

Nepal: Statistical Appendix

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Statistical Appendix

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Approved by the Asia and Pacific Department

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Table 1. Nepal: Nominal Gross Domestic Product by Sector, 1996/97–2001/02

	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
(In billions of Nepalese rupees, at current prices)						
Agriculture, fisheries, and forestry	108.8	112.5	132.4	145.1	151.0	160.1
Mining and quarrying	1.5	1.6	1.7	1.8	1.9	2.1
Manufacturing	24.8	27.0	30.3	33.6	35.5	32.8
Electricity and water	4.5	4.4	4.6	5.9	7.0	7.4
Construction	29.3	30.5	33.3	37.4	39.6	42.2
Trade, restaurants, and hotels	30.6	33.7	39.3	42.9	44.6	40.5
Transport and communication	19.3	22.6	24.6	29.3	33.3	34.7
Financial sector and real estate	27.2	29.8	33.2	36.9	41.6	43.9
Community and social services	23.7	27.8	30.6	33.3	39.0	40.8
GDP at factor cost	269.6	289.8	330.0	366.3	393.6	404.5
Agricultural GDP	108.8	112.5	132.4	145.1	151.1	160.1
Nonagricultural GDP	160.8	177.3	197.6	221.1	242.5	244.3
Net indirect taxes	18.0	18.9	21.5	23.9	28.6	29.2
Less: Value of imputed banking services	7.0	7.9	9.4	10.7	11.9	12.4
GDP at market prices	280.5	300.8	342.0	379.5	410.3	421.3
(Percentage share in nominal GDP at factor cost)						
Agriculture, fisheries, and forestry	40.4	38.8	40.1	39.6	38.4	39.6
Mining and quarrying	0.6	0.5	0.5	0.5	0.5	0.5
Manufacturing	9.2	9.3	9.2	9.2	9.0	8.1
Electricity and water	1.7	1.5	1.4	1.6	1.8	1.8
Construction	10.9	10.5	10.1	10.2	10.1	10.4
Trade, restaurants, and hotels	11.3	11.6	11.9	11.7	11.3	10.0
Transport and communication	7.2	7.8	7.5	8.0	8.5	8.6
Financial sector and real estate	10.1	10.3	10.1	10.1	10.6	10.8
Community and social services	8.8	9.6	9.3	9.1	9.9	10.1
Agricultural GDP at factor cost	40.4	38.8	40.1	39.6	38.4	39.6
Nonagricultural GDP at factor cost	59.6	61.2	59.9	60.4	61.6	60.4
(Annual percentage change)						
Memorandum items:						
Deflator for GDP at market prices	7.1	4.2	8.8	4.6	3.2	3.2
Agriculture-sector deflator	7.6	2.5	14.4	4.5	-1.3	3.7
Nonagriculture-sectors deflator	7.0	5.0	5.5	4.7	5.2	2.9

Sources: The Central Bureau of Statistics; Nepal Rastra Bank; and Fund staff estimates.

Table 2. Nepal: Real Gross Domestic Product by Sector, 1996/97–2001/02

	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
(In billions of Nepalese rupees, at 1994/95 prices)						
Agriculture, fisheries, and forestry	92.7	93.5	96.2	100.9	106.4	108.8
Mining and quarrying	1.3	1.4	1.4	1.5	1.5	1.6
Manufacturing	22.8	23.6	24.9	26.6	27.6	24.9
Electricity and water	3.5	3.3	3.5	4.0	4.4	4.5
Construction	26.4	27.0	28.8	31.6	31.8	32.4
Trade, restaurants, and hotels	26.5	28.0	29.1	31.0	31.5	28.2
Transport and communications	15.9	17.2	18.4	19.6	20.9	21.2
Financial sector and real estate	23.1	24.5	25.7	27.0	27.5	28.4
Community and social services	20.8	22.4	23.9	24.8	28.1	28.5
GDP at factor cost	233.0	240.8	251.8	267.1	279.8	278.5
Agricultural GDP	92.7	93.5	96.2	100.9	106.4	108.8
Nonagricultural GDP	140.3	147.3	155.6	166.2	173.4	169.7
Net indirect taxes	15.7	15.5	16.2	17.5	18.6	18.5
Less: Value of imputed banking services	5.7	6.2	6.6	7.2	7.8	7.8
GDP at market prices	243.0	250.2	261.4	277.4	290.6	289.2
(Annual percentage change)						
Agriculture, fisheries, and forestry	4.4	0.9	2.8	4.9	5.5	2.2
Mining and quarrying	6.8	1.3	3.7	4.5	4.5	1.0
Manufacturing	7.1	3.4	5.3	7.2	3.8	-10.0
Electricity and water	1.8	-4.1	5.7	14.3	9.6	1.7
Construction	6.6	2.2	6.8	9.6	0.9	1.7
Trade, restaurants, and hotels	4.1	5.8	3.9	6.8	1.6	-10.4
Transport and communications	7.7	8.1	6.8	7.0	6.2	1.9
Financial sector and real estate	4.7	5.9	5.0	5.1	1.7	3.3
Community and social services	3.6	7.6	6.6	4.0	13.1	1.7
GDP at factor cost	5.0	3.3	4.6	6.1	4.7	-0.5
Agricultural GDP	4.4	0.9	2.8	4.9	5.5	2.2
Nonagricultural GDP	5.4	5.0	5.6	6.8	4.3	-2.1
Value of imputed banking services	1.5	8.4	6.9	9.4	8.3	0.1
Net indirect taxes	7.7	-0.9	4.5	7.8	6.4	-0.6
GDP at market prices	5.3	2.9	4.5	6.1	4.8	-0.5

Sources: The Central Bureau of Statistics; Nepal Rastra Bank; and Fund staff estimates.

Table 3. Nepal: Nominal Gross Domestic Product by Expenditure Components, 1996/97–2001/02

	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
(In billions of Nepalese rupees, at current prices)						
GDP at market prices	280.5	300.8	342.0	379.5	410.3	421.3
Consumption	241.4	259.4	295.5	321.9	349.3	371.5
Public	25.0	28.0	30.5	34.0	40.2	42.3
Private	216.4	231.4	264.9	287.9	309.1	329.2
Gross domestic investment	71.1	74.7	70.1	92.3	98.3	103.6
Gross fixed investment	60.8	65.4	65.3	73.3	78.0	81.3
Public	19.4	22.6	23.9	26.4	31.3	32.0
Private	41.4	42.8	41.4	46.9	46.8	49.2
Change in stocks	10.3	9.4	4.8	18.9	20.3	22.4
Net exports	-31.9	-33.2	-23.5	-34.7	-37.3	-53.8
Exports	73.9	68.7	78.2	88.4	91.8	67.7
Imports	105.8	101.9	101.6	123.1	129.1	121.5
(Percentage share in nominal GDP)						
Consumption	86.0	86.2	86.4	84.8	85.1	88.2
Public	8.9	9.3	8.9	8.9	9.8	10.0
Private	77.1	76.9	77.5	75.9	75.3	78.1
Gross domestic investment	25.3	24.8	20.5	24.3	24.0	24.6
Gross fixed investment	21.7	21.7	19.1	19.3	19.0	19.3
Public	6.9	7.5	7.0	7.0	7.6	7.6
Private	14.8	14.2	12.1	12.4	11.4	11.7
Change in stocks	3.7	3.1	1.4	5.0	4.9	5.3
Net exports	-11.4	-11.0	-6.9	-9.1	-9.1	-12.8
Exports	26.3	22.8	22.9	23.3	22.4	16.1
Imports	37.7	33.9	29.7	32.4	31.5	28.8

Sources: The Central Bureau of Statistics; Nepal Rastra Bank; and Fund staff estimates.

Table 4. Nepal: Saving and Investment, 1996/97–2001/02

	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
(In billions of Nepalese rupees, at current prices)						
Gross national savings	44.8	48.6	58.6	72.0	78.6	73.1
Public sector	3.8	3.9	3.1	4.3	1.0	0.9
Private sector	41.0	44.7	55.5	67.7	77.6	72.2
Gross domestic investment	71.1	74.7	70.1	92.3	98.3	103.6
Gross fixed investment	60.8	65.4	65.3	73.3	78.0	81.3
Public sector	19.4	22.6	23.9	26.4	31.3	32.0
Private sector	41.4	42.8	41.4	46.9	46.8	49.2
Change in stocks	10.3	9.4	4.8	18.9	20.3	22.4
Saving-investment gap	-26.3	-26.1	-11.5	-20.3	-19.7	-30.5
Public sector	-15.6	-18.7	-20.8	-22.1	-30.3	-31.1
Private sector	-10.7	-7.5	9.3	1.9	10.5	0.6
(In percent of nominal GDP)						
Gross national savings	16.0	16.2	17.1	19.0	19.2	17.4
Public sector 1/	1.4	1.3	0.9	1.1	0.2	0.2
Private sector	14.6	14.8	16.2	17.9	18.9	17.1
Gross domestic investment	25.3	24.8	20.5	24.3	24.0	24.6
Gross fixed investment	21.7	21.7	19.1	19.3	19.0	19.3
Public sector	6.9	7.5	7.0	7.0	7.6	7.6
Private sector	14.8	14.2	12.1	12.4	11.4	11.7
Change in stocks	3.7	3.1	1.4	5.0	4.9	5.3
Saving-investment gap	-9.4	-8.7	-3.4	-5.3	-4.8	-7.2
Public sector	-5.6	-6.2	-6.1	-5.8	-7.4	-7.4
Private sector	-3.8	-2.5	2.7	0.5	2.6	0.1

Sources: The Central Bureau of Statistics; Nepal Rastra Bank; and Fund staff estimates.

Table 5. Nepal: Agricultural Production and Yields, 1996/97–2001/02

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	1997/98	1998/99	1999/00	2000/01	2001/02
	(In thousands of metric tons)						(Percentage change)				
Production by major crops											
Foodgrains	6,426	6,360	6,465	6,985	7,172	7,247	-1.0	1.7	8.0	2.7	1.1
Paddy	3,711	3,641	3,710	4,030	4,216	4,165	-1.9	1.9	8.6	4.6	-1.2
Wheat	1,072	1,030	1,086	1,184	1,158	1,258	-3.9	5.4	9.0	-2.2	8.6
Maize	1,317	1,367	1,346	1,445	1,484	1,511	3.8	-1.5	7.4	2.7	1.8
Millet	289	285	291	295	283	283	-1.3	2.2	1.2	-4.1	-0.1
Barley	37	37	32	31	30	31	0.0	-14.1	-2.5	-1.7	2.4
Cash crops	2,764	2,865	3,201	3,428	3,678	3,877	3.6	11.7	7.1	7.3	5.4
Sugarcane	1,629	1,763	1,972	2,103	2,212	2,248	8.2	11.8	6.7	5.2	1.6
Jute	14	16	15	15	16	17	14.3	-6.3	0.0	9.3	3.7
Oilseeds	119	110	120	123	132	135	-7.6	8.8	2.8	7.6	2.0
Potato	997	972	1,091	1,183	1,314	1,473	-2.5	12.3	8.4	11.0	12.1
Tobacco	5	4	4	4	4	4	-21.6	-2.5	2.6	-0.7	-6.0
Distribution of fertilizer 1/	122	109	157	148	146	141	-10.8	44.0	-5.7	-1.4	-3.4
Area under cultivation 2/											
Foodgrains	3,267	3,243	3,253	3,321	3,314	3,296	-0.7	0.3	2.1	-0.2	-0.5
Paddy	1,511	1,506	1,514	1,551	1,560	1,517	-0.3	0.5	2.4	0.6	-2.8
Wheat	667	640	641	660	641	667	-4.0	0.2	3.0	-2.9	4.1
Maize	794	799	802	819	825	826	0.6	0.4	2.1	0.7	0.1
Millet	260	262	264	263	260	258	0.8	0.8	-0.4	-1.1	-0.8
Barley	35	36	32	28	28	28	2.9	-11.1	-12.5	0.0	0.0
Cash crops	356	361	378	390	391	398	1.4	4.7	3.2	0.3	1.8
Sugarcane	46	49	54	58	59	59	6.5	10.2	7.4	1.7	0.0
Jute	11	12	12	15	11	12	9.1	0.0	25.0	-26.7	9.1
Oilseeds	182	179	190	190	188	188	-1.6	6.1	0.0	-1.1	0.0
Potato	111	116	118	123	129	135	4.5	1.7	4.2	4.9	4.7
Tobacco	6	5	4	4	4	4	-16.7	-20.0	0.0	0.0	0.0
	(In metric tons/hectare)						(Percentage change)				
Yields											
Foodgrains	2.0	2.0	2.0	2.1	2.2	2.2	-0.3	1.3	5.8	2.9	1.6
Paddy	2.5	2.4	2.5	2.6	2.7	2.7	-1.6	1.4	6.0	4.0	1.6
Wheat	1.6	1.6	1.7	1.8	1.8	1.9	0.1	5.3	5.9	0.7	4.4
Maize	1.7	1.7	1.7	1.8	1.8	1.8	3.1	-1.9	5.1	2.0	1.7
Millet	1.1	1.1	1.1	1.1	1.1	1.1	-2.1	1.4	1.6	-3.0	0.7
Barley	1.1	1.0	1.0	1.1	1.1	1.1	-2.8	-3.3	11.4	-1.7	2.4
Cash crops	7.8	7.9	8.5	8.8	9.4	9.7	2.2	6.7	3.8	7.0	3.5
Sugarcane	35.4	36.0	36.5	36.3	37.5	38.1	1.6	1.5	-0.7	3.4	1.6
Jute	1.3	1.3	1.3	1.0	1.5	1.4	4.8	-6.3	-20.0	49.0	-4.9
Oilseed	0.7	0.6	0.6	0.6	0.7	0.7	-6.1	2.5	2.8	8.7	2.0
Potato	9.0	8.4	9.2	9.6	10.2	10.9	-6.7	10.4	4.0	5.9	7.1
Tobacco	0.9	0.8	1.0	1.0	1.0	0.9	-5.9	21.9	2.6	-0.7	-6.0

Source: The Central Bureau of Statistics.

1/ Private sector has participated in fertilizer trading activity since November 1997.

2/ Areas cultivated with more than one crop are included under each crop.

Table 6. Nepal: Manufacturing Production Indices, 1998/99–2001/02

	Weights 1/	1998/99	1999/00	2000/01	2001/02	1998/99	1999/00	2000/01	2001/02
		(Indices 1996/97 = 100)				(Percentage change)			
Overall production	100.0	108.9	116.1	120.1	112.2	5.3	6.6	3.5	-6.6
Food	26.2	118.1	127.3	134.5	127.3	5.9	7.8	5.7	-5.4
<i>Of which:</i>									
Sugar	3.5	110.2	142.7	119.4	95.6	6.0	29.4	-16.3	-19.9
Vegetable ghee	1.5	111.5	118.9	153.1	188.5	-3.6	6.7	28.8	23.1
Rice	2.0	131.4	131.5	131.0	148.3	6.0	0.0	-0.4	13.2
Soybean oil	0.8	131.1	133.5	146.3	165.3	14.0	1.8	9.6	13.0
Processed milk	3.0	111.2	114.5	124.1	135.8	3.0	2.9	8.4	9.4
Beverage	10.5	120.2	131.1	139.8	117.5	7.8	9.0	6.7	-16.0
Tobacco	13.8	98.8	108.0	113.9	112.1	7.2	9.4	5.4	-1.6
Textile	22.4	107.0	107.1	99.1	71.5	3.6	0.1	-7.5	-27.9
<i>Of which:</i>									
Cotton cloth	1.5	79.9	70.6	65.9	59.0	-15.0	-11.7	-6.6	-10.5
Synthetic cloth	3.0	93.3	99.6	101.5	103.8	-12.0	6.8	1.9	2.3
Woolen carpet	16.7	111.2	109.7	99.3	61.9	8.1	-1.3	-9.5	-37.7
Jute goods	1.2	116.3	135.1	130.9	139.6	2.0	16.2	-3.1	6.6
Readymade garments	7.2	103.7	123.5	122.1	88.7	8.0	19.1	-1.1	-27.4
Processed leather	1.0	111.2	108.1	134.6	121.8	2.0	-2.7	24.5	-9.5
Wood products	1.2	95.6	93.3	91.4	99.0	-3.4	-2.4	-2.1	8.3
Paper	1.9	103.0	111.3	125.5	123.6	2.0	8.1	12.7	-1.5
Other chemical products	6.8	105.5	114.5	130.7	148.6	6.9	8.5	14.2	13.7
Rubber products	1.5	98.0	96.5	96.6	101.2	2.2	-1.5	0.1	4.8
Plastic products	1.9	111.3	110.6	148.6	178.6	6.0	-0.7	34.4	20.2
Nonmetallic mineral products	8.2	114.5	120.6	117.9	124.5	9.4	5.3	-2.2	5.6
<i>Of which:</i>									
Bricks	3.9	96.5	96.3	96.5	100.9	16.3	-0.2	0.2	4.6
Cement	4.3	130.6	142.4	137.1	145.8	5.3	9.0	-3.7	6.3
Iron and steel basic industries	5.1	107.4	120.4	134.1	139.7	-0.5	12.1	11.4	4.2
Electrical industrial machinery apparatus, appliances, etc.	1.8	116.4	121.0	146.4	151.5	3.0	4.0	21.0	3.5
Others	0.5	89.3	98.9	92.6	101.7	-4.0	10.8	-6.4	9.8

Source: The Central Bureau of Statistics.

1/ Weights are based on the Census of Manufacturing Establishments (1996/97).

Table 7. Nepal: Energy Consumption, 1996/97–2001/02

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
	(In thousands of tons of coal equivalent)					
Traditional	6,268	6,403	6,540	6,681	6,824	6,997
<i>Of which:</i>						
Fuelwood	5,574	5,694	5,816	5,941	6,068	6,217
Commercial	691	768	811	1,044	1,088	1,169
Petroleum	554	625	661	709	734	758
Coal	60	61	61	236	253	290
Electricity	77	83	89	99	108	121
Total	6,959	7,192	7,376	7,754	7,954	8,205
	(Annual percentage change)					
Traditional	1.3	2.2	2.1	2.2	2.1	2.5
<i>Of which:</i>						
Fuelwood	0.9	2.2	2.1	2.1	2.1	2.5
Commercial	6.1	11.1	5.6	28.7	4.2	7.4
Petroleum	9.3	12.8	5.8	7.3	3.5	3.3
Coal	-16.7	1.7	0.0	286.9	4.2	14.6
Electricity	6.9	7.8	7.2	11.2	9.1	12.0
Total	1.8	3.3	2.6	5.1	2.6	3.2

Source: Data provided by the Nepalese authorities.

Table 8. Nepal: Tourism Indicators, 1996–2002

	1996	1997	1998	1999	2000	2001	2002 1/
Tourist arrivals (in thousands)	393.6	421.9	463.7	491.5	463.0	362.0	216
(Percentage change)	8.3	7.2	9.9	6.0	-5.8	-21.8	-26.7
<i>Of which:</i>							
Europe	138.9	143.4	157.8	171.6	166.3	137.8	--
India 2/	122.5	133.4	143.2	140.7	95.9	64.3	--
Japan	28.9	35.0	37.3	38.8	41.0	28.9	--
United States and Canada	30.6	36.3	43.0	46.9	49.0	39.1	--
Average days of stay	13.5	10.5	10.8	12.8	12.0	12.0	12.0
Per capita expenditure							
(In Nepalese rupees) 3/	24,344	23,226	31,282	32,550	32,163	34,345	--
(In U.S. dollars) 3/	430	402	476	479	454	467.3	--
(Percentage change)	-9.3	-6.5	18.4	0.6	-5.2	2.9	--
Hotel-bed capacity	25,638	27,612	28,878	32,214	34,958	36,163	--
(Percentage change)	17.6	7.7	4.6	11.6	8.5	3.5	--

Source: Data provided by the Nepalese authorities.

1/ Estimated.

2/ By air only.

3/ Excluding Indian tourists.

Table 9. Nepal: Consumer Price Index, 1997/98–2001/02 1/

(Average annual percentage change)

	1997/98	1998/99	1999/2000	2000/01	2001/02
Overall national index	8.3	11.4	3.4	2.4	2.9
By commodity					
Food and beverages	7.8	16.2	0.4	-2.3	3.7
Foodgrains	3.1	18.7	8.6	-13.7	2.1
Milk and milk products	7.7	9.5	3.6	5.7	1.2
Oil and fats	8.3	29.0	-22.6	-4.7	8.3
Beverages	14.7	8.7	3.7	2.0	5.0
Vegetables and fruits	16.7	19.9	-16.9	4.1	7.5
Other goods and services	9.1	5.8	7.1	8.1	2.1
Cloth, clothing, and sewing services	6.9	6.0	4.7	2.2	2.5
Fuel, light, and water	7.6	2.8	13.3	22.3	-0.9
Regional indices					
Kathmandu	7.4	8.1	3.7	3.2	2.0
Terai	9.0	13.3	3.1	1.1	3.4
Hills	8.0	11.5	3.7	5.2	2.5

Source: The Central Bureau of Statistics.

1/ Base year is 1995/1996.

Table 10. Nepal: Monthly Wages in Major Sectors, 1996/97-2001/02

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
(In Nepalese rupees)						
Agriculture						
Kathmandu	3,000	3,000	3,000	3,000	3,000	3,000
Birgunj	1,500	1,500	1,500	1,625	2,425	2,550
Biratnagar	1,350	1,350	1,500	1,500	1,500	1,500
Industry 1/						
Skilled	1,610	1,960	1,960	2,276	2,276	2,276
Unskilled	1,450	1,800	1,800	2,116	2,116	2,116
Construction 2/						
Skilled						
Kathmandu	5,550	5,700	5,700	5,700	6,000	6,300
Birgunj	3,300	3,390	3,900	4,050	4,313	4,500
Biratnagar	3,600	3,850	4,470	4,500	4,575	4,800
Semiskilled						
Kathmandu	4,675	4,950	4,950	4,950	5,050	5,550
Biratnagar	3,000	3,150	3,870	3,900	3,975	4,200
Unskilled (labourer)						
Kathmandu	3,000	3,000	3,000	3,000	3,112	3,450
Biratnagar	1,800	1,920	2,370	2,400	2,400	2,400
(In U.S. dollar)						
Agriculture						
Kathmandu	52.6	48.5	43.8	42.2	40.6	39.0
Birgunj	26.3	24.3	21.9	22.9	32.8	33.2
Biratnagar	23.7	21.8	21.9	21.1	20.3	19.5
Industry 1/						
Skilled	28.2	31.7	28.6	32.0	30.8	29.6
Unskilled	25.4	29.1	26.3	29.8	28.7	27.5
Construction 2/						
Skilled						
Kathmandu	97.3	92.2	83.2	80.2	81.3	81.9
Birgunj	57.9	54.8	56.9	57.0	58.4	58.5
Biratnagar	63.1	62.2	65.3	63.3	62.0	62.4
Semiskilled						
Kathmandu	82.0	80.0	72.3	69.6	68.4	72.2
Biratnagar	52.6	50.9	56.5	54.9	53.8	54.6
Unskilled (labourer)						
Kathmandu	52.6	48.5	43.8	42.2	42.2	44.9
Biratnagar	31.6	31.0	34.6	33.8	32.5	31.2

Source: Data provided by the Nepalese authorities.

1/ Minimum monthly wage, including allowances, which are the same in Kathmandu, Birgunj and Birtanagar.

2/ Carpenters and masons.

Table 11. Nepal: Summary of Government Operations, 1998/99-2001/02 1/

	1998/99	1999/2000	2000/01	2001/02
	(In billions of Nepalese rupees)			
Total revenue and grants	39.3	46.4	53.6	54.4
Total revenue	35.0	40.7	46.8	48.6
Tax revenue	28.8	33.2	38.9	39.3
Nontax revenue	6.3	7.6	8.0	9.2
Grants	4.3	5.7	6.8	5.8
Total expenditure	52.8	59.8	72.1	72.7
Current 2/	32.0	36.5	45.8	48.7
Capital and net lending 2/	20.8	23.3	26.3	23.9
Overall balance before grants	-17.8	-19.0	-25.3	-24.1
Overall balance after grants	-13.5	-13.3	-18.5	-18.3
Financing	13.5	13.3	18.5	18.3
Net foreign loans	8.7	10.0	7.5	6.0
Gross disbursements	11.9	13.7	12.0	10.8
Amortization	3.2	3.7	4.5	4.8
Net domestic financing	4.8	3.4	11.0	12.2
Net NRB financing	-0.1	-2.1	3.0	6.3
Net commercial bank	2.4	5.5	7.2	4.0
Net nonbank	2.5	-0.1	0.7	2.0
	(In percent of GDP)			
Total revenue	10.2	10.7	11.4	11.5
Tax revenue	8.4	8.7	9.5	9.3
Nontax revenue	1.8	2.0	1.9	2.2
Grants	1.3	1.5	1.6	1.4
Total expenditure	15.4	15.7	17.6	17.2
Current 2/	9.3	9.6	11.2	11.6
Capital and net lending 2/	6.1	6.1	6.4	5.7
Overall balance before grants	-5.2	-5.0	-6.2	-5.7
Overall balance after grants	-3.9	-3.5	-4.5	-4.3
Financing	3.9	3.5	4.5	4.3
Net foreign loans	2.5	2.6	1.8	1.4
Gross disbursements	3.5	3.6	2.9	2.6
Amortization	0.9	1.0	1.1	1.1
Net domestic financing	1.4	0.9	2.7	2.9
Central bank financing	0.0	-0.6	0.7	1.5
Commercial Bank financing	0.7	1.5	1.8	0.9
Nonbank financing	0.7	0.0	0.2	0.5
Memorandum items:				
Public savings (percent of GDP)	0.9	1.1	0.2	0.0
Regular expenditure (percent of GDP) 2/	7.7	7.7	9.0	9.8
Development expenditure (percent of GDP)	7.7	8.0	8.5	5.4
Nominal GDP (billions of Nrs)	342.0	379.5	410.3	421.3

Sources: Data provided by Ministry of Finance; and Fund staff estimates.

1/ Fiscal years start in mid-July. Table confined to central government operations as contained in the budget.

2/ Current and capital and net lending expenditures are based on new economic classification provided by the authorities and staff estimates. The traditional presentation is in terms of regular and development expenditures.

Table 12. Nepal: Central Government Revenue, 1998/99-2001/02

	1998/99	1999/2000	2000/01	2001/02
(In millions of Nepalese rupees)				
Total revenue 1/	35,008	40,711	46,837	48,556
Tax revenue	28,751	33,152	38,865	39,330
Taxes on income and profits	6,170	7,421	9,114	8,920
Taxes on property	1,125	1,134	616	1,133
House and land registration	1,002	1,011	608	1,131
Taxes on goods and services	11,938	13,784	16,583	16,618
Value-added tax	7,882	9,855	12,048	11,948
Excise taxes	2,953	3,128	3,771	3,808
Other	1,103	801	765	862
Taxes on international trade	9,518	10,813	12,552	12,659
Import taxes	7,920	9,009	10,569	10,011
Indian excise refund	1,206	1,332	1,456	1,701
Export taxes	378	432	493	917
Other	14	40	34	30
Nontax revenue 1/	6,257	7,559	7,971	9,226
Charges, fees, fines, etc.	1,446	1,747	1,931	1,987
Sales of goods and services	1,036	1,068	1,184	1,143
Dividends	1,783	2,507	2,336	2,513
Royalty and fixed asset sales	202	563	950	724
Interest receipts	1,686	1,568	1,440	1,220
Miscellaneous	103	104	131	1,639
(In percent of GDP)				
Total revenue	10.2	10.7	11.4	11.5
Tax revenue	8.4	8.7	9.5	9.3
Taxes on income and profits	1.8	2.0	2.2	2.1
Taxes on property	0.3	0.3	0.2	0.3
Taxes on goods and services	3.5	3.6	4.0	3.9
Value-added tax	2.3	2.6	2.9	2.8
Excise taxes	0.9	0.8	0.9	0.9
Other	0.3	0.2	0.2	0.2
Taxes on international trade	2.8	2.8	3.1	3.0
Nontax revenue	1.8	2.0	1.9	2.2
Memorandum item:				
Nominal GDP (in billions of Nrs)	342.0	379.5	410.3	421.3

Sources: Data provided by Ministry of Finance; and Fund staff estimates.

1/ Excludes principal repayments from corporations.

Table 13. Nepal: Central Government Expenditure by Economic Classification, 1998/99–2001/02

	1998/99	1999/2000	2000/01	2001/02
	(In millions of Nepalese rupees)			
Total expenditure	52,831	59,754	72,087	72,572
Current expenditure	32,012	36,456	45,837	48,718
Goods and services	23,726	26,547	35,428	37,915
Wages, salaries, and benefits	18,142	19,775	28,506	29,921
Core civil service	7,124	7,701	11,312	10,015
Police salaries	2,578	2,842	4,050	5,022
Defense salaries	2,459	2,872	3,607	4,456
Teacher salaries	5,982	6,360	9,537	10,429
Retirement facilities	1,189	1,314	2,054	2,759
Other goods and services	4,395	5,458	4,869	5,235
Interest payments	4,080	4,820	4,698	5,770
Domestic	2,531	3,180	2,997	3,954
Foreign	1,549	1,640	1,701	1,816
Subsidies and transfers	4,207	5,089	5,712	5,033
Capital expenditure	19,017	19,358	21,188	20,932
Acquisition of fixed assets	13,288	13,130	14,447	13,811
Purchase of stocks	1,556	1,315	1,109	1,549
Capital transfers (grants)	4,173	4,913	5,632	5,573
Lending minus repayments	1,802	3,940	5,062	2,922
Investment in loans	4,044	6,123	7,119	4,811
Less: Repayment of loans	2,242	2,183	2,057	1,889
	(In percent of GDP)			
Total expenditure	15.4	15.7	17.6	17.2
Current expenditure	9.4	9.6	11.2	11.6
Goods and services	6.9	7.0	8.6	9.0
Wages, salaries, and benefits	5.3	5.2	6.9	7.1
Retirement facilities	0.3	0.3	0.5	0.7
Other goods and services	1.3	1.4	1.2	1.2
Interest payments	1.2	1.3	1.1	1.4
Domestic debt	0.7	0.8	0.7	0.9
Foreign debt	0.5	0.4	0.4	0.4
Subsidies and transfers	1.2	1.3	1.4	1.2
Capital Expenditure	5.6	5.1	5.2	5.0
Acquisition of fixed assets	3.9	3.5	3.5	3.3
Purchase of stocks	0.5	0.3	0.3	0.4
Capital transfers (grants)	1.2	1.3	1.4	1.3
Lending minus repayments	0.5	1.0	1.2	0.7
Investment in loans	1.2	1.6	1.7	1.1
Less: Repayment of loans	0.7	0.6	0.5	0.4
Memorandum items:				
Regular expenditure (in millions of Nrs) 1/	26,473	29,311	37,079	44,079
Development expenditure (in millions of Nrs) 2/	26,358	30,443	35,009	28,493
Nominal GDP (in billions of Nrs)	342.0	379.5	410.3	421.3

Sources: Data provided by Ministry of Finance; and Fund staff estimates.

1/ Excluding amortization payments on domestic and foreign loans.

2/ Including net lending and excluding principal repayment from corporations.

Table 14. Nepal: Central Government Expenditure by Functional Classification, 1998/99–2001/02

	1998/99	1999/00	2000/01	2001/02
(In millions of Nepalese rupees)				
Total expenditure	52,831	59,754	72,087	72,572
Regular expenditure	26,473	29,311	37,079	44,079
Social services	7,876	8,881	10,692	13,454
Education	6,004	6,717	8,226	10,413
Health	1,137	1,325	1,547	2,115
Other	735	839	919	926
Economic services	2,321	2,411	2,533	2,965
Agriculture related	431	469	524	575
Forestry	732	791	829	965
Infrastructure	863	891	924	1,055
Communications	560	560	560	914
Transportation	250	250	250	270
Other	295	260	255	370
Defense	2,995	3,482	3,813	5,785
Interest payments	4,080	4,820	4,698	5,770
General administration	4,532	5,454	8,027	10,961
Other	4,669	4,262	7,316	5,144
Development expenditure	26,358	30,443	35,009	28,493
Social services	9,668	12,202	12,873	10,477
Education	1,641	2,574	2,784	2,266
Health	1,677	2,127	1,972	1,605
Drinking water	1,900	2,423	2,407	1,959
Other	4,450	5,079	5,709	4,647
Economic services	16,690	18,241	22,136	18,016
Agriculture related	4,905	5,653	6,624	5,391
Infrastructure	11,398	11,350	12,779	10,401
Other	387	1,238	2,732	2,224
(In percent of GDP)				
Total expenditure	15.4	15.7	17.6	17.2
Social services	5.1	5.6	5.7	5.7
<i>Of which:</i>				
Education	2.2	2.4	2.7	3.1
Health	0.8	0.9	0.9	0.9
Drinking water	0.6	0.6	0.6	0.5
Economic services	5.6	5.4	6.0	5.0
<i>Of which:</i>				
Agriculture related	1.6	1.6	1.7	1.4
Infrastructure	3.6	3.2	3.3	2.7
Defense	0.9	0.9	0.9	1.4
Interest payments	1.2	1.3	1.1	1.4
General administration	1.3	1.4	2.0	2.6
Other	1.4	1.1	1.8	1.2
(In percent of total expenditure)				
Social services	33.2	35.3	32.7	33.0
<i>Of which:</i>				
Education	14.5	15.5	15.3	17.5
Health	5.3	5.8	4.9	5.1
Drinking water	3.6	4.1	3.3	2.7
Economic services	36.0	34.6	34.2	28.9
<i>Of which:</i>				
Agriculture related	10.1	10.2	9.9	8.2
Infrastructure	23.2	20.5	19.0	15.8
Defense	5.7	5.8	5.3	8.0
Interest payments	7.7	8.1	6.5	8.0
General administration	8.6	9.1	11.1	15.1
Other	8.8	7.1	10.1	7.1

Sources: Data provided by Ministry of Finance; and Fund staff estimates.

Table 15. Nepal: Profits and Losses of Selected Nonfinancial Public Enterprises, 1998/99–2001/02 1/

	1998/99	1999/00	2000/01	2001/02 2/
	(In millions of Nepalese rupees, end of period)			
Agricultural Input Corporation	-266	14	-62	-112
Nepal Drinking Water Corporation	-24	-48	-80	-114
Hetauda Cement Company	17	-27	-117	-11
Janakpur Cigarette Factory	-3	20	60	30
Nepal Electricity Authority	356	817	-71	514
Nepal Food Corporation	42	26	209	372
Nepal Oil Corporation	1,055	1014	256	72
Nepal Telecommunication Corporation (NTC)	2,045	2,028	2147	1731
Royal Nepal Airline Corporation	-55	14	-993	-197
Others	-141	-400	-2,699	196
Total (excluding NTC)	981	1,430	-3,497	750
Total (including NTC)	3,026	3,458	-1,351	2,482
	(In percent of GDP)			
Agricultural Input Corporation	-0.08	0.00	-0.02	-0.03
Nepal Drinking Water Corporation	-0.01	-0.01	-0.02	-0.03
Hetauda Cement Industry	0.00	-0.01	-0.03	0.00
Janakpur Cigarette Factory	0.00	0.01	0.01	0.01
Nepal Electricity Authority	0.10	0.22	-0.02	0.12
Nepal Food Corporation	0.01	0.01	0.05	0.09
Nepal Oil Corporation	0.31	0.27	0.06	0.02
Nepal Telecommunication Corporation (NTC)	0.60	0.53	0.52	0.41
Royal Nepal Airline Corporation	-0.02	0.00	-0.24	-0.05
Others	-0.04	-0.11	-0.66	0.05
Total (excluding NTC)	0.29	0.38	-0.85	0.18
Total (including NTC)	0.88	0.91	-0.33	0.59
Memorandum items:				
Number of profit-making enterprises	14	20	19	22
Number of loss-making enterprises	21	15	18	15
Total number of employees 3/	35,578	47,178	45,721	...

Source: Data provided by the Nepalese authorities.

1/ Profits after income tax and bonus.

2/ From Targets and Performances of Public Enterprises, Ministry of Finance, 2002. Data for 2001/02 are preliminary.

3/ Includes contractual, temporary, and part-time employees.

Table 16. Nepal: Interest and Dividend Payments of Public Enterprises to Government, 1998/99–2001/02

(In millions of Nepalese rupees)

	1998/99			1999/2000			2000/01			2001/02 1/		
	Interest	Dividend	Total	Interest	Dividend	Total	Interest	Dividend	Total	Interest	Dividend	Total
Agricultural Development Bank	34	0	34	29	0	29	444	0	444	82	0	82
Agricultural Inputs Corporation	0	0	0	...	...	...	...	...	...	...	...	...
Cottage Handicraft Emporium	0	0	0	...	...	...	0	1	1	...	...	...
Credit Guarantee Corporation	0	1	1	0	1	1	0	2	2	0	2	2
Hetauda Cement Factory	38	0	38	20	0	20	...	...	...	8	0	8
National Insurance Co.	...	...	...	...	...	...	...	...	...	...	...	...
Nepal Drinking Water Corporation	...	...	...	...	...	...	67	0	67	43	0	43
Nepal Electricity Authority	70	0	70	481	0	481	1,149	0	1,149	1,250	0	1,250
Nepal Industrial Development Corporation	0	20	20	133	0	133	57	0	57	...	...	...
Nepal Rastra Bank	...	1,300	1,300	...	1,500	1,500	...	2,000	2,000	...	2,250	2,250
Nepal Transport Corporation	0	0	0	...	...	...	...	...	...	...	...	...
Royal Nepal Airlines	0	0	0	...	...	...	...	...	...	...	...	...
Salt Trading Corp.	...	...	...	...	...	...	...	...	...	...	...	...
Securities Exchange Centre	0	0	0	...	...	...	...	...	...	...	...	...
Others	278	148	426	...	...	...	...	...	...	...	...	...
Total	420	1,469	1,889	663	1,501	2,164	1,717	2,003	3,720	1,382	2,252	3,634

Sources: Data provided by the authorities; and *Targets and Performances of Public Enterprises*, Ministry of Finance, 2002.

1/ Preliminary.

Table 17. Nepal: Monetary Survey, 1997/98–2001/02

	1997/98	1998/99	1999/00	2000/01	2001/02
(In millions of Nepalese rupees, end of period)					
Net foreign assets	55,573	65,028	80,468	87,798	88,419
Assets	66,114	77,611	94,856	106,191	106,996
Liabilities	10,541	12,583	14,388	18,393	18,577
Net domestic assets	70,890	87,772	105,653	126,656	135,569
Domestic credit	112,820	130,973	154,351	183,434	200,311
Public sector	29,819	32,625	36,401	46,993	58,596
Government (net)	28,761	31,058	34,593	44,770	55,520
Nonfinancial public enterprises	1,059	1,567	1,808	2,223	3,076
Private sector 1/	83,001	98,348	117,950	136,441	141,714
Other items (net)	-41,930	-43,200	-48,698	-56,778	-64,742
Broad money	126,463	152,800	186,121	214,454	223,988
Narrow money	45,164	51,062	60,980	70,577	77,156
Quasi-money	81,299	101,738	125,141	143,877	146,832
(Annual percentage change)					
Net domestic assets	11.6	23.8	20.4	19.9	7.0
Domestic credit	14.8	16.1	17.8	18.8	9.2
Public sector	5.8	9.4	11.6	29.1	24.7
Private sector 1/	18.4	18.5	19.9	15.7	3.9
Broad money	21.9	20.8	21.8	15.2	4.4
Narrow money	17.4	13.1	19.4	15.7	9.3
Quasi-money	24.6	25.1	23.0	15.0	2.1
(12-month change in percent of broad money)					
Net foreign assets	14.8	7.5	10.1	3.9	0.3
Net domestic assets	7.1	13.3	11.7	11.3	4.2
Domestic credit	14.0	14.4	15.3	15.6	7.9
Public sector	1.6	2.2	2.5	5.7	5.4
Private sector 1/	12.4	12.1	12.8	9.9	2.5
Memorandum items:					
Velocity (GDP/M2)	2.4	2.2	2.0	1.9	1.9
Money multiplier	2.7	2.9	3.1	3.0	2.8

Sources: Data provided by Nepal Rastra Bank; and Fund staff estimates.

1/ Includes credit to public financial enterprises.

Table 18. Nepal: Assets and Liabilities of Nepal Rastra Bank, 1998/99–2001/02

	1998/99	1999/00	2000/01	2001/02
(In millions of Nepalese rupees, end of period)				
Net foreign assets	52,608	65,285	74,965	81,094
Assets	54,139	66,648	76,144	81,795
Liabilities	1,531	1,363	1,178	700
Net domestic assets	-382	-4,281	-4,399	-2,125
Claims on public sector	18,407	16,423	19,384	26,269
Government (net)	18,399	16,416	19,377	26,261
Nonfinancial public enterprises	8	8	8	8
Claims on private sector 1/	3,011	3,724	5,014	4,874
Claims on commercial banks	6	45	6	1,043
Other items (net)	-21,805	-24,473	-28,802	-34,311
Reserve money	52,225	61,004	70,567	78,970
Currency outside banks	34,984	42,143	48,295	55,658
Currency held by banks	3,310	3,507	4,117	4,909
Bankers' deposits	11,858	12,881	15,985	16,152
Private sector deposits	2,073	2,473	2,170	2,250
(12-month change in percent of reserve money at start of period)				
Net foreign assets	13.6	24.3	15.9	8.7
Net domestic assets	-0.1	-7.5	-0.2	3.2
Reserve money	13.5	16.8	15.7	11.9
Memorandum items:				
Currency/deposits ratio	29.7	29.3	29.1	33.1
Reserves/deposits ratio	13.1	11.6	12.3	12.7

Sources: Data provided by Nepal Rastra Bank; and Fund staff estimates.

1/ Includes claims on public financial enterprises.

Table 19. Nepal: Assets and Liabilities of Commercial Banks, 1997/98–2001/02

(In millions of Nepalese rupees, end of period)

	1997/98	1998/99	1999/00	2000/01	2001/02
Assets	122,686	148,196	178,800	209,185	215,431
Reserves	13,433	15,168	16,388	20,102	21,061
Foreign assets	17,721	23,473	28,208	30,047	25,202
Claims on Government	10,281	12,659	18,177	25,393	29,259
Claims on nonfinancial public enterprises	1,051	1,559	1,801	2,216	3,069
Claims on financial public enterprises 1/	505	598	1,045	1,372	806
Claims on business and individual	79,695	94,739	113,182	130,056	136,034
Liabilities	122,686	148,196	178,800	209,185	215,431
Demand deposits	12,601	14,005	16,364	20,112	19,248
Savings deposits	35,470	48,114	63,364	77,602	79,984
Fixed deposits	44,022	51,612	59,774	64,178	65,060
Margin deposits	1,807	2,011	2,003	2,098	1,788
Foreign currency deposit	8,502	11,052	13,025	17,214	17,649
Borrowing from the central bank	6	5	45	6	1,044
Other items (net)	20,279	21,397	24,225	27,976	30,658
Memorandum item:					
Priority sector lending (in percent of total domestic credit)	12.1	13.2	13.0	13.1	13.5

Sources: Data provided by Nepal Rastra Bank, and Fund staff estimates.

1/ Excludes loanable fund of the Agricultural Development Bank of Nepal.

Table 20. Nepal: Assets and Liabilities of Finance Companies, 1998/99–2001/02

(End of period)

	1998/99		1999/2000		2000/01		2001/02	
	Nrs millions	Percent	Nrs millions	Percent	Nrs millions	Percent	Nrs millions	Percent
Assets	10,633	100.0	13,050	100.0	15,797	100.0	18,452	100.0
Cash	110	1.0	96	0.7	140	0.9	170	0.9
Bank balance	1,023	9.6	1,633	12.6	1,909	12.1	2,692	14.6
Investment	1,262	11.9	1,129	8.6	1,268	8.0	1,623	8.8
<i>Of which</i> : government securities	932	8.8	843	6.5	837	5.3	1,120	6.1
Loans and advances	7,219	67.9	9,063	69.4	10,865	68.8	11,950	64.8
Term loans	3,105	29.2	4,240	32.4	4,704	29.8	5,293	28.7
Housing loans	2,004	18.8	2,340	18.0	2,965	18.8	3,144	17.0
Hire purchases	1,304	12.3	1,640	12.6	2,152	13.6	2,436	13.2
Fixed deposit receipt loans	498	4.7	475	3.6	464	2.9	479	2.6
Leasing	260	2.4	235	1.8	278	1.8	364	2.0
Other	48	0.5	133	1.0	302	1.9	234	1.3
Other	1,019	9.6	1,229	8.7	1,615	10.2	2,017	10.9
Liabilities	10,633	100.0	13,050	100.0	15,797	100.0	18,452	100.0
Deposits	8,037	75.6	9,749	74.6	11,654	73.8	13,454	72.9
Paid-up capital	838	7.9	945	7.2	1,221	7.7	1,523	8.3
Borrowings	83	0.8	176	1.3	215	1.4	245	1.3
Reserves 1/	336	3.2	544	3.8	708	4.5	1,139	6.2
Other	1,339	12.6	1,636	13.1	1,999	12.7	2,091	11.3
Memorandum items:								
Liquidity ratio (in percent)		25.4		25.9		24.3		29.1
Loan/deposit ratio (in percent)		89.9		93.0		93.2		88.8
Number of finance companies		45		46		48		54

Source: Data provided by Nepal Rastra Bank.

1/ Including loan loss provision.

Table 21. Nepal: Outstanding Bank Credit to Major Public Enterprises, 1996/97–2001/02

(In millions of Nepalese rupees, end of period)

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Principal	6,603	7,008	7,162	8,320	9,691	9,348
Financial institutions	5,430	6,169	5,900	6,878	8,009	6,665
Agricultural Development Bank	3,751	4,295	5,447	6,375	7,443	6,169
Nepal Industrial Development Corporation	1,184	1,263	25	15	15	0
Rural Development Banks	408	521	413	430	493	0
Other 1/	87	90	15	58	58	496
Nonfinancial public enterprises	1,173	839	1,262	1,442	1,682	2,684
Agricultural Input Corporation	320	16	242	0	56	1
Agricultural Tools Factory	182	176	150	232	1	0
Janak Educational Material Center	8	30	58	93	55	57
Cottage Industrial and Handicraft Emporium	17	10	5	6	9	2
Himal Cement Company	19	25	27	27	29	31
Janakpur Cigarette Factory	146	145	121	123	76	73
Nepal Food Corporation	317	266	427	485	389	371
Raghupati Jute Mill	10	0	0	0	-	0
Royal Nepal Airline Corporation	8	3	86	117	611	576
Hetauda Leather Factory	2	3	3	2	29	0
Tobacco Development Corporation	0	0	0	0	-	0
Nepal Coal Limited	5	0	0	1	1	0
Other 1/	139	165	143	356	426	1573
Overdue interest	426	221	301	365	535	389
Financial institutions	2	2	4	6	1	10
Nonfinancial public enterprises	424	219	297	359	534	380
Total outstanding credit	7,029	7,229	7,463	8,685	10,226	9,738

Source: Data provided by the Nepalese authorities.

1/ Significant change in 2001/02 is due to the change in the structure of the call report form.

Table 22. Nepal: Gross International Reserves, 1996/97–2001/02

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
(In millions of U.S. dollars, end of period)						
Gross foreign assets of NRB	651	716	795	946	1,020	1,048
Foreign exchange reserves of NRB	636	702	781	932	1,007	1,035
Convertible	475	533	709	772	710	727
Nonconvertible	161	169	72	160	297	308
Other gross foreign assets of NRB	15	14	14	14	14	14
Gold 1/	6	6	6	6	6	6
Reserve tranche position	8	8	8	8	7	8
Foreign exchange reserves of commercial banks	219	262	345	401	402	323
Convertible	203	246	304	369	364	303
Nonconvertible	16	16	41	32	38	20
(In months of imports of goods and services)						
Memorandum item:						
Gross foreign assets of NRB	4.4	5.3	4.9	5.6	7.0	6.7

Source: Data provided by the Nepalese authorities.

1/ Valued at historical prices.

Table 23. Nepal: Nonperforming Bank Loans of Public Enterprises, 1998/99–2001/02

(In millions of Nepalese rupees, end of period)

	1998/99			1999/2000			2000/01			2001/02 1/		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Nepal Food Corporation	7	4	11	7	5	12	0	0	0	0	0	0
Nepal Transportation Corporation	20	28	48	19	27	46	0	0	0	19	69	88
Himal Cement Company	2	0	2	0	0	0	0	0	0	29	61	90
Bhaktapur Tile and Brick Factory	3	2	5	2	3	5	3	4	7	16	21	37
Rice Exporting Companies	3	32	35	3	32	35	3	32	35	3	8	11
Cottage Industries and Handicraft Emporium	0	136	136	0	136	136	0	136	136	3	136	139
National Trading Limited	0	0	0	0	0	1	0	0	0	0	0	0
Agricultural Tools Factory	0	0	0	137	8	145	0	0	0	0	0	0
Hetadua Leather Factory	3	25	28	2	28	30	2	33	35	2	34	36
Hetadua Clothes Factory	30	2	32	37	8	45	37	15	52	0	0	0
Total	68	229	297	207	247	455	45	220	265	72	329	401

Source: Data provided by the Nepalese authorities.

1/ Based on data provided by 15 commercial banks.

Table 24. Nepal: Structure of Interest Rates, 1996/97–2001/02
(Annual percentage rates, end of period)

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Refinancing facilities of Nepal						
Rastra Bank to commercial banks						
Export bills	11.0	9.0	9.0	6.5	6.5	2.0-4.5
Industrial sector	11.0	9.0	9.0	7.5	7.5	3.0-5.5
Agricultural sector	11.0	9.0	9.0	6.5	6.5	4.5-5.5
Service sector	11.0	9.0	9.0	7.5	7.5	3.0-5.5
Commercial banks						
Savings deposits	7.5-8.0	6.5-8.0	5.75-8.0	4.0-6.5	3.0-6.5	2.5-6.25
Time deposits						
3 months	6.75-9.0	5.0-8.0	4.0-7.5	4.0-6.0	2.5-6.0	2.0-5.25
6 months	7.25-9.0	6.0-8.5	6.0-8.0	5.0-6.75	3.5-6.75	2.5-6.0
1 year	9.5-11.0	9.0-10.5	7.25-9.5	6.0-7.75	4.5-7.75	3.5-7.0
2 years	negotiable	9.5-12.0	7.25-10.25	5.75-8.5	4.25-8.5	3.25-8.0
Loans						
Industry	15.0-17.5	13.5-17.0	11.5-17.0	10.5-15.5	9.5-15.0	7.0-14.5
Agriculture	14.5-16.0	14.5-15.5	14.0-15.5	12.0-14.5	12.5-14.5	12.0-14
Services	18.0	18.0	18.0	7.5-17.0	7.5-16.0	7.0-15.5
Export bills	14.5-16.5	12.5-16.0	7.5-15.0	7.5-15.0	7.5-12.5	6.5-12.5
Commercial loans and overdrafts	14.5-20.0	13.5-20.0	10.0-19.0	9.0-18.0	9.0-18.0	7.0-17.0
Agricultural Development Bank of Nepal						
To cooperatives	12.0-15.0	13.0-16.0	13.0-16.0	11.0-12.0	11.0-12.0	10.0-12.0
To others	14.0-17.0	15.0-18.0	15.0-18.0	12.0-16.0	12.0-16.0	10.0-16.0
Nepal Industrial Development Corporation						
	15.5-18.0	15.5-18.0	15.5-18.0	15.5-18.0	15.5-18.0	13.5-14.5
Government securities						
National savings certificates	9.0-13.25	9.0-13.25	9.0-13.25	8.5-13.25	8.5-13.25	8.5-13.25
Treasury bills (3 month) 1/	10.2	3.5	2.3	4.6	4.9	3.8
Treasury bills (1 year) 1/	10.2	6.9	5.7	6.2	5.3	5.2
Development bonds	3.0-12.0	3.0-12.0	3.0-12.0	3.0-10.5	3.0-10.5	3.0-8.0
25-year special bonds	3.0	3.0	3.0	...	...	...
20-year special bonds	5.0	5.0	5.0	5.0	5.0	5.1
Special loan	1.0-13.0	1.0-13.0	1.0-9.5	1.0-9.5	1.0-9.5	1.0-9.0

Source: Nepal Rastra Bank.

1/ Annual weighted average.

Table 25. Nepal: Balance of Payments, 1998/99–2001/02
(In millions of U.S. dollars)

	1998/99			1999/2000			2000/01			2001/02		
	India	Third Countries	Total	India	Third Countries	Total	India	Third Countries	Total	India	Third Countries	Total
Trade balance	-173	-454	-627	-136	-606	-742	-207	-624	-831	-247	-495	-742
Exports, f.o.b.	423	340	763	557	414	971	540	402	942	512	242	754
Merchandise exports	185	340	525	307	414	721	353	402	755	376	242	618
Re-exports	238	0	238	250	0	250	187	0	187	136	0	136
Imports, c.i.f.	596	794	1,390	693	1,020	1,713	747	1,026	1,773	759	737	1,496
Services (net)	39	274	313	46	227	273	45	171	216	27	80	108
Receipts	140	405	545	142	371	513	133	344	477	111	250	362
Payments	101	131	232	96	144	240	88	173	262	84	170	254
Private transfers (net)	108	230	338	135	362	497	158	522	680	165	613	778
Receipts	122	232	354	153	371	524	175	524	699	189	614	803
Recorded private transfers	66	122	188	74	150	224	73	217	290	83	233	316
Estimated remittances	56	110	166	79	221	300	102	307	409	106	381	487
Payments	14	2	16	18	9	27	17	2	19	24	1	25
Current account balance (excluding grants)	-26	50	24	45	-17	28	-4	69	65	-55	198	144
Official grants	19	118	137	24	109	133	7	87	94	22	121	143
Current account balance (including grants)	-7	168	161	69	92	161	3	156	159	-33	319	287
Official capital grants and loans (net)	2	236	238	3	218	221	1	120	121	2	85	87
Grants	2	109	111	3	73	76	1	17	18	2	46	48
Loans (net)	0	127	127	0	145	145	0	103	103	0	39	39
Loans	0	174	174	0	198	198	0	164	164	0	105	105
Amortization	0	47	47	0	53	53	0	61	61	0	66	66
Private capital grants	0	32	32	0	32	32	0	65	65	0	22	22
Other investment, net and errors and omissions	-66	-229	-295	13	-235	-222	80	-386	-307	38	-465	-427
Overall balance	-71	207	136	85	107	192	84	-45	38	7	-39	-31
Memorandum item:												
Current account balance (percent of GDP)	-0.5	1.0	0.5	0.8	-0.3	0.5	-0.1	1.2	1.2	-1.0	3.6	2.6

Source: Data provided by the Nepalese authorities.

Table 26. Nepal: Composition of Foreign Trade, 1998/99–2001/02 1/
(In millions of U.S. dollars)

	1998/99			1999/2000			2000/01			2001/02		
	India	Third Countries	Total	India	Third Countries	Total	India	Third Countries	Total	India	Third Countries	Total
Exports, f.o.b.	423	340	763	557	414	971	540	402	942	512	242	754
Merchandise exports	185	340	525	307	414	721	353	402	755	376	242	618
Food and live animals	30	25	55	54	7	61	54	11	65	63	7	70
Tobacco and beverages	1	0	1	1	0	1	1	0	1	2	0	2
Crude materials and inedibles	5	2	7	7	1	8	10	1	10	12	1	13
Animal and vegetable oil and fats	50	3	53	42	4	46	53	2	56	95	3	98
Chemicals and drugs	41	0	41	56	1	57	54	1	55	42	0	42
Manufactured goods, classified	48	151	199	81	149	230	121	136	257	131	93	224
Machinery and transport equipment	0	1	1	3	3	6	3	2	5	4	1	5
Miscellaneous manufactured articles	10	158	168	63	249	312	57	250	307	27	137	164
Commodities and transactions n.i.e. 1/	0	0	0	0	0	0	0	0	0	0	0	0
Re-exports	238	0	238	250	0	250	187	0	187	136	0	136
Imports, c.i.f.	596	794	1,390	693	1,020	1,713	747	1,026	1,773	759	737	1,496
Food and live animals	81	31	112	101	56	157	60	21	81	75	17	92
Tobacco and beverages	10	3	13	9	4	13	9	4	12	10	1	11
Crude materials and inedibles	20	72	92	22	79	101	32	70	102	38	51	89
Minerals, fuel and lubricants	128	99	227	129	144	273	151	206	357	197	108	305
Animal and vegetable oil and fats	1	48	49	1	63	64	6	70	76	0	102	102
Chemicals and drugs	81	103	184	91	119	210	90	85	175	69	94	163
Manufactured goods, classified	154	223	377	203	295	498	245	313	558	244	180	424
Machinery and transport equipment	98	168	266	101	196	297	118	194	312	100	145	245
Miscellaneous manufactured articles	20	43	63	34	63	97	35	62	98	24	39	63
Commodities and transactions n.i.e. 1/	3	4	7	2	1	3	2	0	2	2	0	2
Memorandum items:												
Trade balance (percent of GDP)	-3.4	-9.0	-12.5	-2.5	-11.0	-13.5	-3.7	-11.2	-14.9	-4.5	-8.9	-13.4
Exports	8.4	6.8	15.2	10.1	7.5	17.7	9.7	7.2	16.9	9.2	4.4	13.6
Imports	11.8	15.8	27.6	12.6	18.6	31.2	13.4	18.4	31.8	13.7	13.3	27.0

Source: Data provided by the Nepalese authorities.

1/ Includes unclassified exports and imports, and adjustments to reconcile figures with summary balance of payments data.

Table 27. Nepal: Exports of Major Commodities, 1997/98–2001/02
(In thousands of U.S. dollars)

	1997/98	1998/99	1999/2000	2000/01	2001/02
Carpets	136,970	144,253	142,495	116,378	80,775
Pashmina	0	0	90,004	92,777	24,463
Ready-made garments	113,243	142,780	201,859	177,769	101,786
Hides and skins	9,921	6,637	4,934	9,602	8,029
Jute goods	11,626	12,818	15,982	17,529	21,203
Pulses	17,064	17,614	15,300	16,451	15,804
Handicrafts	2,573	3,238	3,666	3,564	3,150
Cardamon	3,676	3,435	3,229	4,039	4,650
Catechu	1,125	1,726	2,885	2,032	2,287
Ghee	2,696	577	544	6,375	165
Mustard and linseed	153	283	424	513	133
Raw jute	81	1	0	1,539	103
Dried ginger	670	605	861	826	887
Herbs	1,052	603	1,105	1,319	1,237
Total	300,850	334,570	483,288	450,713	264,672
Other exports	143,706	190,708	238,365	304,100	353,699
<i>Of which</i> : Vegetable ghee	25,504	46,305	39,713	48,223	91,625
Total merchandise exports	444,556	525,278	721,653	754,813	618,371
Memorandum items:					
Carpets (thousands of square meters)	2,447	2,575	2,624	2,210	1668
Ready-made garments (thousands of pieces)	34,951	37,747	46,836	43,431	34058
Pulses (metric tonnes)	30,567	28,509	2,365	15,094	6022
Exchange rate (annual average mid-rate)	61.95	67.95	69.07	73.24	76.88

Source: Data provided by the Nepalese authorities.

Table 28. Nepal: Average Customs Duty by Main Categories of Goods, 1999/2000–2001/02 1/

Chapter Numbers	Main Category of Goods	1999/00	2001/02
1–10	Live animals	5.0	10.5
11–20	Grains, vegetable extracts, sugars	15.6	16.7
21–30	Beverages, tobacco, mineral fuels, pharmaceuticals	11.7	13.6
31–40	Fertilizers, cosmetics, soaps, chemicals, plastics	15.3	20.6
41–50	Rawhides, skins, wood, paper, silk	10.9	11.7
51–60	Wool, cotton, man-made fibres, carpets	13.2	11.2
61–70	Clothing, footwear, ceramics, glassware, stoneware	21.1	20.1
71–80	Iron, steel, copper, nickel, aluminium, lead, zinc, tin	12.9	12.9
81–90	Tools, machinery, vehicles, aircrafts	11.9	11.9
91–97	Clocks, musical instruments, arms, furniture, art	20.6	21.1
	Total number of items	5,198	5,321
	Sum of duties	68,310	76,441
	Average customs duty	13.14	14.36

Source: Ministry of Finance.

1/ Harmonized System classification; average of customs duties for all items in each category.

Table 29. Nepal: Services and Current Transfers, 1998/99-2001/02
(In millions of U.S. dollars)

	1998/99			1999/2000			2000/01			2001/02		
	India	Third Countries	Total	India	Third Countries	Total	India	Third Countries	Total	India	Third Countries	Total
Services and current transfers (net)	166	622	788	205	698	903	210	780	990	214	814	1,028
Services (net)	39	274	313	46	227	273	45	171	216	27	80	108
Receipts	140	405	545	142	371	513	133	344	477	111	250	362
Freight and insurance	0	0	0	0	0	0	0	0	0	0	0	0
Transportation	11	45	56	16	48	64	10	46	56	6	27	33
Travel	53	126	179	55	120	175	47	112	159	37	75	113
Investment income	2	36	38	2	49	51	9	51	60	13	26	39
Compensation of employee Government, n.i.e.	2	11	13	2	14	16	2	12	14	1	15	16
Other	47	144	191	35	93	128	36	66	102	30	86	116
Other	25	43	68	32	47	79	29	57	86	24	21	45
Payments	101	131	232	96	144	240	88	173	262	84	170	254
Freight and insurance	26	3	29	27	2	29	24	3	27	16	2	18
Transportation	2	34	36	5	38	43	4	41	45	7	38	45
Travel	43	34	77	33	36	69	32	43	75	34	41	75
Investment income	0	26	26	0	31	31	0	51	51	0	63	63
Compensation of employee Government, n.i.e.	1	0	1	0	0	0	0	0	0	1	0	1
Other	0	9	9	0	9	9	3	6	9	0	7	7
Other	29	25	54	31	28	59	25	29	54	26	19	45
Private current transfers (net)	108	230	338	135	362	497	158	522	680	165	613	778
Receipts	122	232	354	153	371	524	175	524	699	189	614	803
Private remittances	66	122	188	74	150	224	73	217	290	83	233	316
Indian excise refund	18	0	19	19	0	19	19	0	19	22	0	22
Other estimated remittances	56	110	166	79	221	300	102	307	409	106	381	487
Payments	14	2	16	18	9	27	17	2	19	24	1	25
Official current transfers (net)	19	118	137	24	109	133	7	87	94	22	121	143
Receipts	19	118	137	24	109	133	7	87	94	22	121	143
Payments	0	0	0	0	0	0	0	0	0	0	0	0

Source: Data provided by the Nepalese authorities.

Table 30. Nepal: Composition of Imports and Import Duties, 1996/97–2001/02

(In millions of Nepalese rupees)

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Imports from India	29,941	34,518	42,660	49,421	54,561	58,682
<i>Of which</i> : Dutiable imports	23,774	27,282	25,462	27,587	44,738	49,878
Import duties from India	2,359	2,707	3,430	4,218	4,967	5,794
As a percent of dutiable imports	9.9	9.9	13.5	15.3	11.1	11.6
As a percent of total imports	7.9	7.8	8.0	8.5	9.1	9.9
Imports from third countries	71,516	61,812	49,156	60,471	60,101	50,591
<i>Of which</i> : Dutiable imports	50,701	52,770	31,334	38,567	50,002	35,052
Import duties from third countries	4,748	4,523	4,479	4,913	5,419	5,573
As a percent of dutiable imports	9.4	8.6	14.3	12.7	10.8	11.0
As a percent of total imports	6.6	7.3	9.1	8.1	9.0	15.9
Total imports	101,456	96,330	91,816	109,892	114,662	109,273
Dutiable imports	74,475	80,052	56,796	66,154	94,740	83,219
Aid-related imports	26,981	16,278	35,020	43,738	19,922	26,054
Total import duties	7,107	7,230	7,909	9,131	10,387	11,367
As a percent of dutiable imports	9.5	9.0	13.9	13.8	11.0	13.7
As a percent of total imports	7.0	7.5	8.6	8.3	9.1	10.4

Sources: Department of Customs, Ministry of Finance.

Table 31. Nepal: External Debt and Debt Service, 1996/97-2001/02

	1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02
(In millions of U.S. dollars)						
Debt outstanding 1/	2,482	2,562	2,703	2,848	2,786	2,933
Total medium and long term	2,361	2,415	2,533	2,662	2,630	2,808
Multilateral	1,983	2,090	2,169	2,244	2,251	2,394
AsDB	802	910	948	1,012	1,043	1132
EEC	8	8	7	6	6	6
IDA	1,059	1,080	1,107	1,123	1,102	1156
IFAD	57	44	58	57	55	57
IMF	34	25	21	15	10	7
NDF	16	18	20	20	19	20
OPEC	7	6	9	11	16	16
Bilateral 2/	378	324	363	418	379	414
Austria	5	5	4	6	5	5
Belgium	7	6	6	5	4	8
Finland	6	6	6	7	6	6
France	51	52	48	45	40	44
Korea	0	2	10	10	9	10
Kuwait	13	12	11	10	8	8
OECF (Japan)	286	229	264	309	291	317
Saudi Fund	10	13	14	26	16	16
Short-term debt 3/	121	147	170	186	156	125
Total debt service	84	86	84	83	98	132
Amortization 4/	55	62	59	57	69	81
<i>Of which</i> : IMF 5/	7.3	6.9	6.6	5.6	5.2	4.3
Interest 4/	28	24	25	26	29	51
<i>Of which</i> : IMF	0.7	0.7	0.7	0.4	0.4	0.4
(In percent)						
Debt-service ratio 6/	4.8	4.7	5.0	4.7	6.1	7.5
<i>Of which</i> : IMF	0.5	0.5	0.3	0.2	0.2	0.4
Debt/GDP	50.5	52.8	53.7	51.8	49.9	52.9
<i>Of which</i> : IMF	0.7	0.5	0.4	0.3	0.2	0.1

Sources: Data provided by Ministry of Finance and Nepal Rastra Bank; and Fund staff estimates.

1/ Consists primarily of medium- and long-term public and publicly guaranteed debt, excluding foreign liabilities of the banking system other than liabilities to the IMF.

2/ Amounts less than US\$1 million were owed to Russia, United States., and Australia in various years.

3/ Includes outstanding trade credits and amortization due in the following year.

4/ Includes principal and interest repayments of public enterprises and some private entities, as well as the central government.

5/ Excluding IMF Trust Fund.

6/ In percent of exports of goods and services (excluding re-exports) and private transfers.

Table 32. Nepal: Social Indicators

	Latest Single Year			Same Region/Income Group		
	1970-75	1980-85	1994-2000	India	South Asia	Low Income
Total population, mid-year (millions)	13.1	16.2	23.0	1,015.9	1,355.1	2,459.8
Growth rate (percent annual average)	2.0	2.1	2.4	1.8	1.9	2.0
Urban population (percent of population)	5.0	7.8	11.9	28.4	28.4	31.9
Total fertility rate (births per woman)	6.2	5.9	4.3	3.1	3.3	3.6
Total labor force (millions)	...	7	11	439	585	1,085
Females in labor force (percent)	...	39	40	32	33	38
Labor force participation rate	...	48	48	43	43	50
Poverty (percent of population)						
National headcount index	...	...	42.0	35.0	...	...
Urban headcount index	...	...	23.0	30.5	...	...
Rural headcount index	...	...	44.0	36.7	...	...
Income						
GNP per capita (U.S. dollars)	120	170	240	450	440	410
Consumer price index (1995=100)	17	35	137	144	142	140
Food price index (1995=100)	...	33	144	137	...	...
Income/consumption distribution						
Gini index	...	...	36.7	37.8	...	...
Lowest quintile (percent of income or consumption)	...	...	7.6	8.1	...	...
Highest quintile (percent of income or consumption)	...	...	44.8	46.1	...	...
Public expenditure						
Health (percent of GDP)	...	...	1.3	0.8	0.9	1.2
Education (percent of GNP)	1.5	2.6	2.5	2.9	3.0	3.4
Social security and welfare (percent of GDP)	0.1	0.1	0.4	...	...	...
Net primary school enrollment rate (percent of age group)						
Total	...	60	78	77	77	86
Male	...	80	93	83	83	89
Female	...	37	63	71	70	82
Gross secondary school enrollment						
Total	12	27	32	49	...	...
Male	19	39	45	59	...	...
Female	4	14	18	39	...	...
Adult literacy (percent)	...	22	58	68	66	71
Female literacy	...	...	33	45	42	52
Access to an improved water source (percent of population)						
Total	...	...	81	88	87	76
Urban	...	...	85	92	92	88
Rural	...	...	80	86	85	70
Access to electricity (percent)	...	...	15	54	...	...
Population per physician	...	30,221	13,617	2,459	2,500	...
Population per hospital bed	...	5,719	4,308	1,503	1,429	1,152
Immunization rate (percent under 12 months)						
Measles	...	34	73	50	53	57
DPT	...	32	76	55	57	57
Child malnutrition (percent under 5 years)	69	...	47	47	49	...
Life expectancy at birth (in years)						
Total	45	51	59	63	62	59
Male	46	52	59	62	62	58
Female	44	50	59	63	63	60
Mortality						
Infant (per thousand live births)	160	115	74	69	73	76
Under 5 (per thousand live births)	234	180	105	88	96	115
Adult (15-59)						
Male (per 1,000 population)	482	376	260	222	227	294
Female (per 1,000 population)	476	395	265	209	212	261
Maternal (per 100,000 live births)	...	...	830	440	...	...

Sources: Staff reports; EDSS; and World Bank 2002 World Development Indicators.

Table 33. Nepal: Summary of the Tax System
(As of July 1, 2003)

Tax	Nature of Tax	Exemptions and Deductions	Tax Rates
1. Taxes on income and profits			
1.1 <i>Taxes on business income</i>	Levied on net income from public, private, and joint-venture enterprises.	Deductions: a. All costs incurred during the year; by the person; and in the production of income from the business. b. Donation. c. Retirement contribution. d. Up to 5 percent reserve allowance in case of commercial banks as per the instruction of the NRB.	<i>Business type</i> Normal 25 Special industry: ^{1/} Employing 600+ Nepali 18 Operating remote areas for ten years 14-16 Other 20 Financial institutions 30
1.2 <i>Taxes on employment income</i>	Levied on net income from individual's remuneration from the employment of the individual during the year.	Deductions: a. Donation b. Retirement contribution. Exemption threshold: Single Nrs 65,000 Married Nrs 85,000	<i>Income bracket</i> Tax rates (In percent) Below Nrs 75,000 15 Above Nrs 75,000 25
1.3 <i>Taxes on investment income</i>	Levied on profits and gains from investment, including dividend, interest, rent, royalty, and retirement payment.	Deductions: Same as prescribed in the above business income. Exemptions: a. Final withholding payments. b. Amounts included in calculating the taxpayers' income from any business or employment. General exemptions:^{2/} a. amounts derived by a person entitled to privileges under a bilateral or a multilateral treaty concluded between the Nepalese government and a foreign country; b. amounts derived by an individual from employment in the public service of the foreign government; c. amounts derived from public funds of the foreign country by an individual who is not a citizen of Nepal; d. amounts derived by an individual who is not a citizen of Nepal from employment by the Nepalese government;	<i>Income type</i> Tax rates (In percent) Interest, other retirement payment, rent 15 Interest to individuals on deposits 6 Retirement payment from approved source 6 Dividend, gains from investment insurance or gains from other unapproved source 10

Table 33. Nepal: Summary of the Tax System
(As of July 1, 2003)

Tax	Nature of Tax	Exemptions and Deductions	Tax Rates	
		<ul style="list-style-type: none"> e. allowances paid by the Nepalese government to widows, elder citizens, or disabled individuals; f. amounts derived by way of gift, bequest, or scholarship; g. amounts derived by an exempt organization by way of (i) gift, or (ii) other contributions; h. an agricultural income; i. incomes and dividends derived by cooperative societies; j. income of an approved retirement fund; and k. pension received by retired army or police service of foreign countries, paid by the public fund of that country. 		
2. Taxes on property				
2.1 <i>Tax on rural land</i>	Levied on the size of an individual's land holdings. The tax rates vary with the location and type of the soil.	There is full or partial remission of the land revenue tax in the presence of a drought or other natural calamity.	For holdings of less than 1 hectare, Nrs 0.6 to 10 per hectare. For larger holdings, Nrs 2.6 to 105 per hectare.	
2.2 <i>Taxes on urban houses and land</i>	Levied on the property value.	Property values of up to Nrs 1 million are exempted.	<i>Property value</i> Next 1 million Next 3 millions Next 5 millions Next 10 millions Remaining	<i>Marginal tax rates</i> Nrs 300 0.05 percent 0.25 percent 0.50 percent 1.50 percent
2.3 <i>Registration fees</i>	Levied on the value of property at the time of sale, gifts, or on partition.		Urban Areas Sales deeds Gifts within third generation 2 percent Gifts out of third generation 10 percent Sales 6 percent Non-urban Areas Gifts within third generation 1 percent Gifts out of third generation 5 percent Sales 3 percent	

Table 33. Nepal: Summary of the Tax System
(As of July 1, 2003)

Tax	Nature of Tax	Exemptions and Deductions	Tax Rates	
			Partition Deeds	
			<i>Value of property</i>	<i>Tax</i>
			0-50,000	Nil
			50,001-200,000	Nrs 200
			200,001-500,000	Nrs 1,000
			500,001-1,000,000	Nrs 2,000
			1,000,001-5,000,000	0.25 percent
			5,000,001-10,000,000	0.50 percent
			Above 10,000,001	0.75 percent
3. Taxes on goods and services				
3.1 <i>Value-added tax</i>	Levied on goods and services at all stages of production and distribution.	Exemption threshold: Nrs 2 million	10 percent	
		Exemptions:		
		Exports, inputs used in the production of exports, and foreign aid projects.		
		Equipment for agricultural, fishery, and industrial activities; domestically produced cotton fabric, cotton textiles, and other textiles; cotton thread; woolen yarn; carpets; jute products; gold ornaments; unprocessed; aero planes, helicopters, fire fighters, and ambulances; battery operated three-wheeler; printed material; vaccines; food and medicine for animals; equipment for processing waste and for investment in alternative energy sources.		
		Unprocessed mustard oil, primary agricultural products.		
		Additional goods exempted from VAT in the 2000/01 budget were sarees made of cotton and artificial fibres; organic tea.		

Table 33. Nepal: Summary of the Tax System
(As of July 1, 2003)

Tax	Nature of Tax	Exemptions and Deductions	Tax Rates	
3.2 <i>Excise taxes</i>	Levied on some goods; the high-yielding are those on cigarettes and liquor.	Liquor industries based on fruits receive a five-year exemption, with an additional three-year extension for locating in remote areas.	Specific taxes <i>Cigarettes</i> <i>Per 1,000 cigarettes</i> Nonfiltered cigarettes Nrs 125 Filtered cigarettes by length Short Nrs 300 Medium (70 mm to 75 mm) Nrs 385 Medium (75 mm to 85 mm) Nrs 530 Long (above 85 mm) Nrs 710 <i>Liquor types</i> <i>Per L.P. liter</i> Whisky Nrs 275 Vodka Nrs 160 Low-quality liquor Nrs 50 Beer Nrs 38 <i>Ad valorem taxes</i> Pick-ups 15 percent 2 percent	
3.3 <i>Tourism fee</i>	Levied on tourism services.			
3.4 <i>Motor vehicle tax</i>	An annual tax based on the size of the vehicle and whether it is for own use or rented.		<i>Annual tax rates</i> <i>Size of vehicle</i> <i>For gasoline-fueled vehicles</i> <i>For diesel engine vehicles</i> Cars, jeeps, and vans up to 1,300 cc Nrs 6,500 Nrs 10,000 1,301 cc to 2,000 cc Nrs 8,500 Nrs 13,750 2,001 cc to 2,900 cc Nrs 10,000 Nrs 17,500 2,901 cc to 4,000 cc Nrs 12,300 Nrs 23,000 Above 4,001 cc Nrs 15,000 Nrs 28,000	
4. Taxes on international trade				
4.1 <i>Import duties</i>	Levied on c.i.f. import values.	Exemptions: Imports by the government, educational institutions, and foreign aid projects. Equipment for agricultural and fishery activities, food and medicine for animals, inputs for the textile industry and for computers, medicine from India.	<i>Commodity Groups</i> <i>Basic Duty Rates (In percent)</i> Roughly: Raw material and machinery 2.5–15 ³ Semi-processed materials 15–25 Fully processed materials 15–25 Consumer items 10 and 40 Luxury items 80 and 130	

Table 33. Nepal: Summary of the Tax System
(As of July 1, 2003)

Tax	Nature of Tax	Exemptions and Deductions	Tax Rates
		Deductions: 50 percent on industrial machinery, 80 percent on aluminum, copper, and brass in block or plates. Rebates of 10B20 percent on imports from India and Tibet and, 5 percent on imports from most favored countries.	
4.2 <i>Export duties</i>	Levied on a limited range of exports	Half percent service duty on exports	Development tax that replaced the octroi tax. 1.5 A combination of ad valorem and specific tax rates apply.

¹ As defined in section 3 of the Industrial Enterprises Act, 1992, but not including cigarettes, bidi, cigar, chewing tobacco, khaini, or other goods of a similar nature using tobacco as the basic raw material, or alcohol, beer, or other goods of a similar nature.

² Applicable to all income heads.

³ Slab rates of 1 and 2 percent are created by exemptions.