

ECONOMY INSIGHTS

KARTIK 2079



IMPORT AND EXPORT

Rs in Billion

Period Heading	FY 2078/79*	FY 2079/80*	Change (%)
Imports	650.29	532.69	-18.08%
Exports	82.12	54.77	-33.3%
Trade Deficit	568.17	477.92	-15.88%

*As of Kartik 2079/80

Source: Department of Customs

Import of the first four months of FY 2079/80 shows a decline of 18.08% compared to the same period of FY 2078/79 whereas export also decreased by 33.33 percent. The trade deficit dropped by 15.88%, which is a positive sign for the economy.

MAJOR IMPORT PRODUCTS

Top import products (2078/79)*	Top import products (2079/80)*
Diesel	Diesel
Crude soya-bean oil	Petrol
Cellular Phone	Liquefied Petroleum Gas
Crude palm oil	Crude soya-bean oil
Petrol	Crude palm oil

MAJOR EXPORT PRODUCTS

Top export products (2078/79)*	Top export products (2079/80)*
Refined Soya-bean oil	Deodorized Palm oil
Deodorized Palm Oil	Refined Soya-bean oil
Refined Palm oil (9010)	Knotted Carpets
Refined Palm oil (9090)	Refined Palm oil
Carpet & Other textiles	Alaichi

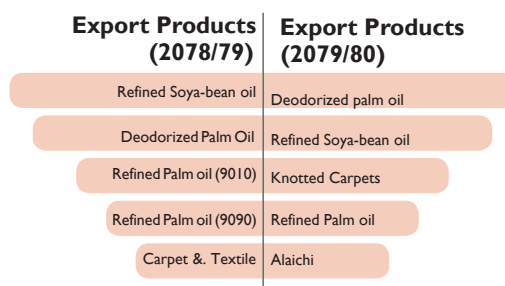
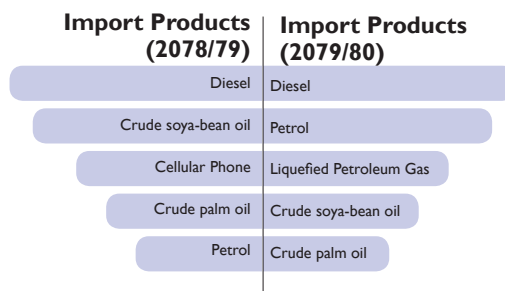
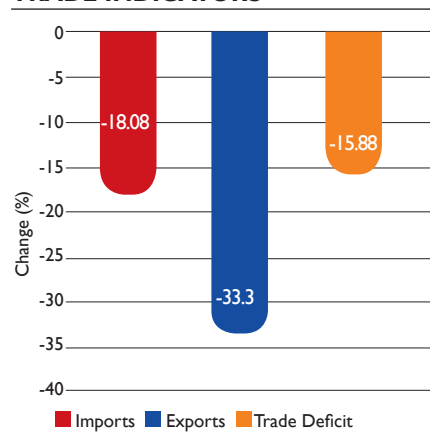
*As of Kartik 2079/80

Source: Department of Customs

For the first four months of FY 2079/80, diesel remained the leading import, followed by petrol and liquefied petroleum gas. The top three items during the same time period of the previous fiscal year were diesel, crude soya bean oil and cell phones.

In the first four months of FY 2079/80, deodorized palm oil, refined soybean oil, and knotted carpets remained the major export commodities. In the same period of FY 2078/79, refined soybean oil was the top export product, followed by deodorized palm oil, refined palm oil.

TRADE INDICATORS





GOVERNMENT REVENUE (YoY) Rs In billion

Heading	Total Revenue (FY 2078/79)	Total Revenue (FY 2079/80)	Change(%)
Total	334.31	268.07	-19.8
Custom	85.38	56.29	-34.1
VAT	102.6	86.72	-15.5
Excise	58.34	48.65	-16.6
Income tax	58.89	53.61	-9.0

*As of Kartik 2079/80

Source: Nepal Rastra Bank

Total government revenue shrunk massively by 19.8 percent compared to the same period in the last fiscal year. The customs revenue decreased by 34.1 percent, demonstrating the impact of import control on a select few products. The decrease in consumption based taxes like the VAT and excise reflects the fall in aggregate demand of the economy.

GOVERNMENT EXPENDITURE Rs in billion

Heading	Target	Actual Expenditure*	Actual Expenditure %
Recurrent	1183.24	281.38	23.78 %
Capital	380.38	26.3	6.91 %
Financing	230.22	43.31	18.81 %
Total Expenditure	1793.84	350.99	19.57%

*As of Kartik 2079/80

Source: Financial Comptroller General Office

In the first four months of the current fiscal year the government has spent only 6.91% of the targeted capital expenditure while in the same period previous year it was 5.5%.



ELECTRICITY

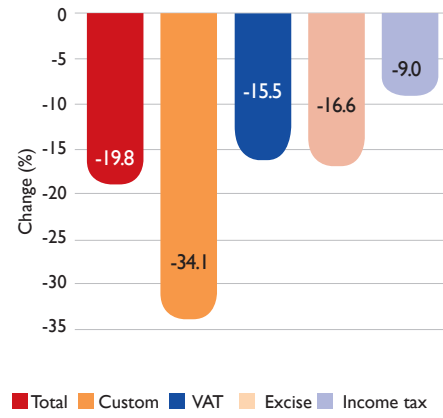
Heading	Kartik 2079/80
Production Capacity	930148 MWh
Domestic Consumption	728414 MWh
Export	202254 MWh
Import	519 MWh

As of Kartik 2079/80

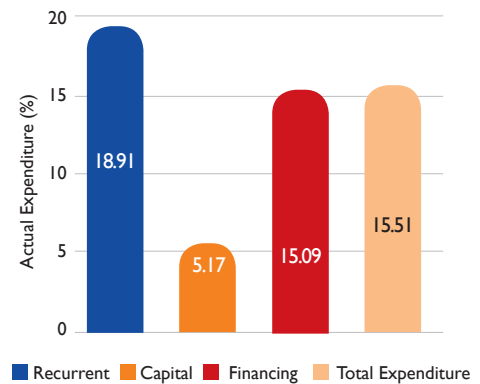
Source: Nepal Electricity Authority

During this period only 519 MWh of electricity has been imported to meet the electricity demand, it was 6120 MWh in the previous month. Whereas the export stood at 202254 MWh, all the export was made to India.

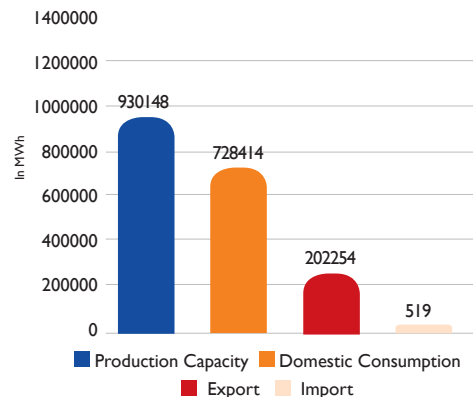
GOVERNMENT REVENUE



GOVERNMENT EXPENDITURE STATUS



ELECTRICITY





FINANCIAL INDICATORS

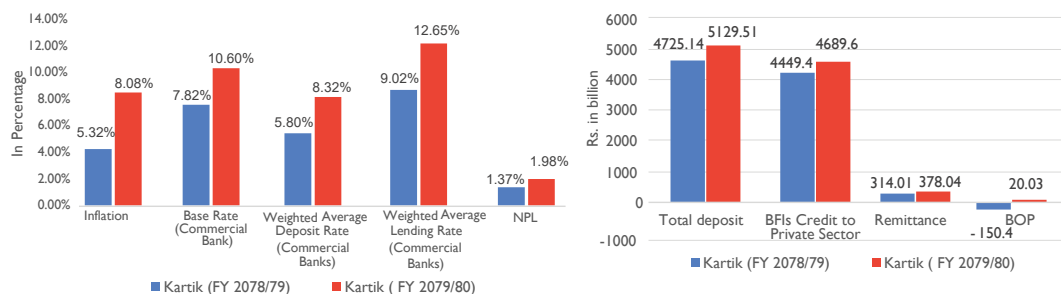
Headings	Kartik (FY2078/79)	Kartik (FY2079/80)
CD ratio (A,B,C)	89.90%	86.85%
Inflation (YoY)	5.32%	8.08%
Forex reserve	10.47 (USD in billions)	9.63 (USD in billions)
Forex reserve Adequacy (Goods and services)	7.2 months	8.4 months
Base Rate (Commercial Bank)	7.82%	10.60%
Weighted Average Deposit Rate (Commercial Banks)	5.8%	8.32%
Weighted Average Lending Rate (Commercial Banks)	9.02%	12.65%
Total deposit	4725.14 (Rs in billion)	5129.51 (Rs in billion)
BFls Credit to Private Sector (Rs. in billion)	4449.43(Rs in billion)	4689.65 (Rs in billion)
Remittance	314.01 (Rs in billion)	378.04(Rs in billion)
BOP	-150.4 (Rs in billion)	20.03(Rs in billion)
NPL (A,B,C)	1.37%	1.98%

As of Kartik 2079/80

Source: Nepal Rastra Bank

Inflation increased to 8.08% year-on-year in Kartik 2079 as compared to 5.32% the previous year. BOP became positive by Rs. 20.03 billion compared to the previous month 12.43 billion.

FINANCIAL INDICATORS



TOURISM

Nov 2021	Nov 2022	Growth
26135	72653	177.9%

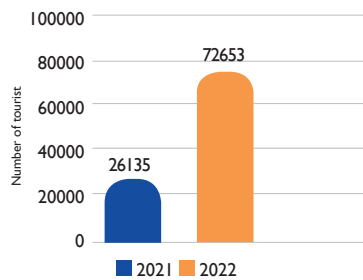
As of Kartik 2079/80

Source: Department of Immigration

During the month of November India, USA, UK remained top three in arrival nations. There has been a significant positive change of 177.9% in arrival in the given period compared to the same period last year.

Travel income made in the period was Rs.17.96 billion whereas travel payments was Rs.33.06 billion.

TOURIST ARRIVAL





FOREIGN EMPLOYMENT

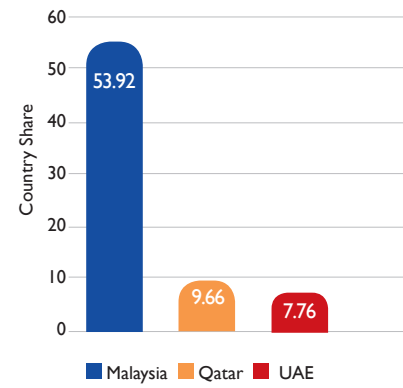
New Entry	No. of Individual*	Country Share
Malaysia	105255	53.92%
Qatar	18852	9.66%
UAE	15139	7.76%
Total	195196	

*as of Kartik 2079.

Source: Nepal Rastra Bank

Number of Nepali workers (institutional and individual-new) taking approval for foreign employment increased by 102.5%. Whereas remittance increased by 20.4% (NPR), 10.8 % (US Dollar).

FOREIGN EMPLOYMENT



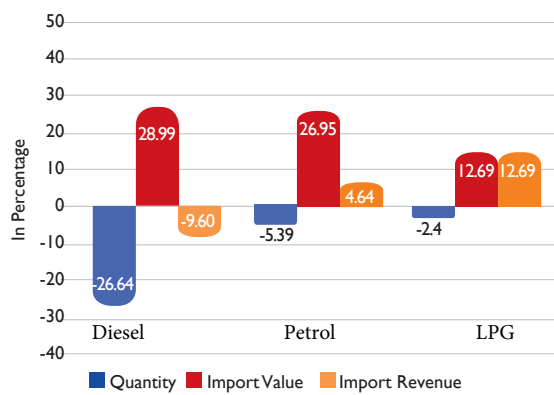
FUEL (GAS AND OIL) Change (YoY, Kartik)

Description	Import Quantity	Import Value	Import Revenue
Diesel	-26.64%	28.99%	-9.60%
Petrol	-5.39%	26.95%	4.64%
Liquefied Petroleum Gas (LPG)	-2.4%	12.69%	12.69%

Source: Custom Department

As of Kartik 2079/80, import of diesel has decreased by 26.64% in FY 2079/80 compared FY 2078/79. Even though import quantity of diesel decreased, the import value has increased by 28.99%, this is mainly because of the increase in fuel prices caused by the Ukraine-Russian War.

CHANGE IN MAJOR PETROLEUM PRODUCTS IMPORT (YoY)



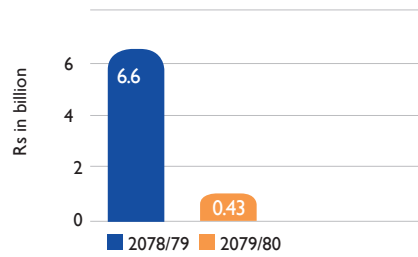
NET FOREIGN DIRECT INVESTMENT

Kartik (FY 2078/79)	Kartik (FY 2079/80)
6.6 (Rs in billion)	0.43 (Rs in billion)

Source: Nepal Rastra Bank

Net FDI decreased by 93.53% in the first three months of the current fiscal year compared to the to same time period of previous fiscal year.

NET FDI



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