by a decline in non-food inflation and an increase in food inflation towards the year's conclusion.

Quarterly, the average inflation rate in 2022-23 followed a descending trend. It started at 8.47 percent in the first quarter, decreased to 7.57 percent in the second quarter, saw a slight increase to 7.69 percent in the third quarter, and then declined again to

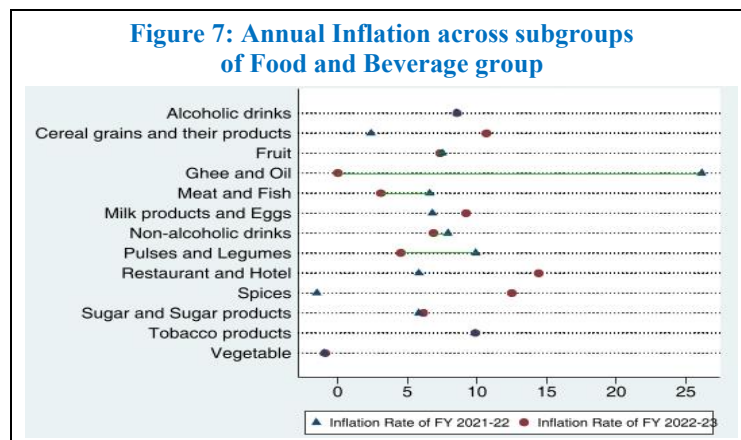


7.23 percent in the fourth quarter of the fiscal year.

5. Subgroup wise Inflation

5.1 Food and Beverage Inflation

In 2022-23, the annual average growth rate of price index showed an upward trend across 12 out of 13 subgroups. The only subgroup that experienced a slight decline was vegetable subgroup, which decreased by 0.9 percent on average for the year



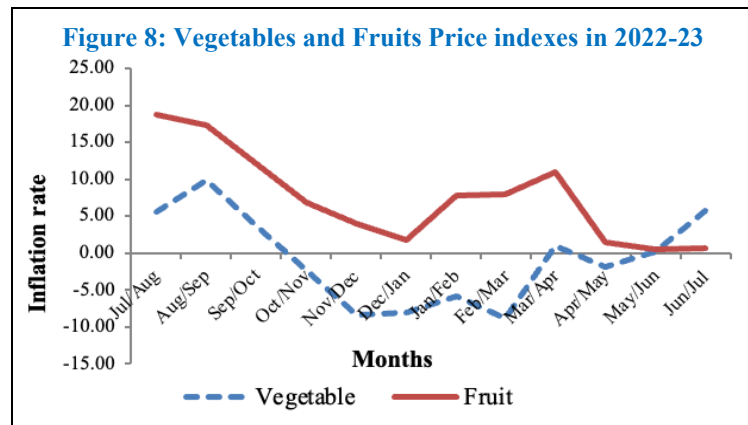
Comparing the annual average growth rate of price indexes across subgroups for the past two fiscal years shows notable trends. In 2022-23, subgroups such as Spices, Restaurant and Hotels and Cereal grains and their products exhibited a significant acceleration compared to 2021-22. Conversely, subgroups including Ghee and oil, Meat and Fish, Pulses and Legumes, Non-alcoholic drinks and Fruit experienced a decelerated in their annual average growth rates in 2022-23 compared to the previous fiscal year.

5.1.1 Fruit and Vegetable Prices

During the first quarter of 2022-23, the price index of Fruit category experienced double-digit growth, driven mainly by rising prices of bananas, apples, and mangoes. This upward momentum moderated in the second quarter as prices of apples, oranges, sweet lime and grapes stabilized. A slight uptick was observed in the third quarter, but by the final quarter, there was relative price stability, with the growth rate of the subgroup hovering around 1 percent. This stability was attributed to declining prices of mangoes, guava, peach, pear, litchi, sugarcane among others.

Similarly, the price index of vegetable subgroup in the first quarter of fiscal year 2022-23 surged, driven by increasing prices of potatoes, tomatoes, broccoli and cucumbers.

However, this subgroup experienced a downward trend in the second and third quarters due to declining prices of onions, cauliflower, pointed gourd, brinjal, tomatoes, bitter gourd, and cabbage, among others. Towards the end of the fiscal year, there

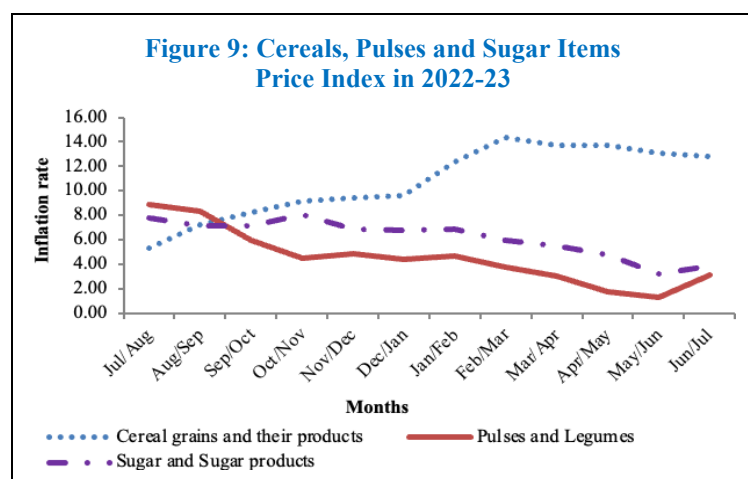


was a slight upward adjustment in the vegetables price index, attributed to rising prices of potatoes, cauliflower among others. In the context of fiscal policies, the government’s annual federal budget for 2023-24 introduced a 13 percent VAT on imported vegetables such as onions, potatoes, garlic, peas, and frozen green leafy vegetables. Consequently, prices of certain vegetables like dry onions saw a spike in the last month of 2022-23.

5.1.2 Cereals, Pulses and Sugar Items Prices

The price index for cereal grains and their products subgroup showed a consistent upward trend throughout the fiscal year 2022-23. Particularly noteworthy was the subgroup’s double-digit growth during both the third and fourth quarters of the fiscal year. This upward trend was driven primarily by increases in prices of rice, *aataa*, *maida*, cakes, *pauroti*, doughnut, noodles, biscuits and similar products. The annual average growth rate of this subgroup for 2022-23 stood at 10.7 percent.

The price index for the Pulses and Legumes subgroup showed a declining trend throughout 2022-23. While the initial quarter saw a growth of 7.71 percent, subsequent quarters experienced a gradual deceleration. This trend was primarily due to the moderation in prices of cereals

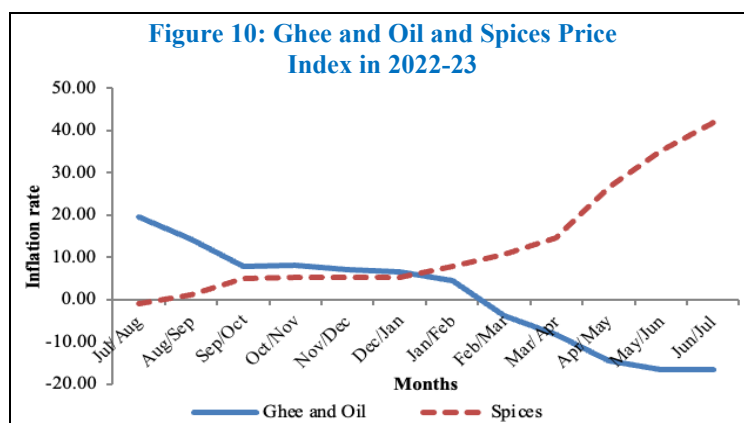


and legumes such as *chana dal*, *mung dal* and *chana (chickpeas)*.

The price index for sugar and sugar products exhibited a downward trend throughout 2022-23. This subgroup consistently followed a trajectory of decreasing prices, attributed to moderate growth in prices of items such as sugar, *mishri (rock sugar)*, *Bheli (jiggery)*, and honey. The annual average growth rate for the sugar and sugar products subgroup remained at 6.2 percent for the fiscal year.

5.1.3 Ghee oil and Spices Prices

The Ghee and Oil subgroup showed a mixed trajectory throughout the fiscal year 2022-23. It began with a significant surge, experiencing y-o-y growth exceeding 10 percent in the initial two months. However, this momentum gradually moderated



starting from the third month onwards. Notably, the index displayed negative growth by the eighth month, a trend that persisted for the final two quarters of the fiscal year. The smooth supply of edible oil in the international market, coupled with government concessions on customs tariff for imports of crude soybean oil, palm oil and sunflower oil introduced in September 2022, played an important role in decelerating edible oil prices in the domestic market. Additionally, actions such as Indonesia lifting its ban on edible oil exports in 2022 provided relief to the global market. The annual average growth rate for this subgroup remained at 0.03 percent, the lowest among all subgroups.

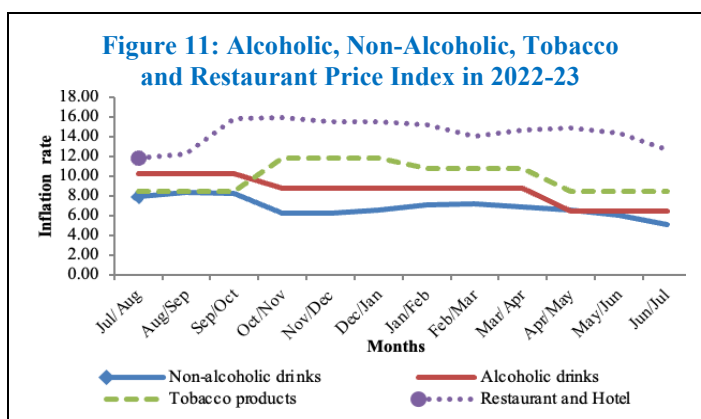
The price index for the spices subgroup saw moderate growth in the first two quarters of fiscal year 2022-23, but experienced double-digit growth in the last two quarters. This subgroup became a focal point of inflation in the final quarter, recording a significant growth rate of 34.6 percent. The main drivers were the steep increases in prices of cumin seeds and dry ginger. Additionally, higher prices of turmeric, chili powder, dry garlic, *marich (black pepper)* and meat *masala* also contributed to the rising price index of the spices subgroup. Accelerated demand and limited supply played significant roles in driving up spice prices in the international market, including India.

5.1.4 Alcoholic, Non-alcoholic drinks, Tobacco and Restaurant Prices

The y-o-y price index for the alcoholic drinks subgroup showed a declining trend throughout 2022-23. However, there was a temporary uptick in the initial quarter due to increased taxation imposed by the budget on alcoholic products such as gin, rum, whisky, and vodka. Despite this temporary increase, the average annual growth rate of this subgroup remained at 8.6 percent for the fiscal year.

The subgroup of non-alcoholic drinks also depicted a downward trend in 2022-23. The annual average growth rate for this subgroup was recorded at 6.9 percent for the fiscal year.

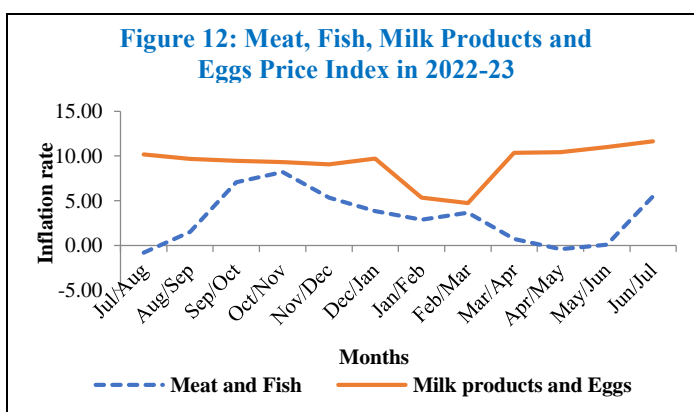
The y-o-y price index for tobacco products exhibited an upward trajectory during the second and the third quarters of 2021-22, driven by increases in prices of *Khaini*, *gutka*, and *supari*. The annual average growth rate of tobacco products subgroup was 9.9 percent.



The Restaurant and Hotel subgroup showed a double-digit growth rate throughout the fiscal year, with an annual average growth of 14.4 percent. This growth was fueled by price increases in items such as *momo*, *chowmein*, *samosa*, *chiya (tea)* and *tarkari*.

5.1.5 Meat, Fish, Milk Products and Eggs Prices

Meat and fish subgroup related price index exhibited a fluctuating growth pattern throughout 2022-23. Negative growth was observed in the first and tenth months, while the highest growth rate of 8.2 percent was recorded in the fourth month. The annual average growth rate of this



subgroup remained at 3.1 percent. In contrast, Milk products and eggs subgroup showed significant growth throughout the fiscal year, with exception of the seventh and eighth months.

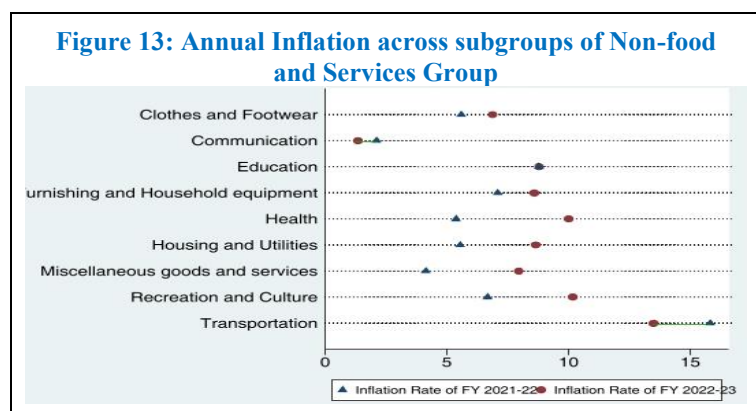
The annual average growth rate of this subgroup remained at 9.2 percent primarily driven by an increase in milk and milk product prices.

5.2 Non-Food Inflation

Under non-food group, in fiscal year 2022-23, the annual average growth rate of the price index showed an upward trend for 7 out of 9 subgroups.

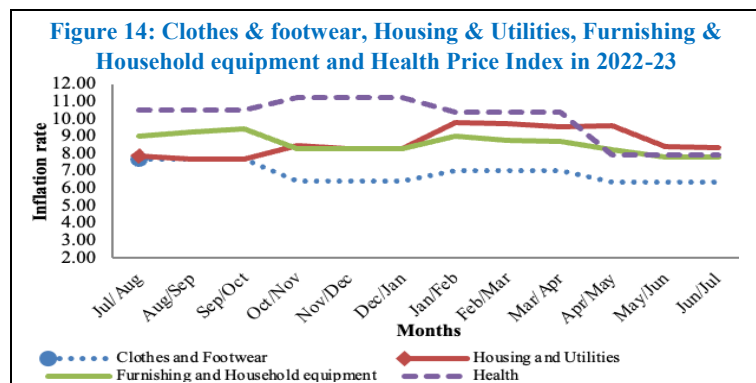
Comparing the annual average growth rates of price indices across subgroups for the past two fiscal years reveals notable trends. In 2022-23, subgroups such as health, housing and utilities, recreation and culture, and miscellaneous goods and services exhibited an acceleration

compared to 2021-22. However, during 2022-23, the annual average growth rate of subgroups like transportation and communication decelerated compared to the previous fiscal year.



5.2.1 Clothes, Housing, Furnishing and Health related Prices

The y-o-y price index for clothes and footwear remained relatively stable throughout fiscal year 2022-23, with an annual average rate of change of 6.9 percent.



The y-o-y price index of the housing and utility subgroup

remained relatively stable in the first two quarters of fiscal year 2022-23 but increased in the third quarter. This elevation was primarily driven by higher prices of LPG, kerosene, house rent, and fees for garbage collection.

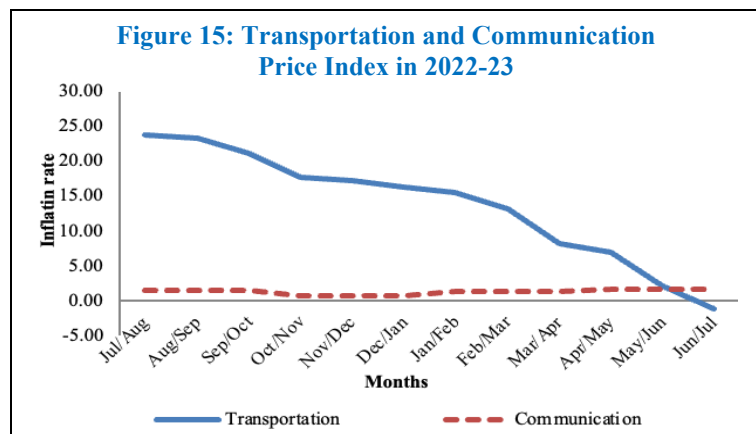
The annual average rate of change in the price index for this subgroup was 8.7 percent for the fiscal year.

Comparatively, the subgroup of furnishing and household equipment related price index showed a stable trend in fiscal year 2022-23. The annual average change in price index of this subgroup remained at 8.6 percent for the fiscal year.

In case of health subgroup price index, the first three quarters observed a double-digit growth rate. However, the price index of this subgroup moderated during the last quarter, and the average annual growth in the price index remained at 10 percent. The increase in prices of services such as doctors' and dentists' consultation fees, blood test fees, operation fees, and bed charges contributed to the surge in the health-related price index.

5.2.2 Transportation and communication Prices

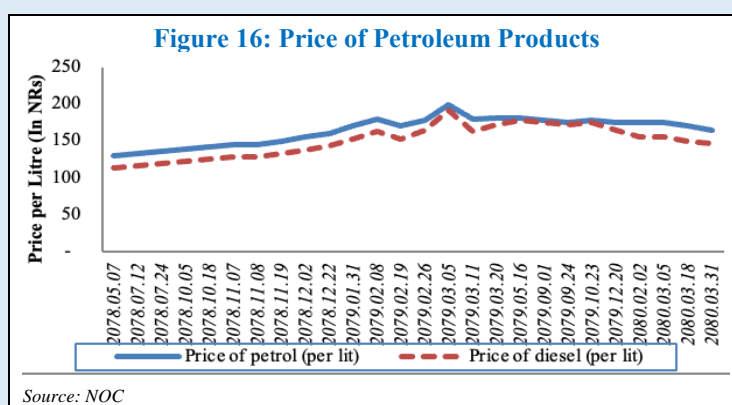
The price level of the transportation subgroup registered double-digit growth during the first three quarters of fiscal year 2022-23. A sharp increase in prices of petroleum products such as petrol, diesel, and kerosene, along with rising



transportation fares, contributed to the high transportation prices. The transportation-related index surged by 22.8 percent in the first quarter of the fiscal year. However, with subsequent moderation in the prices of petroleum products, the annual average growth rate of transportation index remained at 13.5 percent for the fiscal year.

Box 1: Price of Petroleum Products

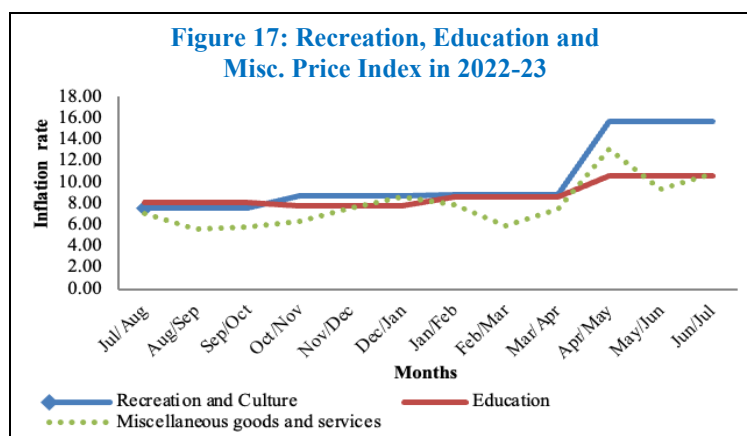
Unlike previous years of consistent increases, Nepal experienced a notable moderation in petroleum prices during the fiscal year 2022/23. In 2021/22, there was significant rise in the prices of petrol, diesel, kerosene and LPG, petrol increasing by 41%, and diesel and kerosene by 55%. LPG prices also rose by 26% during that period. However, in 2022/23, there was a decrease in the prices of petrol by 9%, diesel and kerosene by 15% each, and LPG 1%. This decrease contributed to a moderation in transportation costs across Nepal.



On the other hand, inflation in the communication inflation remained stable throughout 2022-23. This subgroup witnessed an average annual inflation of only 1.4 percent. While the prices of mobile sets increased, there was moderation in post-paid and pre-paid related phone call charges during the fiscal year 2022-23.

5.2.3 Recreation, Education and Miscellaneous Prices

The y-o-y price index related to recreation and culture remained stable during the first three quarters of the fiscal year 2022-23. However, inflation of this subgroup surged to double digits in the last quarter. The main contributors to this increase were the rising prices of text books and



exercise books, which are classified under this subgroup according to the Classification of Individual Consumption according to Purpose (COICOP).

The price index of education remained stable during the first three quarters of fiscal year 2022-23 but registered double-digit growth during the last quarter. This increase was attributed to hikes in admission fees and monthly fees charged by schools and colleges.

Similarly, y-o-y price index of miscellaneous goods and services remained stable during the first three quarters of fiscal year 2022-23 but elevated in the final quarter of the fiscal year. This increase was primarily due to hikes in the prices of gold and silver, among other items.

6. Inflation across Regions

Over the past five fiscal years, Nepal has maintained overall inflation at single-digit, averaging 5.69 percent. However, there have been regional variations, with the Terai region experiencing slightly higher inflation at 5.73 percent compared to the Mountain region's 5.18 percent. Both Kathmandu and the Hill regions recorded an average inflation rate of 5.68 percent over this period.

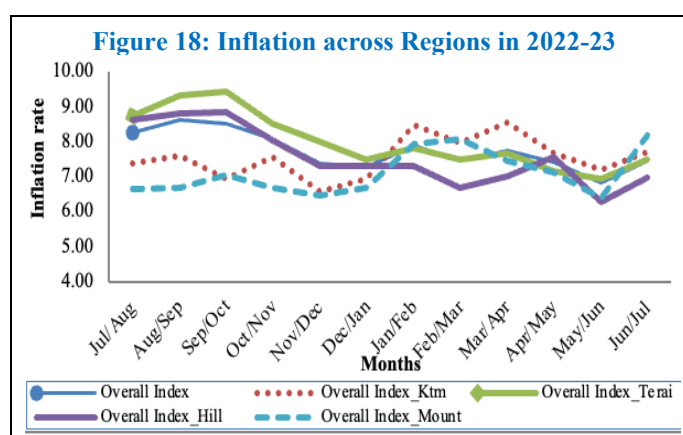
Food and beverage inflation followed a consistent pattern across different regions of Nepal. The national average stood at 5.71 percent, with the Hill and Terai regions slightly surpassing it at 5.85 percent and 5.75 percent, respectively. In contrast, Kathmandu and the Mountain regions experienced lower inflation rates in this category, with rates of 5.57 percent and 5.28 percent, respectively.

Non-food and beverage inflation exhibited regional variations in Nepal. The national average stood at 5.69 percent, with Kathmandu and the Terai region observing slightly higher rates at 5.77 percent and 5.72 percent, respectively. In contrast, the Mountain and Hill regions experienced lower non-food and beverage inflation, with rates of 5.04 percent and 5.54 percent, respectively.

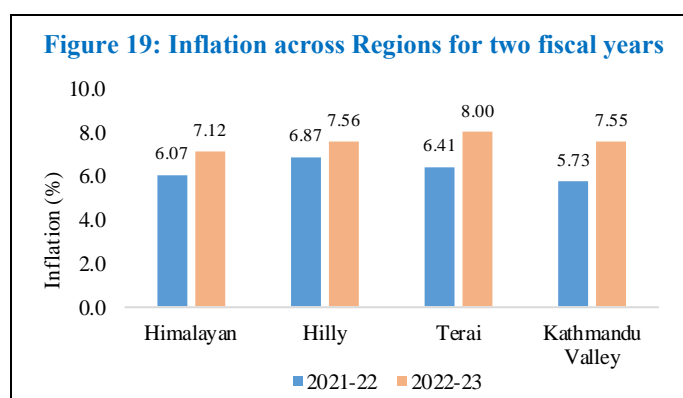
Table 6: Region wise average Inflation of last five years

Regions	Overall Inflation	Food and Beverage Inflation	Non-food and beverage Inflation
Kathmandu	5.68	5.57	5.77
Terai	5.73	5.75	5.72
Hill	5.68	5.85	5.54
Mountain	5.18	5.28	5.04
National	5.69	5.71	5.69

In fiscal year 2022-23, all regions of Nepal experienced higher inflation compared to fiscal year 2021-22. The Terai region had the highest annual average inflation rate of 8 percent, followed by the Hills (7.56 percent), Kathmandu valley at 7.55 percent, and the Mountain region at 7.12 percent.



During the initial months of 2022-23, the inflation rates in the Terai and Hill regions were above the overall national inflation rate while Kathmandu valley and the Mountain region saw inflation rates below the national average. Overall, inflation increased in all regions compared to fiscal year 2021-22.



7. Decomposition of Inflation

Decomposing inflation involves breaking down overall inflation into its constituent parts, which helps in understanding the drivers of inflationary pressures. The methodology proposed by Statistics Netherlands (CBS) and described by Walshots (2016) is one such approach used to calculate the contribution of each product group to the annual rate of inflation.

$$Contribution_j^{y,m} = w_j * \left(\frac{P_j^{y,m} - P_j^{y-1,m}}{P^{y-1,m}} \right)$$

where,

$Contribution_j^{y,m}$ is the contribution to the annual rate of inflation in month ‘m’ of year of product group j

$p_j^{y,m}$ is the price index for the product group j in month ‘m’ of year y.

$p_j^{y-1,m}$ is the price index for the product group j in month ‘m’ of year y-1.

$price^{y-1,m}$ is the overall price index for total basket in month ‘m’ of year y-1.

w_j is the product group j weight for the base year.

By applying the method described, the annual average inflation rate for the fiscal year 2022-23, which was 7.74 percent, has been decomposed into various categories. All 13 sub-groups related to food and beverage items are grouped

Table 7: Decomposition of Annual Average Inflation

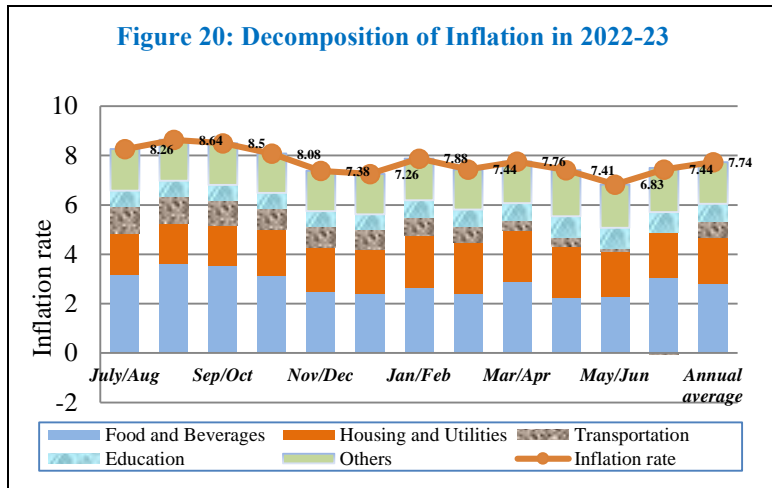
<i>Categories</i>	<i>Decomposition of annual inflation rate</i>	<i>Percent contribution</i>
Food and Beverages	2.81	36.3
Housing and Utilities	1.87	24.2
Transportation	0.67	8.7
Education	0.69	9.0
Others	1.70	21.9
Annual Average Inflation	7.74	100

under the Food and Beverage category, accounting for 43.91 percent of the total weight. The Housing and Utilities category comprises 20.30 percent, Transportation consists of 5.34 percent, and Education accounts for 7.41 percent. The remaining subcategories include Clothes and Footwear, Furnishing and Household Equipment, Health, Communication, Recreation and Culture and Miscellaneous Goods and Services.

In the review year, Food and Beverages were identified as the primary driver of inflation, contributing approximately 36.3 percent to the annual average inflation rate. The Housing and Utilities subgroup contributed 24.2 percent, while Education contributed 9 percent, and

Transportation contributed 8.7 percent. The remaining subgroups collectively contributed 21.9 percent to the annual average inflation rate.

The drivers of inflation throughout the twelve months of fiscal year 2022-23, as depicted in Figure 20, show



varying contributions from different categories. The Food and Beverages category had a higher contribution in the first four months. The Transportation category initially has a significant contribution but gradually decreased, registering negative growth in the last month of the fiscal year. The Housing and Utilities category showed a higher contribution in the third quarter, while the education category made a greater contribution to inflation in the last quarter of the review year.

While index decomposition provides insights into the components driving inflation in Nepal, it is imperative to recognize that Indian inflation, a significant exogenous factor, also plays a key role in determining inflation in Nepal.

Box 2: Determinants of Inflation in Nepal

Several studies underscore that price dynamics in the Indian economy significantly influence price levels in the Nepali economy. This phenomenon, often termed as ‘price convergence’, arises from multiple factors. First, India is Nepal’s primary trading partner, accounting for approximately two-thirds of its international trade. Second, the open border between Nepal and India share facilitates the rapid transmission of price change across borders. Third, Nepal maintains a fixed exchange rate with the Indian rupee, which further links

their economies. Finally, Nepal’s limited domestic production necessitates a reliance on imported goods, particularly from India, thereby intensifying the impact of Indian economic dynamics, including inflation, on Nepal.

Econometric estimates indicate that Indian inflation exerts a significant impact on Nepal’s inflation. Specifically, a one percent increase in India’s inflation translates to a 0.72 percent increase in Nepal’s inflation. Furthermore, inflation persistence is observed with a coefficient of 0.179 suggesting that past inflation levels influence current inflation rates. In contrast, the impact of broad money on inflation is limited, with an elasticity coefficient of 0.13. This means that a 1 percent increase in broad money growth results in a 0.13 percent increase in inflation in Nepal.

Table 8: Determinants of Nepalese Inflation

Dependent variable: Inflation	
Variables	Coefficients
Inflation (-1)	0.179* (0.095)
Indian Inflation	0.724*** (0.158)
M2	0.135* (0.07)
EXC	-0.047 (0.05)
RGDP	0.193 (0.107)
C	0.05 (1.112)
R-squared: 0.503	
F-statistics: 7.298***	

Notes: Inflation connotes inflation in Nepal, Inflation (-1) represents lagged inflation of Nepal, M2 denotes broad money supply, EXC is nominal exchange rate expressed Nepalese rupees in terms of USD, RGDP refers to Real Gross Domestic Product of Nepal. All the variables are measured in growth terms, except inflation of Nepal and India. The HAC standard errors are presented in parenthesis. ***, **, * denotes statistically significant at 1%, 5%, and 10% respectively.

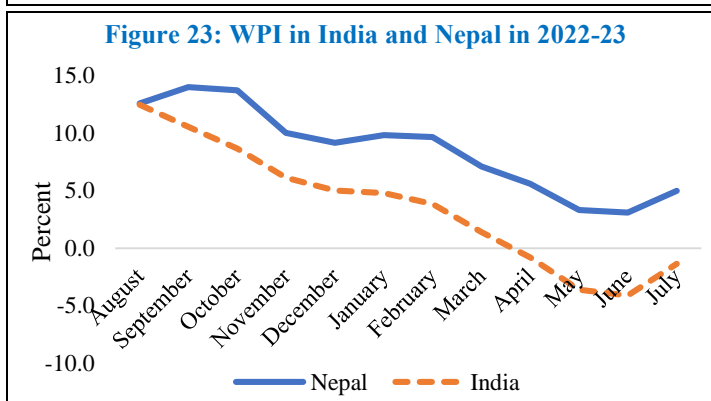
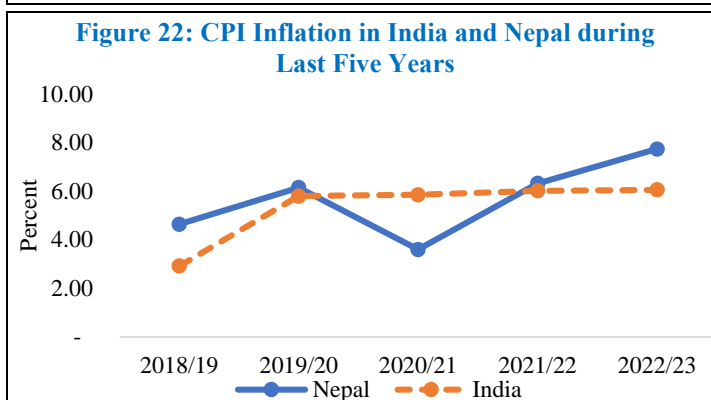
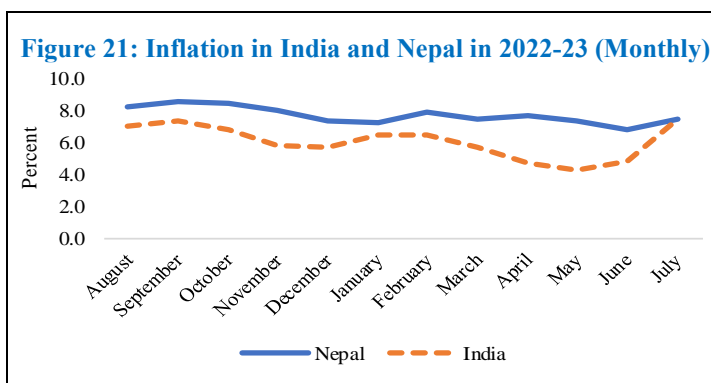
8. Inflation in India and Nepal

Throughout the fiscal year 2022-23, Nepal's Consumer Price Index (CPI) inflation consistently remained approximately 1.8% higher than India's inflation rate. However, in July, the inflation rates of both countries converged to 7.44 percent.

In Nepal, the Inflation rate peaked at 8.64 percent in September and lowest in June at 6.83 percent. Throughout the fiscal year 2022-23, except in June, Nepal's inflation rate remained above the indicative target rate of 7 percent. Meanwhile, in India, consumer price inflation showed a declining trend during the initial months, starting at 7% in August 2022 and dropping to a low of 4.3% in May 2023. However, Indian inflation surged to 7.44 percent in July 2023, the highest in the last 15 months driven by

increases in vegetable and spices prices. For the entire fiscal year 2022-23, the annual average inflation rates were 7.74 percent for Nepal and 6.06 percent for India.

Over the last five fiscal years, CPI-related inflation in Nepal has generally been higher than that of India, except for the year 2020-21. During 2020-21, India experienced higher inflation compared to Nepal¹



¹ The months follows Nepalese calendar in case of Nepal and Gregorian calendar in case of India. For e.g. Indian inflation data of August is compared with Nepal's inflation data based on the month of Saun. The annual data is compared on the basis of Nepalese fiscal year.

During the fiscal year 2022-23, both Nepal and India experienced a declining trend in their WPI inflation. In August 2022, Nepal's wholesale price inflation was recorded at 12.58 percent, slightly higher than India's 12.5 percent. Nepal's WPI surged to its highest point at 14% in September 2022 but moderated thereafter, reaching its lowest level at 3.1 percent in June 2023. In contrast, India's wholesale price inflation consistently moderated throughout the year and even turned negative from April 2023 onward.

In 2022-23, Nepal experienced an annual average wholesale price inflation of 8.47 percent, whereas India's wholesale price inflation stood at 3.59 percent for the same period.

9. Inflation Outlook

In fiscal year 2022-23, Nepal experienced a relatively higher level of inflation. However, considering the backdrop of tighter monetary policy stances, decreasing inflation trends in most global economies, well anchored public inflation expectations, and base price effects, the monetary policy for 2023-24 has set an indicative inflation target of 6.5 percent.

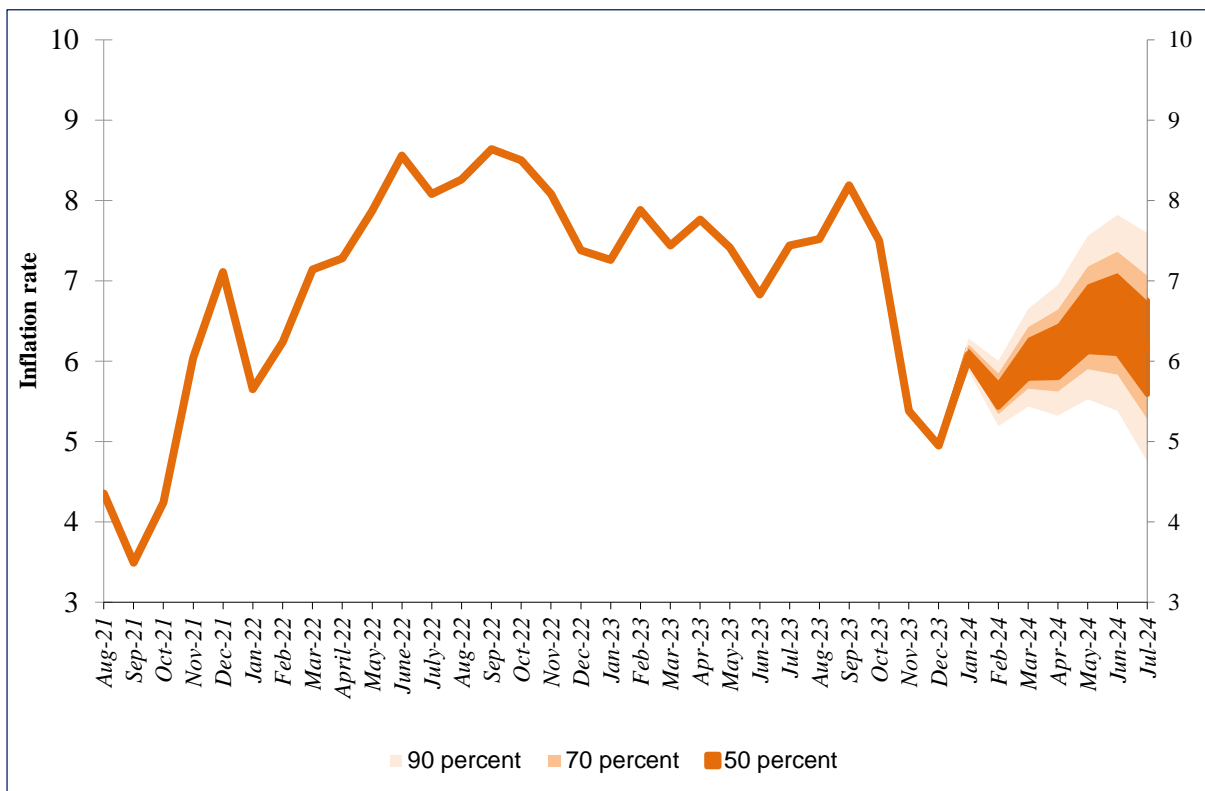
The visualization of inflation outlook through fan charts has gained popularity in recent years. Since February 1996, the Bank of England has been publishing its inflation forecast in the form of a probability distribution known as a fan chart (Britton et al. 1998). The fan chart typically includes three components. Firstly, the central path represents the most likely of baseline scenario of inflation. Secondly, the range or band around the central path illustrates the degree of uncertainty, indicating potential outcomes or forecast errors. Thirdly, the balance of risks provides insights into the likelihood of inflation outcomes deviating from the central path in various directions. Many central banks worldwide use this tool to effectively depict and communicate their inflation forecasts to the public and policymakers alike.

Figure 24 presents an inflation fan chart depicting the inflation outlook for Nepal in 2023-24. The chart illustrates the uncertainty surrounding the central path over a nine-month period. The central forecast is represented by the darkest band, covering 50 percent of the probability. The middle band, shaded lighter than the central band, extends the coverage to 70 percent probability. The outermost band, shaded lighter than the middle band represents an additional 20 percent probability. Together, these bands cover 90 percent of the probabilities, with the remaining 10 percent lying outside the shaded region. This fan chart provides a visual

representation of the range of potential inflation outcomes and the associated uncertainty for the upcoming fiscal year in Nepal.

The factors influencing inflation in Nepal for the fiscal year 2023-24 illustrate a varied trajectory. Initially in the first quarter, inflation faced upward pressure due to rising prices of petroleum products, transportation costs, and Indian export ban on non-basmati rice by India, 40 percent export duty hike in onion export by India, soaring prices of vegetable and spices along with increasing inflation in India. However, the second quarter saw subdued inflation due to reduced prices of ghee & oil, vegetables and meat & fish subgroups alongside downward adjustments of petroleum product prices by Nepal Oil Corporation. Moving forward, the third quarter might experience inflationary pressures from cereal grains & their products, milk products & eggs, and pulses & legumes and spices exacerbated by base effects. Nonetheless, it is anticipated that inflation will moderate by the last quarter, aligning with the indicative target of 6.5 percent for the fiscal year 2023-24.

Figure 24: Inflation Fan chart



10. Inflation Expectation

Inflation expectations refer to the anticipated rate of inflation that individuals, businesses and investors expect to occur in the future. It involves predicting the average increase in prices over a specified period.

Economic decisions are not solely influenced by current and past

circumstances; expectations about the future also play a critical role. Inflation expectations are particularly significant for several reasons (Moore, 2016). Firstly, they impact decisions such as wage negotiations and price setting. Secondly, changes in short and long-term inflation expectations influence real interest rates and thereby affect monetary policy decisions. Finally, longer-term measures of expectations can provide insights into the central bank's credibility in achieving its inflation targets. Recognizing their importance, there is a growing trend to measure inflation expectations using various methods. NRB has initiated the evaluation of inflation expectations through surveys. The first survey was conducted between January-February 2021, involving 482 individuals from ten market centers across seven major cities, representing all provinces of Nepal. Subsequently, the number of samples and market centers has gradually increased, as detailed in Table 9.

Inflation expectation survey is conducted using a standardized questionnaire, with respondents selected randomly. The questionnaire is structured into four part; The first part of the survey gathers personal information from respondents. The second part focuses on qualitative perceptions of inflation expectation, gathering data on anticipated price changes over the next three months. Respondents provide insights on the expected changes in general prices, as well as specific categories such as food, non-food items, services and housing. Respondents are provided with five response options (a) expecting prices to increase more than the current rate, (b) expecting prices to increase similarly to the current rate, (c) expecting prices to increase less than the current rate, (d) anticipating no change in prices, and (e) expecting prices to decline. In the third part of the survey, inflation expectations for one year ahead are gathered

Table 9: Coverage of Inflation expectation Survey

Year	Quarter	Sample	Number of Cities	Number of Markets
2021 mid-Feb		482	7	10
2021-22	Q1	510	7	10
	Q2	720	14	17
	Q3	720	14	17
	Q4	1141	28	31
2022-23	Q1	2040	57	60
	Q2	2010	57	60
	Q3	2010	57	60
	Q4	2010	57	60

using a similar rating scale across all consumption groups as in the second part. Finally, the fourth part quantitatively assesses inflation expectations for the current period, the next three months and one year ahead.

10.1 Observation on Inflation expectation of prices for three months ahead.

The trend in inflation expectations for the three-month period ahead shows a notable shift among respondents. In mid-July 2022, 94.7 percent of respondents anticipated price increases. This proportion gradually decreased to 84.6 percent by mid-January 2023, but saw a slight rise to 88.8 percent by mid-July 2023.

In mid-Feb 2021, 36.9 percent of respondents expected price increases to remain at the current rate, which rose to 47.4 percent by mid-October 2021 and remained stable at 43.5 percent as of mid-July 2023. Meanwhile, the percentage of respondents expecting price increases above the current rate steadily decreased from 35.9 percent in mid-February 2021 percent to 16.6 percent by mid-July 2023. Conversely, the share of respondents anticipating price increases below the current rate increased to 32.3 percent in mid-April 2023 before moderating to 28.8 percent by mid-July 2023.

Approximately 10 percent of respondents expect no changes in prices, while the proportion anticipating deflation remains negligible, standing at only 1 percent as of mid-July 2023.

Compared to non-food and services, concerns about price increases are most significant within food products. Approximately 90 percent of respondents expect prices to rise for food, while only 80 percent anticipate similar increases for non-food and services.

In contrast, expectation for rising real estate prices have steadily declined. In mid-February 2021, 76.1 percent of respondents anticipated an increase in real estate prices, whereas this figure had moderated to 55.3 percent by mid-July 2023. Detailed survey results related to product specific price expectations for the next three months are presented in Annex 7.

10.2 Observation on Inflation expectation of prices for One year ahead.

For the long-term horizon covering expectations one year ahead, the majority of respondents consistently anticipated price increases, with the proportion exceeding 90 percent. Specifically, this expectation was at 94 percent in mid-February 2021, peaked at 97.1 percent in mid-January 2022, and then moderated to 92 percent by mid-July 2023.

Interestingly, respondents' expectations regarding price increases over the next year are evolving. The proportion of respondents anticipating price rises exceeding the current rate has been steadily decreasing, while those expecting increases slower than the current rate have been increasing. Notably, approximately 40 percent of respondents consistently expect price increases to remain at the current rate.

The proportion of respondents expecting no price change over the next one year has increased, rising from 2.7 percent in mid-February 2021 to 7.2 percent by mid-July 2023. However, inflation expectations remained higher for food products compared to non-food and services, with approximately 95 percent of respondents anticipating price increases in food compared to 86.7 percent for non-food and services.

In contrast, expectations for rising real estate prices for one year ahead have steadily declined. In mid-October 2021, a significant 91.3 percent of respondents anticipated real estate price increases. However, by mid-July 2023, this figure had moderated to just 65.5 percent.

The detailed survey results related with product-wise expectation of prices one year ahead are presented in Annex 8.

10.3 Observation on Mean and Median Inflation expectation

Households' perception of current inflation underwent notable fluctuations. The mean inflation, as perceived by households, peaked at 14.1 percent in mid-July 2022 before moderating to 12.6 percent by mid-July 2023. Similarly, their perception of the current median inflation followed a similar trend, reaching 14 percent in mid-July 2022 and stabilizing at 12 percent since mid-October 2022.

Regarding households' expectations for inflation over the next three months, the mean inflation initially climbed, reaching a peak of 14.2 percent in mid-July 2022. Subsequently, this mean expectation gradually moderated, settling at 10.3 percent by mid-July 2023. Similarly, the median inflation expectation followed a similar trajectory, rising to a high of 14 percent in mid-July 2022 before stabilizing at 10 percent over the past four quarters.

While analyzing the trend of mean inflation expectations for the one-year horizon, expectations peaked at 14.3 percent in mid-April 2022, gradually moderating to 12.2 percent by mid-July 2023. This trend was similarly reflected in the median inflation expectations, which reached

their highest point of 14 percent in mid-April 2022 and stabilized at 12 percent since mid-October 2022.

The detailed survey results related to household inflation expectations based on current perception, expectations for the next three months, and expectations for one year ahead are presented in Annex 9.

10.4 Graphical Presentation of Median Inflation perception and expectation rate

Fig 25 and Fig 26 illustrate the graphical presentation of the median inflation rates based on current perception and expectations of the next three months and one-year time horizon. Initially, for the three-month horizon, the perception of current inflation was lower than their expectation for the next three months. Both perceptions converged at 8 percent in mid-Oct 2021-22. Subsequently, inflation perception for the current period followed a higher trend, exceeding expectations and reaching 14 percent by mid-July 2021-22.

Similar to the three-month horizon, the perception of current inflation was initially lower than their expectation one-year ahead. However, both perceptions converged at 10 percent in mid-Jan 2021-22. Interestingly, in mid-July 2022, the perception of current inflation exceeded their one-year ahead expectations. This divergence was short-lived, and both perceptions have since converged back to around 12 percent as of mid-July 2023.

Figure 25: Median Inflation Rate-Perception and Three Months Ahead Expectation

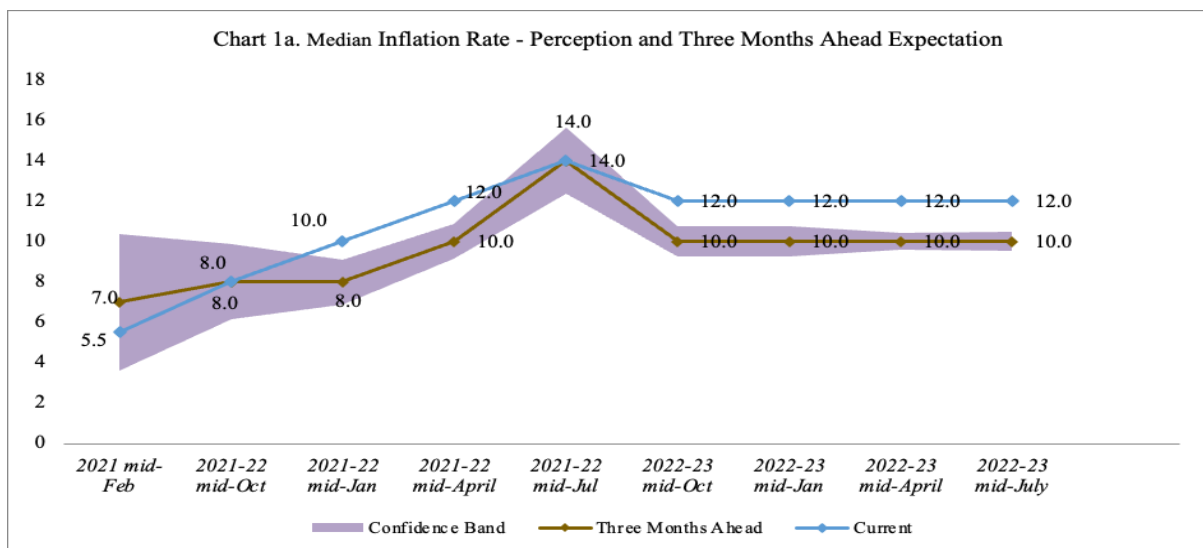
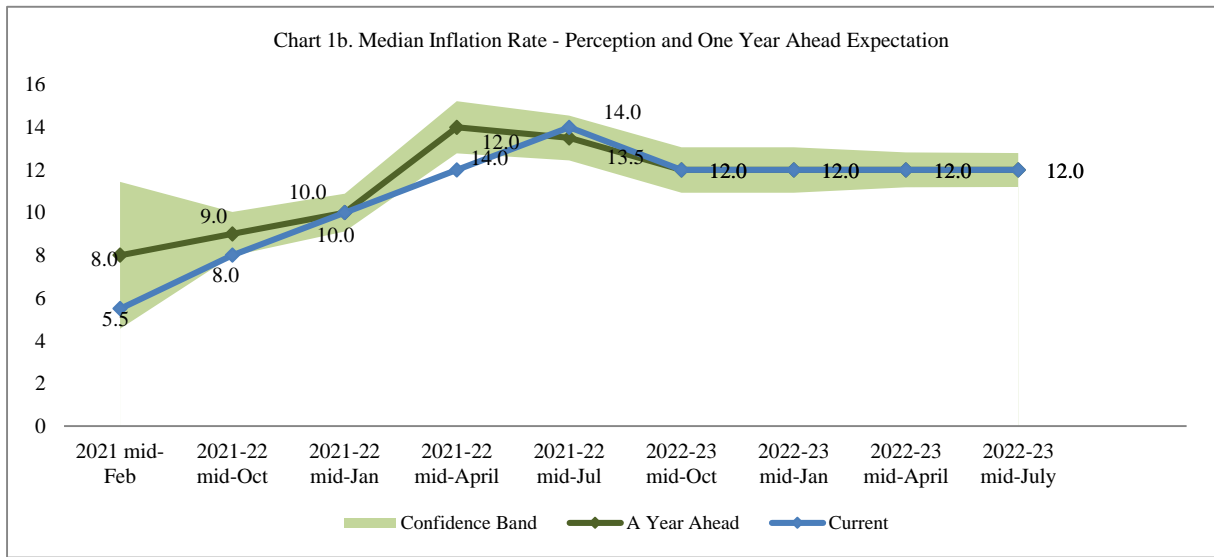


Figure 26: Median Inflation Rate-Perception and One Year Ahead Expectation



Annex 1: Summary of Household Budget Surveys (HBS) in Nepal

S.N.	Particulars	First HBS	Second HBS	Third HBS	Fourth HBS	Fifth HBS
1	Survey Period	1973/74	1984/85	1995/96	2005/06	2014/15
2	Coverage	Rural and Urban	Rural and Urban	Urban	Rural and Urban	Rural and Urban
3	Number of Market centers	18	35	21	48	84
4	Sample Households	6,625	5,323	2,500	5,095	8,028
5	Total Population	11,555,983	15,022,839	18,491,097	23,151,423	26,494,504
6	Number of Households	2,084,062	2,584,948	3,328,721	4,253,220	5,427,302

Annex 2: Frequency of the price collection

	Subgroups	Weekly	Monthly	Quarterly	Total
1	Food and non-alcoholic beverages	68	94		162
2	Alcoholic beverages, Tobacco			14	14
3	Clothing and footwear			75	75
4	Housing, water, electricity, gas		4	6	10
5	Furnishings, Household equipment		9	59	68
6	Health			32	32
7	Transport		8	9	17
8	Communication			8	8
9	Recreation and culture			33	33
10	Education			28	28
11	Restaurants and Hotels		14	2	16
12	Miscellaneous goods and services		12	21	33
	Total	68	141	287	496

Annex 3: Number of Goods and services and their weight under Food and Beverage

	Subgroups	Number of goods	Weight (In percentage)
1	Cereal grains and their products	30	11.33
2	Pulses and Legumes	12	1.84
3	Vegetable	40	5.52
4	Meat and Fish	8	6.75
5	Milk products and Eggs	7	5.24
6	Ghee and Oil	5	2.95
7	Fruit	23	2.08
8	Sugar and Sugar products	15	1.74
9	Spices	12	1.21
10	Non-alcoholic drinks	10	1.24
11	Alcoholic drinks	7	0.68
12	Tobacco products	7	0.41
13	Restaurant and Hotel	16	2.92
	Total	192	43.91

Annex 4: Number of Goods and Services and their weight under Non-food and services

	Subgroups	Number of goods and services	Weight (In percentage)
1	Clothes and Footwear	75	7.19
2	Housing and Utilities	10	20.30
3	Furnishing and Household equipment	68	4.3
4	Health	32	3.47
5	Transportation	17	5.34
6	Communication	8	2.82
7	Recreation and Culture	33	2.46
8	Education	28	7.41
9	Miscellaneous goods and services	33	2.81
	Total	304	56.09

Annex 5: National Consumer Price Index
(Base Year 2014/15 =100)

Fiscal Year		Index			% Change		
English	Nepali	Overall	Food and Beverages	Non-Food and Services	Overall	Food and Beverages	Non-Food and Services
1973/74	2030/31	3.57	3.05	3.95	18.49	22.26	10.00
1974/75	2031/32	4.17	3.53	4.70	16.73	15.74	18.99
1975/76	2032/33	4.14	3.39	5.04	-0.69	-4.09	7.27
1976/77	2033/34	4.25	3.38	5.40	2.70	-0.26	7.06
1977/78	2034/35	4.72	3.90	5.60	11.17	15.60	3.79
1978/79	2035/36	4.89	3.96	6.05	3.44	1.52	8.06
1979/80	2036/37	5.36	4.40	6.51	9.78	11.06	7.62
1980/81	2037/38	6.08	4.99	7.38	13.39	13.41	13.36
1981/82	2038/39	6.71	5.54	8.08	10.42	10.98	9.39
1982/83	2039/40	7.67	6.43	8.93	14.17	16.01	10.60
1983/84	2040/41	8.14	6.78	9.69	6.24	5.53	8.44
1984/85	2041/42	8.48	6.85	10.64	4.14	1.02	9.89
1985/86	2042/43	9.82	8.13	11.79	15.84	18.63	10.76
1986/87	2043/44	11.13	9.36	12.91	13.27	15.13	9.53
1987/88	2044/45	12.33	10.49	14.08	10.79	12.08	9.01
1988/89	2045/46	13.35	11.11	15.88	8.31	5.91	12.83
1989/90	2046/47	14.65	12.33	17.16	9.70	10.96	8.06
1990/91	2047/48	16.09	13.55	18.76	9.81	9.97	9.30
1991/92	2048/49	19.48	16.88	21.53	21.05	24.52	14.79
1992/93	2049/50	21.20	17.94	24.44	8.86	6.31	13.50
1993/94	2050/51	23.10	19.57	26.64	8.95	9.10	9.02
1994/95	2051/52	24.87	21.01	28.76	7.66	7.34	7.94
1995/96	2052/53	26.89	22.89	30.68	8.13	8.93	6.68
1996/97	2053/54	29.07	24.76	33.13	8.09	8.18	8.01
1997/98	2054/55	31.49	26.68	36.12	8.33	7.77	9.02
1998/99	2055/56	35.07	31.01	38.22	11.38	16.20	5.81
1999/00	2056/57	36.26	31.15	40.92	3.39	0.46	7.07
2000/01	2057/58	37.14	30.44	44.23	2.43	-2.27	8.08
2001/02	2058/59	38.21	31.55	45.16	2.89	3.64	2.12
2002/03	2059/60	40.03	32.96	47.41	4.75	4.47	4.98
2003/04	2060/61	41.62	34.06	49.63	3.96	3.32	4.69
2004/05	2061/62	43.50	35.41	52.28	4.54	3.97	5.14
2005/06	2062/63	46.97	38.17	56.41	7.96	7.81	8.10

Fiscal Year		Index			% Change		
English	Nepali	Overall	Food and Beverages	Non-Food and Services	Overall	Food and Beverages	Non-Food and Services
2006/07	2063/64	49.74	40.84	59.17	5.90	7.00	4.90
2007/08	2064/65	53.07	44.66	61.60	6.70	9.35	4.10
2008/09	2065/66	59.78	52.30	67.07	12.63	17.12	8.88
2009/10	2066/67	65.52	60.39	70.43	9.60	15.45	5.00
2010/11	2067/68	71.86	69.26	74.23	9.64	14.70	5.40
2011/12	2068/69	77.80	74.60	80.91	8.30	7.70	9.00
2012/13	2069/70	85.50	81.76	89.00	9.90	9.60	10.00
2013/14	2070/71	93.28	91.22	95.06	9.10	11.60	6.80
2014/15	2071/72	100.00	100.00	100.00	7.20	9.60	5.20
2015/16	2072/73	109.94	110.93	109.18	9.93	10.93	9.17
2016/17	2073/74	114.84	113.07	116.28	4.48	1.97	6.51
2017/18	2074/75	119.59	116.14	122.40	4.17	2.77	5.28
2018/19	2075/76	125.14	119.74	129.57	4.65	3.12	5.84
2019/20	2076/77	132.84	129.50	135.52	6.16	8.18	4.62
2020/21	2077/78	137.62	135.98	138.93	3.60	5.01	2.51
2021/22	2078/79	146.32	143.70	148.41	6.32	5.69	6.83
2022/23	2079/80	157.64	153.22	161.20	7.74	6.62	8.62

Annex 6: National Consumer Price Index in 2022-23
(Base Year 2014/15=100)
Mid-Month

Groups & Sub-Groups	Weight %	FY 2022-23												Average
		% Change (y-o-y)												
		Jul/Aug	Aug/Sep	Sep/Oct	Oct/Nov	Nov/Dec	Dec/Jan	Jan/Feb	Feb/Mar	Mar/Apr	Apr/May	May/June	June/July	
Overall Index	100	8.26	8.64	8.50	8.08	7.38	7.26	7.88	7.44	7.76	7.41	6.83	7.44	7.74
Food and Beverage	43.91	7.11	8.17	8.05	7.38	5.85	5.62	6.19	5.64	6.93	5.54	5.66	7.38	6.62
Cereal grains and their products	11.33	5.28	7.23	8.19	9.19	9.39	9.56	12.39	14.35	13.72	13.69	13.06	12.79	10.70
Pulses and Legumes	1.84	8.85	8.30	5.98	4.47	4.88	4.36	4.64	3.72	3.06	1.76	1.25	3.14	4.51
Vegetable	5.52	5.56	9.94	3.62	-2.27	-8.28	-7.99	-5.75	-8.80	1.04	-1.90	0.23	5.71	-0.92
Meat and Fish	6.75	-0.81	1.51	7.06	8.22	5.34	3.86	2.90	3.67	0.73	-0.41	0.10	5.51	3.10
Milk products and Eggs	5.24	10.19	9.68	9.45	9.33	9.07	9.70	5.36	4.76	10.36	10.41	10.98	11.65	9.23
Ghee and Oil	2.95	19.58	14.53	7.89	8.10	7.06	6.59	4.44	-3.71	-8.14	-14.44	-16.60	-16.48	0.03
Fruit	2.08	18.79	17.29	12.06	6.80	4.03	1.79	7.87	7.93	11.00	1.47	0.46	0.72	7.35
Sugar and Sugar products	1.74	7.74	7.16	7.17	8.06	6.82	6.79	6.83	5.95	5.53	4.72	3.20	3.86	6.15
Spices	1.21	-0.99	1.05	5.08	5.39	5.41	5.44	8.04	10.88	14.67	26.61	35.29	41.97	12.50
Non-alcoholic drinks	1.24	7.98	8.32	8.22	6.26	6.30	6.62	7.07	7.17	6.89	6.59	6.07	5.09	6.88
Alcoholic drinks	0.68	10.24	10.24	10.24	8.84	8.84	8.84	8.78	8.78	8.78	6.48	6.48	6.48	8.57
Tobacco products	0.41	8.44	8.44	8.44	11.81	11.81	11.81	10.83	10.83	10.83	8.49	8.49	8.49	9.88
Restaurant and Hotel	2.92	11.84	12.30	15.91	15.97	15.56	15.56	15.24	14.09	14.68	14.87	14.36	12.70	14.42
Non-food and Services	56.09	9.18	9.02	8.85	8.63	8.59	8.57	9.22	8.87	8.42	8.89	7.76	7.48	8.62
Clothes and Footwear	7.19	7.68	7.68	7.68	6.43	6.43	6.43	7.03	7.03	7.03	6.38	6.38	6.38	6.88
Housing and Utilities	20.30	7.86	7.69	7.68	8.49	8.29	8.29	9.78	9.72	9.54	9.65	8.41	8.37	8.65

Groups & Sub-Groups	Weight %	FY 2022-23											Average	
		% Change (y-o-y)												
		Jul/Aug	Aug/Sep	Sep/Oct	Oct/Nov	Nov/Dec	Dec/Jan	Jan/Feb	Feb/Mar	Mar/Apr	Apr/May	May/June		June/July
Furnishing and Household equipment	4.30	9.04	9.25	9.45	8.33	8.29	8.33	9.00	8.79	8.74	8.27	7.83	7.84	8.59
Health	3.47	10.54	10.54	10.54	11.22	11.22	11.22	10.39	10.39	10.39	7.92	7.92	7.92	10.01
Transportation	5.34	23.88	23.41	21.15	17.71	17.33	16.43	15.58	13.23	8.29	7.01	2.23	-1.05	13.50
Communication	2.82	1.61	1.61	1.61	0.70	0.70	0.70	1.41	1.41	1.41	1.66	1.66	1.66	1.35
Recreation and Culture	2.46	7.58	7.58	7.58	8.76	8.76	8.76	8.81	8.81	8.81	15.75	15.75	15.75	10.18
Education	7.41	8.11	8.11	8.11	7.85	7.85	7.85	8.67	8.67	8.67	10.56	10.56	10.56	8.79
Miscellaneous goods and services	2.81	7.11	5.62	5.83	6.30	7.63	8.68	7.94	5.91	7.46	13.08	9.33	10.80	7.95

Annex 7: Product-wise Expectations of Prices for Three Months ahead

Survey Period ended	Percentage of Respondents																	
	2080 Asar		2079 Chait		2079 Push		2079 Asoj		2079 Asar		2078 Chait		2078 Push		2078 Asoj		2077 Magh	
	Mid-July 2023	(Mid-April 2023)	(Mid-Jan 2023)	(Mid-Oct 2022)	(Mid-Jul 2022)	(Mid-Apr 2022)	(Mid-Jan 2022)	(Mid-Oct 2021)	(Mid-Feb 2021)									
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Price increases	88.8	2.08	88.2	1.90	84.6	2.95	86.6	2.37	94.7	2.03	92.5	2.14	91.9	3.37	87.1	4.07	86.9	1.71
At more than current rate	16.6	2.39	16.3	2.19	18.1	3.19	22.0	3.24	27.4	5.25	27.8	5.43	24.6	6.76	19.6	6.39	35.9	4.20
At similar to current rate	43.5	2.74	39.6	3.00	34.5	2.66	40.1	2.91	42.3	4.34	41.8	4.27	46.0	6.47	47.4	5.14	36.9	3.31
At less than current rate	28.8	2.23	32.3	3.08	32.1	2.61	24.6	2.68	24.9	3.66	22.8	4.36	21.4	3.54	20.2	5.24	14.1	1.97
No changes in prices	10.2	1.95	11.4	1.85	14.3	2.78	12.6	2.28	5.1	1.99	6.9	1.99	7.9	3.37	11.5	3.91	10.2	2.06
Decline in prices	1.0	0.26	0.4	0.16	1.1	0.62	0.8	0.24	0.3	0.15	0.6	0.33	0.1	0.10	1.4	0.42	2.9	0.92
Food Product																		
Price increases	92.8	1.23	91.3	1.53	88.9	1.53	87.2	1.75	95.4	1.09	94.7	1.50	93.3	1.93	89.2	5.00	86.1	1.20
At more than current rate	20.0	2.48	15.7	2.27	16.6	2.73	19.9	2.80	22.4	3.84	25.2	4.26	15.4	3.29	12.5	2.47	20.3	3.38
At similar to current rate	47.6	2.61	47.4	2.97	38.6	2.80	43.4	2.93	51.9	5.04	47.4	3.44	57.1	4.62	48.9	6.58	41.9	2.75
At less than current rate	25.2	2.30	28.3	2.41	33.7	2.89	23.9	2.40	21.0	4.10	22.2	3.38	20.8	3.18	27.8	2.95	23.9	2.51
No changes in prices	6.6	1.14	8.1	1.46	10.2	1.39	11.9	1.60	4.5	1.09	4.9	1.49	6.7	1.93	9.6	4.55	13.1	1.33
Decline in prices	0.6	0.21	0.5	0.23	0.8	0.39	1.0	0.42	0.2	0.10	0.3	0.34	-	-	1.2	1.12	0.8	0.43
Cereal grains, pulses, sugar and Spices																		
Price increases	94.1	1.16	91.3	1.43	88.8	2.21	88.3	1.85	96.8	0.84	96.1	1.23	87.4	3.08	89.0	2.48	81.5	2.04
At more than current rate	29.3	2.62	27.3	2.53	24.2	2.82	29.7	3.02	44.4	4.65	43.4	6.11	18.8	4.15	23.7	5.63	30.1	3.63
At similar to current rate	47.4	2.47	43.5	2.24	40.0	2.57	39.0	2.76	40.2	3.89	38.1	4.50	51.8	3.80	43.1	5.67	36.3	2.59
At less than current rate	17.5	2.03	20.5	2.19	24.5	2.21	19.5	1.92	12.2	2.53	14.6	3.20	16.8	3.13	22.3	5.06	15.1	1.79
No changes in prices	5.5	1.10	7.9	1.34	9.3	1.89	10.1	1.54	2.7	0.72	3.1	1.01	11.8	2.89	7.8	1.70	16.6	2.49
Decline in prices	0.3	0.17	0.8	0.28	1.9	0.62	1.6	0.66	0.4	0.29	0.8	0.50	0.8	0.46	3.1	2.13	1.9	0.67

Survey Period ended	Percentage of Respondents																		
	2080 Asar		2079 Chait		2079 Push		2079 Asoj		2079 Asar		2078 Chait		2078 Push		2078 Asoj		2077 Magh		
	Mid-July 2023		(Mid-April 2023)		(Mid-Jan 2023)		(Mid-Oct 2022)		(Mid-Jul 2022)		(Mid-Apr 2022)		(Mid-Jan 2022)		(Mid-Oct 2021)		(Mid-Feb 2021)		
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	
Vegetables and Fruits																			
Price increases	91.3	1.40	91.3	1.33	86.5	2.30	82.0	2.30	93.6	1.95	93.5	1.73	84.0	4.01	77.5	9.26	84.4	1.36	
At more than current rate	24.6	2.53	19.9	2.32	19.1	2.51	21.0	2.56	31.0	4.04	30.1	4.38	17.4	3.56	19.8	5.71	38.2	4.02	
At similar to current rate	46.9	2.49	46.7	2.60	39.5	2.96	37.7	2.32	44.7	3.51	42.8	3.38	40.4	4.91	37.6	6.38	29.3	3.16	
At less than current rate	19.8	2.07	24.8	2.30	27.9	2.34	23.2	2.44	17.9	2.52	20.6	3.63	26.3	3.51	20.2	4.16	17.0	1.62	
No changes in prices	7.3	1.27	7.4	1.13	10.5	1.68	12.4	1.74	5.3	1.73	5.1	1.56	9.0	2.07	8.8	2.70	10.4	1.04	
Decline in prices	1.4	0.29	1.3	0.38	3.0	0.96	5.6	1.22	1.1	0.41	1.4	0.64	6.9	2.21	13.7	7.50	5.2	1.05	
Fish, Meat, Milk, Ghee and Oil																			
Price increases	86.6	1.86	83.6	2.30	79.5	2.62	80.4	2.16	93.3	1.67	91.7	1.79	74.0	5.68	80.4	3.51	73.0	2.10	
At more than current rate	22.7	2.43	19.5	2.26	17.3	2.48	18.2	2.25	32.1	3.60	34.2	3.95	17.2	4.72	20.2	4.02	26.8	2.80	
At similar to current rate	41.4	2.36	36.2	2.85	36.2	2.22	38.4	2.20	42.8	2.31	41.7	2.63	34.7	3.49	39.7	5.14	32.2	1.73	
At less than current rate	22.4	2.00	27.9	2.66	26.0	2.12	23.8	2.08	18.5	2.71	15.8	2.62	22.1	3.97	20.5	3.43	14.1	1.62	
No changes in prices	12.3	1.77	15.2	2.08	19.3	2.60	18.8	2.15	6.4	1.63	7.4	1.67	25.3	5.67	17.4	3.50	20.3	1.45	
Decline in prices	1.0	0.28	1.2	0.57	1.2	0.34	0.8	0.23	0.3	0.15	0.9	0.49	0.7	0.35	2.2	0.66	6.6	1.39	
Drinks and Tobacco																			
Price increases	84.3	2.39	79.3	2.57	72.5	3.44	71.9	2.65	92.0	1.81	85.9	2.77	62.8	5.64	62.4	4.89	66.6	5.67	
At more than current rate	27.6	2.86	19.1	2.47	20.1	3.07	21.4	2.43	34.9	4.29	25.7	5.16	19.0	3.49	13.3	3.08	31.5	4.98	
At similar to current rate	36.4	2.41	34.5	2.64	30.1	2.47	30.1	2.22	36.0	2.56	37.0	3.32	23.2	2.99	28.6	3.34	26.3	1.27	
At less than current rate	20.2	2.03	25.7	2.22	22.3	2.24	20.4	2.17	21.1	3.09	23.2	3.73	20.6	3.79	20.5	2.83	8.7	0.95	
No changes in prices	15.1	2.35	19.9	2.51	26.9	3.36	26.8	2.57	7.4	1.68	14.0	2.72	36.4	5.61	36.6	5.09	32.4	6.12	
Decline in prices	0.6	0.29	0.8	0.29	0.6	0.28	1.3	0.51	0.5	0.28	0.1	0.08	0.8	0.22	1.0	0.34	1.0	0.52	
Hotel and restaurant																			

Survey Period ended	Percentage of Respondents																	
	2080 Asar		2079 Chait		2079 Push		2079 Asoj		2079 Asar		2078 Chait		2078 Push		2078 Asoj		2077 Magh	
	Mid-July 2023		(Mid-April 2023)		(Mid-Jan 2023)		(Mid-Oct 2022)		(Mid-Jul 2022)		(Mid-Apr 2022)		(Mid-Jan 2022)		(Mid-Oct 2021)		(Mid-Feb 2021)	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Price increases	78.4	2.70	72.3	2.70	70.5	2.72	70.8	2.84	85.4	3.14	82.8	3.57	57.8	5.22	54.6	5.22	71.8	4.91
At more than current rate	15.0	2.34	13.3	2.01	13.4	2.09	15.8	1.87	20.8	3.35	22.0	4.52	13.1	3.72	11.2	4.23	35.5	6.64
At similar to current rate	37.2	2.54	31.0	2.11	28.3	2.33	32.8	2.55	41.0	3.55	35.2	3.12	24.4	2.79	27.6	3.70	24.3	3.32
At less than current rate	26.2	2.37	28.0	2.15	28.9	2.53	22.1	2.13	23.6	3.53	25.6	4.02	20.3	2.54	15.9	1.87	12.0	1.33
No changes in prices	20.3	2.60	25.5	2.53	27.2	2.59	28.1	2.74	14.6	3.14	16.5	3.61	38.5	5.15	44.8	5.03	24.1	3.45
Decline in prices	1.3	0.43	2.2	0.76	2.3	0.72	1.2	0.48	-	-	0.8	0.36	3.8	1.89	0.6	0.23	4.1	1.78
Non-Food and Services																		
Price increases	79.4	2.95	78.1	2.77	74.5	3.17	76.1	2.79	86.9	3.02	87.4	2.70	78.8	3.52	66.1	8.28	78.0	3.17
At more than current rate	13.3	1.98	10.0	1.84	11.4	2.12	15.1	2.49	15.2	3.17	15.9	3.55	9.3	2.37	3.3	1.69	33.8	4.39
At similar to current rate	34.7	2.64	33.5	3.09	29.3	2.84	35.0	3.05	43.4	4.05	41.6	3.84	41.1	5.00	37.4	6.44	31.5	1.67
At less than current rate	31.4	2.44	34.6	2.77	33.8	2.28	26.0	2.14	28.3	3.17	29.9	4.73	28.3	3.72	25.4	3.72	12.7	1.72
No changes in prices	19.1	2.97	20.6	2.68	23.8	3.19	22.6	2.94	12.4	3.13	12.0	2.58	20.1	3.60	33.5	8.02	19.7	3.38
Decline in prices	1.5	0.36	1.3	0.36	1.7	0.71	1.3	0.39	0.8	0.30	0.5	0.34	1.1	0.52	0.4	0.31	2.3	0.88
Real Estate (Housing) prices																		
Price increases	55.3	5.08	49.0	4.54	52.8	5.29	53.0	5.97	66.3	7.24	71.8	7.63	76.4	8.97	79.1	10.56	76.1	7.42
At more than current rate	15.8	3.06	11.9	2.64	14.4	2.81	17.5	3.52	26.4	4.42	27.7	4.59	31.8	7.30	35.6	11.23	43.6	7.37
At similar to current rate	22.3	3.32	20.2	2.82	20.7	3.41	20.4	3.34	25.9	3.88	28.3	6.36	30.0	5.08	29.4	5.96	23.4	3.92
At less than current rate	17.2	1.62	16.8	1.64	17.7	1.62	15.2	1.64	14.0	1.51	15.8	2.88	14.6	3.73	14.1	7.05	9.1	1.58
No changes in prices	32.9	4.01	38.5	3.69	37.7	4.39	37.0	4.78	27.9	5.97	21.3	5.70	21.3	8.20	19.8	9.80	19.1	5.84
Decline in prices	11.8	1.97	12.5	1.80	9.5	1.92	10.0	2.27	5.9	1.63	6.5	2.68	2.4	1.13	1.2	0.84	4.8	1.65

Annex 8: Product-wise Expectations of Prices for One year ahead

Survey Period ended	Percentage of Respondents																	
	2080 Asar		2079 Chait		2079 Push		2079 Asoj		2079 Asar		2078 Chait		2078 Push		2078 Asoj		2077 Magh	
	(Mid-July 2023)	(Mid-April 2023)	(Mid-Jan 2023)	(Mid-Oct 2022)	(Mid-Jul 2022)	(Mid-Apr 2022)	(Mid-Jan 2022)	(Mid-Oct 2021)	2021 mid-Feb									
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Price increases	92.0	2.15	93.2	1.46	92.3	2.53	95.7	0.98	94.4	2.05	97.1	1.07	97.1	1.08	96.3	2.33	94.0	1.59
At more than current rate	25.3	2.94	22.6	2.78	28.1	4.09	34.1	3.97	33.1	4.72	30.4	5.26	34.3	7.67	36.8	7.14	48.3	2.19
At similar to current rate	43.2	2.80	46.1	2.89	40.1	2.71	42.5	2.70	41.7	4.30	44.0	4.12	45.0	4.59	38.7	4.46	36.7	3.85
At less than current rate	23.5	2.52	24.4	2.94	24.1	3.03	19.1	2.50	19.5	3.61	22.7	4.78	17.8	5.97	20.7	4.40	8.9	1.89
No changes in prices	7.2	2.08	6.3	1.38	6.5	2.27	3.6	0.88	5.3	2.08	2.8	1.05	2.6	1.09	3.5	2.40	3.3	0.84
Decline in prices	0.8	0.21	0.5	0.19	1.1	0.71	0.6	0.23	0.3	0.15	0.1	0.11	0.3	0.14	0.2	0.12	2.7	0.84
Food Product																		
Price increases	95.1	0.92	94.9	1.06	94.6	1.24	95.6	1.01	95.8	0.99	97.5	0.74	97.2	0.83	97.3	1.83	95.2	1.35
At more than current rate	26.4	2.71	25.1	2.95	28.5	3.73	32.7	3.41	28.0	4.03	23.5	3.19	30.0	6.21	22.3	3.96	31.3	2.76
At similar to current rate	46.7	2.49	46.6	2.65	42.5	2.40	45.7	2.43	47.4	3.73	54.6	3.04	49.3	4.60	53.6	5.34	46.5	2.58
At less than current rate	22.0	2.67	23.2	2.65	23.7	3.02	17.2	2.02	20.3	3.64	19.4	3.31	17.9	5.22	21.3	4.57	17.4	2.60
No changes in prices	4.5	0.91	4.3	0.88	4.0	0.89	3.9	1.00	3.9	0.97	2.3	0.73	2.6	0.81	2.7	1.83	3.7	0.95
Decline in prices	0.4	0.21	0.8	0.36	1.4	0.65	0.4	0.16	0.4	0.20	0.2	0.16	0.1	0.10	-	-	1.0	0.48
Cereal grains, pulses, sugar and Spices																		
Price increases	96.5	0.98	96.7	0.74	96.0	1.35	96.7	0.67	96.5	0.90	98.5	0.51	96.3	1.11	96.3	2.20	94.2	1.62
At more than current rate	40.9	3.01	39.6	3.61	38.6	3.11	41.1	3.05	47.8	4.01	42.5	4.67	27.6	5.22	34.8	5.01	39.4	3.80
At similar to current rate	41.9	2.54	40.4	2.45	39.0	2.37	39.2	2.48	36.9	3.06	40.2	3.46	48.2	4.05	44.0	3.10	40.5	3.60
At less than current rate	13.6	2.20	16.8	2.69	18.4	2.54	16.4	1.81	11.8	2.09	15.8	3.45	20.4	5.08	17.4	4.90	14.3	2.79
No changes in prices	3.0	0.97	2.6	0.55	3.0	0.92	2.6	0.58	2.6	0.85	1.0	0.37	3.5	1.08	3.5	2.00	3.3	0.84
Decline in prices	0.5	0.15	0.6	0.28	0.9	0.52	0.7	0.33	0.9	0.38	0.5	0.26	0.3	0.20	0.2	0.22	2.5	0.81

Survey Period ended	Percentage of Respondents																		
	2080 Asar		2079 Chait		2079 Push		2079 Asoj		2079 Asar		2078 Chait		2078 Push		2078 Asoj		2077 Magh		
	(Mid-July 2023)	(Mid-April 2023)	(Mid-Jan 2023)	(Mid-Oct 2022)	(Mid-Jul 2022)	(Mid-Apr 2022)	(Mid-Jan 2022)	(Mid-Oct 2021)	2021 mid-Feb										
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	
Vegetables and Fruits																			
Price increases	95.3	1.06	95.0	1.24	92.9	1.89	94.1	1.30	96.5	0.96	96.1	1.41	92.2	1.98	93.9	1.96	89.8	2.54	
At more than current rate	31.8	2.63	29.7	3.10	30.3	3.23	28.4	2.71	34.0	3.38	29.5	3.29	26.7	3.58	25.4	3.58	35.9	3.51	
At similar to current rate	46.6	2.34	45.8	2.59	42.6	3.19	44.8	2.19	45.2	2.89	48.0	2.90	44.0	4.01	45.4	4.52	38.6	3.20	
At less than current rate	16.9	1.55	19.6	2.27	20.0	2.03	20.9	2.01	17.3	2.27	18.7	2.50	21.5	5.05	23.1	5.62	15.4	1.88	
No changes in prices	3.9	0.90	3.9	0.90	4.9	1.28	3.5	0.73	2.9	0.93	2.4	0.79	6.1	1.66	5.3	2.11	7.3	1.84	
Decline in prices	0.8	0.28	1.1	0.49	2.1	1.09	2.4	0.87	0.6	0.21	1.5	0.66	1.7	0.51	0.8	0.31	2.7	1.01	
Fish, Meat, Milk, Ghee and Oil																			
Price increases	93.2	1.23	92.2	1.76	94.2	1.09	92.2	1.20	94.8	1.62	94.1	2.76	88.1	3.43	93.7	2.24	91.5	1.24	
At more than current rate	27.7	2.63	27.8	3.03	27.7	3.33	28.6	2.78	30.8	3.60	37.1	3.53	26.3	5.79	24.5	4.89	36.1	3.08	
At similar to current rate	45.0	2.14	41.7	1.93	41.4	2.02	43.2	1.95	43.8	3.05	41.5	2.28	38.6	3.59	42.5	3.47	40.2	2.93	
At less than current rate	20.5	1.93	22.7	2.22	25.1	2.85	20.3	1.97	20.2	2.46	15.5	1.87	23.2	4.60	26.8	5.95	15.1	2.64	
No changes in prices	6.2	1.21	6.6	1.26	5.0	1.00	6.8	1.17	4.8	1.56	3.4	1.65	11.3	3.46	5.9	2.33	6.8	0.79	
Decline in prices	0.5	0.21	1.2	0.63	0.8	0.32	1.1	0.31	0.4	0.21	2.5	1.68	0.7	0.42	0.4	0.24	1.7	0.67	
Drinks and Tobacco																			
Price increases	92.5	1.32	93.4	1.16	92.6	1.16	91.6	1.23	93.3	1.47	94.0	1.77	84.9	3.97	88.3	1.70	91.3	1.58	
At more than current rate	32.1	3.08	30.8	2.85	31.2	3.10	32.9	3.06	35.0	3.78	32.6	4.68	29.9	3.57	27.6	6.49	52.9	2.55	
At similar to current rate	38.9	2.41	39.6	1.99	41.3	2.26	37.7	1.88	39.9	2.22	38.6	3.05	35.6	3.93	38.7	5.66	29.0	3.34	
At less than current rate	21.5	2.34	23.1	2.38	20.1	2.13	21.0	2.15	18.4	2.80	22.8	4.05	19.4	2.92	21.9	3.36	9.3	1.19	
No changes in prices	7.0	1.28	5.7	0.89	6.5	1.05	7.7	1.16	6.0	1.34	5.7	1.66	14.3	3.60	11.7	1.70	7.5	1.45	
Decline in prices	0.5	0.22	0.9	0.47	0.9	0.38	0.7	0.25	0.7	0.33	0.3	0.19	0.8	0.53	-	-	1.2	0.68	
Hotel and restaurant																			

Survey Period ended	Percentage of Respondents																	
	2080 Asar		2079 Chait		2079 Push		2079 Asoj		2079 Asar		2078 Chait		2078 Push		2078 Asoj		2077 Magh	
	(Mid-July 2023)		(Mid-April 2023)		(Mid-Jan 2023)		(Mid-Oct 2022)		(Mid-Jul 2022)		(Mid-Apr 2022)		(Mid-Jan 2022)		(Mid-Oct 2021)		2021 mid-Feb	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Price increases	90.8	1.31	88.1	1.80	90.8	1.15	89.7	1.37	90.7	2.46	92.7	1.94	81.3	5.43	85.9	1.63	90.9	2.08
At more than current rate	22.6	2.48	20.3	2.71	19.6	2.46	23.2	2.58	23.6	3.21	22.8	3.90	16.3	3.51	14.3	3.81	46.7	3.93
At similar to current rate	41.4	2.25	39.8	2.16	42.3	2.18	42.0	1.96	41.8	3.79	42.6	3.89	39.9	4.14	42.3	3.30	31.5	4.26
At less than current rate	26.9	2.40	28.0	2.46	28.9	2.52	24.5	2.29	25.3	3.68	27.3	3.71	25.1	4.17	29.4	3.81	12.7	2.18
No changes in prices	8.5	1.28	10.2	1.42	8.6	1.10	9.6	1.31	8.3	2.37	6.9	1.87	15.7	4.73	13.7	1.59	7.9	1.62
Decline in prices	0.6	0.18	1.6	0.57	0.6	0.21	0.7	0.29	1.0	0.50	0.4	0.23	3.1	2.03	0.4	0.24	1.0	0.55
Non-Food and Services																		
Price increases	86.7	2.48	89.5	1.60	89.0	2.44	90.6	1.35	90.4	2.95	94.0	1.92	94.2	1.52	91.8	2.41	90.9	1.21
At more than current rate	19.5	2.89	15.1	1.83	20.7	3.82	23.7	3.37	22.3	3.60	17.7	3.01	17.4	4.05	14.1	5.55	39.6	3.14
At similar to current rate	38.9	2.84	44.4	2.89	36.5	2.51	42.2	2.03	44.8	4.30	49.5	3.62	46.8	4.50	44.4	4.06	39.0	3.54
At less than current rate	28.4	2.95	30.0	3.05	31.7	2.89	24.6	2.84	23.4	2.92	26.8	3.85	30.0	6.82	33.3	6.03	12.2	1.21
No changes in prices	10.7	1.97	9.3	1.40	9.8	2.17	8.3	1.37	9.3	2.96	5.7	1.76	5.1	1.44	8.2	2.41	6.6	0.77
Decline in prices	2.5	1.51	1.2	0.44	1.2	0.73	1.1	0.40	0.3	0.19	0.3	0.25	0.7	0.43	-	-	2.5	0.74
Real Estate (Housing) prices																		
Price increases	65.5	5.20	61.1	4.09	68.9	4.72	69.2	4.85	72.7	6.69	82.4	6.10	82.8	9.32	95.5	1.80	91.3	4.16
At more than current rate	25.4	5.54	20.6	3.58	27.2	5.40	29.1	5.51	32.9	6.99	35.9	7.43	50.4	10.74	54.6	11.47	62.0	7.10
At similar to current rate	20.5	2.19	21.3	2.57	21.5	2.43	21.3	2.36	25.1	3.00	25.8	3.63	24.0	4.59	25.6	3.66	20.5	3.49
At less than current rate	19.7	2.53	19.1	2.46	20.2	2.68	18.7	2.50	14.7	2.41	20.6	4.14	8.3	2.52	15.3	7.71	8.7	2.17
No changes in prices	23.8	3.84	26.9	2.98	23.6	3.72	21.1	3.50	21.5	5.08	13.4	5.30	14.0	7.89	4.3	1.79	6.8	3.60
Decline in prices	9.1	1.76	11.9	2.00	7.5	1.71	9.7	2.24	5.9	2.03	4.2	1.49	3.2	1.55	0.2	0.23	1.9	0.64

Annex 9: Household Inflation Expectations - Current Perception, Three Months and One Year Ahead Expectations

		Current Perception				Three Months ahead Expectation				One Year ahead Expectation			
		Mean		Median		Mean		Median		Mean		Median	
		Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Mid-Jul 2023	2080 Asar	12.6	0.57	12.0	0.90	10.3	0.42	10.0	0.46	12.2	0.52	12.0	0.79
Mid-Apr 2023	2079 Chait	12.5	0.57	12.0	0.97	10.0	0.39	10.0	0.41	12.5	0.56	12.0	0.82
Mid-Jan 2023	2079 Push	12.5	0.59	12.0	0.92	10.1	0.45	10.0	0.41	12.5	0.50	12.0	0.66
Mid-Oct 2022	2079 Asoj	13.2	0.81	12.0	1.93	10.5	0.57	10.0	0.75	13.4	0.67	12.0	1.06
Mid-Jul 2022	2079 Asar	14.1	0.83	14.0	1.28	14.2	1.19	14.0	1.65	14.1	0.81	13.50	1.05
Mid-Apr 2022	2078 Chait	12.9	0.91	12.0	0.93	10.8	0.76	10.0	0.85	14.3	0.93	14.0	1.22
Mid-Jan 2022	2078 Push	10.4	0.82	10.0	1.03	9.2	0.88	8.0	1.10	11.4	0.94	10.0	0.88
Mid-Oct 2021	2078 Asoj	9.4	0.71	8.0	1.42	8.7	1.04	8.0	1.87	10.3	0.73	9.0	1.03
Mid-Feb 2021	2077 Magh	8.0	2.85	5.5	2.32	8.7	2.68	7.0	3.40	10.0	2.72	8.0	3.44

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