

ECONOMY INSIGHTS

ASHADH 2080



IMPORT AND EXPORT NPR in Billion

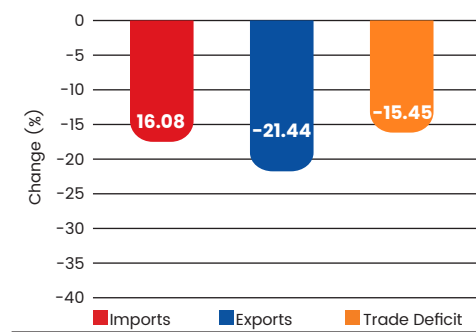
Period → Heading ↓	FY 2078/79*	FY 2079/80*	Change (%)
Imports	1920.45	1611.73	-16.08
Exports	200.03	157.14	-21.44
Trade Deficit	1720.42	1454.59	-15.45

*As of Ashadh 2079/80

Source: Department of Customs

Import in FY 2079/80 shows a decline of 16.08% compared to the FY 2078/79. Export also decreased by 21.44%. Similarly, the trade deficit dropped by 15.45%.

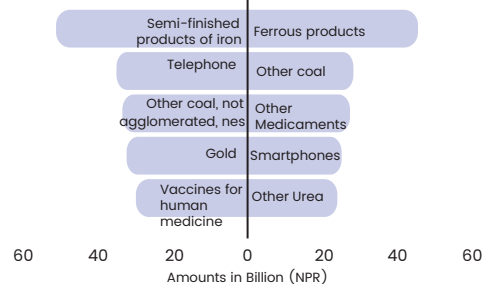
TRADE INDICATORS



MAJOR IMPORT OTHER THAN FUEL AND OIL

Top import products (2078/79)*	Top import products (2079/80)*
Semi-finished products of iron	Ferrous products
Telephone	Other coal
Other coal, not agglomerated, nes	Other Medicaments
Gold	Smartphones
Vaccines for human medicine	Other Urea

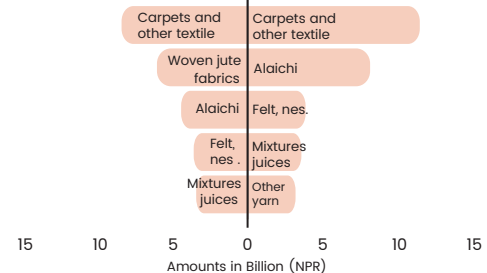
Import Products (2078/79) | Import Products (2079/80)



MAJOR EXPORT OTHER THAN FUEL AND OIL

Top export products (2078/79)*	Top export products (2079/80)*
Carpets and other textile	Carpets and other textile
Woven jute fabrics	Alaichi
Alaichi	Felt, nes.
Felt, nes.	Mixture of juices, unfermented
Mixtures of juices, unfermented	Other yarn

Export Products (2078/79) | Export Products (2079/80)



*As of Ashadh 2079/80

Source: Department of Customs

During FY 2079/80, the top three imports other than fuel and oil were ferrous products, other coal and other medicaments. In FY 2078/79, the major imports other than fuel and oil were semi-finished products of iron, telephones and other coal, not agglomerated, nes.

Likewise, in FY 2079/80, the top three exports other than fuel and oil were carpets & other textiles, alaichi and felt, nes. In the same period in the major exports other than fuel and oil were carpets & other textiles, woven jute fabrics and alaichi.



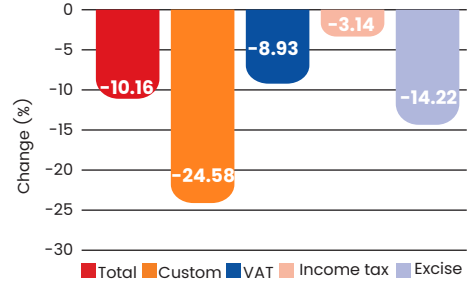
GOVERNMENT REVENUE (YOY) NPR in Billion

Heading	Total Revenue (FY 2078/79)	Total Revenue (FY 2079/80)	Change (%)
Total	1067.96	957.15	-10.16
Custom	241.78	182.5	-24.58
VAT	314.28	286.2	-8.93
Excise	166.78	143.1	-14.22
Income tax	260.09	251.8	-3.14

*As of Ashadh 2079/80

Source: Nepal Rastra Bank

GOVERNMENT REVENUE



During the current fiscal year, there has been a decline in total government revenue, with a shrinkage of 10.16% compared to the previous fiscal year. Specifically, customs revenue experienced a significant decrease of 24.58%. This decline in revenue from consumption-based taxes, such as the VAT and excise, mirrors the decrease in aggregate demand of the economy.

GOVERNMENT EXPENDITURE NPR in Billion

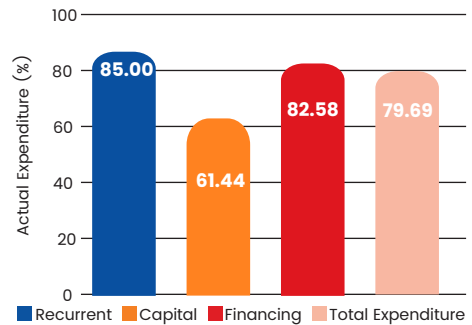
Heading	Target	Actual Expenditure*	Actual Expenditure%
Recurrent	1183.24	1005.75	85.00
Capital	380.38	233.69	61.44
Financing	230.22	190.11	82.58
Total Expenditure	1793.84	1429.56	79.69

*As of Ashadh 2079/80

Source: FCGO

In the current fiscal year the government has spent 61.44% of the targeted capital expenditure while in the same period previous year it was 57.23%.

GOVERNMENT EXPENDITURE STATUS



ELECTRICITY

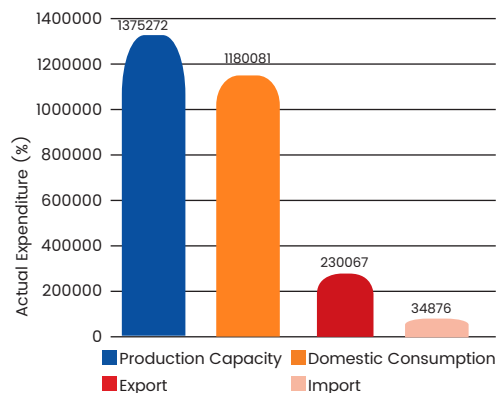
Heading	Ashadh 2079/80
Production Capacity	1375272 MWh
Domestic Consumption	1180081 MWh
Export	230067 MWh
Import	34876 MWh

*As of Ashadh 2079/80

Source: Nepal Electricity Authority

During this period 34876 MWh of electricity has been imported to meet the electricity demand, it was 184401 MWh in the previous month. Whereas the export stood at 230067 MWh.

ELECTRICITY





FINANCIAL INDICATORS

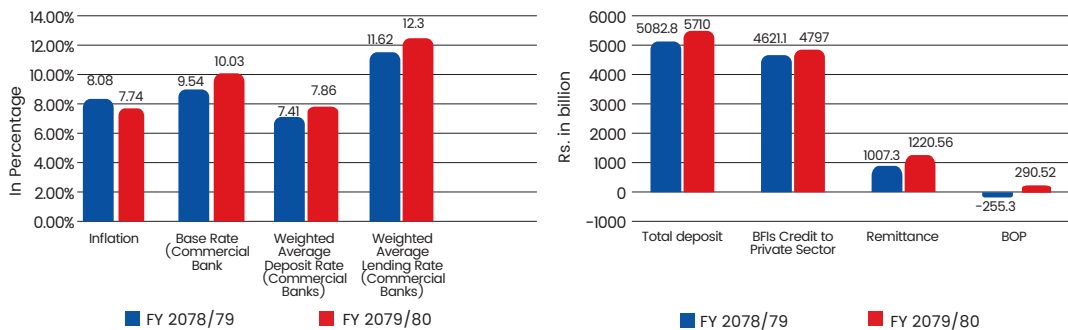
Headings	FY 2078/79	FY 2079/80
Inflation	8.08%	7.74%
Forex reserve (USD in billion)	9.54	11.74
Forex reserve Adequacy (Goods and services) in months	6.9	10
Base Rate (Commercial Bank)	9.54%	10.03%
Weighted Average Deposit Rate (Commercial Banks)	7.41%	7.86%
Weighted Average Lending Rate (Commercial Banks)	11.62%	12.3%
Total deposit (NPR in billion)	5082.8	5710
BFls Credit to Private Sector (NPR in billion)	4621.1	4797
Remittance (NPR in billion)	1007.3	1220.56
BOP (NPR in billion)	-255.3	290.52

*As of Ashadh 2079/80

Source: Nepal Rastra Bank

Inflation decreased to 7.74% year-on-year FY 2079/80 as compared to 8.08% in the previous fiscal year. BOP became NPR 290.52 billion whereas it was NPR -255.3 billion in previous fiscal year.

FINANCIAL INDICATORS



TOURISM

July 2022	July 2023	Growth (%)
44462	57726	22.98%

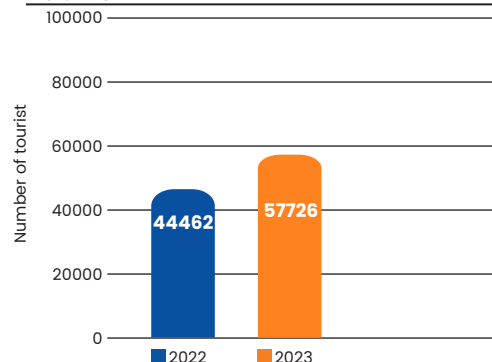
*In the month of July

Source: NRB

There has been an increment of 22.98% in the arrival of tourists in the given period compared to the same period last year.

Travel income made in the period was NPR 61.52 billion whereas travel payments was NPR 144.46 billion.

TOURIST ARRIVAL





REMITTANCE

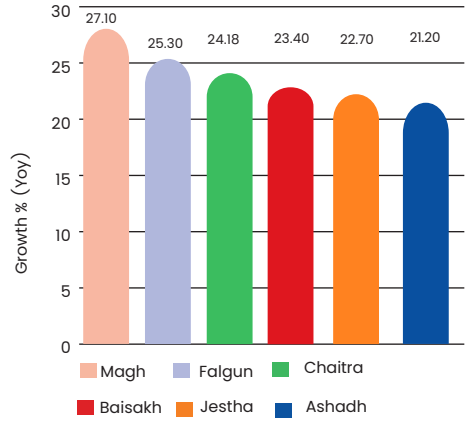
Months	Remittance in NPR Billion	Growth (YoY)
Magh	689.88	27.10%
Falgun	794.3	25.30%
Chaitra	903.4	24.18%
Baisakh	1005.2	23.40%
Jestha	1112.52	22.70%
Ashadh	1220.56	21.20%

*As of Ashadh 2079/80

Source: Nepal Rastra Bank

Remittance increased by 21.20% in NPR and 12.1% in US dollars compared to the same period of the previous fiscal year.

REMITTANCE



FUEL (GAS AND OIL)

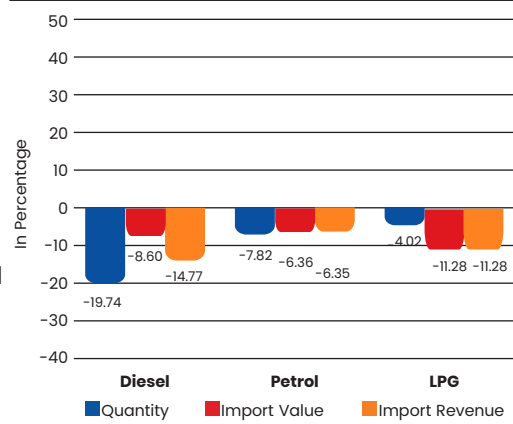
Description	Import Quantity	Import Value	Import Revenue
Diesel	-19.74%	-8.60%	-14.77%
Petrol	-7.82%	-6.36%	-6.35%
Liquified Petroleum (LPG)	-4.02%	-11.28%	-11.28%

*As of Ashadh 2079/80

Source: Department of Customs

In FY 2079/80, import of diesel has decreased by 19.74 % in FY 2079/80 compared to FY 2078/79

CHANGE IN MAJOR PETROLEUM PRODUCTS IMPORT (YoY)



NET FOREIGN DIRECT INVESTMENT

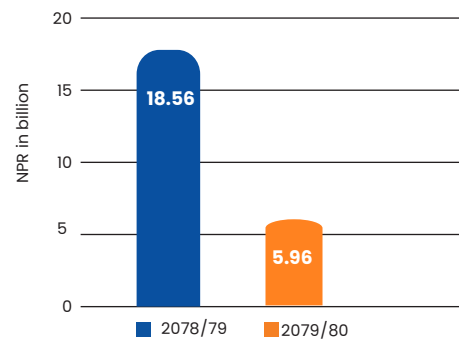
Ashadh (FY 2078/79)	Ashadh (FY 2079/80)
18.56	5.96
(NPR in billion)	(NPR in billion)

*As of Ashadh 2079/80

Source: Nepal Rastra Bank

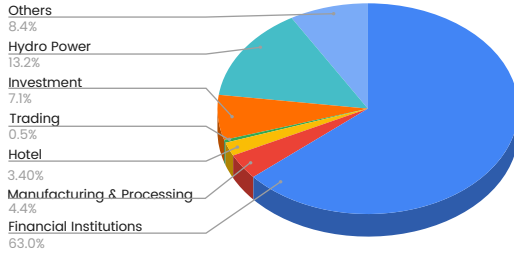
Net FDI decreased by 67.89% in this fiscal year compared to previous fiscal year.

NET FDI



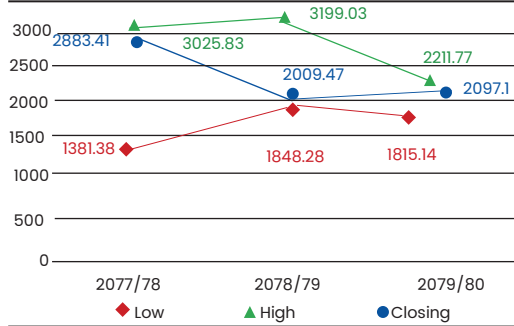


STOCK MARKET MARKET CAPITALIZATION

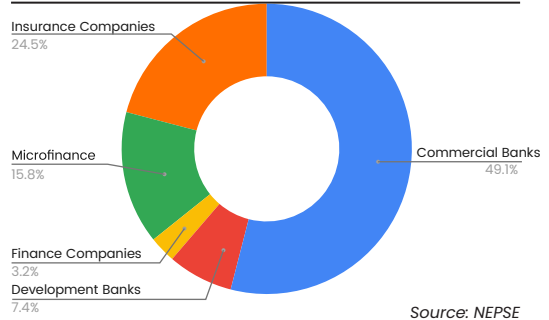


Source: NEPSE

NEPSE INDEX

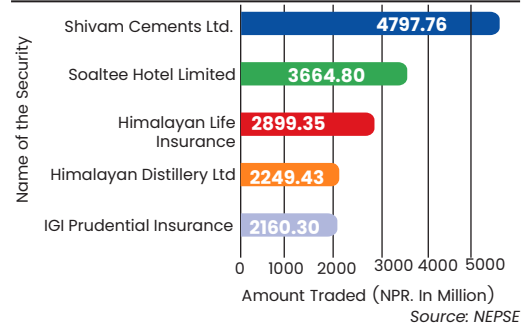


FINANCIAL INSTITUTIONS



Source: NEPSE

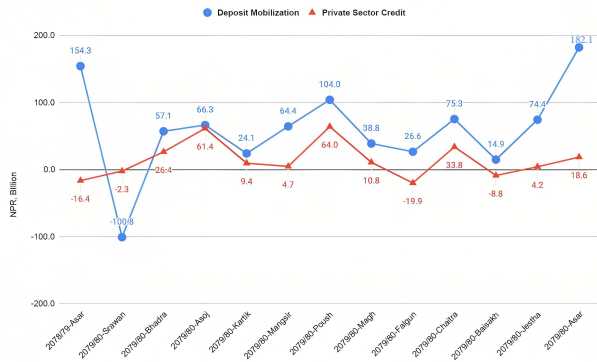
TOP 5 SHARES BY TURNOVER



Source: NEPSE

Ashadh SPECIAL : Deposit Mobilization & Private Sector Credit

Private sector credit and deposit mobilization can be conceptualized as the dynamic interplay between the demand and supply of loanable funds. In this financial framework, deposit mobilization consistently surpasses private sector credit over time. Curiously, even in light of this trend, the prevailing interest rates remain notably elevated. Similarly, there is high volatility in deposit mobilization at the end of fiscal year and first month of new fiscal year.



CNI NEPAL ECONOMY INSIGHTS

"CNI Nepal Economy Insights" is published with an aim of informing about the macroeconomic situation of the country every month. The data used in the publication are received from Nepal Rastra Bank, Financial Comptroller General Office, Department of Customs, Department of Immigration, Nepal Electricity Authority and other regulatory bodies.

This publication was prepared under the leadership of Vice President, Mr. Birendra Raj Pandey by CNI Research Cell- Mr. Ravi Prajapati, Deputy Director and Ms. Rashmi Poudyal, Officer.



CONFEDERATION OF NEPALESE INDUSTRIES (CNI)

P.O. Box No. 21056, Trade Tower, 5th floor, Thapathali, Kathmandu
Tel: 977-01-5111122/5111123 | Fax: 977-01-5111125
Email: cni@cnind.org | Website: www.cnind.org