

Unofficial Translation

ECONOMIC SURVEY

FISCAL YEAR
2001/2002

HIS MAJESTY'S GOVERNMENT
MINISTRY OF FINANCE
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FOREWORD

It is indeed a matter of great pleasure for me to make the Economic Survey, 2001/02 public. It contains a review of the economic performances and the progress made in the major economic sectors through execution of the budget of Fiscal Year 2001/02. Review of the economic activities and indicators available for the first 8 months of the current Fiscal Year 2001/02 and that of the previous Fiscal Year 2000/01 form the basis of this survey. Some of the departures or changes made in this report from those of the previous years are as follows:

- a. Data on Real Gross Domestic product are presented with FY 1994/95 as the base year; data related to various economic activities have been updated; and several new data are also included.
- b. To make this report more useful, informative and objective, more grounds have been covered with new economic activities and information.
- c. The report also differs from its predecessors in its style of presentation and inclusion of policy reform program under review.
- d. It also includes several information presented in various reports submitted to the Nepal Development Forum.
- e. Emerging issues and the challenges of the Nepalese economy in the context of changes in external and internal environment are also highlighted.

I sincerely believe that this issue of Economic Survey will prove its worth to people's representatives, intellectuals, economists, researchers, teachers, students and indeed, all Nepalese keenly interested in the development trends of the Nepalese economy.

Sher Bahadur Deuba
Prime Minister and Finance Minister

July 2002

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Some Explanatory Notes

Following explanatory notes relevant to this chapter and those following should appear in one of the inside pages of the front pages.:

- Current year or this year means the current fiscal year 2001/2002 and last year or the previous year means the fiscal year 2000/2001.
- Review period means the first 8 months of the fiscal year beginning from mid July to mid-March. Review period in some context also means the first six months of the fiscal year. Accordingly, such references have been indicated as review period in parentheses in the paragraph where it appears first.

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I

INTERNATIONAL AND NATIONAL ECONOMIC
PERFORMANCES**International Economic Performance:**

- 1.1 The global economy in 2001 experienced a slowdown due to cyclical phenomenon. During that year, the global economic growth rate substantially declined to 2.5 percent from 4.7 percent in 2000. The downswing of the business cycle was further fueled by fact that many economies faced the challenges of the macro-economic management; while several others faced economic and financial problems and after shocks of the crisis, oil price surged in 2000, stock exchanges slumped and prices of financial assets fell, investments and consumption by private sectors slowed down and the act of terrorism on September 11 sent the shock waves. Volume of world trade in 2001 witnessed a reduction of 0.2 percent due to decline in imports of commodities and services by 1.5 percent and export by 1.3 percent of developed economies.

Table 1 (a):**Global Economic Growth Rate (Annual Increase in percentage)**

	2000	2001	Projection	
			2002	2003
Global Production	4.7	2.5	2.8	4.0
Developed Economies	3.9	1.2	1.7	3.0
Major Developed Economies*	3.5	1.1	1.5	2.8
Other Developed Economies	5.3	1.6	2.5	3.7
Developing Countries	5.7	4.0	4.3	5.5
Developing Asia	6.7	5.6	5.9	6.4
China	8.0	7.3	7.0	7.4
ASEAN-4**	5.1	2.6	3.3	4.1
South Asia***	5.3	4.2	5.2	5.6
India	5.4	4.3	5.5	5.8
Bangladesh	5.5	4.5	3.9	4.0
Pakistan	3.9	3.4	4.2	5.1

*USA, Japan, Germany, France, UK and Canada

** Indonesia, Malaysia, Philippines and Thailand

*** Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka

Source: World Economic Outlook, IMF, Washington D.C, April 2002, pp. 6 and 35

- 1.2 As the macro-economic management is being better focused and the positive signs of improvement in economic indicators and trade environment emerging, downswing in business cycle is expected to take positive turn soon. The global economy is expected to grow by 2.8 percent in 2002 and by 4 percent in 2003. Also, global trade is expected to increase by 2.5 percent in 2002 and 6.6 percent in 2003 (Table 1(b)):

**Table 1 (b):
World Trade (Annual Percentage Change)**

	2000	2001	Projection	
			2002	2003
World Trade Volume (Commodity and Services)	12.4	-0.2	2.5	6.6
<u>Import</u>	1			
Developed Economies	111.6	-1.5	2.1	6.6
Developing Economies	116.0	2.9	6.4	7.7
Transitional Countries (former centrally managed countries)	113.2	10.8	8.0	7.7
<u>Export</u>				
Developed Economies	11.7	-1.3	0.9	6.3
Developing Countries	15.0	3.0	4.8	7.0
Country in Transition	14.6	6.3	5.2	6.1

Source: World Economic Outlook, IMF, Washington D.C. April 2002, P. 6

- 1.3 The economic growth rate of Asian Developing Countries, which remained at 5.6 percent in 2002, is projected to be 5.9 percent in 2002 and 6.4 percent in 2003. The South Asian Countries, which registered growth of 4.2 percent in 2001, are expected to grow by 5.2 percent in 2002 and 5.6 percent in 2003. In 2001, economic growth of China was 7.3 percent, India 4.3 percent, Bangladesh 4.5 percent and Pakistan 3.4 percent. In 2002 and 2003 in China's economic growth is projected to remain at 7 percent and 7.4 percent, that of India 5.5 percent and 5.8 percent, Bangladesh' 3.9 percent and 4 percent and Pakistan's 4.2 percent and 5.1 percent. All these neighboring countries of Nepal have signs of gradual improvements in economic growth in the years to come. According to a projection of the IMF, consumer price index of South Asia will remain at 4.2 percent in both 2002 and 2003 (Table 1(c)).

**Table 1 (c):
Global Price Situation (Annual Percentage Change)**

	2000	2001	Projection	
			2002	2003
Oil	57.0	-14.0	-5.3	-4.4
Non-Fuel Commodities	1.8	-5.5	-0.1	7.2
Consumer Price				
Developed Economies	2.3	2.2	1.3	1.8
Developing Countries	6.1	5.7	5.8	5.1
Countries in Transition	20.2	15.9	10.8	8.7

Source: World Economic Outlook, IMF, Washington, D.C., April 2002, P.6

Overview of National Economy

- 1.4 FY 2001/02 turned out to be a year of exception from the standpoint of development performance and law and order situation. In the past, the government had been able to implement organizational, policy and regulatory measures to alleviate poverty with a broad based economic growth and to create congenial environment for development. In the current year, however, the economy could not build on this environment due to several hurdles to on going development activities. Amidst arson, killings, terror and violence, government remained effortful to continue development activities. As a result, the basic tenet of the state to protect life and property of its citizen on the part of the government overshadowed the priority to development works. Under the situation, the government was forced to declare the state of emergency in the country. Development performance of FY 2001/02 needs to be reviewed in this perspective.
- 1.5 In FY 2000/01, Gross Domestic Product (GDP) on agriculture sector registered at factor cost (constant price of 1984/85) a growth rate of 4.2 percent and non-agriculture sector 4.4 percent resulting in 4.9 percent growth of the GDP. For the current year, the GDP is estimated to increase by 0.8 percent with agriculture and non-agriculture sector registering of 1.7 percent and 0.2 percent growth rates respectively. The government has been able to minimize if not totally shield, the adverse effects of the internal and external disturbances to the economy. As a result, the growth rate has

remained positive due to recourse to pragmatic measures of structural importance taken by the government. This remains as the most important development features of FY 2001/02. The main indicators of economic activities are presented in Table 1(D).

- 1.6 Analysis of the GDP growth by industrial origin reveals that the growth rate has decreased to 1.7 percent in the agriculture sector compared to a growth rate of 4.3 percent in the last year. The main reason behind this decline was attributed to the decrease in the production of rice by 1.2 percent due to drought in the Eastern Development Region in the beginning and excess rainfall after paddy plantation causing soil erosion in the paddy fields. During the current year, growth rate of electricity, gas and water is expected to witness a notable growth rate of 14.9 percent as compared to 7.9 percent last year. Completion of Kaligandaki A (144 Megawatt) and Bhotekoshi (36 Megawatt) has contributed high growth rate in this sector. Due to terrorist activities of Maoists, inward migration of people to the Kathamandu Valley has increased significantly. And as a result, construction activities are expected to increase significantly by 4.9 percent compared to 0.9 percent last year contributing to a favorable impact on macro economic front. Industry and Trade on the one hand and Restaurant and Hotels on the other, were the hard hit sub sectors and their growth declined by 5.9 percent and 6.4 percent compared to the corresponding growth rates of 3.6 percent and 2.8 percent last year. Reasons behind this decline in GDP are: insecure situation faced by industries, pending the renewal of the Nepal-India Trade and Transit Treaties, decrease in the tourist arrival by 21.2 percent, drop in the production of carpet and garments by 23.1 percent and 28.8 percent respectively and a sharp drop in export of Pashmina Shawl by 78.5 percent explain the estimated decline in GDP. Community and Social services sector is expected to increase only by 3.2 percent as compared to 15.0 percent last year. Finance, leasing and real estate are also expected to grow at lower rate of 2.7 percent this year as compared to 3.8 percent last year.
- 1.7 GDP at the current price had increased by 8.6 percent amounting to Rs. 426 billion in FY 2000/01. Rate of increase, this year, is expected to be 4.7 percent amounting to Rs. 446 billion.

- 1.8 In the FY 2000/01, the contribution of agriculture sector to GDP at the factor cost on constant price was 37.9 percent and that of non-agriculture sector was 62.1 percent. Contributions of these sectors are expected to correspond to 38.1 percent and 61 percent in the current year.
- 1.9 In the current year, increase in per capita income expected to be positive. Compared to the GDP of Rs. 17,718 (equal to US \$ 240) last year, it is estimated to increase by 2.1 percent to Rs. 18,083 (equal to US \$ 236). It is evident that there was a marginal rise in the per capita income in terms of Nepalese currency where as in terms of US Dollar it decreased marginally due to change in the exchange rate.
- 1.10 The Ninth Plan has envisaged an annual growth rate of 6 percent with the contribution of growth rates of 4 percent by the agriculture and 7.3 percent by the non-agriculture sectors. However, annual growth rate of the economy is estimated to be 3.9 percent with the annual growth rate of 2.9 percent in the agriculture and 4.6 percent in the non-agriculture sectors
- 1.11 In the current year, the GDP growth rate (at the current price of factor cost) is estimated to be 4.3 percent with the growth rate of 4.9 percent and 3.9 percent of agriculture and non-agriculture sectors respectively. Corresponding to 3.0 percent and 10.3 percent of agriculture and non-agriculture sectors and GDP growth of 7.4 percent last year, the total value of GDP is expected to reach Rs 410 billion this year as compared to Rs. 393 billion last year.

National Product:

- 1.12 The GDP growth rate at current price is estimated to be 4.6 percent this year as against 8.6 percent last year. Due to this low growth, the per capita GDP growth has been limited to 2.4 percent. In FY 2000/01 the per capita GDP was Rs. 18416 equal to US \$ 250. In FY 2001/02, it is estimated to grow by 2.4 percent amounting Rs. 18,852 or equivalent to US \$ 246 due to the devaluation of Nepalese currency vis-à-vis US dollar during this year.

Resources and its utilization:

- 1.13 The proportion of total consumption to GDP (at producer current price) was 85.4 percent in FY 2000/01 whereas it is estimated to be 86.8 percent in FY 2001/02. The private sector consumption in FY 2000/01 was 75.4 percent and that of public sector was 10 percent. In the current fiscal year the former is estimated to be 76.2 percent and the latter 10.6 percent. Total consumption is estimated to decline this year to 6.1 percent growth as compared to 8.5 percent last year due to reduction in consumption by private sector to 5.5 percent from 7.3 percent of previous year. The increase in public consumption is estimated to be 10.8 percent as against 18.5 percent last year. As a result, the ratio of investment to GDP (at producer's current price) is estimated to be 23.6 percent in FY 2001/02 against that of 24.3 percent of FY 2000/01. The domestic saving has also dropped to 13.2 percent in FY 2001/02 from 14.7 percent of FY 2000/01.
- 1.14 The ratio of export of goods and services to GDP (at producer's current price) in FY 2001/02 has decreased to 18.2 percent from 22.4 percent of FY 2000/01. The ratio of import of goods and services to GDP has also gone down to 28.8 percent from 32 percent of FY 2000/01 resulting in decrease of export / import ratio from 0.70 of the last fiscal year to 0.63 this year.
- 1.15 There are expectations of changes in the trend of total capital formation. It is also estimated that the total fixed capital formation increased by 7.9 percent in FY 2001/02 compared to 6.4 percent in FY 2000/01, which is regarded as a positive indicator. Despite the present uncomfortable situation, capital formation in private sector rising from the negative growth of 0.3 percent to 12.3 percent last year indicates underlying efforts of the government. Under heavy claim on public resources for on security and consumption purposes. The ratio of total fixed capital formation to GDP at producer's current price increased marginally to 19.7 percent in FY 2001/02 from 19 percent of FY 2000/01. The ratio of total fixed capital formation of public sector to GDP decreased to 7.4 percent in FY 2001/02 from 7.6

percent of FY 2000/01, whereas this ratio in private sector has increased to 12.3 percent from 11.4 percent between these two years. The contribution of private and public sectors to capital formation is 59.9 percent and 40.1 percent in FY 2000/01 and 62.3 and 37.7 percent in FY 2001/02 respectively. Thus the decrease in GDP, National Product and the resources utilization in FY 2001/02 compared to FY 2000/01 mirrors the direction of macro-economic performance.

Challenges:

- 1.16 Persisting low growth rate of agriculture sector, is due to its existing dependency on *monsoon* rain. There is a great potential to increase in overall production of agriculture sector if the agricultural land is complimented with reliable irrigation facility. To make the provision of reliable irrigation system to cultivated land is a challenge. As the contribution of this sector to GDP still remains significant, GDP will remain prone to fluctuations.
- 1.17 The proportion of investment to GDP must be increased to ensure sustained economic growth, but the present rate of high consumption and low savings has exerted negative impact in this regard. Curtailment of consumption level from both the public and private sectors pose a challenge.
- 1.18 Increasing savings and investment and reducing the consumption thereby further accelerating the pace of development remain another challenge. Mobilization of all available machineries in augmenting both public and private savings and investment of such savings is equally challenging.
- 1.19 Minimizing the gap between import and export of goods and services is yet another task and equally important for the economic stability. To address this task, regulatory measures to keep the import within a limit as well as measures to promote exports are needed.



II

PUBLIC FINANCE

Financial Growth and Budget

- 2.1. Revenue mobilization, which was 11.3 percent of GDP in FY 1999/2000, increased by 0.6 percentage point in FY 2000/01 and reached to the level of 11.9 percent of the GDP. Total expenditures in FY 2001/2 increased by 1.9 percentage point to the level of 19.4 percent from the previous year's level of 17.5 percent. Thus, the gap between total revenue and expenditure in FY 2001/2 increased by 1.3 percentage points to the level of 7.5 percent from the previous year's level of 6.2 percent of GDP.

Table 2(a)
Ratios of Government Expenditure and Revenue to GDP
(at Producers Current Prices)

In Percentage

Fiscal Year	Government Expenditure			Revenue	Difference
	Regular	Development	Total		
1993/94	6.3	10.6	16.9	9.8	7.1
1994/95	8.8	9.0	17.8	11.2	6.6
1995/96	8.7	10.0	18.7	11.2	7.5
1996/97	8.6	9.5	18.1	10.8	7.3
1997/98	9.0	9.6	18.6	10.9	7.7
1998/99	9.1	8.3	17.4	10.9	6.5
1999/2000	9.1	8.4	17.5	11.3	6.2
2000/01	10.4	9.0	19.4	11.9	7.5

- 2.2 Revenue surplus in FY 1999/2000 accounted for 26.4 percent of the total development expenditures, which dropped to 16.5 percent in FY 2000/01. Declining growth rate of 14.0 percent in revenue mobilization and escalating growth rate of 23.9 percent in regular expenditures were the main causes for this fall in revenue surplus. Revenue could not be mobilized as expected because of the disruption in the economic activities due to security reasons; while

the regular expenditures continued to expand. These factors contributed to the decline in revenue surplus.

- 2.3 In FY 1999/2000, fiscal deficit was 55.6 percent of the total development expenditures, compared to 65.3 percent in FY 2000/01. Volume of fiscal deficit and the sources to meet it is given in the Table 2(b):

Table 2(b)
Development Expenditure and Sources of Financing

Heading	1996/97	1997/98	1998/99	1999/2000	2000/01
i. Total Development Expenditure	26542.6	28943.9	28531.3	31749.2	37065.9
ii. Sources of Financing (%)					
a. Revenue Surplus	23.3	19.9	21.7	26.4	16.5
b. Foreign Grant	22.4	18.7	15.2	18	18.2
c. Deficit Financing	54.3	61.4	63.1	55.6	65.3
1.Foreign Loan	(34.1)	(38.2)	(41.5)	(37.2)	(32.5)
2.Internal Loan	(11.3)	(11.7)	(16.5)	(17.3)	(18.9)
3. Change in Cash Balance	(8.9)	(11.5)	(5.1)	(1.1)	(13.9)

Government Finance

- 2.4 Total public expenditure in FY 2000/01 increased by 20.5 percent over the corresponding figure of the previous fiscal year and stood at Rs. 79,835.1 million of the total public expenditure in the current year, regular and development expenditures increased by 23.9 percent and 16.7 percent respectively. Development expenditure accounted for 46.4 percent of the total public expenditure in FY 2000/01, which was 47.9 percent in FY 1999/2000.
- 2.5 Of the total public expenditure of Rs. 66,272.5 million in FY 1999/2000, 64.8 percent was met from revenue, 8.6 percent from foreign grant, 17.8 percent from foreign loan, 8.3 percent from internal loan and the balance 0.5 percent from the change in cash balance. The sources of financing total public expenditure in FY

2000/01 were revenue (61.2 percent), foreign grant (8.5 percent), foreign loan (15.1 percent), internal loan (8.8 percent) and cash balance changes (6.4 percent). Thus, as compared to the previous fiscal year, the increases in foreign loan and cash balance used to finance the public expenditure stood at 2 percent and 1350 percent respectively.

Regular Expenditure

- 2.6 Regular expenditure in FY 2000/01 increased by 23.9 over the previous year and reached Rs. 42,769.2 million. Debt servicing in FY 2000/01 increased by 3.5 percent over that of the previous year. Of the total regular expenditure, expenditures on debt servicing accounted for 24.3 percent, social services 25.4 percent, economic services 3.8 percent, and miscellaneous items 18.4 percent. Similarly, expenditures in general administration accounted for 14.6 percent, defense 8.9 percent and the balance in other items. Of the total regular expenditure incurred in FY 2000/01, expenditures for social services and defense marked increments of 30.7 percent and 9.5 percent, respectively over the previous year, whereas expenditure on economic services declined by 26.7 percent. The overall expenditures incurred in the first eight months of FY 2000/01 on constitutional bodies, foreign services, revenue administration, judicial administration, financial administration, planning, loan investment and miscellaneous items increased by 53.4 percent over the corresponding figure of the previous fiscal year. During the first eight months of the previous fiscal year, regular expenditure stood at Rs. 29,009.6 million, whereas it increased by 19.0 percent and amounted to Rs.34, 529.5 million in the same period of the current fiscal year.

Development Expenditure:

- 2.7 Development Expenditure stood at Rs. 37,065.9 million, an increment by 16.7 percent over the corresponding figure in FY 1999/2000. If the pattern of regular and development expenditures is observed, regular expenditure has been exceeding the development

expenditure since FY 1998/99. During FY 1997/98 the ratios of regular and development expenditures to the total public expenditure were 48.4 percent and 51.6 percent respectively, whereas they were 52.1 percent and 47.9 percent respectively in FY 1999/2000. The ratios stood at 53.6 percent and 46.4 percent respectively in FY 2000/01. Thus, the share of regular expenditure in the total public expenditure has been increasing. The review of the public expenditures of the first eight months has indicated a decline in development expenditure by 31.8 percent to Rs. 12,171.7 million in the current fiscal year as compared to the previous year's corresponding figure of Rs. 17,856.0 million.

- 2.8 Development Expenditure on economic services increased by 13.2 percent, social services by 3.8 percent, financial administration and planning by 5.86 percent, and general administration by 17.7 percent in FY 2000/01. Under social services, expenditures on education and local development increased by 8.2 percent and 11.2 percent respectively in FY 2000/01 as compared to FY 1999/2000, whereas expenditures on health and drinking water in FY 2000/01 declined by 7.21 percent and 0.7 percent, respectively.
- 2.9 Under economic services, expenditures on agriculture, irrigation, power and transport increased by 11.5 percent, 29.8 percent, 23.0 percent and 14.0 percent, respectively in FY 2000/01 as compared to their corresponding figures in FY 1999/2000. During FY 2000/01, expenditures on economic services, social services and other sector account for 57.0 percent, 34.7 percent and 8.3 percent of the total development expenditure, respectively.
- 2.10 In order to make budget allocation and release procedures more realistic and monitoring and evaluation friendly as well as avoid the circumstances of uncertainty to secure project expenditures, His Majesty's Government has introduced the concept of rolling budget under which a three-year medium-term expenditure framework for programming and budgeting has been brought in practice (Box 2(1)).

Box 2(1):**Medium-term Programming and Budgeting Framework MTEF**

In the context of failure to maintain correlation between targets and achievements, His Majesty's Government has put forward the concept for medium-term economic planning to arrest the problems pertaining to different stages of project, e.g.; from project formulation to evaluation, project screening, prioritization, budgeting, and implementation. It has the following features:

1. *Help establish correlation between planning and budgeting on the realistic basis and prioritize the projects through screening;*
2. *Help analyze budget implementation schedule and its advantages;*
3. *Implement the project with full confidence as there will be detail information about the availability of budget for three consecutive years.;*
4. *Scattering of budget for small projects will be discontinued and ample earmarking and release of budget will be followed;*
5. *His Majesty's Government, the donor community, and the people will have a full picture of the achievements in economic and other main sectors through medium-term budgeting.*

Sources of Finance (Revenue):

- 2.11 In FY 2000/01 revenue mobilization increased by 14.0 percent over the corresponding figure in FY 1999/2000 and stood at Rs. 48,893.6 million. In FY 1999/2000, increment in revenue mobilization was 15.1 percent.
- 2.12 As regards the composition of revenue, tax revenue and non-tax revenue accounted for 79.5 percent and 2.05 percent of total revenue, respectively in FY 2000/01. In FY 1999/2000, the corresponding ratios were 77.3 percent and 22.7 percent
- 2.13 During FY 2000/01, tax collection increased by 17.2 percent as compared to FY 1999/2000 and reached Rs. 38,865.1 million. Customs revenue increased only by 16.1 percent. Similarly, tax revenue from production and consumption of goods and services increased by 20.7

percent. Collection of value-added tax increased by 22.3 percent in comparison to previous year, whereas taxes on income, profit and property increased by 20.3 percent. Income tax revenue alone increased by 23.5 percent in FY2000/01 over that of the previous year.

- 2.14 Non-tax revenue increased by 2.9 percent in FY 2000/01 over that of FY 1999/2000 and reached Rs. 10,028.8 million. Of this, collection of dividend dropped by 6.8 percent, and also principal and interest payment recorded a shortfall of 6.8 percent.

Level of Revenue Collection During First Eight Months of FY 2001/2

- 2.15 During the first eight months (the review period) of the current fiscal year, total revenue collection stood at Rs. 29,148.7 million. This is 3.0 percent higher than the corresponding figure of the previous fiscal year. Of the total revenue collection, Rs. 23,878.6 million was tax revenue, while non-tax revenue was Rs. 5,270.1 million. Tax revenue during this period increased by 4.6 percent also due to the Voluntary Declaration of Income Source by the taxpayers and 10.0 percent of the self-assessed tax by mid-January 2002. This has proved an effective measure in tax collection.
- 2.16 Customs revenue collection amounted to Rs. 7,979.8 million during the review period of the current year. The collection is 2.1 percent higher than the corresponding figure of the previous fiscal year. Income tax revenue stood at Rs. 4,550.2 million during the period, higher by 7.6 percent against Rs. 4,228.6 million of the previous year.
- 2.17 Collection of value-added tax amounted to Rs. 7,609.8 million during the review period this year. It is higher by 3.2 percent than the corresponding figure of this period last year. Taxes from production and consumption of goods and services amounted to Rs. 10,054.0 million, which is 1.7 percent higher than that of the previous year. Revenue from registration of real estate as well as land revenue increased by 87.5 percent in the review period of the

current year and reached Rs.574.2 million. In the previous year the corresponding amount was Rs. 306.3 million.

- 2.18 Non-tax revenue decreased by 3.7 percent during the review period of this year and reached Rs. 5,270.1 million against Rs. 5,470.5 million of the last year.

Foreign Aid Commitment

- 2.19 Foreign aid commitment in FY 2000/01 stood at Rs.31, 287.0 million, which was 53.0 percent higher as compared to that of the previous year. Of this, share of grant and loan were 45.7 percent and 54.3 percent, respectively.
- 2.20 Out of the total foreign aid commitment in FY 2000/01, bilateral assistance was Rs. 17,495.9 million and multilateral assistance Rs. 13,790.8 million. Bilateral and multilateral assistance thus constituted 55.9 percent and 44.1 percent of the total foreign assistance, respectively. In FY 1999/2000, total foreign assistance consisted of Rs. 11,293.4 million (55.2 percent) from bilateral sources and Rs. 9,154.6 million (44.8 percent) from multilateral sources.
- 2.21 The meeting of the Nepal Development Forum, which is the community of donors continually assisting Nepal for its development, was convened for the first time in Nepal from 4-7 February 2002. An extensive discussion on Nepal's development efforts and situation was held in the meeting in a cordial atmosphere. The meeting, among others, agreed on the implementation of MTEF and on mobilizing foreign assistance in accordance with the foreign aid policy prepared by the Government. (Box 2 (2)).

Box 2(2)**Nepal Development Forum, 2002**

For the first time, Nepal Development Forum meeting was held in Kathmandu and Pokhara on 4-7 February 2002. The meeting was co-chaired by the then Finance Minister Dr. Ram Sharan Mahat and the World Bank's Vice-President Mieko Nishimizu. Twenty-three delegates of donor countries and international organization took part in the meeting. Such meeting by the name of Nepal Aid Group used to be organized in the previous occasions in Paris. Donor communities, agreeing to meet in Nepal were enabled to interact with the foreign aid beneficiaries and to observe Nepal better. Common consensus reached in this meeting included mobilization of resources required to implement the Poverty Reduction Strategy (PRS.) for the accelerated economic development envisaged in the Tenth Plan to come. The Medium Term Expenditure Framework (MTEF) as also agreed in the meeting is meant to ensure adequate resources to implement PRS. through the annual budgets. Continued commitments to Nepal's development efforts demonstrated by the donor countries and the organizations alike are a new milestone in Nepal's partnership for development. Meeting was concluded with a pledge of US\$ 500 million to make available, the basis of aid utilization and performance results under PRS.

Grant and Loan:

2.22 During the review period of the current year, foreign aid commitment increased by 58.3 percent as compared to that of the previous year and totaled Rs.30, 398.8 million in the ratios of 67.5 percent as grant and 32.5 percent as loan. This total was made of Rs.15, 707.0 million from bilateral sources and Rs. 14,691.8 million from multilateral sources. During the corresponding review period of the previous year, the ratios of grant and loan assistance were 28.7 percent and 71.3 percent, respectively, while the shares of bilateral and multilateral sources were 28.2 percent and 71.8 percent respectively. The grant portion of the total aid during the review period increased by 272.4 percent over that of the review period of the previous year.

Commitment and Utilization

- 2.23 During the review period of the current FY 2001/02, total aid commitment increased by 58.3 percent against that of the previous year to a total of Rs. 30,398.8 million. Sectorwise, Rs. 6,135.0 million (20.2 percent) was committed for water supply, Rs. 681.3 million (2.2 percent) for agriculture, irrigation and forestry, Rs. 3,943.5 million (13.0 percent) for transport and communication, Rs. 758.5 million (2.5 percent) for power, Rs. 2,007.4 million (6.6 percent) for education, Rs. 1,583.8 million (5.2 percent) for rural development, Rs. 4,895.6 million (16.1 percent) for health sector and Rs. 10,393.7 million (34.2 percent) for other sectors, respectively.
- 2.24 Disbursement of foreign assistance in FY 2000/01 was Rs.18, 797.4 million, which was 7.3 percent higher than that of FY 1999/2000. Of this, disbursements of foreign loan and grant were Rs. 12,044.0 million and Rs.6, 753.4 million, respectively. In FY 1999/2000, total foreign aid disbursement of Rs. 17,523.9 million consisted of Rs. 11,812.2 million and grant of Rs.5, 711.7 million. As compared to FY 1999/2000, disbursement of foreign grant assistance in FY 2000/01 has increased by 18.2 percent. Disbursements from bilateral and multilateral sources in FY 1999/2000 were 28.1 percent and 71.9 percent compared to 14.7 percent (Rs. 2,771.2 million) and 85.3 percent (Rs.16, 026.2 million) in FY 2000/01, respectively.
- 2.25 By sectors, disbursement of foreign assistance to agriculture, irrigation and forestry compared to that of FY 1999/2000 increased by 17.6 percent to Rs. 3,774.9 million and to transport, power and communications by 13.2 percent to Rs. 9,235.1 million in FY 2000/01. Disbursements to social services, on the contrary, decreased by 0.6 percent to Rs.5, 759.5 million and to industry and commerce by 93.3 percent to a low of Rs.19.9 million.

Outstanding foreign and internal loans:

- 2.26 As revenue surplus alone is not enough for meeting the development expenditure, foreign grant as well as foreign and internal loans have to be mobilized to meet such expenditures. Continuation of foreign

loan is on the rise for the past several years mainly due to depreciation of Nepalese currency vis-à-vis the convertible foreign currency; the burden of debt services has been increasing year by year. As compared to FY 1999/2000, the net outstanding foreign loan increased by 5.7 percent in FY 2000/01 to the total of Rs. 201,550.6 million.

2.27 After readjusting the foreign loan receipts and payments during the review period of the current year, net outstanding foreign loan liability of the government increased by 4.6 percent to the total of Rs.207, 331.9 million by mid-March, 2002. During this period total foreign loan receipt amounted to Rs.5, 614.5 million, and payments of principal and interest to Rs. 2,775.6 million and Rs. 1,026.8 million, respectively.

2.28 The outstanding internal loan by mid-July 2001 was Rs. 60,043.7 million, 10.5 percent higher than that by mid-July, 2000. The share of Nepal Rastra Bank in internal loan was 29.0 percent (Rs. 17,399.7 million), that of commercial banks and other institutions 42.3 percent (Rs. 25,392.9 million) and of private sector 28.7 percent (Rs. 17,251.1 million). In terms of the instruments of loan, development bond amounted to Rs.5, 962.2 million (9.9 percent), national savings bond Rs.12, 476.4 million (20.8 million), special bond Rs.13, 994.3 million (23.3 percent) and treasury bill Rs. 27,610.8 million (46.0 percent). By mid-March, 2002, total internal loan amounted to Rs. 69,439.6 million.

2.29 During the review period of the current year, internal loan increased by 19.1 percent against that of the previous year. Of this, Nepal Rastra Bank and commercial banks shared 33.1 percent and 38.2 percent, respectively; and other institutions and private sector shared 28.7 percent. Treasury bill occupied the first position with 59.2 percent share, national savings bond 17.8 percent; special bond 12.6 percent, development bond 9.8 percent and citizen savings bond 0.6 percent.

2.30 Ratios of primary deficit, Fiscal deficit and Loans to Gross Domestic Products

**Table 2(c):
Primary and Fiscal Deficits**

Fiscal Year	Fiscal Deficit*	Primary Deficit**	In million Rs.
			Loan/GDP Ratio***
1996/1997	14,362	11,645	59.9
1997/1998	17,778	15,239	66.4
1998/1999	17,991	15,594	64.1
1999/2000	17,667	14,412	64.5
2000/2001	24,188	20,927	63.8

* Total Revenue + Foreign Aid - Total Expenditure

** Fiscal Deficit - Net Interest Income (difference of interest income and payments)

*** Calculated on Outstanding Loan by end of Fiscal Year

Comment [sms1]: When we speak of deficit, it refers to the negative figure, whereas "surplus" refers to the positive figure. As in mathematical terms, minus multiplied by minus turns out to be positive, negative deficit figure may be interpreted as positive, i.e., surplus.

Fiscal deficit in FY 1999/2000 was 4.7 percent of the GDP at factor cost. Such deficit further widened to 5.9 percent in the following year. Primary deficit in FY 1999/2000 and 2000/01 were 3.8 percent and 5.1 percent of GDP, respectively. The high ratio of outstanding loan to GDP in FY 2000/01 manifests the increasing trend of debt burden in the economy.

Budget Deficit and Sources of Financing

2.31 In FY 2000/01, budget deficit rose to Rs.24,188.1 million, which was 36.9 percent higher than that of FY 1999/2000. Of the various sources of financing budget deficit in FY 2000/01, mobilization of foreign loan met Rs. 12,044.0 million, while Rs. 7,000.0 million and Rs. 5,144.1 million were met by mobilizing internal loan and changes in cash balance.

Challenges:

2.32 Analysis of revenue and expenditure in terms of GDP shows the higher ratio of total expenditure than of revenue signaling an alert to adverse impact on economy in the long run. For the last two years, development expenditures are seen decreasing compared to the regular expenditures. To maintain economic stability, important tasks ahead are to rationalizing the regular expenditure, diverting development expenditure to highly productive sectors, broadening

the tax basis, and reducing the size of deficit financing.

- 2.33 In the context of the prevailing trend of revenue mobilization in the current fiscal year vis-à-vis the revenue estimates for the forthcoming fiscal year, it is a challenge to the government to make revenue mobilization more effective by identifying new areas for revenue collection and through administrative reform measures and optimum mobilization of existing manpower.
- 2.34 The need for huge amount of funds has become an impending challenge to the public expenditure management due to the need of reconstructing public infrastructures destroyed by Maoist terrorist activities, and implementing income generating rehabilitation programmes for distressed and displaced families by terrorist activities.
- 2.35 Implementation of development projects are facing impediments due to Maoist terrorist activities. Therefore, a common mechanism needs to be setup between security-providing agency and the development related ministries in order to carry out development activities and security measures side-by-side. Line ministries in the infrastructure-destroyed districts are to be focused to reconstruction, which will require enhanced resources. Similarly, in the districts where infrastructures were destroyed, concentrating of development activities of concerning line ministries on rehabilitation works has become a challenge to the government
- 2.36 To mobilize foreign assistance in such a way that reduces the gap between commitment and disbursement and to make its utilization more result-oriented for achieving national goal of poverty reduction also pose a big challenge.
- 2.37 The role of public enterprises in the economy needs to be redefined. Private sector needs to be encouraged to concentrate their investment to those sectors where they have competitive edge and the privatization of the public enterprises needs to be smoothened.

□

III

PRICE AND SUPPLY SITUATION

National Urban Consumer Price (NUCP) Index:

- 3.1 Point-to-point analysis of NUCP index for the first 8 months (review period) of the current year at FY1995-96 price indicated a rise of 0.1% compared to a drop by 0.01% during the review period of the last year. In the review period of this year, the price index increased by 3%, which is higher than the rise in price index by 2.1% during the corresponding period last year. In the review period price index of food and beverages rose by 3.9% and that of non-food and service by 1.9%. Region wise, the Consumer Price Index for Terai rose by 0.4% as opposed to a fall of 1.6% last year but in the Hills and Kathmandu Valley, indices dropped by 0.6% and 0.2% respectively during the review period of this year whereas those indices had increased by 3.3% (Terai) and 0.4% (Kathmandu Valley) last year.
- 3.2 Level of foodgrain production remained constant during the review period of this year. Price index, also in point-point term, for all the commodities slid up by a margin of 0.1% attributable to increased production of cash crop, regularity in the supply of essential goods, sizable squeeze in the expansion of broad money supply and a gradual improvement seen in the Indian Wholesale Price index and also due to comfortable level of food grain production in India. Prices, on the whole, rose very marginally during the review period, notwithstanding the fact that the prices of non-food and services group remained under some pressure (para.3.7). Otherwise, the prices of most of the items under food and beverages group registered a drop (Para 3.3) while those for items under education, educational materials and entertainment group phenomenally dropped (Para. 3.9).

Food and Beverage

- 3.3 The price of food and beverage group decreased by 1.9 during the review period of this year compared to 5.8 % decrease last year. Prices of food grains and associated items like meat, fish, eggs, oil and butter, beverages and snacks, which carry a greater weight of the basket, were under some pressure compared to a precipitous fall of 14.7% last year. Those of vegetables, fruits, lentils, spices, milk and milk product and sugar under this group were seen falling in this period.
- 3.4 The price of lentils dropped by 1.7% in the review period of FY 2000/01, where as it dropped by a margin of 0.8% during this review period due to satisfactory production and supply situation both in India and Nepal. Prices of vegetables and fruits continued to fall from 18.4% during the review period of the last year to 19.9% this year. Increased production of potatoes and onion as major items under this sub-group both in Nepal and India and also the regular supply of important seasonal vegetables and fruits had contributed to the fall in prices. Similarly, spices sub group also saw downslide by 2.9% compared to an increase of 0.7% in previous year mainly due to improvement in prices of locally produced items like garlic, chilly, etc. and noticeable price-fall of imported spices like cumin seed and black pepper.
- 3.5 The price of meat, fish and egg increased by 1.2 % in the review period of this year as against the increase of 1.8% last year. Reduced supply of live goats from the hills and the Terai, increase in price of animal feed and the consequent pressure on price of poultry compared to that of the last year were the main contributors to the price rise observed during this year. Prices of dairy products decreased by 1.1% due to encouraging level of milk production in the Terai, which helped improve supply situation. The price of oil and ghee, however, increased by 2.9% compared to the fall by 1.4% last year. Increase in production cost of mustard, which pushed price of oil and the sizable export of vegetable ghee and oil to India both contributed to the rise in price.

- 3.6 The price of sugar and sweets also followed the suit with a decrease in their prices by 3.6% this year contrary to an increase of 7.6% registered last year. Better production of sugar than that of the last year and the import of 40,000 metric tons of sugar by the National Trading Ltd. to buttress the supply helped lower the price. In addition, the decrease in price of brown sugar (Chaku) also had the combined effect on decreasing price of this sub group this year. Price of beverages hiked further by 4.6% from 2.2% of last year. During this year, the price of imported horlicks was hiked while the change in excise duty by the govt. on soft drinks like Coca Cola and Fanta, as well as alcohol and beer also contributed to the increase in their prices. The price of food and snacks served in restaurants also went up by 2.4% compared to 7.5% increase during the review period of the last year due to the increase of prices of beverages, goat meat, poultry, oil and ghee.

Non-food Commodities and Services:

- 3.7 The price of items under this category increased by 2.0% during the review period this year compared to 6.5% last year. Except Education, Education materials and Entertainment sub-group, increase in prices of all other items under this category ranged between 0.1% and 6.0% compared to 0.8% to 14.3% increase in the previous year. The price of clothing materials and ready-made garments sub-group went up by 2.1% due to some price increase in imported clothes and ready-made garments and increased cost of stitching compared to 2.7% increase last year. Price of footwear sub- group also increased by 1.0% as against 0.8% increase last year due to the price hike by the manufacturers and increased price of shoe polish.
- 3.8 The price of household goods sub-group increased by 2.5% compared to an increase of 7.6 % last year. Increase in prices of drinking water, imported household goods as well as house rent contributed to this year's price rise.. The price of transport and communication, which increased by 6.9% in the previous year, was increased by 0.1% only during the review period of this year. Marginal increase is attributable to 5% surcharge on telephone

tariff levied by government. The price of medicine and personal hygiene sub- group increased by 6.0% against 4.3 % increase last year due to price increase in imported medicine from India coupled with fee of doctors as well.

- 3.9 The price of education, educational materials and entertainment sub- group which spiraled by 14.3% last year plummeted to 1.5% decrease within the review period this year largely due to cuts in tuition fees in the government funded schools. The price of cigarettes sub-group increased by 4.2% compared to 0.8% increase last year as the excise duty on tobacco products were revised upwards by the government.

National Wholesale Price Index (NWP) Index:

- 3.10 Nepal Rastra Bank has developed NWP index with FY 1999/2000 as base year in line with commitment as envisaged in 1995/96 Budget Speech and the Ninth Plan as well to expand the coverage of price statistics and to make it more meaningful. Accordingly, such index is being published regularly from the beginning of this fiscal year. It covers 71 commodities with 415 number of wholesale prices collected from 20 market centers of the country for 3 major groups of commodities, namely, agriculture (weightage 49.59%), domestic products (20.37% and Imports (30.04%).
- 3.11 In point-to-point basis, during mid July 2001 to mid March 2002, NWP index decreased by 1.1% during the review period this year. The index of agricultural goods dropped by 4.2%, as the level of production, on the whole, was satisfactory; and more farmers took farming of vegetable and livestock on a commercial scale. Together they helped ease the supply situation. Indices of both domestic industrial products and of imported goods increased by 4.3% and 0.5% respectively. Despite diminishing prices of tea and sugar, prices of cigarette, beverages and edible oil and ghee rose due to change in tariff. Marginal increase observed in the index of imports was due mainly to increased prices of chemical fertilizer, horlicks, powder milk, sheet glass, etc.

Box: 3 (1)**Wholesale Price index**

Wholesale Price Index is found in use for many years in many countries of the world to measure inflation, track price movement, control prices, and analyze big projects, to mention a few. Its use is also found in National Accounts. In Nepal, one and only available index was the Urban Consumer Price Index till FY 2000/2001. With the on-going changes in economic structure and activities, this index alone was not enough to do analyses of costs and prices. Accordingly, realizing the need for wholesale price index, the Nepal Rastra Bank has started publishing NWP index from the start of the current fiscal year.

Average Retail Prices of Selected Commodities:

- 3.12 Average prices (per kilogram or per liter) of 10 selected agricultural commodities prevailing in mid-July, 2001 when compared with those in mid March 2002, prices of 3 commodities were found increased and those of 7 decreased. Dry onion price soared by 11.1%, that of wheat by 4.4% and of goat meat by 1.8%. Prices on the downslide were those of potato (26.3%), ginger (25.2%), coarse grain rice (4.7%), black lentils (3.6%), mustard oil (2.3%), yellow lentil (0.6%) and refined butter (0.1%). Similar analysis done for the corresponding months of previous year showed that the prices of black lentil, mustard oil, goat meat and dry onion had increased while those of 6 items had decreased.
- 3.13 In the Hills, prices of wheat, refined ghee, goat meat and dry onion between mid-July 2001 and mid March 2002 increased while those of the 6 remaining items of the list increased. In the corresponding months of the last year, not only prices of wheat and dry onion but also those of black and yellow lentils, mustard oil and goat meat had increased; and those of potato, ginger, coarse grain rice and refined butter had decreased. In Terai, wheat, lentil, and goat meat were selling at higher prices while 7 other items were selling at lower prices during the review period.

In the corresponding months of the previous year, the price of mustard oil, refined ghee, goat meat and dry onion had increased and those of other 6 commodities had decreased.

- 3.14 In the Hills, between mid March 2001 and mid March 2002, prices of coarse grain rice, mustard oil, refined ghee, goat meat, potatoes and dry onion were higher while those of other 4 commodities were lower. For the same period in the Terai, the prices of coarse grain rice, wheat, black lentil, mustard oil, goat meat and potatoes increased while those of remaining 4 decreased. Between these two periods, nationwide, prices of black lentils, mustard oil, and goat meat and potatoes had increased while those of other 6 commodities decreased.
- 3.15 Comparison of monthly national average retail prices during the first 8 months of the current year with those of the previous year for the similar period, 5 commodities selling at higher prices were potatoes (23%), mustard oil (10.2%), goat meat (6.1%), dry onions (4.2%), and black lentils (1.6 %) but the others selling at lower prices were ginger (16.2%), wheat (7.8%), coarse grain rice (7.2%), yellow lentil (3.9%), refined butter (2.8%).
- 3.16 Prices of petroleum products like petrol, diesel and kerosene during the review period of current year remained unchanged at Rs. 46.00, Rs. 26.50 and Rs. 17.00 respectively as they were during the same period last year. Supply of these as well as a few other products this year registered some increases, e.g., petrol by 8.3% to 65,694 KL, diesel by 3.2% to 344,345 KL, air fuel by 11.6% to 73,236 KL, and LP gas by 35% to 54,139 MT. In review period, however, the supply of kerosene decreased by 2.8% to 316,042 KL.

Challenges:

- 3.17 The price and supply system in Nepal continues to be erratic and uncertain. Food and host of essential goods on these counts are largely dependent on agricultural production, situation effecting other internal production and international trade scenario.

- 3.18 The quality and price of the goods and services originating from the public enterprises are not yet as competitive. High price of electricity with limited access of the people to it, and uncertain and limited supply of drinking water are the examples of the public utilities the consumers continue to face problems. Augmenting the supply of and access to such commodities and services at competitive prices remain as tasks ahead.
- 3.19 Stability in prices and supply of essential commodities including of food grain being supplied to the low income people and those living in the remote and difficult areas calls for urgent attention to the better supply management.
- 3.20 Competitive environment, which ensures efficiency of the market mechanism, benefits the producers, investors, the government, and the consumers in general through production efficiency and price. Eventually it paves the way for the economy to set on a sustainable course. For a drive towards such a course, the economic management objectives and the priorities have yet to be geared and implemented.
- 3.21 The Nepal Rastra Bank Act, 2058 enables NRB to work for price and balance of payments stability as one of the main objectives. Accordingly, its task ahead is to design and implement a monetary policy that helps realize the said objective.



IV

MONEY, BANKING AND CREDIT

Monetary and Financial Sector Policy:

- 4.1 Main objectives of the monetary policy are: (a) to regulate liquidity for higher and sustainable economic growth; (b) maintain a favorable balance of payments and (c) contain the rate of inflation within a desirable limit. It also includes: promotion of financial stability and development of secure, healthy and efficient payment system as other objectives. The enforcement of the Nepal Rastra Bank Act, 2001 primarily aims at realizing these objectives by strengthening the hands of the Nepal Rastra Bank (Box 4(1)).

Box. 4 (1)

Objective, Duties and Rights as provided in the Nepal Rastra Bank Act, 2001,

Objectives:

- a) To formulate and maintain appropriate monetary and foreign exchange policy for stable price and balance of payments situation required for sustainable economic development.
- b) To manage the required liquidity and stability of banking and financial sectors;
- c) To develop secure, healthy, and efficient payment system;
- d) To monitor, supervise and evaluate banking and financial system; and
- e) To enhance trust of citizens in overall banking and financial system within the country.

Rights, duties and functions:

- a) To issue currency notes and coins in the market;
- b) To formulate and implement necessary monetary policy for price stability;
- c) To formulate and implement foreign exchange policy;
- d) To determine the foreign exchange rate adjustment regime;
- e) To operate and manage foreign exchange reserves;
- f) To issue license to commercial banks and financial companies for carrying out financial transactions and regulate, inspect, supervise and monitor such transactions;
- g) To function as the banker, advisor and fiscal agent of His Majesty's Government.
- h) To function as a bank of commercial banks and financial institutions, and as a lender of last resort.
- i) To establish, promote and regulate the systems of payments, clearing and settlements; and
- j) To carry out other important functions as necessary towards realizing the objectives enjoined by the Act.

Bank Rate and Relending

- 4.2 In view of decline in liquidity situation and persistent sluggishness in the economy, Nepal Rastra Bank, on 20 January 2002, revised the bank rate, relending rate, and the mandatory Cash Reserve Ratio (CRR) to provide further flexibility to the monetary policy. Such revised re-lending rates are: 2.0 percent for export credits in foreign exchange; 3.0 percent for rehabilitation of sick industries; 4.5 percent for Grameen Bikash Banks (Rural Development Bank) and export credits in Nepalese currency; and 5.5 percent for all other types of re-lending.

Box 4 (2)				
Revised Bank Rates and Re-lending Rates (in percent)				
	Description	15 July 2001	20 Jan. 2002	Difference in %age points
1.	Rate of re-lending by banks on export credits in foreign currency	4.0	2.0	2.0
2.	Rate of re-lending by financial institutions for the rehabilitation of sick industries	4.5	3.0	1.5
3	Rate of re-lending to Grameen Bikash Banks and for export credits in Nepalese currency	5.5	4.5	1.0
4	Rate for all other types of re-lending	6.5	5.5	1.0

The 2 percent difference in re-lending rate (in column 5) will apply only to cases of interest rates not exceeding 4 percent on export credit in foreign currency.

- 4.3 Cash deposit requirements in the Nepal Rastra Bank by the commercial banks and the Agricultural Development Bank have been revised and made effective as of 20 January 2002 for the following liabilities: 8.0 percent of the current and savings deposits; and 6.0 percent of the time deposits. Cash-in-hand to be 3.0 percent of the total deposit liability remained unchanged.

Box 4(3) <u>Revised Mandatory Cash Reserve Ratio requirement (in percent)</u>				
	Description	15 April 2001	20 Jan. 2002	Difference in % points
a.	1. Current and savings deposits	8.0	7.0	1.0
	2. Time deposits	6.0	4.5	1.5
b.	Deposit requirement for Required cash-in-hand (percent of total deposit liabilities)	3.0	3.0	-

Commercial Banks

- 4.4 In a bid to reform management structure of Nepal's two oldest commercial banks, agreement has been signed with M/s Deloitte Touche Tohmatsu, an American management company selected for the management of Rastriya Banijya Bank. Existing management committee of Nepal Bank Ltd. has been dissolved and the selection process for a new management committee has been completed. Process is underway to conclude agreement on leasing the management of this to the ICC Bank of Ireland

Box 4 (4) <u>Prudential Norms Issued to Commercial Banks</u> <u>Effective 15 July 2001.</u>	
a) Provision of Capital Fund: Commercial Banks are required to maintain primary capital and capital fund in terms of a percentage of their risk weighted assets (RWA) as follows:	

For FY	Primary Capital (Percent of RWA)	Capital Fund (Percent of RWA)									
2001/02	4.5	9.0									
2002/03	5.0	10.0									
2003/04	6.0	12.0									
<p>b) Classification of loans and Provisioning for the Bad Debts: Credits and purchases of bills by the commercial banks have been classified as secure, less secure, doubtful and bad for the purpose adequate provisioning. Accordingly commercial banks are required to make provisions for possible losses as follows: 1 percent for secure loan, 25 percent for less secured, 50 percent for doubtful and 100 percent for bad loans.</p> <p>c) Limits set for lending and other facilities: Following directives have been issued to the commercial banks: Fund based loan to an individual, firm, company or mutually trusted borrowers not exceed 25 percent of the primary capital and non fund and extra-balance sheet facilities like LC, Guarantee, Acceptances, Commitments etc. not to exceed 50 percent of the primary capital. For loans made prior to issuance of the directives, banks are required to adjust the ratios by the following dates:</p> <table> <tr> <th>Cutoff date</th><th>Fund based loans (% of primary capital)</th><th>Non-fund based Facilities (% of primary capital)</th></tr> <tr> <td>15 July 2002</td><td>not exceeding 40</td><td>not exceeding 75</td></tr> <tr> <td>15 July 2003</td><td>not exceeding 25</td><td>not exceeding 50</td></tr> </table> <p>d) Accounting policy and formats for financial information: Formats of financial information and accounting for commercial banks with explanatory notes have been designed and circulated to the commercial banks, for their use. The note includes formats of accounting notes to accompany with the financial statements, balance sheet, profit and loss accounts and their allocation. Explanatory notes on various accounting terms have also been included in the said circulation.</p> <p>e) These directives (norms) have been issued to the commercial banks to minimize their vulnerabilities to liquidity, interest rate changes, changes in foreign exchange rates and other credit risks</p> <p>f) Institutionalizing Good Governance: Official and staff of the bank</p>			Cutoff date	Fund based loans (% of primary capital)	Non-fund based Facilities (% of primary capital)	15 July 2002	not exceeding 40	not exceeding 75	15 July 2003	not exceeding 25	not exceeding 50
Cutoff date	Fund based loans (% of primary capital)	Non-fund based Facilities (% of primary capital)									
15 July 2002	not exceeding 40	not exceeding 75									
15 July 2003	not exceeding 25	not exceeding 50									

management are expected to exhibit high integrity and capability to deal efficiently with the sophistication and diversities of the modern banking business. Accordingly, code of conduct of the Directors, their duties and responsibilities, appointment of the chief executive, code of conduct also for the banks employees, provision of audit committee and limitations to lending operations are some of the important highlights of the requirements to be met by the bank.

- g) Timetable for implementation of the Guidelines:** The guidelines issued to the commercial banks includes a timetable for reporting on the compliance to the corrective measures advised by the inspection and supervision missions and the action plans put in place.
- h) Guidelines for Investments in Stocks and Securities:** Commercial banks are also required to minimize exposures to risks involved in investing the deposits of the savers and other financial resources at their disposal in earning assets.
- i) Statistical Information and Reporting:** Commercial banks are required to compile and submit their financial reports keeping in view: (a) Nepal Rastra Bank Act, (b) Commercial Banks Act, (c) International Accounting System, (d) Nature and type of their respective transaction, (e) Directives of the Nepal Rastra Bank and (f) Monetary and Financial Statistics Manual 2000 of the IMF.
- j) Transfer or Sale of Promoter's Shares:** Directives issued by the Nepal Rastra Bank relating to the promoter's share, include following: (1) To transfer or sale promoter's or group of promoters' shares prior approval of the Nepal Rastra Bank will be essential. (2) An individual of organization possessing shares of particular group of promoters by way of transfer or purchase will be deemed as the same group.

4.5 As the Nepal Bank Ltd. and the Lumbini Bank Ltd. were Found delinquent in observing the instructions of the Nepal Rastra Bank disregarding the interest of their depositors, failing to run the bank efficiently and to discharge their duties and responsibilities, Nepal Rastra Bank suspended the Boards of Directors of both banks in March 2002 as per the clause 86(1) of the Nepal Rastra Bank Act. Three-member managing committee for each of these banks has been installed to carry out the functions of the Board of Director and to run the banks.

4.6 The proposals of Siddhartha Bank Ltd and Laxmi Bank Ltd with their registered headquarters at Kathmandu Metropolis and Birgunj Sub-

Metropolis respectively have been approved to operate as commercial banks. The Siddhartha Bank Ltd. has the authorized capital of Rs. 1 billion of which Rs. 500.0 million will be issued and paid-up to do banking all over the country. Laxmi Bank Ltd. will have authorized capital of Rs. 240.0 million and Rs. 120.0 million will be issued and paid-up with jurisdiction to do banking countrywide except in the Kathmandu Valley. This Bank has also been issued the license to operate in April 2002.

Development Bank

- 4.7 Between April 2001 and March 2002, altogether 7 development banks have been issued licenses to carry out financial transactions. Of these 7, the Nepal Cottage and Small-scale Industries Development Bank Ltd. Kathmandu and Small Farmers Development Bank Ltd. Kathmandu have been licensed to conduct financial transactions as national level development banks. The United Development Bank Ltd., Bara, Narayani Industrial Development Bank Ltd., Ratnanagar, Chitwan. DEPROSC Development Bank Ltd., Ratnanagar Chitwan, Chhimek Bikas Bank Ltd, Hetauda and Swabalamban Bikas Bank Ltd., Janakpur are licensed to conduct financial transactions as district level development banks with the coverage of 1 to 10 districts at the most. DEPROSC, Chhimek and Swabalamban Development Banks have been established as micro-finance development banks and the Small Farmers Development Bank Ltd., to provide wholesale credits and on-lending facilities for the development of small farmers
- 4.8 The directives issued to the development banks established under the Development Bank Act, 2052 have been amended. As per the changed provision, average weekly liquidity maintained by the development banks will be considered as their liquid assets and those accepting deposits in excess of stipulated limit of their capital fund shall not be allowed to distribute dividends until their deposits are maintained to the such limits. In addition, new directives for ADB/N, NIDC, development banks and micro-finance banks are being drafted.

Rural Development Banks:

- 4.9 For a gradual implementation of structural reform program in rural development banks, a "Rural Development Bank High Level Coordination and Guidance Committee" has been instituted under the chairmanship of the Deputy Governor of the Nepal Rastra Bank. Accordingly, the committee has issued productivity norms to all 5 Gramin (Rural) Banks. The prescribed norms aim at enhancing productivity in staff and bank branch terms leading to breakeven point in 5 years. It further requires the rural banks to prepare a business action plan based on the productivity norms; have that approved by the respective management committee and to submit to the said high Level Committee. The Committee in its guidelines has also asked to initiate a process of selecting the chief executive officer through open competition and accomplishes the selection process by mid-July 2002. There is yet another Committee constituted to review existing personnel rules for ensuring uniformity in the service conditions and benefits to the employees.
- 4.10 Total of accumulated losses of the rural development banks by the FY 2000/2001 reached to Rs. 162.8 million. As one time rescue, HMG and the Nepal Rastra Bank, have decided to make up this loss by way of capital grants to the concerned rural banks. Accordingly, HMG is going to share 30 percent (Rs. 50.0 million) and Nepal Rastra Bank the balance of Rs. 112.8 million (70 percent). Following this rescue, the Rural Micro Finance Development Center has been instructed to start providing wholesale credit to the rural banks immediately. The Far-Western Grameen (Rural) Development Bank will have its excess staff quit under a golden handshake scheme within current fiscal year. HMG and the Nepal Rastra Bank both have agreed to share 30 percent and 70 percent of the total cost of this scheme respectively. As a test case of privatization of the rural banks, works are underway to initiate the process of privatizing 44.5 percent of Nepal Rastra Bank's share in the Western Gramin Development bank Ltd. (between mid-June and mid-July 2002) to start with as one of such banks not in loss.

Finance Companies:

4.11 Number of finance companies registered and licensed under the Finance Companies Act 2042 to conduct financial transactions has totaled 52. Additional 4 companies namely, World Merchant and Finance Company Ltd. Hetauda, Capital Merchant Bank and Finance Ltd. Kathmandu, Crystal Finance Ltd. Kathmandu, and Royal Merchant Banking and Finance Ltd. Kathmandu, have been issued such licenses between April 2001 and March 2002. These companies are already in operation.

Box 4 (5).**Regulatory Guidelines to Finance Companies**

Following guidelines have been issued to regulate the finance companies effective January 2002:

- (1) Capital Fund: finance Companies are required to maintain minimum primary capital fund and total capital fund against the total risk weighted assets (RWA) in following percentages beginning in FY 2001/2002 to FY 2003/2004

FY	<u>Percent of RWA</u>	
	Minimum Primary Capital Fund	Total Capital Fund
FY2001/2002	5	10
FY2002/2003	5.5	11
FY 2003/2004	6	12

- (2) Financial Resource mobilization and Liquid Assets: Finance Companies (FCS) are allowed to collect deposits and loans up to 10 times of the primary capital fund. Of the total deposits mobilized, savings deposit may not exceed 25 percent. As regards the liquidity level, FCs are required to keep of percent of the total deposit liability in the form of liquid assets of which 8 percent should be in cash in vault or with NRB or in the current account of commercial banks. Balance of 5 percent may be in government securities or NRB bonds or fixed deposit in commercial banks.

- (3) Clarification of Loans and Loss Provisioning: Under the guidelines, loan, credits and collaterals in the basis of ageing of principal amount falling due by December-January (Month of Poush) and June-July (Month of Ashad) of every FY are to be classified as good, less than good, doubtful and bad - 1 percent, 25

percent, 50 percent and 100 percent of the amount corresponding to the order of the classified loans should be provisioned.

- (4) Exposure of loan and credit facilities per customer: FCs may extend fund-based loan, credit and deed not exceeding 25 percent and in cases of non-fund based facilities not exceeding 50 percent per customer. FCs are also debarred from investing or extending loan in any single sector in excess of prescribed percent of its total loan and credit and collateral.
- (5) Interest Rate: FCs may fix the interest rates on its loan and credit as well as on deposits except fixing one flat rate on loan and credit.
- (6) Audit: FCs will be required to have their balance sheets and the profit and loss accounts audited within 5 months after the close of each fiscal year; and to submit such accounts with their relevant schedules as audited to NRB at least one month ahead of the annual general meetings. In addition, they are also required to have completed internal auditing of their financial transactions and accounts for every 6 months and submit the internal audit report approved by their Boards of Directors to the NRB within 3 months after the end of the half-year period concerned.
- (7) Institutional Good Governance: In any Board of Directors only one individual from one family can be elected or appointed. At least 50 percent of the total membership of a Board will be required to be at least graduates. Duties and responsibilities of the Board of Directors have also been specified and code of conduct for every Director to observe has been enforced. Required qualification for a chief executive and selection process as well as code of conduct for employees of FC have also been prescribed.
- (8) Expansion of branches, net profit and dividend and sale of promoter's share: Guidelines as issued also deal with these aspects. Draft of Finance Company Rules to ensure clarity and transparency of FCs work process are being finalized in its final stage.

Cooperatives:

4.12 Nepal Rastra Bank has issued permits to 34 savings and credit cooperatives among the cooperatives registered with the Department of Cooperatives under the Cooperatives Act, 2048, to conduct limited banking transactions. The Bank has not issued any such permit after April 2000. Share capital of such cooperatives has reached Rs. 240 million with deposits totaling Rs. 1,470.0 million and credits totaling Rs. 1,270.0 million. Of the 34 cooperatives, 11 are operating in rural

areas as small farmers cooperatives and 23 are in urban and semi-urban areas.

- 4.13 Among organizations registered under Organization Registration Act, 2034, and seeking permission to conduct micro-finance business under the Financial Intermediary Act, 2055, Nepal Environment and Pollution Eradication UNESCO Club, Kathmandu, the Society of Local Volunteers for Development Efforts (SOLVE, Nepal) Dhankuta, and Women Entrepreneurs Association of Nepal (WEAN) Lalitpur, are the ones licensed to do so during the period of 8 months between mid-January 2001 and mid-March 2002. With this, number of Non-Governmental Organizations (NGOs) permitted to conduct micro-finance transactions has totaled 16.

Monetary Situation:

- 4.14 Among monetary aggregates, broad money during the review period of current year increased by 3.6 percent which is lower compared to 9.6 percent last year due to decrease in net foreign assets. Narrow money during review period of the current year grew by 9.7 percent, which is near to 10.2 percent increase last year. Despite a decline in net foreign assets, nominal growth rate of time deposits as contractionary factor accompanied by a decline in net unclassified liabilities caused expansion of narrow money supply almost at par to the previous year's rate. Of the two components of narrow money, currency circulation increased by 14.5 percent against 9.4 percent increase in the previous year. The rise in money circulation this year is attributable to the growing tendency of holding cash by the people particularly due to close down, transfer or merger of bank branches with the security concern. Another component of narrow money, the current account deposit, declined by 0.8 percent as compared to 11.7 percent increase during the corresponding period of previous year.
- 4.15 Net foreign assets, one of the expansionary factors of the money supply, decreased by 2.1 percent during the review period of current year compared to 14.4 percent increase last year which is explained by significant fall in the inflow of foreign exchange from export, net services and capital transactions. Another factor, net domestic

borrowing, which had increased by 8.3 percent last year increased by 3.8 percent to a total of Rs. 194.5 billion by mid March 2002. Reduction in claims of monetary sector on State Owned Enterprises (SOEs) and the private sector are the main reasons for nominal rate of increase in domestic borrowing.

- 4.16 Out of the net domestic borrowings, the share of net lending from the monetary sector to the Government increased by 2.0 percent this year to a total of Rs. 49,630.0 million due to the use of over-draft of Rs. 790.0 million by the government as compared to 0.5 percent increase last year. Claims on the private sector, which shares a significant portion in the net domestic credits increased only by 4.8 percent to a total of Rs. 132.89 billion by mid March 2002. Rate of such increase in comparison to the last year is 10.9 percent. This fall in claims on the private sector is due to reduction in credit demand from exports, imports, and tourism and industry sector owing to external and domestic factors
- 4.17 Claims on SOEs during the review period this year increased by 0.5 percent, which had increased by 10.4 percent during such period of the previous year. Reasons for this marginal increase in claims on SOEs are: partial payment by Nepal Industrial Development Corporation (NIDC) of its debenture held by Nepal Rastra Bank; fall in cash transfer by the branches of the Agricultural Development Bank to the head office; and partial payment of liabilities by some of the non-banking institutions. As a result of marginal rate of growth in the credit flows to SOEs and the private sector, share of the Government has increased during the review period of the current year. Of the total internal borrowings from the banking sector by mid March 2002, share of the Government, SOEs and the private sector stood at 25.5 percent, 6.2 percent, and 68.3 percent respectively corresponding to 22.5 percent, 6.6 percent and 70.9 percent by mid-March 2001.
- 4.18 Time deposit- a significant factor of broad money supply has increased nominally by 0.6 percent (Rs. 840.0 million) in the review period of the current year totaling Rs. 144.71 billion by mid March, 2002. It had increased by 9.3 percent (Rs.111.7 billion) during the

review period of previous year. The marginal increase in time deposits during this period can be attributed to reduction in the interest rate by commercial banks, closures, relocation and merger of rural branches, decline in economic growth, and voluntary declaration of income source and formation of Property Investigation Commission.

- 4.19 The net non-monitory liabilities decreased by 3.9 percent during the review period of this year compared to 13.1 percent increase last year due to an increase of 7.5 percent in net domestic assets this year compared to 6.0 percent increase last year.

Commercial Bank Resources and their Uses :

- 4.20 The total resources of commercial banks during current year's review period dropped by 1.6 percent to Rs.208.2 billion by mid March 2002 compared to 11.3 percent increase last year. The decline in both current and fixed deposit liabilities and slower growth of savings deposit and a drop in net other resources, all worked towards negative growth of aggregate resources. The total resources utilization during the review period increased marginally due to the decline of liquid assets held by NRB and in its balance with the foreign banks declined coupled with the marginal increase in claims against the private sector under the loans and credit portfolio.
- 4.21 Total deposit liabilities of the commercial banks this year increased by a margin of 0.4 percent against 10.9 percent increase last year. The current deposit during the review period this year dropped by 2.1 percent contrary to rise by 14.4 percent last year. The saving deposit increased by 2.9 percent compared to 13.4 percent increase last year. Fixed deposit growth remained negative by 2.2 percent this year compared to 7.2 percent growth last year. The credit of NRB to the commercial banks amounted to Rs. 5.5 million by the mid March 2002. The net other liability of the commercial banks this year dropped by 1.6 percent while it had increased by 11.3 percent during the review period of last year. Such a decline this year is explained by the slowdown in economic activities due to prevailing external and

internal factors adversely affecting the loan recovery and investment to low profitability posture of the commercial banks.

4.22 Growth of total liquid assets of the commercial banks during this year's review period remained negative compared to a growth of 17.6 percent last year. Out of the total liquid assets, balance held in NRB and foreign banks declined by 29.2 percent and 23.0 percent respectively while cash balance and foreign currency balance both increased by 0.8 percent and 31.6 percent respectively. Corresponding increases in their balances registered last year were 30.3 percent (held with NRB), 10.1 percent (held with foreign banks), 18.5 percent (cash in hand) and 11.1 percent (foreign currency).

4.23 Total credit and investment rose by 5 percent during the review period of this year. It had risen by 9.2 percent during the same period last year. Credit to HMG from the commercial banks increased by 4.6 percent. It had decreased by 4.4 percent last year, which had declined, by 4.4 percent in the same period of last year. Credit to the SOEs from the commercial banks increased by 0.9 percent only while it had increased by 13.0 last year. Credit to the private sector increased by 5.9 percent, which had increased by 10.9 percent last year. The decline in demand for the credit from import and export business, tourism and industry sectors contributed to these declines. Foreign bill purchased by commercial banks decreased by 24.7 percent this year compared to the increase by 23.8 percent last year. These were 12 interventions in foreign currency market by mid-March of 2002. In 6 interventions excess foreign currency equivalent to Rs. 5,010.0 million brought and 6 interventions were used to meet the demand of foreign currency to the tune of Rs. 7,040. 0 million.

Expansion of Commercial Bank Branches:

4.24 Under the existing security situation of the country, more flexible policy is in place. As several branches of the commercial banks were either merged or relocated or closed, total number of branches declined from 430 in mid-July 2001 to 403 by mid January 2002. There were 31 closures and 4 new branches installed during the period.

Most vulnerable to the current security situation were the branches of the RBB (180 branches) and those of the NBL (154 branches). During mid-July 2001 to mid-January 2002 period, 18 branches of RBB and 13 of NBL were relocated or closed or merged. Thus, the total operational branches by mid-January 2002 were 162 and 141 respectively. During the same period the Nepal Arab Bank Ltd., Everest Bank Ltd., Lumbini Bank Ltd., and Machhapuchhre Bank Ltd each added one more branches. The total operational branches of these commercial banks by mid-January 2002 were 15 of Nepal Bangladesh Bank Ltd. 14 of Nepal Arab Bank Ltd., 11 each of Everest bank Ltd. and Himalayan Bank Ltd., 8 of Nepal S.B.I. Bank Ltd., 9 of Standard Chartered Bank Nepal Ltd., 7 each of Nepal Bank of Cylon Ltd. and the Bank of Kathmandu Ltd., 6 of the Nepal Indo-Suez Bank Ltd., 5 of the Nepal Industrial and Commercial Bank Ltd., 4 of the Lumbini Bank Ltd., 2 of the Machhapuchhre Bank Ltd. and 1 of the Kumari Bank Ltd.

Other Banking and Financial Institutions:

4.25 Loan investment of the ADB/N, NIDC and the Employees Provident Fund (EPF) rose up by 17.6 percent to a total of Rs. 5,520.0 million during the review period of current year compared to the decline by 1.1 percent last year. In this total, ADB/N shared 60.3 percent, NIDC 1.0 percent and the EPF 38.7 percent by mid-January 2002 corresponding to 68.8 percent of ADB/N, 1.0 percent of NIDC and 30.2 percent of EPF by mid-March 2001. Loan recovery of these institutions during the review period of this year increased by 10.5 percent to a total of Rs. 2,920.0 million contrary to a decline of 14.0 percent last year. Net loan investment, thus, rose by 26.9 percent this year to Rs. 2,590.0 million compared to 22.8 percent increase last year. Outstanding loan during the review period this year increased by 20.7 percent to Rs. 26,010.0 million as against the increase of 17.0 percent last year. ADBN's share in the outstanding loan by mid-March 2002 was 60.5 percent, that of NIDC was 7.8 percent and EPF's was 31.7 percent corresponding to 64.8 percent (ADB/N), 9.2 percent (NIDC) and 26.0 percent EPF by the same month last year.

- 4.26 ADB/N distributed a total of Rs. 3,330.0 million loan-an increase of 3.1 percent -during the review period of current year compared to a fall of 16.9 percent last year. NIDC is loan distribution rose by 20.5 percent to total a of Rs. 60.0 million as opposed to 38.0 percent decline last year, while the total loan distribution by the EPF increased by 50.4 percent to a total of Rs. 2,130.0 million this year compared to rise of 80.9 percent registered for the review period of last year.
- 4.27 Principal amount recovered by ADB/N during the review period of current year rose by 13.6 percent to the total of Rs. 2,460.0 million in contrast to the decline of 19.5 percent last year. Principal recovery of NIDC totaled Rs. 50.0 million with a decrease by 39.4 percent, though this decrease was less than 44.6 percent of the last year. That of EPE totaled Rs. 410.0 million increasing nominally by 3.8 percent compared to 68.2 percent increase during the review period of last year.
- 4.28 Outstanding loan of the ADB/N by mid-March 2002 stood at 15,740.0 million - an increase of 12.7 percent - compared to 13.7 percent increase by mid-March 2001 over that of same month a year before. That of NIDC increased by 2.2 percent to a total of Rs. 2,030.0 million by mid-March 2002 compared to improvement by 15.7 percent by the same month last year. That of EPF increased by 47.2 percent this year totaling Rs. 8,240.0 million, which is close to 48.6 percent increase of the last year.
- 4.29 Gramin Vikas Banks are in operation one each in all the five development regions of the country to provide credit without collateral to the deprived rural people especially for women in group for their income generation activities. By mid-January 2002, these five banks through their 4,563 centers, served 1,58,740 members in 31,776 groups. Total number of VDCs covered to the direct benefit of the members was 947 in 42 districts of the Kingdom. Since the operation of these banks to mid-January 2002, a total of Rs. 5,330.0 million worth of credit was disbursed to 145,120 members Out of the disbursed credit, Rs. 4,420.0 million was recovered and Rs. 910.0 million remained outstanding by the said month while, total savings

amounted Rs. 310.0 million comprising of collective savings of Rs. 290.0 million and individual savings of Rs. 20 million. A total of 1163 staffs have been working in several offices under these five banks. The activities of each banks are as follows:

Table 4 (A)
Activities of the Gramin Vikas Banks (Mid January 2002)

S.N.	Description	Eastern	Middle	Western	Mid-western	Far-Western	Total
1	Covered Districts (Total)	Jhapa, Morang, Sunsari, Saptari, Siraha, Udayapur, Ilam and Dhankuta (8)	Dhanusha, Mahottari, Routahat, Bara, Parsa, Chitwon, Lalitpur, Sarlahi, Makwanpur, Nuwakot, Kabhre and Dhading (12)	Rupajdehi, Nawalparasi, Kapilvastu, Palpa, Shyanja, Tanahun, Kaski, Gulmi, Parbat, Bajlung, Lamjung, Gorkha and Arghakhanchi. (13)	Banke, Bardia, Dang and Surkhet (4)	Kailali, Kanchanpur, Dadeldhura, Achham and Doti. (5)	
2.	V.D.Cs (number)	259	246	261	101	80	947
3.	Centers (number)	1334	1044	1075	534	576	4563
4.	Groups (number)	10585	6632	7559	3695	3305	31776
5.	Members (number)	50284	32491	39071	18475	18419	158740
6.	Member borrowers (number)	46922	31276	38847	16289	11786	145120
7.	Loan distribution (Rs.000)	2433331	667935	1129914	484725	616234	5332139
8.	Loan Recovery (Rs. 000)	2117946	488999	899757	398437	518368	4423507
9.	Outstanding loan (Rs.000)	315385	178936	230157	86288	97866	908632
10.	Group savings (Rs. 000)	107616	40453	66101	31898	42516	288584
11.	Individual Saving of (Rs. 000)	6761	6578	6777	2320	1498	23934

12.	Total saving (Rs.000)	114377	47031	72878	35431	44014	312518
13.	Personnel (Number)	344	272	246	140	161	1163

4.30 The total number of other development banks established under the Development Bank Act 2053 BS has reached 11 with the addition of 2 by mid-January 2002. Overall resources of these banks during the first 6 months (review period) of the current FY, reached Rs. 4,240.0 million with a significant increase of 37.5 % compared to the corresponding period of the last year. The total capital fund of the development banks increased by 22.5 percent to Rs. 520.0 million compared to such review period of the last year. Total deposit of these banks increased by 43.3 percent compared to that of last year to a total of Rs. 3,220.0 million. Loan and credit advanced increased by 31.3 percent in the review period of current year and reached Rs. 2,680.0 million. Total liquid assets increased by 64.2 percent to a total of Rs. 1,040.0 million during this period.

4.31 There has been a significant increase of financial resources of 49 finance companies with the addition of one during the period of mid-January 2001 to mid-January 2002. The total resource of these companies reached to a total of Rs.17, 030.0 million with an increase of 18.7 percent over that of mid-January 2001. Deposit, which is the major resource of the finance companies, totaled Rs. 12,740.0 million by mid-January 2002, an increase of 21.0 percent over that of mid-January of previous year. Capital fund also significantly increased (by 25.3 percent) and reached Rs. 2,450.0 million in the same period. Overall investment in credits reached Rs.11, 980.0 million with an increase of 16.8 percent over that of mid-January 2001, while the investment alone stood at Rs. 1,830 million with an increase of 16.6 % over that of the mid-January last year. Liquid assets increased by 28.8 percent to Rs. 1,830.0 million by mid-January 2002. Ratio of overall liquid assets (government securities included) to deposit stood at 21.0 percent compared to 21.7 percent at mid-January, 2001.

4.32 The total number of finance cooperatives licensed by NRB to operate limited banking business has reached 34 so far. The total resource of such cooperatives increased by 18.1 percent to a total of Rs. 2,150.0 million during the review period (first 6 months) of current year; capital fund increased by 31.6 % to the tune of Rs. 240.0 million and the deposit increased by 15.2 % to reach the total of Rs.1, 470.0 million. Loans advanced rose impressively by 66.5 percent and reached Rs. 90.0 million, credit held in investment increased by 20.8 percent and reached Rs. 1,270.0 million and investment increased by 7.6 percent and reached Rs. 200.0 million. Number of NGOs licensed to transact limited banking operations reached 16 with the addition of 3 during the review period of current year. There has been a record increase of 77.4 % in their resource mobilization totaling Rs. 27.5 million in the review period of current year.

4.33 There are 17 insurance companies including Rastriya Beema Sansthan and the Deposit Insurance and Credit Guarantee Corporation (P) Ltd. Two of these, namely, the National Insurance Corporation and National Life and General Insurance Company conduct both life and non-life insurance business. Three companies are in life insurance business only while 11 others operate only non-life insurance. The Deposit Insurance and Credit Guarantee Corporation (P) Ltd. transact credit guarantee and animal insurance only. It is estimated that the overall premium collection by three companies in the current year, increased by 29.6 percent over that of last year and reached Rs. 2,790.0 million. In the total, share of the non-life and life insurance contributed 66.9 percent and 33.1 percent respectively. Corresponding shares of these, last year were 74.1 percent and 25.9 percent. The overall resource of the insurance companies in the current FY is estimated to Rs. 12,190.0 million with an increase of 24.0 percent compared to that of last year. Total investment of the insurance companies is estimated to be Rs. 9,800.0 million with an increase of 16.7 percent in relation to the amount of last year. The total income of Rs. 780.0 million is estimated to be generated from the investment of three companies compared to Rs. 720.0 million earned last year.

4.34 Loan investment by the EPF during review period of current year jumped by 53.8 percent to reach a total of Rs. 1,300.0 million compared

to the amount of last year. The credit to the depositors in the review period this year reached Rs. 730.0 million with an increase of 18.7 percent over the amount of the last year. Credit flow to the industry increased 1.5 times compared to that of last year and amounted to Rs. 570.0 million. The capital recovery during the review period of current year increased by 4.7 percent and reached Rs. 320.0 million over that of last year. Outstanding loan totaled Rs. 7,500.0 million against Rs. 4,580.0 million of the last year.

- 4.35 Total resource of the Citizen Investment Trust is estimated to increase by 69.5 percent over that of last year. Its capital fund is estimated to rise by 12.7 percent to Rs. 50.0 million; while the fund collection is estimated to increase by 73.5 percent to Rs.1, 730.0 million. Investment is estimated to stand at RS. 1,200.0 million with an increase of 38.5 percent over the amount of last year. In the total investment, 77.0 percent is estimated to be in government securities, 6.2 percent in fixed account, and 16.8 percent in shares and bonds. It is estimated that the loans and credits by the Trust will increase 2.5 times of last year's level to the total of Rs. 560.0 million. Cash reserve increasing by 33.5% is expected to total Rs. 200.0 million.

Challenges:

- 4.36 Given the overall macro-economic stability conducive to the flexible monetary policy in place, it has not been effective in producing expected results through expansion in economic activities. In the context of low growth of both narrow and broad money supply as well as of loans advanced to the private sector by the banking sector, there is a case for changes in monetary policy with adequate safeguards to the economic stability. The tools of monetary policy have yet to come into full play to realize the set targets.
- 4.37 There lies a task of meeting private sectors demands for financial resources at reasonable cost and quality and of realizing economic growth and development objectives through optimal use of resources. Implementation of economic policy couple with sound financial management has become all the more important.

- 4.38 Government have issued guidelines to the financial intermediaries to regulate their businesses prudentially in the best interest of the depositors and to set the banking and finance sectors on a orderly course of efficiency which is so important for productive investment and promotion of economic activities.
- 4.39 Institutional good governance, managerial efficiency, organizational development and reform are in low profile in the main banking and financial institutions. SOEs, in particular, need to reorient to these values as priority tasks ahead.
- 4.40 State owned bank and finance companies are ridden with mounting bad debts. Other financial institutions are not exceptions either. Implementations of monetary and fiscal policies to reduce the size of bad debt have become a concern of paramount importance to the government.
- 4.41 Gramin Vikash Banks has to be strengthened and reorganized with top priority for the poverty alleviation. To mitigate the problems of poverty and unemployment and uplift the status of women, Gramin Banks have to be made more effective with its branches all over the country and with sufficient resources. Given the security situation of the country, mobilizing resources for the institutional and organizational extension and development of the network pose daunting challenges to HMG.



V

CAPITAL AND MONEY MARKET

Primary Market:

- 5.1. During the first nine months of the FY 2001/02, 8 more companies have been licensed to mobilize capital equivalent to Rs. 783.3 million by issuing public and right shares through the primary market of securities in addition to 9 licensed last year to mobilize Rs. 634.3 million. Thus, the capital mobilization by the companies licensed this year will increase by 23.5%. It is expected that 5 more companies in line to obtain similar licenses to mobilize Rs. 577.3 million will be licensed.

Table 5(a):
Trends of the Primary Market

Rs. Million

	Headings	Fiscal Year						
		1996/97	1997/98	1998/99	1999/00	2000/01	First 9 Months	
							2000/01	2001/02
1	Permission for Capital Mobilization	332.2	462.4	258.0	537.1	634.3	233.1	783.3
	(a) Ordinary Shares	57.0	119.4	148.0	412.5	268.5	220.5	435.5
	(b) Right Shares	275.2	250.0	30.0	124.6	365.8	12.6	347.9
	(c) Preferential Share	-	-	80.0	-	-	-	-
	(d) Debenture	-	93.0	-	-	-	-	-
2	Number of Companies	5	12	5	9	9	6	8

Secondary Market:

- 5.2 By mid April 2002, number of listed agencies totaled 119 including 4 listed last year. Market capitalization value has stood Rs. 28,990.00 million with a decline of 37.4% during the review period of the

current year as compared to Rs. 46,349.4 million last year. The market capitalization value of listed securities had stood Rs. 50,230.0 million during the review period of FY 2001/02.

- 5.3 In the review period of current year, value of securities transactions declined by 70.8% to the total of Rs. 684.0 million (2356370 shares) compared to Rs. 1,850.0 (1541860 shares) million equivalent of securities during such period of last year.
- 5.4 NEPSE index has stood at 193.8 points with a decline of 154.6 points at the end of the first eight months of FY 2001/02 compared to 395.8 points by the same date last year.
- 5.5 Of the 119 listed companies, Nepal Stock Exchange Limited has categorized 31 companies in category "A" and the remaining companies in category "B" pursuant to the provision of the Securities Listing Bylaws, 2053 during the current fiscal year. Only 26 out of the 112 listed companies were included in category "A" during the last fiscal year.

Table 5(b):
Trends of the Secondary Market

Headings	Fiscal Year						
	1996/97	1997/98	1998/99	1999/00	2000/01	First 8 months	
						2000/01	2001/02
Securities Transactions (Rs. million)	416.2	202.6	1500.0	1155.0	2344.2	1858.5	684.0
Number of Shares Transactions (in '000")	9443	1195	4857	7674	4989	2483.49	2356.37
Number of Companies in Business	67	68	69	69	67	64	67
Number of Transactions	12428	16104	15814	29136	46095	31042	25445
Market Capitalization (Rs. Million)	12,698.0	14,289.0	23,508.0	43,123.3	46,349.4	50229.7	28994.6
Percentage of Transactions over Market Capitalization Value	3.3	1.4	6.4	2.7	5.1	0.37	2.4
Percentage of Market Capitalization Value over Gross Domestic Product	4.7	4.9	7.1	11.8	11.8		7.1

Paid up Capital of Listed Securities (Rs. Million)	4,476.5	4,959.8	6,487.4	7,482.2	8,165.2	77,706.5	9021.6
Number of Listed Companies	95	101	107	110	115	112	119
NEPSE Index (in points)	176.3	163.3	216.9	360.7	348.4	395.85	193.8

Security Board

- 5.6 During the review period of current year, the Board registered the ordinary and right shares the companies wanted to issue and granted the permission. It also persuaded the companies to work for improvement in the flow of financial information particularly the financial statements towards making the market transparent, reliable and efficient in addition to the various efforts to build legal infrastructure.
- 5.7 In order to make stock brokering reliable, transparent, and disciplined, the Board issued the Guideline of Professional Ethics of stockbrokers, 2058 to become effective from September 2001.
- 5.8 In addition, the Board also developed and distributed the formats of financial information to the Nepal Stock Exchange Ltd., the brokers and other companies for them to follow with a view to ensure uniformity, standard and transparency.
- 5.9 Pursuant to the Board's policy of preparing necessary legal infrastructure to protect the interest of the investors and market development, a new law related to securities is under formulation process in order to strengthen market monitoring and supervision capacity and make the securities transactions regulatory system more effective.
- 5.10 The Board has also issued and enforced Guidelines Related to Bonus Share, 2058 in order to make bonus share issuance system and process simple and transparent. It is also expected that the guidelines for registration and issuance of right share, which has been drafted to make the system and process related to issuance of right share simple and transparent, will be implemented by the end of this fiscal year.

Box 5.1**Reforms in the Securities Issue System**

- Guidelines related to Bonus Share Issue, 2058 and its main provisions:
 - Paid up capital should be equivalent to the inscribed value of shares in order to issue bonus share
 - Should have earned profit for the last three consecutive years, and the bonus shares intended to be issued should be funded under the capitalization of premium shares paid-up in cash and the free reserves set aside after the deduction of statutory reserves.
 - The provision of refraining from issuing bonus shares from the surplus generated by revaluation or sales of any fixed assets and the provision of refraining from dividend distribution restricted by law.
 - Guidelines for Securities Registration and Issuance Permission, 2057 and its main provisions:
 - Only the companies that have completed at least one year's operation can take part in public issue;
 - The provision to show the basis for issuing shares by adding premium value;
 - The professional or professional body preparing the projected financial statements contained in the Prospectus to be held accountable.
 - The provision of issuing public shares of tourism, transport, trading and industry related companies only under the guarantee of legally authorized securities brokers
- The provision of refraining from selling shares owned by the promoters before completion of three years of the date of publication of the Prospectus, or the date of the operation of business, whichever is later.

Nepal Stock Exchange Limited (NSEL):

- 5.11 As per the provision of capital gain tax, which was mentioned in the Budget Speech of 2001/02, His Majesty's Government collected nearly Rs. 0.96 million worth of tax from securities transactions of NSEL during the review period of the current year.
- 5.12 As mentioned in the Budget Speech of 2001/02, NSEL made public the names of 25 listed companies which failed to publish financial statements for the last two years, as first step towards de-listing such

companies. As none of these companies responded to the notice nor their existence could be located by NSEL, de-listing process is underway.

Securities Dealer:

- 5.13 During the first nine months of the FY 2001/02, 27 security brokers, 9 securities issue and sales management agencies (out of 10 last year) and 2 securities dealers have renewed their licenses pursuant to the provisions under Securities Business Act, 2040. All of these companies and one market maker company were in business during such period last year.

Group Fund and Unitary Scheme:

- 5.14 Citizen Investment Trust (CIT) is managing Citizens Unitary Scheme as well as other programs of group savings as the tools of alternative investment to the savers and investors entering the capital market. The total collection of the trust has reached Rs. 1,160.7 million including Rs. 197.0 million collected during the review period of the current year. In the total collection, 33.9% is in Citizen Unitary Scheme, 50.9% under Employees Savings Growth Program, 8.3% under Investors Account Scheme and 6.8% under Gratuity Fund. Of the amount mobilized by the Trust, 53% has been invested in government bonds, 30% in fixed deposit in banks and financial companies, 14% in time-bound credit and 3% in shares of companies.
- 5.15 As the time-period of the N.C. M. Mutual fund operated by NIDC has expired, works to continue this by restructuring are near finalization. It is estimated that N. C. M. Mutual fund of to Rs. 100 million as inscribed values will be available in the market by the end of current year.
- 5.16 In the absence of trust act and considering the demand of such instruments in the market, the Securities Board under its Act has made a policy of allowing to operate more of mutual funds under the management and responsibility of private sector finance companies.

A draft guideline for mutual fund operations is ready for implementation, hopefully, by the end of the current fiscal year.

Long -term Government Bond:

5.17 The amount of the long-term government bonds during the review period of the current year stood at Rs. 28,333.0 million with a decline of 12.6% compared to the last fiscal year. Amount of such bonds had declined by 2.69% in FY 2000/01 against the amount of previous year and stood at Rs. 32,432.9 million. Of the total government bonds by the review period of the current year, the amount in National Savings Bond was the largest with Rs. 12376.4 million (43.7%), next the Development Bonds with Rs. 6,800.7 million (24.0%), the Special Bonds with Rs. 8738.0 million (30.8%) and the last was savings with Rs. 417.9 million (1.5%). Of the total of these bonds, NRB owned 16.2%, financial and other corporations owned 54.1%, and the individuals and other private sector entities owned 29.7%.

5.18 Compared to FY 2000/01, the transactions of the above-mentioned government bonds through market makers in the secondary market declined by 29.3% and stood at Rs. 340.0 million by the review period of FY 2001/02. During the FY 2000/01, the amount transacted totaled Rs. 481.2 million. Compared to FY 2000/01, NRB's transactions in such of the bonds in the secondary market declined by 64.9% and stood at Rs. 451.6 million during the review period of FY 2001/02. In FY 2000/01, NRB had transacted Rs. 1287.6 million worth of such bonds.

Treasury Bills:

5.19 Compared to the last fiscal year, the outstanding amount of treasury bills by the review period of FY 2001/02 increased by 48.9% and reached Rs. 41106.6 million. In FY 2000/01, the treasury bills increased by 31.3% as compared to that in FY 1999/2000 and to the total of Rs. 27610.8 million. Among the owners by the review period of the current year, NRB's share was 35.3% or Rs. 14498.1 million, while the share of financial and other corporations was 64.7% or Rs.

26608.4 million. The weighted average interest rate of treasury bills stayed at 5.4% by the mid March 2002.

- 5.20 Compared to FY 2000/2001, the repo and outright purchase of treasury bills by NRB during the review period of FY 2001/02 decreased by 15.5% and stood at Rs. 49,944.6 million equivalent, while the sales increased by 2.8% to Rs. 30236.2 million. NRB had purchased treasury bills equivalent to R. 57106.9 million and sold Rs. 29,412.0 million equivalent by repo and outright purchase in the secondary market of the treasury bills during the FY 2000/2001.

Inter-bank Credit:

- 5.21 Compared to the last fiscal year, the inter-bank credit declined by 35.9% and has stood at Rs. 1230.7 million by the review period of FY 2001/02. Credit amount borrowed from foreign banks totaled Rs. 83.3 million. The interest rate on inter-bank credit, which remained at 4.3% in FY 2000/01, increased to 4.5% by the review period of current year.
- 5.22 In order to increase the liquidity of the commercial banks during this period, changes were made in mandatory cash reserve ratio by the NRB. Accordingly, with a decrease of 1 percentage point on current and savings deposit liability, ratio was reduced to 7% from 8%, ratio on fixed deposit liability was reduced by 1.5 percentage point to bring it down to 4.5% from 6%. As a result, liquidity of the commercial banks increased approximately by Rs. 2000 million.

Achievements of the Ninth Plan:

- 5.23 In summary, the process of developing the role and responsibilities of the Securities Board as central regulatory body and the Nepal Stock Exchange Limited as front line regulatory body has been initiated during the Ninth Plan. During the plan period, the policy of establishing direct relationship between Securities Board and securities operators was implemented and their operations conducted on individual basis were institutionalized. In order to

make the securities issue system more simple and transparent through flow of financial statements and information from the concerned institutions, new formats have been developed and implemented to ensure the continuity, uniformity and standard of such information. Reforms were also made in the Nepal Chartered Accountant Association Act in the process of creating legal and institutional infrastructure in order to make the accounting and auditing standards of the institutional sectors compatible with the international standards. Guidelines related to the professional ethics of securities brokers and issuing and sales managers were implemented in order to make the job of securities operators prestigious and reliable. Awareness programs were also conducted in order to enhance awareness to observance of rules, regulations and the provisions under them and to increase awareness on securities market.

Major Challenges:

5.24 The major challenges of capital and money market are:

- To continue upgrading the standard and scope of securities market wide and market dynamic in order to increase institutional investors, increase internal savings and level of investment, and to change the tendency of credit oriented investment.
- To strengthen the legal framework related to the capital market in order to make the market reliable by reforming flow of information and knowledge in the capital market.
- To simplify the entry and exit process of market makers and other securities operators, who can play important role in the stability and dynamism of the capital market.
- To make the transactions in the secondary market of securities more competitive and transparent in order to minimize the unnatural ups and downs in the NEPSE index.

- To develop favorable market for the investor having different views on the risks due to the dominance of ordinary shares and shortage of securities tool of other nature.
- To mechanize securities transactions system timely.
- To improve the underdeveloped situation of the institutional bond market.
- To enhance the awareness of the investors engaged in the capital market or the potential ones and enable them to make well-informed decisions.
- To make transactions of resources at non-banking sector more simple and transparent by introducing short-term instruments of credit in the money market.
- To develop bond market by varying the rate of return on long-term government bonds according to the payment period.
- To reduce the current heavy pressure on liquidity of the banking sector



VI

FOREIGN TRADE AND BALANCE OF PAYMENT

- 6.1 International trade and payment were encouraging in previous year, unfortunately, starting with this fiscal year, the situation of the export and imports are not satisfactory. Export to third countries are gradually deteriorating as the limited trade partner countries of Nepal have been facing economic recession worsening further by terrorist attack in America of September 11, 2001. Besides this, since few years back peace and security situation of the country has been fragile, internal activities of the country have slowed and the consequent impact on external performance has been adverse.

Export:

- 6.2 Total export during the review period of the last year increased by 20.2%. But due to unfavorable internal and external circumstances, right from the beginning of this current fiscal year, the export dwindled by 7.8% totaling to Rs. 34,930.0 million. In terms of US\$ export increased by 12.5% last year but this year it increased by 11.3%. Export to other countries decreased significantly but export to India increased gradually. Export to India last year was 44.4%, whereas this year export increased by 63.1% during the review period of this year. Analysis the export/import ratios of the review period, total export cover 50% of the total import, compared to 49.6% last year. Due mainly to excess of import over export contributing to improvement in export/ import ratio through marginally.
- 6.3 In the review of country wise export to India during the review period of this year increased by 31.0% to Rs.22, 060.0 million compared to the increase of 28.3% last year. Increased export items in India primary goods seed as medicinal herbs, pulse, cinnamon, turmeric, fruit, vegetable, catechu, sand, stone, crude jute, black millet, leather, jute goods, cardamom, etc. Manufacturing items that increased significantly are: vegetable ghee by 225.6%, noodles by 35.8% and

polyester yarn by 48.3%. Export of industrial goods, e.g. Chyawanprash, M.S. pipe, P.P. fabric, plastics goods, copper wire, hair oil, shopping bag, writing and printing papers, disposable glass, coconut oil, chemical materials etc also increased. Although this year, export of Pasmina woollen ware to India dipped low by 79.3%, when compared to its leading portion last year. Export of toothpaste, biscuits, animal feed, zinc oxide, candle, cloth, sugar, handicrafts, particleboard yarn, and soap also declined.[†]

- 6.4 Third country export during the review period of last year had increased by 14.4%. On the contrary, it decreased by 38.9% to Rs. 12,880.0 million. Since few years back main commodities exported to the third country got significant decline. Exports of readymade garments declined by 42.1% totalling Rs. 5,390.0 million as compared to last year. Export of woollen carpet also declined by 26.5% totalling Rs. 4,260.0 million. Export of pashmina woollen ware also decreased by 74.2% totalling Rs. 950 million. In the same way significant decline in Handicrafts, leather, pulse, tea and medical herbs also followed the suit during the review period of the current year.

[†] In spite of the increased of the 31.0 percent in export to India decrease is expected due to imminent impact on some of the major items of export under the protection regime included in the recently renewed bilateral trade treaty.

Box No. 6.1**New provisions under the renewed Nepal-India trade treaty.**

Nepal- India trade treaty of 1996 is very liberal towards promoting bilateral trade between the two countries. One of the provisions under this treaty stipulated that either of the two parties purposing review of the treaty would require a review before its renewal. Indian side this time raised issue of export surge of some items and purposed reviewed of the treaty. After many rounds of bilateral discussion some changes to the Protocol with some new provisions included, the treaty has been renewed on March 2002 without any changes in the treaty itself. New provisions under the protocol are:

Provision of no quantitative restrictions and customs duties for commodities produced in Nepal was guaranteed by 1996 treaty under its Article 5 and the protocol under it, has been cancelled. That has been deleted and the new mandatory provision included requires the Nepalese products destined for export to India to contain not more than 75% of new materials imported from the third countries to enjoy exemption from duties and quota for a period between 2058/11/22 and 2059/11/21. It further requires that after 2059/12/21, such exports to continue to enjoy said exemptions should not contain of raw materials imported from the third countries in excess of 70%.

Major items under export surge as claimed by India are: Acrylic yarn vegetable ghee, copper product and zinc oxide. To enjoy exemptions from duties on the export of these items, following quotas have been fixed under the new provision: vegetable ghee 100,000 metric ton, acrylic yarn-10, 000 metric ton, copper based products-7500 metric tons and zinc oxide- 2500 metric tons. Any export exceeding these quotas are to be governed under Most Favored Nation regime.

The Article 9 of the 1996 treaty has made provision of restrictions in trade in the interest of protecting items of public moral, human animals heritage of high value, export and import of gold governed by law and such other objects as agreed by both parties. Under the new provision, accordingly cottage industry has been included for its protection. Under this provision, if the import in either country increases exceedingly to the extent of disrupting income, employment and production in the short run, such country can bring matters to the joint committee installed by the parties for review and suitable measures of control. Should such committee not remit the case within 60 days, country proposing control measures can adopt the measures of control it may deem necessary. Measures so taken will be a subject of review by the Nepal-India Intergovernmental committee.

Import:

6.5 Due to the slowdown in the economic activities both internally and externally, in FYs 1997/98 and 1998/99, import declined

significantly. As the situation started to ease up at the outset of FY 1999/2000, import also started to pick-up. With the reappearance of the disturbances from the beginning of the current year, economic activities have slackened and so did the import and export as well. During the review period of the current year, total import declined by 8.5% totalling Rs. 69,840.0 million. Of the total import, 41.2% came from India and 58.8% from third countries. Compared to total import of Rs.76,350.0 million with an increase of 8.9% last year. During the current year import from India occupied 37.8% and 62.2% from the third countries. In terms of US\$ increase in import is calculated to be 1.9% for the last year and the decrease this year as 12.0%.

- 6.6 During the review period of last year, import from India had been up by 13.3% whereas, this year it decreased by 0.4% totalling Rs. 28,790.0 million. Import of all the commodities by groups except petroleum products, decreased. Even the industrial raw materials and construction materials eligible for import by paying convertible foreign currencies which kept rising in previous years also declined during the review period of this year, by 4.1% totalling Rs. 5130 million. This quantity is equal to 17.8% of total import from India. Last year's import of these commodities had increased by 11.1%, and was equal to 18.5% of the total import. Trend of importing some industrial raw materials and construction materials from India has steadily rise up after the induction of the government policy to allow import of those goods by paying convertible foreign currency. Under this category import of machinery, MS billets, M.S. wire rod, hot rolled sheets, cold rolled sheets, carbon block, sodium carbonate, cement, electric generators, and transportation goods has increased, while that import of steel sheets, aluminium billets/rod, industrial chemicals, GI wire, textile, thread, electricity goods, polyester fibre has declined. Among traditional items imported from India like transportation goods, accessories, chemical fertilizer, chemicals, yarn, cloth, plastic wares, agriculture tools machinery, fruit, vegetable, dairy products, live animals, tobacco, cement, readymade garments and other machinery & parts among the traditional item of import of India. Their import has also decreased. However, the import of salt, pulse, petroleum, tyre and tube, electrical goods, medicine,

cosmetics, radio, television, dry cell battery, sugar and coal has gone up.

- 6.7 Third country imports during the review period of this year decreased by 13.5% totalling Rs. 41,050 million. Where as compared to the increase of this amount 6.3% last year. The commodities on the decline are: powder milk, edible oil, betel nut, construction goods (steel wire), pipe & pipe fittings, bitumen, raw wool, palm oil, cotton, fat, paraffin wax, PVC compound, textile dye, cigarette paper, thread, zinc ingot, copper wire rod tyre & tube, computer parts, storage battery, television, deck & its parts, transportation goods & its ancillaries, aircraft spare parts, textile, readymade garments, machinery & equipment parts and gold. In the same review period, imports of petroleum, plastics granules, chemical fertilizer, dry cell battery, soybean oil, electric equipment & spare parts, medicine and medical instruments increased.

Trade Balance :

- 6.8 In the total trade volume of import is much higher than that of export. During the review period last year export rate was considerably higher than that of export leading to the trade deficit of just 0.4%. But during the review period of this year, both import and export decreased, in with import declining more than export. Consequently, the trade deficit narrowed by 9.2% to the total of Rs. 34,910.0 million. If we consider country wise trade deficit of review period, trade deficit with India was 19.3% and 80.7% with third countries. Last year trade deficit with India the third countries were 31.3% and 68.7% respectively. Trade volume of import and export increased gradually along with increase in international trade. In the review period of current years, decline in import and export caused the total trade to decline.

Balance of Payment:

- 6.9 During the review period of current year, current account deficit widened by 22.5% mainly due to rapid decline in net services income even if the trade deficit narrowed down and the net transfer income

went up. Added to this, deficit falling down due to the increment of the net transfer income. It is rapidly decline in net service import, which is directly increasing the current balance deficit. Likewise, the foreign loan inflow plummeted and that of miscellaneous capital also declined resulting in rapid deterioration in the balance of payment in the situation of the country. During this period, total export declined by 6.1% totalling Rs. 26,370.0 million and total import declined by 7.9% totalling Rs. 52,510.0 million. With the import declining at a faster rate trade deficit dropped by 9.7% to the total of Rs. 26,140.0 million from Rs. 28,960.0 million of the last year. Service sector is one of the major items of Nepal's international trade suffered. Income from tourism sector decline by 18% that from transport by 32% from investment by 9.2% and from other services decline by 64.1%. The government income not accounted for in any headings, however, was up by 19.6%. As a result, total service income decline by 27.8% to the total of Rs. 14,180.0 million as compared to that of the corresponding period of last year. In payments services increases in transportation expenses, government expenses (not included in any other headings) travel and investment, contributed to the total increase of 13.0% amounting to Rs. 9,660.0 million as compared to that of last year. Net impact of reduced income and increased payments under services was dropped of 59.2% an important contributor to the private sector remittances transfer income increased by 28.6% totalling Rs. 9,400.0 million as compared to review period of last year. During the same period, grant to the government and excise duties from India increased by 12.6% and 14.3% respectively. Refund net transfer income increased by 20.1% totalling 13,890.0 million as compared to that of last years review period.

- 6.10 The current account deficit, during the first 6 months of current year increased by 22.5% totalling Rs. 7,730.0 million as compared to corresponding period of last year. Under the capital account, inflow of foreign loan decreased by 26.4% totalling Rs. 4,570.0 million. Net miscellaneous capital inflow also decreased by 39.7% totalling Rs. 3,740.0 million as compared to the same period of last year. Payments of external loan rose by 4.6% totalling Rs. 2,320.0 million as compared to last year. Consequently, the balance of payments during the

review period this year ran into deficit of Rs. 1,740.0 million contrary to the surplus of Rs. 3,800.0 million last year.

Foreign Exchange Reserve:

- 6.11 Continued up surge in foreign exchange reserve, till first 8 months of the last year, has changed its course. Such reserve has increased by 14.6% last year. This year it decreased by 1.2% to the total reserve of Rs. 103,900.0 million. Nepal Rastra Bank and commercial banks own 77.4% and 22.6% of the total respectively. Of this total, 73.3% is in convertible currency and 27.7% in non-convertible currency. Total reserve of 80,440.0 million held by Nepal Rastra Bank consists of 67.7% in convertible and 32.3% in non-convertible currencies. Rs., 23,450.0 million worth of reserve held by commercial banks consists of 88.0% convertible and 12.0% non-convertible currencies. The total reserve of this amount is estimated to cover value of one year's import. Reserves held by the banking sector till first 8 months of last year were estimated to afford 11.5 months' import of the country. As compared to mid-July 2001, foreign assets held by the banking sector decreased by 1.2% by mid-March 2002 to the total of Rs. 104,950.0 million. While the foreign liabilities increased by 3.4% to Rs. 19,030.0 million. During such period of last year, foreign assets and liabilities increased by 15.3% and 20.5% respectively. Net foreign assets by mid-March 2002, diminished by 2.1%, as opposed to an increase of 14.4% by such date last year and totaled Rs. 85,930.0 million.

Exchange Rate:

- 6.12 Nepalese rupees continued to depreciate against some of the international foreign currencies as in previous years. As compared to mid-July 2001, Nepalese currency depreciated by 3.5% against the American Dollar by mid-March 2002, compared to the depreciation of 4.4% during the corresponding period of the previous year. During this review period Nepalese currency depreciated by 4.7% against Pound Sterling by 5.6% against Euro and by 8.3% against Swiss Frank. During the first 8 months of current year, Nepalese currency appreciated by 2.7% against the Japanese Yen.

Challenges:

- 6.13 Gradual decline in foreign exchange reserve needs to be checked by increasing export to third country, and by increasing income from tourism, other services, transfers and grants.
- 6.14 Effective implementation of the national economic policies grand to enhancement of domestic production, industrialization, promotion of export and import of goods and services as well as investment calls for an urgent attention.
- 6.15 The context of initiatives underway for Nepal's accession to the World Trade Organization, National economic policies decisions and activities needs to be streamlined and activated in a manner that helps promote in industrialization, generation of resources, international trade and investment.



VII

POVERTY ALLEVIATION AND EMPLOYMENT

Poverty Alleviation:

- 7.1 The Ninth Plan targeted to reduce population living under poverty level by 10-percentage point and bringing down existing poverty level from 42 percent to 32 percent. Accordingly different economic and social development programs were continued in FY 2001/2002.
- 7.2 Various economic reform programs underway aim at increase in economic growth, intensification, diversification and commercialization of agriculture sector, and expand the basis of employment and self employment opportunities in industry, tourism, construction, transportation and services sectors.. Similarly, pro- poverty alleviation programs such as education for rural areas and weak and deprived segment of the population, targeted program on health and education, social mobilization programs, special sector programs, revitalization of backward women and population growth control are in different phases of implementation.
- 7.3 HMG has also launched targeted programs such as rural infrastructure development, rehabilitation of freed bonded labor, participatory district development programs, local governance, village and town partnership etc. with resources of its own and the assistance of donor agencies. Poverty Alleviation Fund (PAF) has been established with a view to conduct poverty targeted programs in an integrated manner and also for their monitoring and evaluation. The draft of an act governing the operation of PAF is in final stage.

Box 7.1**Establishment of Poverty Alleviation Fund**

HMG has established Poverty Alleviation Fund with the following objectives:

- To target poor person, family or community for uplifting their economic and social status through social mobilization, increasing their access in necessary services and actively involving them in local development process leading to enhancement of their capacity in decision making.
- To identify individual, family and community which are economically and socially backward and under the poverty level. To launch capacity building programs and programs relating to social and economic infrastructures with a view to uplift their economic and social status.
- To mobilize national and international resources through coordination of agencies engaged in poverty alleviation.

7.4 Various programs have been launched to enhance the capacity and involvement of down trodden people in income generating activities through social empowerment, which is an effective means of poverty alleviation. Women development program as another prong of the poverty alleviation includes formation of women group and their institutional development, group savings and credit, community development, intensification of social awareness, conducting income generating vocational and skill oriented training programs, leadership development and improvement in maternity health.

7.5 In order to improve food accessibility of Kamaiya families freed in Dang, Banke, Bardiya, Kailali and Kanchanpur districts, infrastructures related programs have been launched with the participation of Kamiya as Food Security Program under Rural

Community Infrastructure Program. Under the rehabilitation program, 9 thousand homeless Kamiayas of 5 districts have started house construction by acquiring 5 Katthas of land and Rs.10 thousand per family. Other social mobilization programs are also under way. Under such program, during the review period this year, 208 KM of roads, including construction and rehabilitation of rural roads. 14.7 KM of mule track, 8.65 KM under small irrigation, 1.65 KM under river training and fishpond in 12.5 hectares have been constructed.

- 7.6 Under the Remote Areas and Special Sector Programs, programs relating to drinking water, small irrigation, suspension bridge, electrification, mule track, motorable road and different income generating activities are under implementation. During the review period of current year, construction of mule track/motorable road of 30 KM has been completed, while 6 drinking water projects, 15 suspension bridges and construction of 6 irrigation projects are almost complete. Activities such as agriculture, livestock, skill oriented training, community development program, credit service, community shallow tube well under the Western Poverty Alleviation Project are implemented in 8 districts of Western Terai, namely, Nawalparasi, Rupendehai, Kapilvastu, Dang, Banke, Bardiya, Kailali and Kanchanpur. Currently, rural infrastructure program, village access program, local development and construction and agriculture roads are also being implemented, while tourism program for rural poverty alleviation with a view to alleviate local poverty and empowerment through tourism have also been initiated.
- 7.7 In order to improve the capacity and income of down trodden people, 224 groups under the Community Forestry Program and 43 groups under the Leasehold Forestry Program have been installed. Similarly, poverty alleviation oriented goat rearing and poultry farming programs in 9 districts of far Western Development Region are also underway.
- 7.8 Small Farmers Development Project, Rural Development Bank, Intensive Banking Programs have been launched under the government sector by targeting poor group of rural area. Necessary

economic resources will be made available to rural poor with a view to generate economic activities. Small farmers of 457 VDCs were benefited through 242 Small Farmers Development Projects launched in FY20 00/01. Services were also rendered to 101 VDCs of 31 districts by 101 Small Farmers Cooperatives handed over by ADBN. A total of 112 VDCs were covered by cooperatives demonstration activities in the review period this year, which included five cooperatives and six demonstrative activities in six VDCs. Until the FY 2001/2002 a total of 2 hundred 26 thousand and 305 farmers have been assembled in the 33 thousand 288 groups formed under the Small Farmers Development Projects and Small Farmers Cooperatives. During the same fiscal year, a sum of Rs. 432.1 million was invested while Rs. 368.1 million was repaid under the Small Farmers Development Projects. During the same period, SFCs invested Rs. 392.3 million and a sum of Rs. 295.2 million was repaid. During the review period of the current year, Small Farmers Development projects invested Rs. 226.9 million, while a sum of Rs. 234.6 million was invested under the Small Farmers Cooperatives. In order to conduct income generating activities for rural poor especially women by providing credits without collateral, Rural Development Banks rendered their services to 1 hundred 58 thousand 740 members of 31 thousand 776 groups through 4 thousand 563 centers of 947 VDCs of 42 districts by mid January 2001. Of the members belonging to groups, 1 hundred 45 thousand 120 members were provided a total credit of Rs. 5332.1 million by mid January 2001.

- 7.9 In the FY 2000/01 GDP growth at factor cost remained at 4.8 percent while population growth stood at 2.2 percent, therefore, per capita GDP growth rate remained at 2.6 percent. According to preliminary estimate of the FY 2001/02, Growth rate will be only by 0.8 percent due to rapid decline in GDP, and population growth has remained 2.2 percent as a result of which per capita GDP will be negative by 1.4 percent. In the Ninth Plan period, it is estimated that GDP will grow by 3.9 percent and population by 2.2 and thus per capita income is estimated to grow only by 1.7 percent.

Table: 7(a)
GDP, population growth and per capita income growth rate:

	1997/98	1998/99	1999/00	2000/01	2001/02	9th plan
GDP	3.3	4.5	6.2	4.8	0.8	3.9
Pop. Growth Rate	2.2	2.2	2.2	2.2	2.2	2.2
PC/GDP Growth Rate	1.1	2.3	4.0	2.6	-1.4	1.7

7.10 According to the mid-term evaluation of the Ninth Plan, it is estimated that during the first three years poverty increased by 0.976[•] percent while per capita GDP increased by 2.13 percent and therefore, poverty elasticity is estimated to remain at 0.46 percent. Taking into account the increase in per capita GDP in the FY 2000/2001 and decrease in per capita GDP in the FY 2001/2002, the per capita annual income growth during the Ninth Plan remained at 1.7 percent. Based on the above statistics, although poverty continued to decline during the Ninth Plan Period, the poverty-declining rate last year dropped from 0.976 percent to 0.78 percent due to lags surfaced in implementation of poverty alleviation programs. Owing to this, the target of reducing poverty by ten percent during the plan period could not be materialized and thus the level of poverty is estimated to remain at 38 percent.

[•] Based on the statistics of the first three years. of the Ninth Plan, poverty-declining rate is estimated to remain at 0.976 percent (based on per capita income growth rate at 2.13 percent and poverty elasticity at 0.46 (0.46X2.13=0.9763)). Based on the assumption that per capita income declined by 1.44 percent in the FY 2001/2002, poverty-declining rate (0.46X1.74) is estimated to drop by 0.78 percent.

Box 7.2

Poverty Reduction Strategy Paper

The Strategy Paper formulated mainly to address poverty alleviation and social development includes:

- Identification of state of poverty
- Creation of conducive environment for development, economic stability and poverty alleviation
- Formulation of sectoral policies and programs aimed at social upliftment and poverty
- Allocation and mobilization of resources of resources for poverty alleviation
- Strategy for poverty monitoring and evaluation

7.11 The reasons behind the decline in the effectiveness of poverty alleviation are law and order situation not favorable to development, economic growth rate not moving ahead as desired, deficiency in the development of social and economic infrastructures, lack of access of poor to the non agriculture sector and desirable changes not taking place in the traditional customs and culture. Similarly, other reasons are high population growth rate, lack of good governance, lack of effective public expenditure management system, lack of strong public delivery system, lack of effective targeted programs, etc.

Employment:

7.12 In order to achieve desired objective of poverty alleviation, it is necessary to increase employment opportunities and provide employments to unemployed and underemployed labor force. It has been targeted to reduce the unemployment level from 4.9 percent to 4 percent and underemployment level from 47 percent to 32 percent during the Ninth Plan period.

7.13 To achieve this target, attempts have been made to improve the employment situation through conducting employment programs focused to absolute poor, identification and development of labor force according to demand, conducting self employment programs through creation of productive employment opportunities and

enhancing accessibility of labor force to capital and productive resources.

- 7.14 It is estimated that income generating as well as self-employment opportunities have been increasing due to availability of easy and small credits to poor peoples through poverty alleviation programs conducted by government and non-government sectors. Similarly, additional employment opportunities have been created by the increased participation of private sector in industrial, banking, insurance, hotel, cooperatives, health, airlines and education sectors as a result of economic liberalization program adopted by the government. In the same manner, a conducive environment has been created for self-employment through resources made available through the expansion of rural development bank and other banks. The activities of non-governmental organizations have also helped to solve unemployment problem to some extent.
- 7.15 According to the results of national census of 1991 and 2001, there has been a substantial change in the employment sector. In the comparative analysis of economically active manpower, the result of the national census of 1991 demonstrated that 81.2 percent of the population are dependent on agriculture, fishery and forestry sector, where as according to the results of national census of 2001, only 65.7 percent of the population are dependant on this sector. The analysis of active manpower involved in different economic sectors reveals that in production and industrial sector it has increased from 2 percent to 8.8 percent and in commerce, restaurant and hotel, it has increased from 3.5 percent to 9.9 percent. Involvement of economically active population also increased in areas such as electricity, gas and water, construction, transportation, communication and storage, finance and real estate, whereas involvement in community and social services decreased from 10.2 percent to 7.8 percent. According to the national census of 1991, there were 7.34 million economically active population and according to the national census of 2001 this has increased to 9.9 million. According to this, the economically active population increased by 3 percent during that period. According to the census of 1991, out of the total population, 40 percent was economically active, and

according to the census of 2001, this has increased to 43 percent. During that period, the population growth was 2.2 percent and the growth of economically active population was 3 percent, which shows that there was maximum pressure in job market.

Table 7 (B):
Percentage of Involvement of Economically Active Manpower in
Different Economic Sectors (Percentage)

S.N.	Economic Sectors	According to Census of 1991		According to Census of 2001	
		Active manpower	(%) of total population	Active manpower	% of Total Population
1	Agriculture, Fishery and Forest	59,61,788	81.2	65,04,689	65.7
2	Mines	2,361	-	16,048	0.2
3	Production, Industry	1,50,051	2.0	8,72,253	8.8
4	Electricity, Gas and Water	11,734	0.2	1,48,218	1.5
5	Construction	35,658	0.5	2,86,418	2.9
6	Commerce, Restaurant and Hotel	2,56,012	3.5	9,84,662	9.9
7	Transportation, Communication and Storage	50,808	0.7	1,61,638	1.6
8	Finance and Real Estate	20,847	0.3	76,687	0.8
9	Community and Social Services	7,52,019	10.2	7,68,916	7.8
10	Others	28,004	0.4	58,273	0.6
11	Unidentified	70,298	1.0	22,395	0.2
	Grand Total	73,39,580	100.0	99,00,196	100

Source:

1. Statistical Pocket Book - 2000, Central Bureau of Statistics
2. Census, 2001

7.16 The midterm evaluation of the Ninth Plan reveals that unemployed labor force is 3.3 percent and under employed is 43.4 percent.

**Table 7 (C):
Status of Full Employment and Under Employment**

Details	1996/97	1997/98	1998/99	1999/00
a) No. Fully Employed	3,65,870	4,17,402	3,97,230	3,39,901
Percentage	3.7	4.2	3.9	3.3
No of Under Employed	43,80,814	43,81,553	43,89,123	43,85,028
Percentage	46.3	45.6	44.7	43.4

Source: NPC, Secretariat, Mid-Term Evaluation of Ninth Plan, 2001

7.17 The gradual decline in unemployment shows that there has been gradual increase in employment. In the FY 1998/99, the number of employed labor force was 9.452 million, which reached to 9.828 million (4% increment) in the FY 1999/2000. It is observed that the number of employed and underemployed is declined in FYs 1999/2000 and 2000/2001.

7.18 HMG is trying to create employment opportunities inside and outside the country. In order to create employment and self-employment opportunities to unemployed and underemployed labor force by imparting training and skills, such training are provided by 14 skill development centers and 2 vocational training centers under the Department of Labor. In this connection, regular training in 27 trades including electronics, plumbing, welding, carpentry and auto mechanics. In FY 2000/2001, training was provided to 5 thousand and 835 peoples in different skill oriented and vocational subjects, which were on demand by the labor market. During the review period of current year 2001/2002, training were provided to 3 thousand and 107 people in different skill oriented and vocational subjects. In the FY 2000/2001, training were provided to 11 thousand and 389 peoples ins skill and entrepreneur development by the Cottage and Small Industries Development Board, compared to 4 thousand 871 persons last year.

7.19 During the review period of the current year, training in different subjects were provided to 8 thousand and 71 people by CTEVT while

the Nepal Tourism and Hotel Management Center provided training to 696 persons and this Center has provided training to altogether 16 thousand 993 peoples till now. Also, training has been conducted in different trades and skills such as institutional development, record management and account management under the Women Development Program. During the review period of the current year, 103 women who were economically backward and under the poverty level were trained. In order to make disabled people self reliant through self-employment, loan without collateral have been advanced.

- 7.20 The Employment Promotion Commission has been playing the role of coordinator as well as facilitator with a view to tap the domestic and foreign employment opportunities and to conduct skill oriented and other promotional activities in a coordinated manner. The Commission has conducted different programs during the review period of the FY 2001/2002 to make employment-oriented programs performance based. These include study on skill development, data collection on the status of employment of those with skill oriented training, promotion of foreign employment, and medical transcription training based on labor market information and information technology. With the assistance of the Commission, transcription training of 9 months were provided to 1 thousand 350 unemployed persons of Western, Central and Eastern regions.

Foreign Employment:

- 7.21 Due to an increase in foreign employment in the recent years, there are indications of some improvements in unemployment and underemployment situations. In the FY 2000/2001, permission were provided to 55 thousand 25 persons for foreign employment on institutional basis. By mid-April 2002, permissions were given to 77 thousand and 388 persons for foreign employment. The major countries providing foreign employment are Malaysia, Saudi Arabia, United Arab Emirates and South Korea. According to the census of 2001, more than 7 hundred thousand Nepalese are visiting different countries. Of this, 96 percent are living as employed in foreign countries.

Table 7 (D)**Number of people visiting foreign countries, according to census of 2001**

(Countries listed are those, which received more than 1 percent of total visitors)

Countries	Numbers	Percentage
India	5,89,050	77.3
Saudi Arabia	67,460	8.8
Qatar	24,397	3.2
Hong Kong	12,001	1.7
United Arab Emirates	12,544	1.6
USA, Canada, Mexico	9,557	1.2
Other Countries	47,172	6.2
Grand Total	7,62,181	100.0

7.22 Although vocational and skill oriented training help to provide employment, all receiving training have not been able to get employment. Of the total 60 thousand 500 hundred trained in various skills between FY 1998/ 1999 and 2000/2001, only 20 thousand 252 persons or 33 percent were employed.

Table 7 (E):**Number of Skill oriented trained people and employment situation**

(1998-1999----2000/2001)

SN	Dev. Reg.	No. of Trainees	No. of jobs *	Remarks
1	Eastern	14183	6077	Ilam: NA, Jhapa PR
2	Central	22746	6323	from all dist.
3	western	12641	4262	Syanja: NA
4	Mid-Western	4877	2036	Jumla, Mugu, Salyal: NA
5	Far-Western	6053	1554	From all dist.
	Total	60500	20252	

*Number of jobs includes paid jobs and self-employed

Sources: Employment Promotion Board

7.23 Highlights on status of poverty alleviation and employment promotion programs:

- a) The programs centered on poverty alleviation have helped reduce poverty and contributed to poverty alleviation.

- b) Through social mobilization, there has been increase in peoples participation and social awareness and has contributed positively to poverty alleviation.
- c) In order to promote employment through skill and entrepreneur development, the government, non-government and private sectors have been providing skill oriented training which have increased number of skilled and semi-skilled labor force and thus there has been gradual decline in the number of unemployed.

Challenges:

- 7.24 The targeted programs on poverty alleviation have not reached in rural and remote Himali regions in sufficient numbers as the numbers of absolute poor are living in these regions; the expansion of targeted programs on poverty alleviation is in itself a challenge.
- 7.25 As the large extent of targeted groups have not benefited from the programs conducted by government, non-government and civil society to the greater extent, benefit management of economic and social programs directed to these target is a challenge.
- 7.26 As micro-credit is seen as an effective mechanism for self-employment, expansion and institutionalization of micro-credit is a challenge.
- 7.27 As economic growth is a prerequisite for employment expansion, emphasis should be given to employment oriented economic activities and upgrade current productivity level that generates maximum employment opportunities.
- 7.28 Exploration, identification, and utilization of poverty alleviation technology, which helps increase productivity, and their expansion to remote and difficult areas for the expansion of employment oriented economic growth remains a challenge.



VIII

AGRICULTURE

Production Position:

Crops

- 8.1 In FY 2000/01 productions of major food crops had increased by 2.6 percent as compared to that of the previous year. Preliminary estimate of production of these crops during the current year suggests an increase of 1.1% only to a total of 72,47,000 metric tons. The total area under these crops is estimated to have declined by 0.5 percent to 3.3 million hectares in the current fiscal year compared to that of the increase in last year. Production despite the decline in cropping area in the current year as attributed to favorable monsoon, disease control, easy access to agricultural inputs and improvement in productivity.
- 8.2 Production of major cash crops, which increased by 7.3 percent last year, is expected to continue its upward trend by 2.8 percent to reach a total of 3.78 million metric tons in the current year. The area under these crops cultivation is estimated to increase only by 0.3 percent to reach 393,000 hectares.
- 8.3 Production of lentils, fruits, vegetable and other crops combined is estimated to increase only by 3.2 percent to reach 2.46 metric tons in the current fiscal year compared to the increase of 9.6 percent last year.
- 8.4 Shares of food crops and cash crops in the total production of major crops are estimated to be 65.6% and 34.4% respectively compared to 66.1% and 33.9% last year. Areas under cultivation of these two

crops are estimated to be 89.4% and 10.6% respectively as they were in last year.

- 8.5 The cropping intensity is expected to be 168 percent in the current year.
- 8.6 The demand for food grain was 43,83,443 metric tons against the supply of 44,51,939 metric tons in FY 1999/00. In FY 2000/01, demand for food grain is estimated at 44,30,128 metric tons against the supply by 45,13,179 metric tons.
- 8.7 Per capita vegetable consumption is estimated to have increased to 59 kg in FY 2000/01 against 55 kg in FY 1999/00.

Major Food Crops:

- 8.8 **Paddy:** Paddy production increased by 4.6 percent during FY 2000/01 compared to the previous fiscal year. It is preliminary estimated to decline by 1.2 percent resulting in the total production of 41,65,000 metric tons in the current year. The productivity of paddy with an increase of 1.5 % is estimated to be at 2.74 metric tons per hectare in the current year as compared to that of the previous year. Areas under this crop in the current year as per preliminary estimate will to decline by 2.7% as compared to that of the last year. As a result, both total production and productivity are estimated to shrink due to insufficient rainfall during peak season of paddy plantation from mid-June to mid-July of 2002 in sizeable areas of the Eastern Region.
- 8.9 **Maize:** Production of maize in FY2000/01 had increased by 2.7 percent as compared to the preceding year. In the current year, production is expected to increase by 1.8% to the total of 15,11,000 metric tons. Productivity is expected to rise by 1.7 percent yielding 1.83 metric tons per hectare against that of the last year. Area under this crop is expected to increase only by 0.2% against that of the last year.

- 8.10 **Wheat:** Total wheat production in the FY 2000/01 declined by 2.2% as compared to that of the preceding year. In the current year, it is expected to increase by 8.6% to the level of 12,58,000 metric tons in relation to that of the last year. Its productivity is expected to increase by 4.4 percent yielding 1.88 metric tons per hectare compared to the previous year. Cropping area under this crop is estimated to rise by 4.1 percent with substantial increase under wheat crop due to favorable winter rain to the total of 0.667 million hectares.
- 8.11 **Barley:** Barley production had dropped off by 3.2 percent in FY 2000/01 against that of the past year. It is estimated to increase by 3.3 percent to the level of 31,000 metric tons in this year. The area covered by barley is expected to remain unchanged and its productivity is expected to gradually improve. Farmers of Terai area are motivated to cultivate different cash crops replacing barley.
- 8.12 **Millet:** Millet production had registered 4.0 percent decline FY 2000/01 in relation to the preceding year. In the same way it is estimated to further drop by 0.3 percent to reach the total 2,82,000 metric tons in the current year. The Area covered is also expected to decrease by 0.8 percent as against of that of the last year apparently due to sharply declining cultivation in the Terai region.

Production position of Cash Crops:

Cash Crops

- 8.13 **Sugarcane:** Sugarcane production had fallen by 5.2% in FY 2000/01 as compared to that of past year. In the current year 22,48,000 metric tons will expected to be produced with an increase of 1.6% as per the preliminary estimate in the current FY. The area covered by sugarcane is expected to remain unchanged. Productivity is expected to improve however, by 1.6% yielding 38.1 metric tons per hectare.
- 8.14 **Oilseed:** Oilseed production which increased by 7.3 percent in FY 2000/01 as compared to that of the previous year estimated to rise by 2.3 percent to total of 1,35,000 metric tons this year. Its productivity is

expected to rise by 2.8% yielding 0.72 metric tons per hectare despite the area expected to remain unchanged.

- 8.15 **Tobacco:** Tobacco production had increased by 5.3 percent in FY 2000/01 in comparison with the last fiscal year, and its production is estimated to fall by 2.5 percent to the level of only 3,900 metric tons in the current FY. Similarly, the area covered by tobacco is expected to drop by 2.5 percent whereas productivity seems to be remaining unchanged in the running fiscal year.
- 8.16 **Potato:** Potato production which recorded growth of 11.0 percent last year is expected to increase by 5.0 percent to a total of 13,80,000 metric tons this year. Area under this crop is estimated to rise by 1.5%. Productivity is also expected to rise by 3.4% yielding 10.53 metric tons per hectare this year.
- 8.17 **Jute:** Jute production had recorded the 5.0 percent growth registered in FY 2000/01 as compared the last year. Growth rate is estimated to remain unchanged with total production of 16,100 metric tons for the current year. Both area covered and productivity are also expected remain the same as last year.
- 8.18 **Tea:** Tea cultivation is growing as a commercial farming in Eastern Development Region. Its production increased by 30 percent to the total of 6,628 metric tons in FY 2000/01 against the total 5,085 metric tons a year before. It is expected to increase only by 5.6 % with production reaching 7,000 metric tons this year. Area under tea farming is estimated to grow by 4.2 % to the total of 12,500 hectares as compared to 12,000 hectares last year. The number of tea farmers is estimated to reach 5,500.
- 8.19 **Coffee:** Coffee cultivation is also developing as commercial venture in the Western Region. Its production increased to 88.7 metric tons in FY 2000/01 as compared to 72.4 metric tons in the previous year. This year, production is estimated to rise by 1.5 percent to total of 90 metric tons area under new cultivation to expand by 6.1 percent to reach a total of 450 hectares, and the number of farmers associated in this farming is estimated to be 3,000.

8.20 The productivity of major food and cash crops are found improving and at least same in this year as compared to the last Fiscal Year.

Table 8(A):
Productivity of Agriculture (MT per hectare)

Crops	FY 2000/01	FY 2001/02
Food crops	122.70	124.82
Paddy	2.70	2.74
Maize	1.80	1.83
Wheat	1.80	1.88
Cash crops	318.36	325.78
Sugarcane	37.49	38.10
Oilseeds	0.70	0.72
Tobacco	1.00	1.00
Potato	10.18	10.53
Jute	1.45	1.45

Other Crops

8.21 **Lentil:** Lentil production is estimated to be 250,000 metric tons increasing by 2.9% in this year as compared to 2.5% increase in last year.

8.22 **Fruits:** Fruits production in the current year is estimated to drop by 3.0% to the level of 473,000 metric tons as against the rise of 8.9% in last year due to this year being a lean period in the production cycle of mango that occupies a significant share in total fruit production.

8.23 **Vegetable:** The production of vegetable had gone up by 11.0 percent in FY 2000/01 compared to that of previous year, but this year, production is expected to increase only by 5.0 percent to a total of 4,736,000 metric tons.

8.24 **Climate:** In totality, climate was favorable and enough rainfall was recorded within the country in this year. Starting two months of 2002

experienced a high rainfall about 395 mm as against of only 4 mm rainfall was recorded corresponding period of last year in the country.

Livestock:

8.25 **Meat:** Meat production increased by 2.7 percent in FY 2000/01 as compare to the last year. A total production of this year is expected to rise by 2.3 percent to a total 199,000 metric tons.

8.26 **Milk and dairy products:** Milk and dairy products increased by 2.5 percent in FY 2000/01 over that of last year. This year's production level expected to rise by 3.1 percent to a total of 11,59,000 metric tons.

8.27 **Eggs:** Total egg production is estimated to go up by 6.1% compared to 5.5% increase last year and the total units to be 538.42 million units of egg in this fiscal year.

8.28 **Fish:** Fish production which increased by 4.9 percent in FY 2000/01 is expected to rise further by 5.2 percent to a total of 35,000 metric tons in the current year of this total fish production, share of fish pond is estimated at 17,000 MT and 18,000 MT of other sources.

8.29 Base year for agriculture production indicators was FY 1984/85 up to last year and it changed as FY 1994/95 in the present fiscal year, because of the change of the base year, indicator is expected to increase by 1.7 percent and it results increment in total indicators 123.24 in the last fiscal year and 125.36 in the current fiscal year.

Chemical Fertilizer, Improved Seeds and Insecticides:

8.30 **Chemical Fertilizer:** Use of chemical fertilizer on an average, has improved due to improved supply from the private sector participation. However, the supply of chemical fertilizer by the Agriculture Inputs Corporation (AIC) has declined by 36.6 percent in FY 2000/01. Supply is from AIC is expected to total 23,600 metric tons in the current year. Total supply during the review period of

this year amounted to 11,500 metric tons as against 12,300 metric tons last year. National Fertilizer Policy (Box 8.1) has been made public this year. Prices of Urea, D.A.P. and Potash has slightly declined while that of sulphate did not change.

Box 8.1

National Fertilizer Policy, 2058

1. Enhancement of fertilizer application through Policy reform and infrastructure management.
2. Promotion of integrated crop nutrition management for efficient and balanced use of fertilizer.
3. Establishment of a reliable, competitive and transparent fertilizer import and distribution system.
4. Mechanism to determine the fertilizer price.
5. About 20 percent of potential consumption of chemical fertilizer to be stored as reserve. Maintenance of chemical fertilizer reserve of 20 percent of potential consumption
6. Motivation for establishment of network of fertilizer sellers and distributors in districts.
7. Promotion for establishment of chemical fertilizer industry within the country.
8. Encouragement to private and co-operative sectors for investment in fertilizer factory of neighboring countries.
9. Establishment and strengthening of laboratories to make the quality control system effective

8.31 **Improved Seeds and Insecticides:** The use of improved seeds is expected to have increased because of growing participation of private sectors as well as plenty of seed distributed through relief measures. The AIC had distributed 231 MT of paddy seeds, 7 MT of maize seeds and 1,656 MT of wheat seeds in FY 2000/01. During the review period of current year, 2,650 metric tons of improved wheat

seeds have been distributed by the AIC compared to 1 metric ton of paddy, 3 metric tons of maize and 1,311 metric tons of improved wheat seeds distributed during same period of the last fiscal year. The AIC has stopped the transaction of insecticide.

8.32 **Irrigation:** HMG and the ADB/N are the main parties currently engaged in irrigation development. In FY2000/01, irrigation facilities were expanded to additional area of 29,661 hectares, of which 27,282 hectares were under projects launched by the government and 2,379 hectares under ADB/N. During the review period the current year, additional 3,017 hectares of land has been irrigated by the projects launched by ADB/N, while there has been no addition under government program. In comparison, during the review period of last year additional 1,732 hectares (government projects 1,530 hectares and ADB/N 202 hectares) of land had been irrigated. By the end of current year, additional irrigation facilities to a total 44,022 hectares of land has targeted comprised 39,539 hectares and 4,483 hectares under the Government projects and the ADB/N respectively.

8.33 Only 17,66,000 hectares of land is estimated as potential for irrigation out of the total arable land of 2,642,000 hectares. To date only 42% as 1,104,000 hectares of land is found irrigated. Only 4,52,000 hectares of land is estimated to be irrigated throughout the year.

Agricultural Credit:

8.34 Access to agricultural credit is vital to uplift the living standard of the agro-based rural people. During the FY 2000/01, ADB/N disbursed a total of Rs. 8,036.00 million worth of credit; recovered Rs. 6063.60 million; and is Rs. 14876.6 million stood as outstanding at the end of the fiscal year. During the review period of this year, Rs. 5227.20 million an increase of 9.9% was recorded under loan investment as against Rs. 4755.2 million during such period of last year. Of this total, the highest portion, 48.6 percent, was claimed by agro-industry, marketing and godown construction and the lowest portion, 0.3 percent, by fruit farming sector.

Small Farmers Development Program:

8.35 Under the ADB/N's Small Farmers Development Program, altogether 2,26,305 small farmers are associated in 33,288 organized groups of 101 VDCs farmers of 457 VDC areas have been benefited by the execution of 242 projects in 31 districts in FY 2000/01. During FY 2000/01, ADB/N transferred 101 Small Farmers Cooperation (SFC) in 31 districts. Under the program, there are 2,26,305 farmers organized in 33,288 groups. Investment of ADB/N in SFDP amounted to Rs. 432.1 million and Rs. 368.1 million had been recovered in the last year. Similarly, SFCs invested Rs. 392.3 million and recovered Rs. 295.2 million during the same period. The investment of SFCs stood at Rs. 778.4 million up to the end of last year. As of the review period of the current year, investment in SFDPs stood at Rs. 226.9 million and recovery at Rs. 204.4 million. Similarly, investment of SFCs stood at Rs. 234.6 million and recovery was at Rs. 185.0 million during the period. The total amount of the investment of SFDPs and SFCs has reached Rs. 926.9 million and Rs. 854.5 million respectively by the review period of current year. Group savings of member farmers of these agencies totalled Rs. 242.6 million.

Agriculture Research Council:

8.36 Nepal Agriculture Research Council (NARC) was established in 2048 B.S. with the objectives of uplifting the living standard of the general people through high-level study and research in problems and prospects of agriculture sector. To date the NARC has tested different sorts of crops and recommended 187 high breed varieties of 43 crops with full methods package of farming. A few tested varieties are in process of recommendation. The Council has also developed a cost effective technology for optimizing turn around time. It has already recommended different varieties of paddy like cold resistant and blast disease immune as Chandannath 1 and 3 for Jumla. Manjushree-2 and Khumal-11 are the other varieties for Kathmandu Valley, which are generally considered as Blast disease immune, excess soil fertility resistant, and good for beaten rice. The policy of

agriculture research focuses on sustainable improvement package for better livelihood.

Export and import situation of agricultural products:

- 8.37 According to S.I.T.C. group, during the review period of this year, the total export value was equivalent to Rs. 3961.2 million by exporting of food grains, live animals, tobacco and beverages as compare to Rs. 3307.4 million by exporting the same goods in the corresponding period of the last year. Likewise, commodities equivalent to Rs. 5172.4 million was imported during the review period of current year as against of about Rs. 4736.2 million in the same period of preceding fiscal year.
- 8.38 In the perspective of the current Ninth Plan, it is expected that the production of food crops in terms of 2096/97 as base year is estimated to have increase by 13.3 percent to a total of 7.247 million metric tons, major cash crops to increase by 35.2 percent to a total of 3.783 million metric tons in the current year. Production of pulses, fruits and vegetables to increase by 22.9 percent amounting to total production of 2.459 million metric tons.
- 8.39 Annual economic growth rate of agriculture sector is estimated to be 2.9% only as against the target 4.0%. The main reasons behind the low economic growth in agriculture sector are less than expected investment production decline due to unfavorable monsoon in the first and the fourth year of the plan, and subsidy abolition in shallow tubewell in third year of the plan affecting the irrigation expansion adversely.

Challenges:

- 8.40 Agriculture sector continues to be dependent on favorable monsoon as the pace of expansion of irrigation facilities is slow of farmers' participation in proper maintenance of irrigation system is lacking. Damages to the irrigation structure and irrigated area by floods and landslides are common occurrences. Nor the intensive program in

place for the irrigated area is adequate. Agriculture production as well as productivity to continues to remain stagnant.

- 8.41 Despite the policy to engage private sector in supply of agriculture inputs such as chemical fertilizer, improved seeds and plants in place, supply is not adequate. Soil types information system for appropriate use and management of chemical fertilizer has yet to be developed to maintain soil quality and fertility. High breed animals and artificial insemination activities are not enough.
- 8.42 Agriculture has yet to go a long way to commercialize and competitiveness. Importation of agriculture and livestock products at lower prices from neighboring countries due to open border, and lack of rural road network and development of export oriented agriculture pockets continue as hindrances to realize returns from investment made in agriculture. Nor the private sector's investment and partnership as important goals of the agriculture perspective plan have emerged as attraction.
- 8.43 Research in Tea and Coffee production as cash crops for extensive farming and quality improvement is felt as conspicuously lacking.



IX

INDUSTRY, TOURISM AND PUBLIC ENTERPRISES

Industrial Production:

- 9.1 Production of the most of the items under Food and Beverages group had increased in FY 2000/01. Production of leather and leather products, wood and wooden goods, paper and stationery boards, other chemicals, plastic goods, non metallic minerals and steel utensils, electrical goods and equipment and industrial equipment did well compared to that of the last year. Among the products that are expected to record noticeable increase are noodles (452 metric tons), biscuits (456 metric tons), sugar (1157 metric tons), tea (887 metric tons) vegetable ghee (6653 metric tons), soap (5459 metric tons), detergent powder (144 metric tons), cement (9263 metric tons), beer (1629 thousand liters) cigarette (395 million units) and synthetic cloth (1334 thousand meters) There was a marginal decrease in the production of biri, cotton textiles, jute goods, and rubber goods FY 2000/01.
- 9.2 In FY 2001/02, indicates production of most of the industrial goods as compared to that of last FY is estimated to decrease. Declines are expected in biscuits by 145 metric tons, beer by 554 thousand litres, liquor by 185 thousand litres, and cigarette by 79 million units, and cotton textiles by 785 thousand meters. Products that are expected to surge are: noodles by 727 metric tons, sugar by 3887 metric tons, tea by 488 metric tons, vegetable ghee by 3632 metric tons, soap by 810 metric tons and cement by 17902 metric tons.

Industrial Production Index:

- 9.3 GroupWise industrial production index in FY 2000/01, had increased by 6.3 percent as compared (base year 1986/87 = 100) to the previous FY. During this FY industrial production index of food group recorded an increment of 6.7 percent. Increments were recorded in the soft drinks by 3.4 percent, tobacco products by 5.8 percent, textiles by

2.4 percent, leather and leather goods by 7.5 percent wood and wooden goods by 8.3 percent, paper and stationery boards by 3.0 percent, other chemicals by 6.6 percent, plastic goods by 2.0 percent, nonmetallic minerals by 3.8 percent, iron and steel goods by 3.5 percent, electric goods and equipment and industrial equipment by 7.8 percent and dry cell battery by 8.0 percent. However, the production index of rubber had decreased by 2 percent. In FY 2000/01, remarkable growth was recorded in the production indices of some goods. Among them were: tea by 12.0 percent, strawboard by 14.0 percent, soap by 11.0 percent, shoes by 9.1 percent, noodles by 7.5 percent, beer by 7.5 percent and cigarette by 6.0 percent.

- 9.4 The total industrial production index is expected to surge by 2 percent in the current FY as compared to that in FY 2000/01 but the main industrial production Indices of major industrial outputs are, however, expected to slide this year from that of last year e.g., index of soft drinks to decrease by 3.5 percent, of tobacco product by 1.8 percent, leather and leather goods by 1.6 percent and paper and stationery boards by 0.6 percent. Textiles, biri liquors and beer are also expected to follow the suit with a decline of 31.6 percent, 34.5 percent, 4.7 percent and 2.4 percent respectively. Indices expected to increase are those of noodles by 11.2 percent, cement by 8.3 percent, tea by 5.9 percent non-metallic minerals and shoes each by 4.9 percent. Marginal increase is estimated in overall industrial production index this year is attributable to changes in consumption pattern, decrease in consumption propensity, changes in the structure of export trade and the present social environment.

Foreign Investment in the Industrial Sector:

- 9.5 The flow of foreign capital and technology are an effective means to mobilize capital, human and natural resources in order to make the economy more responsive efficient and competitive in the process of industrialization of a country. Foreign investment not only facilitates inflow of capital and modern technology but also infuses competitive corporate culture, technical skill and access to the international market, which are equally important factors for the industrial development. In FY 2000/01, 96 enterprises with the project cost

amounting to Rs. 7,901.2 million were given permission. BY May 2002, this year 53 enterprises with total project cost of Rs. 2,777.5 million and fixed capital investment of Rs. 1228.2 million were given permission. By April 2002, 742 foreign investment industries were given permission to establish. This fact in itself is a testimony to the open liberal economic policy followed by the government. All these industries together have the total fixed capital of Rs. 65,818.7 million and the total project cost amount to Rs. 78,331.7million. The total foreign investment in these industries turns out to be Rs. 20,556.3 million and 87569 people will have additional employment opportunities after these industries become operational.

- 9.6 Out of 96 industries given permission to operate under direct foreign investment in the FY 2000/01, 54 were related with production of goods, 19 with hotel and resort, 13 with service industries, 4 with belonged to electricity, drinking water, and cooking gas and 6 were related with transport and communication, housing and construction and agro forestry. The country wise involvement revealed that Indian investment turned out to be in 37, Chinese investment in 15, Japan in 8, United Kingdom, United States of America each in 7, South Korea in 5, Austria, Finland, Spain and Switzerland each in 2 and Brazil, British Vergin Island, Canada, Federal Republic of Germany, Hongkong, Netherlands, New Zealand, Singapore and Sri Lanka each in one enterprise.
- 9.7 As of the first eleven months of the current FY 2001/02, 53 industrial enterprises were given permission to operate under the direct foreign investment. Out of this, 20 were related with production of goods, 11 with hotel and resort, 16 were service oriented, 2 each in the agro-forestry and construction and one each in transportation and communication, and electricity and gas. The country wise involvement revealed 16 were from India, 7 were from China, 6 from Japan, South Korea and United States of America in 4 each, United Kingdom and Federal Republic of Germany each in 2, Bangladesh, Australia, Guatemala, Israel, Italy, Malaysia, Newzeland, Poland, Singapore, Switzerland, Taiwan and Turkey each in one enterprise.

Capacity Utilization:

9.8 Some selected industries were studied to assess the utilization of their production capacity. It was found that the capacity utilization of sugar, match and cement in FY 2000/01, decreased as compared to those in previous FY but the capacity utilization of cigarette, beer, shoes and jute goods industries were found to have increased. As compared to FY 1999/00, jute and cigarette factories utilized their 80 and 72 percent capacity respectively this year. Those of beer, match, and sugar turned out to be 59 percent, 58 percent and 44 percent respectively and while that cement was 41 percent and 23 percent of shoe industry.

Industrial Estates:

9.9 Industrial estates have been established with a view to contribute to industrialization by providing physical infrastructure and other facilities for industrial enterprises at one spot. HMG has established 11 industrial estates, which are located at Balaju, Patan, Bhaktapur, Hetauda, Dharan, Pokhara, Butawal, Nepalganj, Rajbiraj, Birendranagar, and Dhanakuta. The industrial estate in Dhanakuta is under construction stage. Out of total areas of land under these estates, 5080 ropanies of land have been fully developed and 3395 companies have been leased out to different industries. Altogether 348 industries are in operation and 89 industries have been shut down while 31 industries are under construction. Industries operating in these industrial estates have generated direct employment to 13339 people. Feasibility studies in more than 16 places including Nuwakot, Janakpur, Ilam, Chitwan, Jhapa, Kailali, Kanchanpur, Dang, Kavrepalanchowk, and Tanahu have been completed. Nepal Industrial Development Corporation

Nepal Industrial Development Corporation(NIDC):

9.10 NIDC has contributed to industrialization of the country by providing financial resources to the on going and new industries. The volume of loan disbursed by NIDC for establishment of new

industries and their operation is in downward trend. In FY 2000/01, the loan disbursement dropped 24.1 percent as compared to that of the last year. In the current FY, out of total loan disbursed, the share of hotel and tourism, large scale industries and miscellaneous industries turned out to be 12.9 percent, 51.9 percent and 35.2 percent respectively

- 9.11 By the review period of the current year, the loan disbursement had decreased by 28.9 percent as compared to that of last year. During the review period, the disbursement had gone down by 11.6 percent in hotel and tourism by 57.7 percent in the large-scale industries and by 30.7 percent in the miscellaneous industries. Project promotion, loan approval and loan repayment have been seriously affected due to shortage of long-term investment fund for the last few years. As NIDC lends long-term capital the problem of shortage of long term investment fund will not change unless it is provided resource for long term financing.

Cottage and Small- Scale Industries (CSI):

- 9.12 CSI have contributed to the economic and social upliftment of the country by mitigating the problem of unemployment and poverty. So CSI have been provided loan from the Intensive Banking Programme of the commercial banks. In the FY 2000/01, 1060 SCIs were provided loan amounting to Rs.167.1 million. As of the first six months of the current FY, loan of Rs. 62.3 million been disbursed to 389 CSI.
- 9.13 In the FY 2000/01, 9317 CSIs were registered which was less by 8.0 percent as compared to those in previous FY. The registration of private firms, private limited and partnership firms has gone down by 5.9 percent, 21.3 percent and 25.9 percent respectively. Likewise investment in the CSI sub- sector has gone down to Rs. 7,320.0 million. As of the first eight months of the current FY 2001/02, 5955 CSIs were registered with the investment capital of Rs. 4,920.0 million.

Industrial Enterprise Development Institute:

- 9.14 With a view to promote entrepreneurship, quality management, promotion of technology and development of technical manpower for industrial development Industrial Enterprise Development Institute has been operating training programmes in business creation, business management, entrepreneurship development and research and consultancy services. As of the April 2002, it had already imparted skill development training to 284 people and 136 people were trained in institutional development of the local institutions.

Mines and Geology:

- 9.15 At present there are 21 seismic stations in operation to record tectonic movement of the earth all the time with a system of public alarm within an hour of earthquake measuring more than four Richter scale. The engineering and environmental geological map of Pokhara and Kathmandu valley, Butwal and Dharan Municipalities have been completed with the help of Remote Sensing and Geographic Information System capability in place. Municipalities have been using these maps for their urban planning, land use planning, infrastructure and development works, solid waste management, pollution control and improvement in the quality of drinking water and environment protection.
- 9.16 Exploration works in Arghakhanchi, Baitadi, Udayapur and Syangja districts are underway to assess the availability of cement grade limestone deposit and dolomite. In course of promoting mining industry in the country, a data package of Salyan district has been prepared to develop cement industry and sold out and the evaluation committee has been evaluating the proposals to set up a cement industry in Chaukune of Surkhet district based on limestone deposit there. Similarly the activity of preparing data package for the establishment of limestone based cement industry in Nigale of Dhanakuta district is underway. The proposals submitted by the private sector for the establishment of a natural gas plant in the

Kathmandu Valley has already been evaluated and the agreement with the nominated party is being drafted.

Tourism:

- 9.17 Analysis of tourist arrival, growth rate and duration of their stay in Nepal reveals that from December 1999 to December 2000 the tourist arrival had gone down by 5.7 percent and dropping further to 21.2 percent from December 2000 to December 2001. During this period the average number of days of tourist stay in Nepal is estimated to have decreased from 11.9 days during the period of December 1999 to December 2000 to 11.4 days during the period of December 2000 to December 2001.
- 9.18 Analysis of the purpose of tourists visit to Nepal reveals that majority of tourists come to Nepal for pleasure, trekking and mountaineering. During 2000, 56.6 percent came for pleasure, 23.2 percent for trekking and mountaineering, 5.9 percent for trade 4.5 percent for official visit, 4.0 percent for pilgrimage, 1.2 percent for conference and seminars and 4.6 percent for other purposes.
- 9.19 Country wise analysis of total tourists arrival in 2001 reveals that 10.6 percent were from North America, 1.3 percent from Central and South America, 34.2 percent from Western Europe, 1.5 percent from Eastern Europe, 0.4 percent from Africa, 3.6 percent from Australia and the Pacific Region and 48.4 percent from various Asian countries including India.
- 9.20 By the end of 2001, the country had 791 hotels out of which 97 were star hotels and 694 were non-star hotels. During this period 3 new star and 37 non-star hotels were opened. During the review period hotel beds in star and non-star hotels increased by 1.2 percent and 4.3 percent respectively and number of hotel beds available reached 9430 in star hotels and 26733 in non-star hotels. In the review period on the whole, the number of hotels and hotel beds increased by 4.7 percent and 3.4 percent respectively.

9.21 Analysis of the mountaineering expeditions and summiteers in 2001 the number of expedition teams had gone down but the summiteers increased. During the review period, 112 mountaineering teams were issued expedition permit and 836 summiteers scaled different mountains. The collection of the revenue in the form of royalties had increased by 6.2 percent and expenses incurred by the climbers had also increased by 10.7 percent as compared to those of the previous year.

9.22 Nepal Academy of Tourism and Hotel Management has been established with the objective of producing efficient manpower for the tourism industry. The Academy imparts training in different subjects and standards to promote investment in tourism industry in the rural areas, fulfill demand of skilled manpower for small and big entrepreneurs of tourism industry and in operation of tourism industry. During FY 2000/01, the Academy trained 1128 people in different subjects and in the first eight months of the current FY, 696 people were trained in different subjects.

Box. 9.1
Recent Activities in the Tourism Sector

- HMG has opened up additional 103 mountains (effective from 1 March 2002) for the promotion of mountain tourism in the country. It will also help develop remote areas. The total number of mountains permitted for the climbers now reached 263.
- The mandatory provision of deputing a liaison officer in all mountaineering expedition teams has been amended and mountaineering expedition teams which scale the mountains peaks not higher than 6500 meters now do not require liaison officer anymore. As per the new provision the expedition teams do not require a liaison officer for 89 peaks but it is mandatory for such teams to register their details in the Nepal Trekking Association.
- In the process of opening up protected areas in Nepal, 6 tourists destinations in Taplejung, Sankhuwasabha, Solukhumbu, Manang, Humla and Darchula have been opened up in the initial stage
- A Memorandum of Understanding between Nepal and China was signed on 26 November 2001 to facilitate the visit of Chinese Citizens to Nepal. Nepal became the first nation in the South Asia to receive the Approved Destination Status by

China in process of promoting tourism in the South Asia.

- Visa system has been amended by bringing it to two types of Single Entry and Multiple Entry from the existing three types of visa. The charges for single and multiple entry visas have been fixed at US \$ 30 and US \$ 50 respectively and duration of multiple entry visas has been extended to five months.

Foreign Exchange Earning From Tourism:

9.23 Foreign exchange earnings from tourism sector in the FY2000/01 was equivalent to Rs. 11,717.0 million which was less by 2.9 percent as compared to that of last year .In the first six months of the current FY, the earnings reached Rs. 4,354.6 million representing 16.5 percent of the total foreign exchange earning from the export of goods. Two other ratios calculated for this period also revealed that of foreign exchange earned from the tourism in the total export of goods and services was 10.7 percent and 8.7 percent in the total foreign exchange earnings. In comparison to such ratios of FY 1999/00 however three ratios declined this year.

9.24 Nepal Tourism Board is engaged in qualitative improvement in tourism industry, and promotion and maintenance of infrastructure, and promotion and management of international tourism market. For promotion of tourism, it has sponsored various international fairs and taken part in them. It has also been involved in production and distribution of publicity materials and documentary films. From this FY, the board has implemented Destination Nepal Campaign with partnership between the government and the private sector to promote tourism industry and create awareness among the people.

Box. 9.2**Destination Nepal 2002/03**

Destination Nepal Campaign will start from December 2002 and end in December 2004 as a two-year programme. The International Year of Mountain 2002, International Year of Eco Tourism 2002 and Visit South Asia 2003 are also integrated under this Campaign.

Objectives:

- To promote public awareness among people about tourism
- To promote and maintain Nepal as a reliable attractive and secured destination with wide international publicity

Target::

By the end of 2003, the total number of tourist arrival in Nepal will be 500000. And foreign exchange earnings are estimated to be US \$ 180 million during this period.

Public Enterprises:

- 9.25 In FY 2000/01, HMG's investment in the forms of share capital and transport and operating subsidies had gone down by 20.7 percent and 53.5 percent respectively as compared to those of the previous year. In the current FY, the loan capital investment has increased by 16.0 percent while the capital subsidies has not been provided. In the FY2000/01, the cash flow of HMG to the public enterprises had increased by 3.8 percent as compared to that of the last FY. In the current FY, it is expected to increase by 11.7 percent. In this FY, share capital investment and operating subsidies are estimated to increase by 96.5 percent and 6.2 percent respectively and, the loan capital investment is expected to decrease by 1.4 percent.
- 9.26 The cash flow from these enterprises to HMG had increased by 3.1 percent in FY 2000/01 as compared to that in FY 1999/00 and due to 33.7 percent increase in the payment of income tax. Amount of royalties, interest and principal payments came down by 10.9 percent, 6.7 percent and 4.0 percent respectively. In the current FY, it is estimated that the cash flow from these enterprises to HMG will go down by 15.2 percent and income tax payment to drop by 62.3 percent. Payments of royalties, interest and principle are estimated to go up by 2.7 percent, 19.6 percent and 7.0 percent respectively. Analysis of net cash flow reveals that more cash flow took place from

these enterprises to HMG in FY 2000/01 and in current FY; such flow is expected to be reverse from HMG to these enterprises.

9.27 The analysis of financial efficiency of the enterprises reveals that most of the public enterprises incurred operating losses, which amounted to Rs.1353.2 million in FY 2000/01. In the current FY, these enterprises are expected to earn operating profit, which will amount to Rs. 2378.3 million. By FY 2000/01, the net capital investment in these enterprises totalled Rs. 82,910.5 million. This figure is expected to rise to Rs. 112,604.2 capital million. The analysis of profit from the net capital investment in FY 2000/01 reveals the negative ratio of 1.6 percent. The profit is expected to turn positive by 2.1 percent in the current FY.

Privatization of Public Enterprises:

9.28 Privatization has been accepted as an important component of the liberal economic policy. Since FY 1999/00, 17 different public enterprises have been privatized.

Table No. 9 (a)
Details of Privatized Public Enterprises

SN	Name of the Companies	Year of Privatization	Mode of Privatization	Sales Price (in thousand) 1	Ratio of Share with	
					Management	General Public
1	Bhrikuti Paper Mills	October 1992	Asset and Business Sale	229,800	70	30
2	Harisiddhi Bricks and Tiles	October 1992	Asset and Business Sale	214,830	72	28
3	Bansbari Leather and Shoe Company	March 1992	Asset and Business Sale	29,854	75	25
4	Nepal Film Development Corporation	November 1993	Share Sale	64,662	51	49
5	Balaju Textiles Industry	December 1993	Share Sale	17,716	70	30
6	Raw Hide Collection and Processing	December 1993	Share Sale	3,990		100

7	Nepal Bitumin & Barrel	January 1994	Share Sale	13,172	65	35
8	Nepal Lube Oil	January 1994	Share Sale	31,057	40	38
9	Nepal Development Corporation Jute	1993	Liquidation	Liquidation	-	-
10	Tobacco Development Corporation	March 1994	Liquidation	Liquidation	-	-
11	Nepal Foundry Industry	March 1996	Share Sale	14,473	51	49
12	Raghupati Mills Jute	August 1996	Share Sale	82,204	65	35
13	Biratanagar Mills 2 Jute	December 1996	Management Contract	-	-	-
14	Nepal Bank Limited 3	March 1997	Share Sale	125,140	--	59
15	Agriculture Tools 4	May 1997	Share Sale	95,100	65	35
16	Bhaktapur Brick Company 5	August 1997	Lease	20300 (Ten Year's Lease)	-	-
17	Nepal Development Corporation 6 Tea	June 2000	Share Sale and Lease	267,105	65	35

1. Includes value of management share
2. As a semi- public corporation, its Board of Director's took the final decision regarding Management Contract
3. Share of HMG has been reduced to 41 percent
4. As the buyer did not comply with the provision of the contract and it has been brought under the government ownership.
5. As the leasing partner did not comply with the provision of the contract, it has been brought under government management. 100 percent HMG share.
6. Land has been leased out and the shares have been sold out but the deal closure date has not yet been fixed.

Out of these 17 enterprises, assets and business of three enterprises and share of 9 enterprises were sold out, management contract was introduced in one, one was leased out only and the land of one enterprise was leased out along with the sale of shares. Two enterprises were liquidated. In the current FY, Nepal Transport Corporation and Cottage Industries and Handicraft Sales Emporium have been closed down and Sajha Transport has been liquidated. Public notice has been issued in the case of Hetauda Textiles Company for the proposed scheme of selling out its assets and business. In the case of the Butwal Power Company, the preferred bidders

have been selected in the process of selling out 75 percent share of HMG. Negotiation is underway to fix the process of Sales Purchase Agreement. The process is underway to set up two separate companies dealing separately with seeds and chemical fertilizer by liquidating Agriculture Inputs Corporation. In the next FY, the government is expected to privatize three enterprises as per its commitment to the privatization programme.

Challenges:

- 9.29 In the context of declining trend in production of some goods and low capacity utilization in others there are very many constraints to overcome like prospects of marketing, capital supply, technology product orientation and industrial management. For this, challenging activities like reform in the existing policy, creation of investment friendly environment, managing capital resources industrial research and development and such other activities to facilitate industrial development pose challenges for the years to come.
- 9.30 Tourism industry with 10 percent in the total foreign exchange earnings and 3 percent in gross domestic product is heading towards crisis. The number of tourists arrival and their stay in Nepal have not been increased due concentration of tourist promotion activities in a limited geographical regions, lack of extension of development of tourist infrastructure, lack of security, environmental pollution and lack of wider publicity. Security and maintenance of law and order are essential elements that contribute to promote tourism industry in the country. So it is imperative to plan and implement programmes of rural tourism and development of new tourist spots while wider publicity, security management and environment protection calls for urgent attention.
- 9.31 Most of the public enterprises have been unable to meet their target of producing goods and services and their effective delivery. As a result, lack of capital management and capital formation in these enterprises persist even though government's investment in both share and loans is on the rise .To enable the public enterprises enhance their capabilities as required by the restructuring and the

privatization agenda implementation have become imminent. To start such process staff retrenchment as a precondition requires adequate funding.. The privatization process has to be shortened. Improvement in management, production of goods and services and their effective delivery for the improvement of financial health of these enterprises have been the paramount challenges and should be expedited with evaluation.

- 9.32 Modern technology, technical skill, corporate culture and access to international markets are some of the important values to attract enhanced investment in the economy.



X

ENERGY, FORESTRY AND ENVIRONMENT

Energy:

- 10.1 Energy consumption in the FY 2000/2001 has increased by 2.4 percent to 7912 Tons of Oil Equivalents (TOE) as compared to previous year and expected to increase by 3.2 percent to 8162 TOE in the FY 2001/2002.
- 10.2 When we divide source of energy in to two parts - traditional and commercial- of the total energy consumption in the FY 2000/2001, traditional energy occupies 86.2 percent while the portion of commercial energy was 13.8 percent. In the FY 2001/2002, consumption of traditional energy is expected to remain at 85.3 percent while the portion of commercial energy will remain at 14.7 percent, which shows Nepalese economy still heavily relying on traditional source of energy.
- 10.3 Of the total traditional energy consumption in the FY 2000/2001, share of fuel wood was 76.6 percent, agriculture and cattle residue was 3.8 percent and 5.8 percent respectively, while in the FY 2001/2002 it is expected that the consumption of fuel wood will remain at 75.9 percent while that of agriculture and animal residue will be 3.7 percent and 5.7 percent respectively. Similarly, of the total commercial energy consumption in the FY 2000/2001, the share of Petroleum was 9.3 percent, Coal 3.1 percent and electricity 1.4 percent, while in the FY 2001/2002 the share of Petroleum is expected to remain at 9.7 percent, Coal 3.6 percent, and electricity 1.4 percent.
- 10.4 Of the total energy consumption in the FY 1999/2000, share of residential sector was 89.3 percent, industrial sector 4.6 percent, commercial sector 1.1 percent, transportation sector 3.9 percent and agriculture sector 0.9 percent. In the FY 2000/2001, share of residential sector was 88.9 percent, industrial sector 4.8 percent,

commercial sector 1.2 percent, transportation sector 4 percent and agriculture sector 0.9 percent. Of the total energy consumption in the FY 2000/2001, substantial portion was in residential sector in which traditional energy (fuel wood) occupies 76 percent and that of petroleum 3.2 percent. Of the total energy consumption in the FY 2000/2001, share of traditional alternative energy was 0.36 percent.

Electricity:

10.5 The country has a total hydropower potentiality of 83 thousand megawatt, of which 373.2 megawatt has been exploited by the end of the FY 2000/2001. If we include 183 kilowatt production of Sage Khola small hydropower plant completed by a private sector during the current fiscal year, total production goes up to 373.6 megawatt (0.5 percent of total capacity). Of the total hydropower production, 368.3 megawatt has been in the national grid and the rest 5.3-megawatt has been produced by small hydro power plants and distributed locally. Similarly, share of thermal power production is 56.8 megawatt and

Box 10 (1)

Hydropower Development Policy 2001 **HMGN has approved this policy**

Objectives:

- Utilization of water resource potentiality of the country by producing electricity in low cost
- Supply of qualitative and reliable electricity within the country in a reasonable price
- Linking of electrification with economic activities
- Expansion of rural electrification projects for the economic development of rural sector, and
- Development of hydro electricity as export commodity

Main Policies

- Encouragement provided to operate hydroelectricity on the basis of BOOT (Build-Operate-Own-Transfer) principle
- Implementation of multipurpose big storage project to gain maximum achievement out of down stream benefit
- Introduction of procedure which is transparent and incentive oriented in order to attract local and foreign investors
- Capital market in the country will be encouraged to invest in hydroelectricity
- Encouragement will be provided to export electricity on the basis of bilateral and multilateral assistance
- Government entities will be restructured to encourage community/cooperative, local and private sector in the expansion and distribution of electricity on competitive basis

that of solar power is 100 kilowatt. As of now, all 75 districts have been connected by power.

- 10.6 In connection with the expansion of hydropower in the country, the production from all three units of Kali Gandaki Hydropower Plant (144 megawatt) have stated their production- the greatest hydropower plant of Nepal so far - financed jointly by His Majesty's Government of Nepal, Nepal Electricity Authority and loan assistance of Asian Development and the government of Japan. While the construction of Indrawati III Hydropower Plant, financed by private sector, is in the final stage. By the completion of these two power plants at the end of this fiscal year, an additional 151.5 megawatt will be added in the total hydropower production and will reach to 524.9 megawatt (0.6 percent of total capacity). The constructions of Chilime Khola of Rasuwa (20 megawatt) and Piluuwa Khola of Sankhusashava (3 megawatt) financed by private sectors will be completed by the next fiscal year. The production from Middle Marsangdi Hydropower Plant, Lamjung (70 megawatt) has started from this fiscal year. The operation of small solar power plants - Heldung (500 kilowatt), Gamgad (400 kilowatt) in Humla and Mugu districts have started from the last fiscal year.
- 10.7 The electricity purchase agreements of Phemekhola, Panchther (995 kilowatt) and Khudikhola, Lamjung (3450 kilowatt) were concluded by the end of the last fiscal year, while Nepal Electricity Authority has concluded such agreements for Melungkhola, Rasuwa (5 megawatt), Langtangkhola, Rasuwa (10 megawatt) and Sunkoshi Sano, Sindhupalchowak (2.6 megawatt) during this fiscal year.
- 10.8 In line with the expansion of the electrification, different level voltage lines are operating, these include single circuit 1040 km, double circuit 367 km under high voltage 132 KV, single circuit 205 km, double circuit 161 km, four circuit 2.5 km and 1536 km of 22 km and 33 KV levels under the joint 66 KV and 132 KV lines. In the current FY, the construction of Kaligandaki 'A' Butwal (44 km) and Hetuda Dhalkewar and Butwal-Bardhaghat second circuit (174km) under the 132 KV and Basantpur-Terathum (15 km) under 33 KV

are completed. The construction of Kaligandaki 'A' Pokhara (66 km) under the 132 KV is in the final stage. Currently, Ilam-Phidim-Taplejung (100 km), Sitalpati-Mukhikot (50 km), Buipa-Okhaldhunga (33 km) and Chinchu-Jajarkot (70 km) of 33 KV level are under construction. As there has been understanding with India to exchange electricity of 150 megawatt as against the arrangement of 50 megawatt, there has been agreement in principle to construct transmission line for the exchange of additional electricity in 3 more points of Nepal - India border. In this direction, necessary study and preparation have been carried out to construct transmission line- Butwal-Sunauli (25 km), Parwanipur-Birgunj (25 km), Dhalkewar-Bhittamod (45km) - of 132 KV capacities. Necessary study and preparation have been initiated to construct 132 KV capacity Kathmandu-Ringmon transmission lines to strengthen the capacity of transmission in Kathmandu Valley due to increasing urbanization.

- 10.9 Load Dispatch Project has been in operation with the objectives of connecting main substation and powerhouses of kingdom to Load Dispatch Center with communication system and SCADA system.
- 10.10 In the power distribution side, electrification will be continued in all districts connected by power financed through HMG and NEA. While there has been loan agreement with Asian Development Bank for the electrification in additional places in 35 districts of the kingdom, the negotiation is underway with the World Bank for the electrification of additional places of Bhaktapur, Lalitpur, Nuwakot, Dhading and Kavreplanchowak districts. Necessary works for seeking assistance are being under taken for the electrification in the districts of Mid Western and Far Western regions.
- 10.11 In order to expand hydropower services, detailed feasibility study is continuing. The detailed study and infrastructure development has been carried out for Kulekahani III and Chameliyagad projects. In connection with carrying out study of dam projects, 102 projects were identified, four attractive projects such as Upper Seti (Tanahu), Madi Isaneswor (Kaski, Lamjung), Langtang (Rasuwa)

and Madi/Begnas (Kaski) have been selected for study and feasibility of two projects have been continued. Updating of feasibility study of Kankai Multipurpose Project is undertaken while with view to develop hydropower with joint investment of NEA and private sector, studies have undertaken to projects such as Upper Karnali, Khimti-2, Thulo Dhunga, Upper Tamakoshi and Upper Modi 'A'. In this FY, the studies are in different stages for the projects below 5 megawatt as identified in Master Plan Study of Small Hydropower.

- 10.12 In the FY 2000/2001, the total supply of power, including hydropower, thermal power and imported from India, was 1868.4 GWH, in the current FY, this has increased by 27 percent to 2372. 9 GWH. Of the total power, in the FY 2000/2001, the share of internal consumption was 1281.1 GWH and 126 GWH was exported to India and there was a deficit of 461.3 GWH. In the current FY, the share of international consumption will be 1472.5 GWH and export to India will 170 GWH and 730.4 GWH will remain as deficit.
- 10.13 Sector wide consumption of power in the FY 2000/2001 reveals that industry sector accounted for 37 percent, household sector 36.8 percent, commercial sector 6.7 percent; export 9 percent and miscellaneous 10.5 percent. In the FY 2001/2001, it is expected that consumption by industrial sector will account for 36.8 percent, household sector 36.5 percent, commercial sector 6.3 percent, export 10.4 percent and miscellaneous sector 10 percent.
- 10.14 The number of electricity consumer in the FY 2000/2001 was 765,000, by the end of FY 2001/2002 the number of electricity consumer will increase to 885,000. Similarly, in the FY 2000/2001 only 18 percent of total population used electricity, which is expected to reach 20 percent by the current FY.

Petroleum Products:

- 10.15. In the FY 2000/2001, the consumption of petroleum products have increased by 1.7 percent to 829,467 kilo liter, the cost of which is Rs 18685.7 million. The consumption of petroleum in the first eight

months of the FY 2000/2001 was 533, 579 kilo liter this has increased by 4.1 percent in the first eight months of the current FY, the cost of which is Rs 11635.6 million. The import of petroleum product in the FY 2000/2001 is 33.6 percent of commodity exports. In the FY 2001/2002, it is expected to remain at 44.1 percent.

- 10.16. Diesel, Kerosene, Petrol and aviation fuels are among the widely used petroleum products. In the FY 2000/2001, the share of Diesel was 40.2 percent, Petrol 7.3 percent, Kerosene 39.2 percent, Civil aviation 7.9 percent and L.P Gas 4.8 percent. During the first eight months of the current FY, the consumption of Diesel was for 33.2 percent, Petrol 7.4 percent, Kerosene 45.5 percent, Aviation fuel 5.7 percent and L. P. Gas 5.5 percent.

Coal

- 10.17. Of the total commercial energy consumption in the FY 2000/2001, share of coal was 22.6 percent or 46,000 tons of TOE, which has increased by 20.7% to 2, 97, 000 tons of TOE in the current FY. In the FY 2000/2001, of the total coal consumption, 99.6 percent was in industrial sector and 0.4 percent was in residential sector.

Alternative Energy:

- 10.18 HMG has introduced Renewal Energy Subsidy System 2000 with the objectives of sustainable development of alternative energy and ensure energy supply in rural areas, development of small industries and professions through energy technology and thus uplift economic and social conditions of the poor people and to maintain regional balance and to reduce environment problem caused by destruction of forest in rural areas. Similarly, HMG has introduced Renewal Energy Subsidy Guidelines 2000 to efficiently mobilize and streamline grant fund received from different donor agencies. With a view to provide loans out of the grant received from Danish Government for solar energy and small hydroelectricity, an internal fund has been created and different activities have been initiated by the Alternative Energy Promotion Center.

Biogas:

10.19 Installation of biogas plant has been continued in the current FY. In FY 2000/01, total number of plants installed was 4,197 under the loan of Rs. 98.38 against the target 15,800 plants at the cost of Rs. 138.93 million. During the review period current year Rs. 32.767 million has been invested by ADB/N for the installation of 1600 plants.

Micro-Hydropower:

10.20 Micro hydropower plants serve very useful purposes of relieving local forests from exploitation of fuel wood and harnessing unutilized water source. The constructions of low capacity micro hydropower plants are continuing in current FY. In FY 2000/01, micro hydropower of 80.5 KW plants generating capacity were installed with the investment of Rs. 3.831 million. In current FY 2001/02, target was to install such plant to generate 500 KW by investing Rs. 27.5 million by ADB/N. During the review period, only 199 KW capacities had been installed with the investment of Rs. 11.0 million.

Solar Energy:

10.21 By topographical region, Nepal's solar energy potential has been estimated as 607-kwh/Sq.-meter/ day* in the Himali region, 6.33 Kwh in Hills and 7.07 Kwh in the Terai. National average of such potential is 4.5 Kwh. These potential remains very little exploited. In FY 2000/01, 508 solar energy systems were installed by investing Rs. 11.192 million by ADB/N. In current FY 2001/02, only Rs. 7.76 million has been invested for installation of 394 units against the target of investing Rs. 39.0 million.

* Source: Center for Energy Studies, Institute of Engineering, TU

Forestry:

- 10.22 Among the known natural resources forest is considered as next to water resources. It has become essential to improve, expand and conserve forests to meet daily need of fuel wood and construction materials as well as enhance revenue and ecological balance. Among major projects and program being implemented, National and Leasehold Forestry in 26 districts, Churia Forestry Development (GTZ) in 3 districts, Forestry Conservation & Plant-Genetic Center (DANIDA), Community Forestry Development (DANIDA) in 3 districts, Forestry Program for Livelihood (DFID) in 7 districts, Environment and Forestry Enterprises (USAID) in 8 districts, Sindhu-Kavre Forestry Development (AUSAID) in 2 districts and Natural Resources Management Sector (DANIDA) in 17 districts are the major one. Likewise, National and Leasehold Forestry Development, Community Forestry Development (DANIDA), Natural Resources Management Sector Program (DANIDA) and Herbs Development Programs are being carried out as national priority projects.
- 10.23 A total of 1161 User groups (FUGs) were formed and 52,245 hectares of community forest have been transferred to the local level under the Community Forestry Development Program in FY 2000/01. The Program has benefited 98,685 families. During the review period of current FY, 230 users groups have been formed to manage 10,350 hectares of forest and transferred to those groups. The program has benefited 19,550 families. Under the Leasehold Forestry Program, a total of 119 FUGs were formed in 8 Districts of the Hills and 2 districts of the Terai in FY 2000/01. A total of 46,004 hectares of community forest was transferred to FUGs. During the review period of current FY, a total of 13 FUGs were formed in 24 districts if the Hills and 2 districts of the Terai where programs were in operation. During the same period, initial works have been completed for transfer community forest to the FUGs.
- 10.24 In FY 2000/01, a total of 78,18,000 tree saplings were produced against the target of 93,41,000 saplings under various programs and projects by forming 230 FUGs. Of this total, progress against the

targets set was as following: Department of Forests including the Community Forestry Development Program produced 24,77,000 saplings against the target of 26,10,000, by Hill Leasehold Forestry and Grazing Development Project produced 10,95,000 saplings against the target of 17,00,000, by the National and Leasehold Forestry Project produced 19,54,000 saplings against the target of 2,10,00,000 and other various projects produced 21,52,000 against the target of 2,67,10,000. In addition, the Forestry Products Development Board produced 1,40,000 saplings against the target of 2,60,000 with the total of 7,81,80,000 saplings produced 83.7 percent of the target have been achieved during the year. In current FY, production target of 80,59,000 saplings has been fixed under above mentioned on going programs managed by the Department of Forests (79,19,000 saplings) and Forests Product Development Board (1,40,000 saplings). The necessary works has been completed for producing these saplings during the review period of this year.

- 10.25. In FY 2000/01, 82 percent (2,229 hec.) of the afforestation has been achieved by various projects and programs under the Department of Forest (target 2,605 hec.) and the Forest Product Development Board (target 111 hectares). During the review period of current year, preliminary works like clearing and fencing are underway in 2502 ha. set as targets under various programs.
- 10.26 In order to reduce the pressure of natural calamity such as flood, land slide and soil erosion, and to maintain ecological balance by protecting the important watersheds implementation of various programs are underway. Of the programs launched are: Bagmati Integrated Watershed Management Project (EU) in 5 districts, Watershed Management Project (DANIDA) in 3 districts, Sindhu-Kavre Soil Protection Program (AUSAID) in 2 districts, Upper Andhikhola Watershed Management Project (CARE/N) in 1 district, Community Development and Forest/ Watershed Management Project (JICA) in 2 districts, Shiwalik-Bhawar Watershed Protection Project in 9 districts, Soil Protection Program in 27 districts, Sustainable Soil Management in 4 districts, Upper Chhaldi Pahad Watershed Project (SDC) in 1 district. The Government has adopted the policy to carry out all works relating

to watershed management through the user's committee to mobilize people's participation.

- 10.27 In order to involve local people for the protection and development of herbs in the mountain region and to increase their opportunities of income generation, the government has adopted the policy of cultivating herbs in leasehold forest, community forest and in private forest as well. Recently, herbs conservation project and herbs development program have been launched to this effect. In FY 2000/01, herbs cultivation was carried out in 1197 hec. of land, which include 456 hectars under leasehold forest, 656 hec. under Herbs Production and Processing Company and 85 hec. under private sector management. Current year's goal is to expand the cultivated area by 751 hec. under the management of Community Forestry. Herbs Production and Processing Company and private sector. In FY 2000/01, herbs equivalent to Rs. 44.2 million was sold. During review period of current year, herbs worth Rs. 4.76 million have been sold.*

National Parks and Wildlife Conservation:

- 10.28 During the review period of the current year, the total area covered by the National Park and Wildlife Conservation increased to 18.3 percent of the total land of the country as against 18.1 percent in FY 2000/01.
- 10.29 As per the revenue sharing policy of the Government, fifty percent of the revenue raised from the Royal Chitwan (RCNP) and the Royal Bardia National Park (RBNP) are being made available to the buffer Zone community development works. Accordingly, Rs. 75.77 million to the RCNP and Rs. 13.63 million to the RBNP were disbursed by FY 2000/01 to the user groups concerned. Rs. 7.02 million released to the Langtang National Park remains yet to be spent. While only Rs. 50.2 million and Rs. 4.9 have been spent by the RCNP and RBNP respectively out of those disbursed amounts.

* Included only 14 Districts.

- 10.30 In pursuance of the policy of promoting tourism in conversation areas, Tourism Management Plants for RCNP and RBNP are already approved. Such plants also for the Kanchanjunga Conservation Area and the She-Phoksundo National Park are under preparation.
- 10.31 HMG has adopted the policy of allowing hotels and lodges to operate in buffer zone only. Accordingly, new hotels will be located in these zones and the existing ones operating outside the buffer zones will be asked to relocate their after the expiry of there contracts. More than 40,000 people have benefited from the various programs of community development, income generation and skill training conducted in the areas. Such programs are operating in nine conservation areas.
- 10.32 The Timber Corporation of Nepal, entrusted with institutional marketing of traditional fuel wood and timber, sold 550,000 cu. ft. of logs, 20,600 cu. ft. of sawn timber, and 8,353 piles of fuel wood in FY 2000/01. During eight months of the current FY, the Corporation sold 169,400 cu. ft of logs, 6,000 cu. ft. of sawn timber and 165 piles of fuel wood.

Population and Environment:

- 10.33 According to the census of 2001, population growth of the country during the period 1991-2001 increased by 2.24 percent and total population of the country in 2001 has reached to 2,31,51,423. The high population growth is due to high fertility rate. Recently completed Nepal Population and Health Survey (2001) by the Ministry of Health has revealed that the fertility rate of Nepal has remained at 4.1 children per woman. If the annual population growth rate of 2001 is to be continued, Nepal's total population will be double within 31 years.
- 10.34 In line with the long term target of reducing fertility rate to 2.1 percent level by the year 2016, the Ministry of Population and Environment, with a view to properly manage existing population, has initiated policies and carried out institutional reform programs in the FY 2000/2001 and 2001/2002. The policy reforms can be

feasible through interregional management efforts. Therefore different actions have been initiated in this regard. These include, gradual integration of population management aspects in different regional development activities. As boys and girls play prominent role in the demographic profile, different activities will be conducted by focusing them. Dissemination of population related information, and expansion of education and communication among groups who does not have access to mass communication will be launched by mobilizing local NGOs. Advocacy programs will be initiated among policy makers and other stakeholders. Population management efforts will be expanded at the local level under the leadership of VDCs in line with local self-governance. Towards the institutional reforms, a section dealing with young boys and girls will be established in the Ministry of Population and Environment. Program targeting teenagers (aged 10-19) and youths (aged 15-24) will be conducted in an integrated manner. Attempts are also underway to coordinate various programs relating to population management by establishing committees of the Secretariat of National Population Committee and the establishment of Ministry of Population and Environment as national focal point.

- 10.35 In FY 2000/2001, two projects relating to national program and national census and environment information, education and communication were initiated by the Ministry of Population and Environment. In 80 places of 20 VDCs of Rautahat districts, different programs were initiated by mobilizing 20 NGOs and cooperatives focusing to such groups who do not have access to mass communication. These included informal population education camp, weekly and fortnightly awareness program through mass media such as radio, television and FM radio. These programs also included production and distribution of messages through different radios and televisions transmissions. Production and distribution of books, calendars and posters and publication of four monthly Tuki Magazine were also undertaken. These materials were distributed to all VDCs and secondary schools. Various district and regional level seminars and programs on Population and Development Integration were also conducted. During the

revised period of current year, most of these activities have been given continuity.

- 10.36 In FY 2000/2001, pollution index was prepared and electrical board, air pollution monitoring center were established and benchmarks for air, water and sound were also prepared. In FY 2001/2002, in addition to giving continuation to these programs, green sticker program as demanded by municipalities, namely, Biratnagar, Birgunj, Pokhara, Bhairawa, and Nepalgunj were introduced. In current FY, programs such as environment impact assessment, long term environment policy formulation, land use and protection and promoting public awareness are under way.

Challenges:

- 10.37 The demand for energy in the country is increasing and substantial portion of energy consumption is supplied by traditional energy. This has caused a great pressure in the forest and thus environmental imbalance is increasing. The great challenge today is to complete the construction of ongoing power projects as soon as possible and add smaller hydropower projects to enable more of the population accessing to electricity and help to check deforestation as well.
- 10.38 Biogas, small hydropower, solar energy and wind power are the main sources of alternative energy of the country. Feasibility studies of many of these have been carried out, but their proper development is yet to take place. In the present context, security problems, difficulty in supply of construction materials and lack of subsidy in adequate are the constraints to progress..
- 10.39 According to the census of 2001, the population growth of 2.24 percent during 1991-2001 periods is a matter of concern calling for an effective population management at work.
- 10.40 There has not been effective control over the trafficking of rare wild animals. The CITES bill designed to address this has yet to be approved due to which a legal basis for wild life farming is sorely lacking.

10.41 In FY 2000/2001, per capita electricity consumption was 80.8 kwh, which is considered as very low. To increase per capita consumption, supply of power needs to be increased.



XI

TRANSPORTS AND COMMUNICATION

Road Transport:

- 11.1. It was targeted to link all the districts by road transport except seven remote districts: Humla, Mugu, Manang, Dolpa, Solukhumbu, Khotang and Mustang during the Ninth Plan period. By the end of this period, however, only 65 districts have been connected with the road network. By the end of FY2000/01, total road network built stood at 15,702 km. Of this, black topped totalled 4,566 K.M., gravelled 3,786 km. and fair weather 7,350 km. During the review period of current year, a total of 157 km. (27 km. black topped, 65 km. gravelled, and 65 km. fair weather) of road length was added. Total length of road by this period reached to 15,059 km. (black topped 4,593 km., 3,851 km. and seasonal 7,015 km.).

Table 11(a):

Total Length of Road by Grades by mid-March 2002

S.N.	Type	End of FY 2000/01	Added up to mid-march	Total (Up to mid-March 2002)	
				K.M.	Proportion
1	Black topped	4,566	27	4,593	30.5
2	Gravel	3,786	65	3,851	20.3
3	Fair Weather	7,350	65	7,415	49.2
	Total	15,702	157	15,859	100

Vehicles:

- 11.2. By the end of FY 2000/01, the total number of vehicles in the country was 305,395, which increased by 10.9 percent during the review period of current FY, 2001/02 to the total of 338,892. Thus, the number of vehicles per kilometre of road in the current fiscal year is 21 as against the 19 vehicles for the last year.

Table: 11(b)
Total Number of Vehicles by type by FY 2001/02

Type	Till in FY 2000/01	Addition during the review period	Total	% Increase
Bus	10,546	676	11,222	6.4
Minibus	2,961	336	3,297	11.3
Truck, Tanker	21,580	1,116	22,696	5.2
Car, Jeep, Van	59,115	2,921	62,036	4.9
Tractor	23,991	2,102	26,093	8.8
Motorbike	176,476	26,055	202,531	14.8
Three wheeler	6,934	221	7,155	3.2
Dozer, Crane and otters	3,792	70	3,862	1.8
Total	305,395	33,497	338,892	11.0
Number of Vehicles per km of Road.	19	-	21	-

Other Means of Transportation:

- 11.3. The operation management of railway, ropeway and trolley bus service was done by the Nepal Yatayat Sansthan (Transport Corporation of Nepal), which now stands as dissolved by the decision of the government.

Policy and Institutional Progress:

- 11.4. As, the main objective of the road transportation is to reduce the total transportation cost, which is the ultimate goal of the government as well, the government has adopted the policy of decentralizing the management of local roads through the Ministry of Local Development by strengthening the local DDCs and VDCs and handing over the management of local roads to these institutions. In recent years, the government achieved progress towards this goal and now local level road projects are being executed through the Ministry of Local Development.
- 11.5. Substantial progress has been achieved in strengthening the planning and monitoring capacity of the Department of Roads. To

prepare the road network planning, pavement condition and to keep the records of traffic survey data, etc., highway management information system (HMIS) has installed and operating. A Ten-Year Road Master Plan and a Twenty Year Road Plan are also under preparation. Separate unit has been established to monitor the Plan and the work is in progress.

- 11.6. The Road Board Act has been approved by the Parliament to establish a Road Maintenance Fund. In order to increase the capability of roads division, Strengthen Maintenance Division (SMD) has been established in 23 Divisions of the Department of Roads. Accordingly, regular maintenance works are being done. In order to develop the planned maintenance process the Strengthen Maintenance Division, Geo-environment Unit and Bridge Unit have been created under the DOR. Database system has been established for plant management. The Mechanical Training Centre has been conducting training programs. In order to make the works of the Department of Roads transparent, preparatory works have been done for Video Documentation Program. Preparation works have also been completed to start post evaluation process from the next year. To increase the road safety, Traffic Engineering and Safety Unit has been created in the department. To start prepare the traffic sign standard and to keep the accident data records keeping works have also been initiated.

Box: 11(1)**Road Board Act, 2001**

In order to increase the private sector participation in road transportation and to provide continuity in road transportation service to the public by timely improvement and road maintenance, the Road Board Act, 2001 has already been approved from the Parliament. According to this Act private sector can invest in road transportation, raise road cess and can make necessary arrangements for the maintenance of the roads.

Air Transport Service:

- 11.7. Keeping in view the varied topography of the country, it is a distinct need to extend air transport service in Nepal. During the current fiscal year, the civil aviation fields and its infrastructure were destroyed by the terrorist activities incurring a great loss to the country. In order to provide aviation facility to the remote area residents "Remote Service Fund" has been established and necessary steps have already been taken to activate it. A high level commission has been instituted and works has been initiated in order to ensure air safety, reliability and to provide standard and easily accessible services to the public.
- 11.8. According to the His Majesty's Government's policy to extend and improve the international airport, the 1-6 packages programs, under the Asian Development Bank's loan assistance, are being implemented. Under these packages, construction of air cargo building extended international terminal building, airlines/operation building, airport fire station and airfield maintenance building have been completed in the current fiscal year and they are in operation. In line with the government's policy to develop airfields at Bhairawa, Biratnagar and Nepalgunj, and develop as hub airports, the terminal building in Biratnagar has been expanded to start a regional flight to Calcutta, but presently, the flight remains closed due to the lack of sufficient number of passengers. Construction of a new terminal building in Bhairawa has already been started.
- 11.9. Pursuant to the government's policy to promote recreational aviation activities, such as flying club, ballooning, gliding, hot air ballooning in Kathmandu and power gliding from micro light aircraft in Pokhara are in operation. Entertainment aviation activities like paragliding and hand gliding are also being encouraged. In order to launch a search and rescue operation, especially for tourists, at the time of natural calamity and other emergencies, Nepal Civil Aviation Authority is working in close coordination with other airlines for landing of aircrafts through Rescue Coordination Centre at the time of emergency.

- 11.10. In order to strengthen the Civil Aviation Authority, Terms of Reference (TOR) of business plan and cargo management is under preparation. Similarly, the TOR for consultancy service for the construction of heliport in the Tribhuvan International Airport and for the establishment of Information Management Service (MIS) cell in the airport are also being prepared.
- 11.11. Necessary equipment and services have been identified for the Tribhuvan International Airport Modernization Project Phase II. In order to develop a satellite-based communication system in near future, technical specification and preparation of tender documents are in the process to establish a V-SAT communication system in Kathmandu, Biratnagar, Pokhara, Bhairawa, Nepalgunj and Lukla airports.
- 11.12. In order to develop the satellite global positioning system (GPS) based air navigation system within the country, GPS route structure chart and approach plates have been prepared in the current fiscal year. Direct international ATS route named as G-348 route has been established between Kathmandu and Bagdora.
- 11.13. As identified by the Civil Aviation Safety Committee, automatic message switching system (AMSS) terminal has been fixed at the Civil Aviation Authority's head office. Similarly, technical infrastructure, such as details of aeronautical information publication (AIP) have been developed and put on the web page in the current fiscal year. Along with this, necessary works have been done in the field of extension of fire control and life rescue services.
- 11.14. An amended Memorandum of Understanding (MOU) has been signed between Nepal and Thailand after review of the existing aviation agreement to increase the number of flight seats between the two countries. Necessary actions have been taken to ratify the conventions and protocols approved by the ICAO.
- 11.15. In line with the government's policy to encourage private sector in the field of aviation as well, 32 private airline companies have

received AOC. Out of these, 18 airlines are currently in operation. As the government has a policy to improve and expand the rescue operation and the fire control service at the standard of ICAO, the Tribhuvan International Airport has been upgraded to ICAO category VIII standard. Fire extinguisher equipment and ambulance services are available in Nepalgunj, Biratnagar, Pokhara and Bhairawa airports. Important tourist airports at Lukla, Bharatpur, Jumla and Jomsom are now equipped with the fire extinguisher.

Information and Communication:

11.16. **Postal Service:** By the end of fiscal year 2000/01, it was estimated that the postal service would be available through a total of 4033 post offices including central-1, regional-5, district- 70, area- 827 and extra departmental- 3130 post offices all over the kingdom. By the end of fiscal year 2001/02, there will be 4013 post offices operating with the addition of 15 area post offices and reduction of 35 extra departmental post offices to those of the previous year. In order to review the postal service provided by the additional post offices and to ascertain the number of personnel involved, a task force was formed. Based on the task force's recommendation, a total of 1346 posts have been abolished. In order to bring effectiveness in payment of money order- one of the popular services of the postal department- the present revolving fund has been increased to Rs. 13,375,000 and the payment amount has also been increased as well. Internal express mail service (EMS) is available to 43 urban areas and 2 semi-urban Village Development Committees. The expedited mail service is available to 26 different countries of the world. To fulfil the demand of post boxes, more than 17,500 post boxes have been made available. Postal network has been extended to almost all municipalities and village development committees as per HMG policy. A bill has been drafted to make the postal service professional, competitive and self-reliant in future.

11.17. **Tele-communication Service:** During the current fiscal year, a total of 67 licences have been issued by the Nepal Tele-

communication Authority including 17 Internet licences (including e-mail), 10 V-SAT service, 25 service providers, 8 radio paging network, 1 video conferencing and 6 fax mail services. In fiscal year 2000/01, 61 licences were issued to the private sector which include, 15 internet (including e-mail), 7 V-SAT services, 23 service providers, 8 radio paging network, 1 video conferencing, 6 fax mails and 1 cellular mobile service.

- 11.18. As of mid-February 2002, 1761 VDCs among 3914 VDCs in the kingdom are facilitated by telephone service compared to 1726 VDCs benefited last year. Under the special rural telecommunication program, a proposal was invited from the private sector to provide telephone service in the villages of eastern Nepal; an operator was selected; and the letter of intent was also issued. The selected operator, however, has refused to receive the licence on the plea of the security reasons. The process to invite a fresh proposal is under way. As of fiscal year 2001/02, 99 VDCs of remaining four development regions are provided with the telephone service through WLL system by the NTC.
- 11.19. As of mid February 2002, NTC is providing telephone service through its 142 exchanges that existed last year. Total capacity of such exchanges is 375,312 telephone lines, out of which 312,032 lines are in operation. During the same period of the last year, a total of 275,558 telephone lines were in operation. Cellular mobile lines are in operation in Kathmandu valley, Biratnagar, Birgunj and Pokhara. Out of total capacity of 20,000 mobile lines, a total of 18,102 lines have been distributed so far compared to 11,117 mobile lines in use last year. Total circuit capacity has reached to 1084, enabling direct international access to 131 countries. The number of customers in waiting list for new telephone lines has reached to about 282,257. During the review period of FY 2001/02, a total of 22,000 telephone lines were distributed in the Kingdom compared to 19,781 telephone lines during the same period last year.

Table 11(c):
Extension of Telephone Exchange Service

Heads	Mid July 2001	Mid-March 2002
Grand Total		
(a) Urban areas	58	58
(b) Telephone distributed	288,036	312,032
(c) Per thousand/telephone line	12	14

Note: All exchanges are in digital automatic.

- 11.20. **Newspapers:** As of mid February 2002, compared to mid-April, 2001, the total number of newspapers registered in various districts of the kingdom reached 3192 against 2870 of last year. Among these are 218 daily against 193 of last year, 12 half-weekly against 9 of last year, 1119 weekly against 1008 of last year, 235 fortnightly against 220 of last year, 906 monthly against 787 of last year, 223

Box 11(2)
Current Communication Policy on
Newspapers

- To exercise the freedom of opinion and expression and right to information guaranteed by the constitution, every citizen has right to publish a newspaper in any language.
- For the institutional development of the newspapers journalism to be treated as an industry.
- To create a congenial environment for the development of private sector journalism as competitive, and self-reliant in economic and infrastructure terms thus to work towards the goal of establishing journalism as free, dignified and respectable profession.
- To classify newspapers on the basis of their circulation and regularity of publication for the purpose of their access to newsprint and other materials at fair price.
- His Majesty's Government would make available the government notices and advertisements relating to public service to private newspapers depending upon the classification made by the government based on distribution status, standard of the newspaper and its regularity.
- To create the congenial environment that the government and semi-governmental companies and industries would provide advertisements to private newspapers.
- To provide right to collect news without fear within the bounds of law.
- To provide concession to news exchange and transportation of newspapers.
- Based on pre determined criteria, government try to make available concessional loan to private sector to buy press.
- Make available the public advertisements and other facilities to monthly, bimonthly and quarterly published magazines as well, based on the classification.
- To protect the right and welfare of labour journalists working in publication institutions in the status of industry. Necessary acts and regulations would be enacted to provide protection to this profession.
- To check the publication and importation of vulgar magazines and newspapers creating negative impact in the society.

bi-monthly against 205 of last year, 357 quarterly against 334 of last year, 16 four-monthly against 15 of last year, 52 half-yearly against 49 of last year and 53 yearly against 50 of last year. The government adopted the concept of 'Communication Village' to unite the institutions related to journalism -Department of Information, Press Council and Federation of Nepalese Journalists -in one place and to integrate their works. Necessary physical infrastructures of these institutions have been developed in the 'Communication Village' located in Tilganga, Kathmandu. Recently, these three institutions have started their operation from the new 'Communication Village'.

11.21. **Television**

Broadcasting

Service: During the current fiscal year, broadcast of Nepal Television is extended to 18 hours a day compared to 16.5 hours last year through its 12 broadcasting centres located in different places of the kingdom. Construction of a broadcasting centre building and a tower in Gorkha, Choupatta (Dang) and Budhitola (Kailali) has

Box 11(3) **Current Communication Policy on Broadcasting**

- To regulate radio and television separately under their own acts.
- To enact laws relating to the satellite and cable television to regulate them.
- To classify the programs broadcast from the government owned news media into national service and a business service.
- To broadcast programs in different national languages based on the concept of regional broadcasting.
- To increase private sector participation in the production of programs broadcast by the radio and the television.
- To allow private sector to broadcast educational and entertainment programs, if interested, based on fixed criteria, by allocation of broadcast time.
- Based on certain conditions and process, allow foreign news media's educational and entertainment programs, if they are not against the national interest.
- Remaining under the framework of broadcasting act, allow organised private sector to establish frequency modulation (FM) broadcasting systems in certain areas for educational and entertainment programs.
- To assist Radio Nepal and the Television in expanding their broadcasting.

been completed in the current fiscal year. It is estimated that 55% of total population living in the 40% of the total area of the kingdom is receiving the television broadcast. During the last fiscal year, Nepal Television's service reached to 32% of the total land area of the kingdom. In order to make Nepal Television's broadcast viewable throughout the kingdom, provisions have been made to broadcast it through the satellite. Under the government's program to broadcast separate programs by establishing a second channel (metro channel), a studio building is under construction under the Chinese grant assistance. A total of 200 licenses have been issued to operate cable television service to private sector. As a result of the government's policy to involve private sector in television broadcast service, licenses have been issued to three operators including a metro channel operation in Kathmandu and a terrestrial broadcasting operation.

- 11.22. Radio Broadcasting Service:** During the current fiscal year, short wave broadcast of the Radio Nepal can be heard all over the country. Its medium wave transmission has reached to 60% to 80% of the total population. Area not covered by the medium wave frequency, extension of service through frequency modulation by mobilizing local participation, is on the process. With a view to reach listeners throughout the kingdom, V-SAT technology is in use. In order to establish FM relay stations in the five regional medium wave broadcasting centres, construction of studio building in 4 places and process of receiving necessary equipment in all five places is under way. In order to broadcast entertainment and informative programs from private sector as well, 25 licences have been issued to private sector to establish a community radio broadcasting centre, out of which 21 are in operation and 4 are yet to be started. Altogether 20 licences were issued last year to establish a community radio station.

- 11.23. Printing Service:** In order to perform all printing jobs of HMG, Department of Printing is gradually developing, expanding and strengthening its capability to transform it into a security press. The Department has already started printing chequebooks of Nepal Rastra Bank and cooperative banks, and revenue stickers.

Construction of security printing press building, which is the infrastructure of security printing, is under way. Similarly, the process of capability expansion by adding some equipment is also under way.

- 11.24. **Cinema:** In the current fiscal year, the Motion Pictures Development Board has started coordinated efforts with related expert's participation.

Challenges:

- 11.25. Increasing the capacity of the urban roads and regular maintenance of the existing road network according to the needs is essential.
- 11.26. Construction of the disturbed communication systems of the country due to the destructive activities is a great challenge the country facing now.



XII

SOCIAL SERVICES

- 12.1 To ensure access to education to all school-going age children a program called the Whole School Approach teacher and trainers were conducted in 36 training center and 2500 teachers were given modular training in FY 2000/2001. In 9 different primary school teacher-training centers 4342 teachers were imparted 330-hours primary school teacher training. Monitoring of education programs of 75 districts was completed. Under the special education programs 123 mentally and physically impaired children were given public awareness training. Short-term training to 150 resource teachers and 2.5 month training to 17 were also conducted. In the meantime, child development programs have been initiated in 2915 centers of 42 districts.
- 12.2 Sixty trainers were trained and 1400 classes of first and second level of women literacy programs were conducted during FY 2000/01. Course book for class one in Gurung language, class two in Magar and Rai languages, class 5 and 7 in Nepali language are under preparation for publication and course books for class 1 and 3 are being reprinted. The preparation of portfolio operation training for 2000 teachers is underway; two-day training for 2000 head-teachers has been completed; and printing of workbooks for 50,000 student of class 1,2 & 3 is in progress. The task of question analysis is being carried out in 75 districts with a view to bring improvement in examination system. The Whole School Approach training has been completed in 5 centers under the refresher training and monitoring program.
- 12.3 Five model schools were established in five development regions in FY 2000/01. Three boarding schools selected in remote areas of Rasuwa, Mustang and Humla districts to develop infrastructure are in progress this year. In FY 2000/01, 63 computers were distributed

in 25 districts and distribution of additional 80 computers to 32 districts is in process in the current FY.

- 12.4 Primary School Nutritious Food Program implementation has been extended from 16 to 21 districts in current year. The 5 newly added districts are Udayapur, Ramechhap, Makwanpur, Nuwakot and Rasuwa. In 132 primary school of Udayapur District 24634 students received day meals while 186586 students of 1858 primary schools of 16 districts were distributed nutritious food as in the previous years. In FY 2001/02, 192 persons were given trainers training in head-teacher management. Lower secondary level Nepali, English, Science, Mathematics, Social Education, Health, Population and Environment education under the secondary education development program. Likewise, 4-week training to 543 persons, head-teacher training to 270 and short-term training to 635 persons were given under SEDU.
- 12.5 In FY 2000/01, foreign scholarships to 19 persons in medicine, 6 in Engineering, 2 in Dental science, 1 each in IT and Environment and 3 persons in post -graduate course were provided by Japan, Turkey, Russia, Bangladesh and the Peoples' Republic of China. In the same year, 89 students in medical and 3 in Dental Science were provided in- country scholarship. During the review period of current year 96 persons have been awarded scholarships in medicine and 11 in Dental Science under the in-country scholarship scheme and 18 persons in medicine, 7 in engineering, 3 in Dental, 1 each in IT and Environment Science were awarded foreign scholarships.
- 12.6 The high school level girls national football competition was organized in FY 2001/2002. Students of 16 districts equipped with infrastructure of football game had participated in the competition. National volleyball and athletics competitions were also held with the participation of 5 teams from each development region.
- 12.7 The educational statistics of primary, lower secondary and secondary level school students and teachers as of September/October 2001 is given below:

Table 12 (a)
Schools, Students and Teachers Ratios, 2001

Ratio	Primary	Lower Secondary	Secondary
Student/School	145	137	83
Teacher/School	4	4	4
Student/Teacher	38	38	19
Student/Trained teacher	69	76	31

Source: Ministry of Education and Sports

The ratios of student /school in primary, lower secondary and secondary level were 158, 127, and 95 respectively in the same period of the previous fiscal year. As of September 2000, the ratios of teacher/school were 4,3 and 4 and student/teacher in primary, lower secondary and secondary level were 41, 38 and 21 respectively, while the student/trained teacher ratios in these schools were 88,115 and 42 respectively, in September/October 2000.

12.8 The Seventh Amendment of the Education Act, 2058 BS has classified schools into two categories as community schools and institutional (private sector corporate) schools. The community schools receive government grant while the institutional schools are those regarded as trusts or as a company under the Act. Public schools and community owned schools fall under the classification of community schools while private schools are under institutional school category. The ratios of student/teacher in public, community and private schools in 5 development regions as of September/October 2001 are given below in table: 12 (b).

Table: 12(b)
Student/Teacher Ratios September/October 2001 (Estimate)

Area	Student	Teacher Ratio	
	Primary	Lower Secondary	Secondary
Nepal	38	38	19
Public	43	44	21
Community	17	77	82
Private	16	14	7
Eastern Region	39	43	25
Public	44	48	25
Community	21	77	116
Private	15	15	8
Central Region	40	37	17

Public	45	44	19
Community	22	109	105
Private	23	17	8
Western Region	33	38	19
Public	39	45	20
Community	11	63	56
Private	15	11	7
Mid-Western Region	42	37	19
Public	47	41	18
Community	17	70	58
Private	10	7	4
Far Western Region	38	34	19
Public	46	38	18
Community	16	73	72
Private	9	7	6

Source: Ministry of Education and Sports

Note: Public and Community schools refer to those receiving government grants and those expecting to receive such grants respectively.

The student /teacher ratios in Primary, lower secondary and secondary levels were 41, 38 and 21 respectively, in the same period of last year.

12.9 The following Table 12 (c) gives a detail of schools affiliated to Higher Secondary Education Council (HSEC) between school year of 1992/93 to 2001/02 pursuant to HMG policy to promote higher secondary education (10+2) system.

Table 12 (c):
Total Number of schools affiliated to HSEC by school year
2001/2002.

Development Region	Public School	Private 10+2	Private 0+2*	Campus	Total No. Schools	Regional Percentage
Eastern	91	16	39	19	165	21
Central	89	68	114	50	321	42
a. Within Kath. Valley	17	57	83	27	(184)	(24)
b. Outside the Valley	72	11	31	23	(137)	(18)
Western	121	15	22	24	182	24

Mid-Western	36	4	6	4	50	6
Far Western	45	4	5	3	57	7
Grand Total	382	107	186	100	775	100
Percentage	49	14	24	13	100	

Source: Higher Secondary Education Board (HSEC)

* Schools conducting only higher secondary level classes

- 12.10 The number of student in higher secondary school has totaled to 49050 in 2001/02 academic year. The number of students and schools affiliated to HSEC since 1996/97 academic years are given below in table 12 (d).

Table 12(d):
Student and number of school affiliated to HSEC since 1996/97

Description	Academic Year					
	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Annual enrolment of student	10200	14100	21100	32200	55959	49050
Annual addition of student	2700	3900	7000	11100	23759	(-)
Annual percentage change	36	38	50	53	74	(-)
No. of annually affiliated schools	70	120	80	103	177	94
Yearwise total	213	322	402	504	681	775

Source: Higher Secondary Education Board (HSEC)

In FY 2001/02, affiliated higher secondary schools increase by 13.8 percent against 681 of FY 2000/01 to the total of 775. Students in these schools were reduced by 12.3 percent to 49050 from 55959 of the previous year.

- 12.11 The number of schools affiliated to HSEC by geographical region is given on the table below:

Table: 12(e)
Schools Affiliated to HSEC till 2001/02 Academic Year by Geographic Regions

Geographic Regions	Public School	Private School	Affiliated campuses	Total	Regional Percentage
Mountain	44	0	3	47	6
Hills	235	182	63	480	62
Terai	103	111	34	248	32
Total	382	293	100	775	100
Percentage	49	38	13	100	

Source: Higher Secondary Education Board (HSEB)

12.12 Higher Secondary schools operating in government grant receiving schools during FY 2000/01 are given capital grants for structural and institutional development. From FY 2001/02, these stocks have been provided grant equivalent to one-year salary per school per teacher. With this measure the public higher secondary schools operating in poor communities are expected to improve their educational performances. Till FY 2001/02, 450 teachers have been trained in the process of making teachers training timely and objective.

12.13 In FY 2000/01, 486 students were awarded scholarships in line with the policy of promoting higher secondary education and a grant of Rs. 12.295 million was distributed to public schools.

Higher Education:

12.14 At present there are 5 universities namely, Tribhuvan University (TU), Mahendra Sanskrit University (MSU), Kathmandu University (KU), Purbanchal University and Pokhara University to provide higher education.

12.15 The detail of output production details of TU Institute of Technical Education is given in Table 12 (f):

Table: 12(f)
Production of TU Institute of Technical Education

Institute and Program	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
Engineering	417	255	332	647	559	648
1. Certificate	337	241	238	514	372	436
2. Graduate	80	14	94	133	150	184
3. Masters	-	-	-	-	37	28
Agriculture and Veterinary Science	222	75	116	101	146	NA
1. Certificate	76	57	32	21	69	
2. Graduate	146	18	84	80	77	
Medicine	295	365	390	376	458	450
1. Lower level	-	-	-	-	-	-
2. Certificate	214	268	228	268	309	294
3. Graduate	73	48	139	67	90	109
4. Masters	8	49	23	41	59	47
Forestry	233	166	91	87	134	169
1. Certificate	192	124	88	87	95	103
2. Graduate	41	42	3	-	39	66
Science and Technology	288	361	451	346	164	415
1. Masters	288	361	451	346	164	415
Grand Total	1455	1222	1380	1557	1461	1682

Source: Tribhuvan University

In FY 1999/00, 1315 student (excluding agriculture and veterinary science) had received higher education from TU Institute of Technical Sciences. In FY 2000/01, it increased by 27.9 percent to the total of 1682.

Table: 12(g)
Number of Doctorates, FY 1995/96 - 2000/01

Institute/Faculty	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
1. Science and Technology	1	2	1	1	1	2
2. Management	1	1	1	3	1	1
3. Humanity and Social Sciences	12	8	9	8	8	7
Grand Total	14	11	11	12	10	10

Source: Tribhuvan University

In both FY 2000/01 and 2000/01, 10 persons received Ph.D. from TU.

- 12.16 The total number of beneficiaries of TU health services provided through TU Teaching Hospital, B.P. Koirala Lions Eye Research Centre, Drug Addicts Care Centre and TU Health Centre, Kirtipur have totalled to 438,390 persons in FY 2000/01 compared to 348421 in the previous year.
- 12.17 In FY 2001/02 there are altogether 252 campuses of which 61 are under TU and 191 are affiliated to it. Altogether 177,858 students are currently attending higher education under TU and TU affiliated campuses. Number of Students in TU Campuses was 115,608 and 62250 in its affiliated campuses.
- 12.18 MSU was established for promotion and continuity of Sanskrit education in the kingdom. The number of student of MSU and its affiliated institutions decreased to 3252 in FY 2000/01 from 3616 of the previous year.
- 12.19 There were altogether 1497 students studying at KU (excluding the affiliated campus students in FY 2000/01 of which 1120 were boys and 377 were girls. In the current FY the number of students increased by 19.1 percent and reached 1783 including 498 girls student.
- 12.20 In FY 2000/01 there were altogether 1329 students studying in Purbanchal University and its affiliated campuses. Students increased by 114 percent in the current FY 2001/02 to the total of 2840.
- 12.21 In FY 2000/01, there were altogether 1668 students studying in Pokhara University and its affiliated campuses. In FY 2001/02, this number has increased by 76.6 percent to the total of 2946.
- 12.22 In the process of broadening the scope of its affiliation, Pokhara University has signed separate Memorandum of Understanding with Sowa Pharmaceutical University Tokyo, Japan, Toyama

Medical and Pharmaceutical University, Japan and Dongkok University, Kyonju, Korea early this year. At present the number of affiliated institutions has reached seven.

- 12.23 According to the population census 2001, the literacy rate of the kingdom is 53.7 percent consisting female literacy rate as 42.5 percent and male 65.1 percent.

Health:

- 12.24 Till FY 2001/02, there are 83 hospitals, 10 health centers, 700 health post, 285 Ayurvedic hospitals, 3161 sub-health posts, 200 primary health centers. In these health facilities, there are 5310 hospital beds, 1259 doctors, 4775 nurses, 211 Kaviraj (senior Ayurvedic physicians), 220 vaidyas (Ayurvedic physicians), 5295 health assistants, 3190 health workers, 3980 local health workers and 62546 other health workers (trained traditional birth attendants and female health volunteers). Compared to the last FY 2000/01, Ayurvedic hospital increased by 3.6 percent, primary health center by 11.1 percent, hospital bed by 1.1 percent, nurses by 2.6 percent and Vaidya by 4.8 percent in the current FY 2001/02. The number of some health posts and sub-health posts have been reduced due to the upgrading of sub-health post to primary health center.
- 12.25 In FY 2000/01 the coverage by the first visit service to pregnant women was 40.5 percent, child delivery services by trained personnel was 13.8 percent and the rate use of family planning services was 37.6 percent. Corresponding coverage is expected to be 42, 14 and 39 percent in the current FY 2001/02. The coverage of BCG vaccine was 94.6 percent, DPT and Polio third dose was 80 percent, measles was 75 percent under the extended immunization program of FY 2000/01, and such coverage is estimated to be 96, 80 and 77 percent respectively, in the current FY 2001/02. In FY 2000/01 the annual rate of respiratory disease were 210/ thousand children (of which 4.1 percent was of severe nature). Likewise, the annual rate of occurrence of diarrhea was 177/thousand children of which 4.3 percent cases were of serious nature. In current FY 2001/02, the rate of infection of ARI and occurrences of diarrhea

have come down to 201 and 164 per thousand children respectively and the severity of both of the diseases is expected to remain 4 percent of the total annual cases.

12.26 In FY 2000/01, 18.3 percent of the children under the age of 3 suffered from malnutrition and 0.7 in thousand were found malaria infected in the examination of blood. Likewise, the rate of recovery of the TB disease was 79 in thousand cases and 33.4 percent of the population that came to public health institutions in FY 2000/01. In the current FY 2001/02 it is estimated that 16.5 percent of the children under the age of 3 suffered from malnutrition, 0.6 in thousand cases of blood sample examination were found infected by malaria and the rate of recovery of TB is 80 in thousand and 35 percent on the basis of public health institution visitors. As per the target, 20 primary health centers have been set up in the current FY 2001/02. At present there are altogether 180 primary health centers under Ministry of Health providing effective services as per the objective of increasing access of all to health services through the expansion of public health institutions.

12.27 Important indicators in the health sector of Nepal are presented in Table 12(h).

Table 12(h):
The Important Indicators in the Health Sector of Nepal

Description	1989/ 90	1990/9 1	1991/9 2	1992/9 3	1993/9 4	1994/95
Infant Mortality rate	128.0	107.0	107.0	102.0	102.0	102.0
Child Mortality rate (per thousand)	197.0	197.0	197.0	165.0	165.0	165.0
Crude birth rate (per thousand)	41.6	39.6	39.6	39.6	39.6	37.5
Crude death rate (per thousand)	16.9	14.8	14.8	14.9	14.0	14.0
Average Age	53.5	54.0	54.0	54.0	54.0	54.0

Description	1995/ 96	1996/ 97	1997/9 8	1998/9 9	1999/0 0	2000 /01	2001 /02
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Infant Mortality rate	102.0	79.0	74.7	69.4	66.8	65.3	64.2
Child Mortality rate (per thousand)	165.0	118.0	118.0	111.7	108.8	105.4	91.0
Crude birth rate (per thousand)	37.5	37.8	35.4	34.5	34.1	33.6	33.0
Crude death rate (per thousand)	13.8	11.9	11.5	10.7	10.3	10.0	9.6
Average Age	54.0	54.6	56.1	57.5	58.3	59.0	59.7
Maternity Mortality rate		475					400
Total fertility rate		4.6					4.1

Source: Ministry of Health/ Central Bureau of Statistics

Drinking Water, Sanitation and Sewerage:

12.28 According to the population census 2001, 15.9 percent of the total population is living in urban areas of 58 municipalities. This reflects increasing pressure on urban housing. In FY 1999/00, altogether 1538 drinking water and sewerage projects including 267 at central level and 1271 at district level were launched. In FY 2000/01, the total number of drinking water and sewerage projects increased by 10.1 percent to 1693 projects including 11 at central level and 1577 at district level.

12.29 In FY 1999/00 additional 525,000 people benefited from drinking water facility. In FY 2000/01, 466,202 beneficiaries were added.

12.30 Additional 45575 people have been provided drinking water and sewerage facility during the review period of current year under the drinking water and sewerage development program.

12.31 The Kalanki and Sundarijal drinking water treatment center projects implemented under Urban Area Drinking Water and Sanitation Rehabilitation projects have achieved 94.4 percent and 100 percent progress in FY 2000/01. Work progress of the Drinking Water Improvement and Extension Projects in Hetaunda was 100 percent, Bhairawa (75 percent), Birgunj (75 percent) and Manohara-

Lokanthali (95 percent). These were implemented under the Drinking Water Production and Increment Program.

- 12.32 Works of the following project implemented during during FY 2000/01 under Macro Sewerage Development Program have been completed: (i) Gongabu Area Sewerage Development Project (ii) Kupondole Sewerage Construction Project (iii) Sanepa Sewerage Construction Project (iv) Kuleshor Area Sewerage Construction Project (v) Kathmandu-Lalitpur Sewerage Rehabilitation, Maintenance and Pollution Control Project (vi) Detailed Study of Sewerage system in Madhyapur Thimi and Outside the Kathmandu Valley and (vii) Kodku Sewerage Treatment Centre Project.
- 12.33 During the review period of current year, the construction works of Bansbari Water Treatment Plant Protection and Replacement Well No.1 in Kathmandu, submersible pump procurement and fixation, construction of valve chamber and operator quarter at Kara Well No. 1 in Hetaunda were in progress. Leakage detection and maintenance works as well as removal of bundle pipes were underway in Kathmandu and Bhairahawa.
- 12.34 In FY 2000/01, Nepal Water Supply Corporation supplied 1480 liters of drinking water daily. During the review period of current year, however, the supply was 1400 liters a day. Five kilometers of sewerage was built in FY 2000/01 whereas only 2 kilometers of sewerage has been completed during the review period of this year.

Housing and Urban Development:

- 12.35 According to the population census 2001, 15.9% of the total populations are live in urban areas of 58 municipalities. This reflects an increasing pressure on urban housing. In course of fulfilling the housing needs of the nation 603 housing plots were sold in FY 1999/00, In FY 2000/01, there was five-fold increase in the sales of housing plots to 3629. Fair weather road of 5.25 kilometers, 825 meters long drainage, 17 cross-drain and culvert have been constructed in the settlement areas and Landowner Certificates have been distributed to 1510 families.

- 12.36 During the review period of current year, 844 housing plots have been sold. Likewise, the construction of 12.8 kilometers of fair weather road, 2225 meter long drainage, 78 cross drain and culvert and 17 hand-pump for drinking water and the distribution of 2000 Landowner Certificates are being carried out with a view to building physical infrastructure in residential areas. Works are being carried out to provide systematic settlement in Kathmandu Valley in the current FY 2001/02. Housing projects are being carried out in an integrated way in urban oriented Village Development Committees since the last 2-3 years.
- 12.37 Town Development Fund has been granted Rs. 480 million by KfW, Germany for a period of January 2001 to June 2005 and Rs. 880 million worth of loan by the Asian Development Bank for a period beginning from 2001 to 2006.

Women, Labor and Skill Development:

- 12.38 To the benefit of backward aboriginals, castes and women, training program in various skills have been continued in the current fiscal year.
- 12.39 Women Skill Development Center has produced 18 thousand pieces of handicrafts, trained 131 women, and took part in 6 exhibitions in the current fiscal year.
- 12.40 Under Women Skill Development Program, 4,500 pieces of various handicrafts have been produced, 47 persons have been trained and two exhibitions have been held in the current fiscal year. Women sensitization and income earning programs have been conducted under the umbrella of Poverty Alleviation Fund.
- 12.41 Preparatory classes were conducted for 100 women applicants to Public Service Commission examinations under the cooperation of MGEP. Drafts of four feature film series have been prepared for awareness against women trafficking in addition to the Jingle Radio Program broadcast.

- 12.42 Six month training program has been conducted for examinees of various districts under Women Self-respect and Rehabilitation Program in the first six months of the current fiscal year. This gives 33.3 percent achievement against the target.
- 12.43 Draft of National Prospective Plan for the elimination of child labor has been prepared in the current fiscal year pursuant to the policy of eliminating child labor in all forms. Students have been provided 33 percent discount in public transport services. Necessary actions towards providing loans to the poor and needy persons going to the foreign countries for employment are being taken.
- 12.44 Skill-oriented training to 220 poor and economically and socially backward women was given and 5,835 more people were trained in skills demanded by the market in FY 2000/01. Childcare centers were operated in fourteen places of seven districts and garment factories were visited 602 times to eliminate child labor.
- 12.45 In review period of current year, 55,025 people were approved for foreign employment compared to 25,840 workers leaving for foreign employment in the same period of previous fiscal year.

Child and Social Welfare:

- 12.46 Children of 'Deuki ' and 'Bhand' are provided opportunity to take SLC in boarding schools of the Kathmandu Valley. To make the deprived children self-reliant, vocational training, automobile repair, plumbing and general mechanics of one year in being provided.
- 12.47 Pursuant to the Children Act, 1991 imprisoned family's children and abused children are being sheltered in the "Children Reform House" built at Sanothimi. Children courts for easy access to child related justice have been established in all 75 districts.

- 12.48 Under the social security program, actions initiated in FY 2000/01 have been given continuity. Drafting of amendment to Protection and Welfare of Disabled Act, 2039 B.S. is in final stage. Similarly, the National Action Plan for the Disabled has been completed and it is in the process of approval. This Plan has been prepared in line with Ninth Plan, Handicapped National Policy - 1996, relevant provisions in other acts and regulations, and international and regional commitments.
- 12.49 Drafting of "Elderly Citizen Welfare Bill" has already been started from the current fiscal year. Similarly, in order to provide health facility to elderly citizen, the 'Elderly citizen Health service Program, Implementation Guidance- 2002' is in the final stage of publication.
- 12.50 Under the Handicapped Self-employment Program, Social Welfare Council has recommended for loan to 486 handicapped citizens between the FY 1998/99 and 2000/01. During the first eight months of the current fiscal year, micro-credit application forms of 600 persons and project documents have been collected and the preliminary works of selection process have been completed.

Achievements of Ninth Plan:

- 12.51 In the first 4 years of the Ninth Plan, about 1400 hospital beds, and 13,616 expert manpower and 85 Aurvedic Centers have been added. Preventive vaccination for the children has been expanded in this period. Similarly services of private sector have rapidly increased in urban areas. Fall of fertility rate from 4.6 to 4.1 in FY 2001/02, decrease of infant mortality rate from 74.7/thousand to 64, from 30.1 percent to 39 percent and average life expectancy rate to increase from 54.6 percent to 59.7 can be considered as satisfactory achievement in health sector.
- 12.52 Despite the target of providing drinking water to all, only 71.5 percent of the population has been served with this facility. In rural areas, 71.3 percent (14.5 million) and 72.6 percent (2.5 million) of urban population have access to drinking water supply. Water

supply provided under the program of NGOs, local development agencies are not included in the above figures.

- 12.53 By FY 2001/02, basic sanitation facilities are available to 25 percent (5.9 million) of the population including 20 percent (4.1 million) of the rural and 53 percent (1.8 million) of urban areas.
- 12.54 Women's Right to Property Bill has been approved by the parliament and a separate Women Commission has been commissioned. Convention against women trafficking has been concluded in the eleventh SAARC Summit currently held in Kathmandu. Girl child are being provided scholarship to increase women's literacy rate. Various programs have been launched to increase awareness about women's education. Developing the indicators for of women's participation in national development has been initiated. Training program in various skills that can generate income for women are also underway according to target.
- 12.55 Various scholarship and awareness programs have been arranged in all 75 districts for the under privileged classes. Different types of additional steps including political have been implemented to enhance the natural rights of the said classes. Necessary actions are being taken to establish an academy called Janajati Academy to accelerate the development focus for the ethnic communities have been initiated. .
- 12.56 Minimum wages have been fixed for agriculture labor to improve their life standard as per the target. Various basic and vocational training program have been conducted to create additional employment opportunity to the laborers. The participation of NGO is increasing after recognizing their significant role in national development.

Challenges:

- 12.57 Basic education is not yet accessible to all in spite of the target of 70 percent in Ninth Plan. Constraints are being faced in enabling women and the children of the backward and deprived classes,

handicapped or disabled children to go to school. Reducing the repeaters and drop out ratios and mobilizing local resources for education are still facing so many difficulties take part in school level education. To reduce the repetition of classes and turnout ratios and to mobile local resources are urgent tasks to address.

- 12.58 Enabling the local bodies gradually for of governance and ownership of primary education, health, drinking water and sanitation services are the tasks ahead to local bodies are our challenges. Secondary and higher education needs to be competent and self-reliant for which a strategy is needed to guide the agencies concerned towards autonomy.
- 12.59 Extending health services effectively to the remote hill areas by encouraging the doctors to serve their remains as pending tasks.
- 12.60 Urban development program has not been able to make sufficient headway due to several bottlenecks being faced in the forms of problems in removing built houses, surrendering land for road construction or improvement, and host of such other local problems of compensation where cooperation of the local community can hardly be exaggerated.
- 12.61 Strengthening social security net to the extent the country can sustain and its monitoring are also emerging as challenges.



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11. **TRANSPORTATION AND COMMUNICATION**
- 11.1 Extension of Road Facilities
 - 11.2 Number of Vehicles Registered
 - 11.3 Extension of Transport Facilities and Goods Transported
 - 11.4 Extension of Telephone Facilities
12. **SOCIAL SERVICES**
- 12.1 Number of Primary, Lower Secondary and Secondary Schools and Students
 - 12.2 Number of Primary, Lower Secondary and Secondary School Teachers
 - 12.3 Sectoral Distribution of Schools, Students and Teachers Under Public and Private Sector
 - 12.4 Number of Students Enrolled in Higher Level of Education

- 12.5 Extension of Health Services
- 12.6 Extension of Drinking Water and Sewerage Facilities

Table 1.1 : Gross Domestic I

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Nominal GDP (Current Price)	73170	85831	99702	116127	144933	165350	191596	209976
Agriculture	36755	42572	50470	55368	65156	70090	80589	85569
Non-Agriculture	36415	43259	49232	60759	79777	95260	111007	124407
Real GDP (at 1994/95 Price)	148405	156478	163893	174908	183371	188780	204397	209976
Agriculture	70829	75137	79512	81320	80392	79631	86356	85569
Non-Agriculture	77576	81341	84381	93588	102979	109149	118041	124407
GDP Deflator	49.3	54.9	60.8	66.4	79.0	87.6	93.7	100.0
Agriculture	51.9	56.7	63.5	68.1	81.0	88.0	93.3	100.0
Non-Agriculture	46.9	53.2	58.3	64.9	77.5	87.3	94.0	100.0

Percentage Change Over Previous Year

Nominal GDP (Current Price)	19.7	17.3	16.2	16.5	24.8	14.1	15.9	9.6
Agriculture	20.0	15.8	18.6	9.7	17.7	7.6	15.0	6.2
Non-Agriculture	19.3	18.8	13.8	23.4	31.3	19.4	16.5	12.1
Real GDP (at 1994/95 Price)	7.0	5.2	4.5	6.3	4.6	2.9	7.6	2.7
Agriculture	6.6	5.7	5.5	2.2	-1.2	-1.0	7.8	-0.9
Non-Agriculture	7.5	4.6	3.6	9.8	9.1	5.7	7.5	5.1

The figures are presented at Factor Cost (Before deduction of Bank service Charge)

* Revised Estimates

** Preliminary Estimates

Source: Central Bureau of Statistics

Product

Rs. in Million

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01*	2001/02**
239388	269570	289798	330018	366284	393473	410493
96896	108785	112495	132373	144644	149040	156384
142492	160785	177303	197645	221640	244433	254109
221930	233040	240816	251790	267473	280339	282574
88830	92706	93496	96183	100856	105227	107037
133100	140334	147320	155607	166617	175112	175537
107.9	115.7	120.3	131.1	136.9	140.4	145.3
109.1	117.3	120.3	137.6	143.4	141.6	146.1
107.6	114.6	120.4	127.0	133.0	139.6	144.8

14.0	12.6	7.5	13.9	11.0	7.4	4.3
13.2	12.3	3.4	17.7	9.3	3.0	4.9
14.5	12.8	10.3	11.5	12.1	10.3	4.0
5.4	4.8	3.2	4.4	5.9	4.6	0.8
3.7	4.2	0.8	2.8	4.6	4.2	1.7
6.5	5.2	4.7	5.3	6.6	4.9	0.2

Table 1.2 : Gross Domestic Product
(At Current Prices)
(As per new series)

	Originating	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
1	Agriculture, Fisheries & Forestry	36755	42572	50470	55368	65156	70090	80589
2	Mining & Quarrying	317	421	449	575	795	921	990
3	Manufacturing	4615	4857	5956	7894	12822	14618	17861
	<i>Modern</i>	3218	3353	4218	5937	10367	-	-
	<i>Cottage</i>	1397	1504	1738	1957	2455	-	-
4	Electricity, Gas & Water	441	466	523	815	1241	1543	2163
5	Construction	6303	8231	8943	11078	14769	17318	19621
6	Trade, Restaurants, & Hotels	8118	9052	10507	12902	16563	19260	22497
	<i>Trade</i>	7101	7876	9052	11145	14201	-	18600
	<i>Hotel & Restaurant</i>	1017	1175	1455	1757	2363	-	3900
7	Transport, Communications & Storages	4250	4732	5724	6560	8558	10819	12625
8	Financial & Real Estate	6681	8032	9269	10944	13241	15684	18122
9	Community & Social Services	5691	7469	7861	9991	11788	15115	17128
	Agriculture GDP at factor cost	36755	42572	50470	55368	65156	70090	80589
	Non-Agriculture GDP at factor cost	36415	43259	49232	60759	79777	95260	111007
10	Total GDP at factor cost	73170	85831	99702	116127	144933	165368	191596
11	Less imputed value of banking service	956	1319	1954	2289	2933	3578	4473
12	Total GDP at factor cost excluding imputed banking services	72214	84512	97748	113838	142000	161790	187123
13	Indirect Taxes (Net)	4692	4758	5668	6532	7487	9702	12149
14	GDP at producers prices	76906	89270	103416	120370	149487	171492	199272

* Revised Estimate

** Preliminary Estimate.

Source : Central Bureau of Statistics.

at by Industrial Origin

)
)

Rs. in Million

1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01*	2001/02**
85569	96896	108785	112495	132373	144644	149040	156384
1117	1342	1495	1553	1685	1815	1981	2091
19555	22466	24816	26987	30337	33550	35566	34616
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2862	3598	4457	4383	4632	5942	6989	9339
23093	26093	29263	30483	33262	37373	39571	43984
24326	28317	30551	33687	39313	42895	45381	42817
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13995	15898	19315	22598	24631	29336	33050	34800
20533	23521	27157	29778	33203	36919	41835	43636
18924	21257	23731	27834	30582	33810	40060	42826
85569	96896	108785	112495	132373	144644	149040	156384
124405	142492	160785	177303	197587	221640	244433	254109
209974	239388	269570	289798	3300180	366284	393473	410493
5060	5932	7009	7896	9438	10708	11912	12269
204914	233456	262561	281902	320580	355576	381561	398224
14261	15457	17952	18943	21456	23945	28633	29809
219175	248913	280513	300845	342036	379521	410194	428033

Table 2.1 : Government Expenditure & Source

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Expenditure	14105.0	18005.0	19669.3	23549.8	26418.2	30897.7	33597.4	39060.0	46542.4
Regular	4677.0	5676.2	6671.8	7570.3	9905.4	11484.1	12409.2	19265.1	21561.9
Development	9428.0	12328.8	12997.5	15979.5	16512.8	19413.6	21188.2	19794.9	24980.5
Receipts	9427.2	9457.5	11262.9	12894.7	15156.5	18941.7	21974.4	28512.3	32718.2
Revenue	7350.4	7776.9	9287.5	10729.9	13512.7	15148.4	19580.8	24575.2	27893.1
Foreign Grants	2076.8	1680.6	1975.4	2164.8	1643.8	3793.3	2393.6	3937.1	4825.1
Overall Surplus (+) or Deficit (-)	-4677.8	-8547.5	-8406.4	-10655.1	-11261.7	-11956.0	-11623.0	-10547.7	-13824.2
Sources of Financing Deficits									
Foreign Loan	3815.8	5666.4	5959.6	6256.7	6816.9	6920.9	9163.6	7312.3	9463.9
Internal Loan	1130.0	1330.0	2150.0	4552.7	2078.8	1620.0	1820.0	1900.0	2200.0
(a) Banking System	797.7	1320.0	1450.0	3713.2	1178.8	920.0	1000.0	1300.0	750.0
(b) Non-Banking System	339.4	10.0	700.0	839.5	900.0	700.0	820.0	600.0	1450.0
Cash Balance (-) Surplus	-268.0	1551.1	296.8	-154.3	2366.0	3415.1	639.4	1335.4	2160.3

Note : The change in foreign exchange rate is adjusted in direct payments

Source : Financial Comptroller General Office.

ces of Finance

Rs. in Million

1996/97	1997/98	1998/99	1999/00	2000/2001
50723.7	56118.3	59579.0	66272.5	79835.1
24181.1	27174.4	31047.7	34523.3	42769.2
26542.6	28943.9	28531.3	31749.2	37065.9
36361.8	38340.5	41587.6	48605.5	55647.0
30373.5	32937.9	37251.0	42893.8	48893.6
5988.3	5402.6	4336.6	5711.7	6753.4
-14361.9	-17777.8	-17991.4	-17667.0	-24188.1
9043.6	11054.5	11852.4	11812.2	12044.0
3000.0	3400.0	4710.0	5500.0	7000.0
1500.0	1600.0	2850.0	3300.0	0.0
1500.0	1800.0	1860.0	2200.0	0.0
2318.3	3323.3	1429.0	354.8	5144.1

Table 2.2: Tax I

Heading	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
Customs	2214.6	2289.9	2684.9	3044.3	3358.9	3945.0	5255.0
Imports	1984.2	2133.9	2646.0	2752.6	2795.2	3178.0	4356.0
Exports	107.9	62.7	32.6	78.5	114.7	140.7	427.0
Indian Excise Refund	121.2	91.6	0.0	211.7	447.4	623.5	460.4
Others	1.3	1.7	6.3	1.5	1.6	2.8	11.6
Tax on Consumption and Product of Goods and Services	2528.0	2665.9	3163.9	3763.4	4921.5	5681.3	7261.2
Industrial Product	822.4	870.9	1094.9	1199.6	1414.1	1452.4	1592.2
Liquor Contract	2.9	6.8	2.1	0.6	0.2	0.4	0.3
Sales Tax/Value Added Tax	1300.5	1379.7	1650.1	2026.1	2840.7	3438.2	4693.1
Entertainment Tax	32.3	32.8	33.5	39.4	38.3	53.1	112.2
Hotel Tax	80.6	93.2	99.7	115.6	191.3	223.4	219.1
Air Flight Tax	65.4	67.0	87.7	173.4	177.9	205.7	270.7
Contract Tax	199.1	193.2	170.5	173.3	213.3	293.0	356.5
Road & Bridges Maintenance Tax & others	24.8	22.3	25.4	35.0	45.7	15.1	17.1
Land Revenue and Registration	366.9	401.0	451.7	540.0	636.1	754.9	833.2
Land Revenue	80.7	80.4	74.6	82.1	64.8	69.4	61.0
House and Land Registration	286.2	320.6	377.1	456.6	571.3	685.5	772.2
Tax on Property, Profit & Income	643.3	930.4	983.4	829.7	959.1	1281.3	2022.1
Income Tax from Public Enterprises	193.2	216.9	240.9	162.2	171.1	255.3	534.1
Income Tax from Semi-Public Enterprises	1.9	2.6	2.4	2.7	5.3	2.6	2.1
Income Tax from Private Corporate Bodies	1.9	0.4	0.0	0.0	6.5	9.5	19.7
Income Tax from Individuals	348.6	597.4	625.0	531.2	617.9	800.7	1184.8
Income Tax from Remunerations	33.4	43.8	50.7	49.9	54.7	56.7	83.8
Urban House and Land Tax	17.4	19.0	19.1	0.2	22.3	16.7	8.4
Vehicle Tax	28.3	31.0	31.9	23.9	45.4	63.3	41.4
Tax on Interest	17.1	18.5	13.1	37.8	19.5	73.4	96.7
Other Taxes	1.5	0.7	0.3	21.9	16.4	3.1	51.1
Total	5752.8	6287.2	7283.9	8176.3	9875.6	11662.5	15371.5

*Provisional; Due to reclassification of the headings of revenue, amount of revenue of some tax headings do not match.

Source : Financial Comptroller General Office.

Revenue

Rs. in Million

							First Eight Months*	
1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001	2000/2001	2001/2002
7018.1	7327.4	8309.1	8502.2	9517.7	10813.3	12552.1	7814.3	7979.8
5840.1	6246.5	7093.2	7019.4	7698.3	8959.9	10391.9	6637.8	6220.7
332.5	149.9	167.8	217.1	378.0	432.5	492.6	316.4	725.1
837.5	899.9	1009.1	1102.0	1206.0	1331.7	1456.2	725.0	813.8
8.0	31.1	39.0	163.7	235.4	89.2	211.4	135.1	220.2
8792.6	9684.7	10775.2	11249.7	11719.1	13387.3	16153.6	9882.4	10054.0
1657.3	1944.3	2298.1	2885.8	2953.2	3127.6	3771.2	2406.9	2223.5
-	-	-	-	-	-	-	-	-
6031.7	6431.3	7126.5	7122.6	7882.2	9854.9	12047.8	7373.9	7609.8
91.1	100.4	114.0	90.6	23.5	28.5	30.4	8.1	5.8
229.1	284.2	301.1	45.9	1.5	1.8	0.1	0.1	2.7
278.2	311.1	314.2	343.3	240.7	0.0	0.1	3.4	0.0
505.2	613.4	621.3	761.5	618.0	374.5	304.0	90.0	212.2
-	-	-	-	-	0.0			
937.7	1066.6	1015.4	1004.2	1003.2	1015.9	612.9	306.3	574.2
34.9	18.2	5.9	3.6	1.4	4.6	5.1	0.5	0.0
902.8	1048.4	1009.5	1000.6	1001.8	1011.3	607.8	305.8	574.2
2911.6	3589.3	4324.6	5183.7	6512.9	7935.6	9546.5	4831.2	5270.6
860.2	1144.5	1231.1	1317.8	1526.5	2198.8	2928.0	1489.2	1102.8
-	-	-	-	-	0.0	0.0	0.0	0.0
440.1	563.9	858.4	925.1	1155.0	1339.5	1924.3	886.4	662.8
1293.1	1470.1	1711.4	2120.8	2772.7	3016.4	3200.5	1571.0	2331.7
118.4	133.1	168.1	322.2	396.5	451.5	597.3	282.0	452.9
34.2	87.2	95.0	110.7	123.3	118.5	2.9	1.4	0.0
54.0	70.7	106.2	174.9	219.4	396.5	429.6	339.5	448.7
111.6	119.8	154.4	212.2	319.5	414.4	463.9	261.7	271.7
-	-	-	-	-	0.0	0.0		
19660.0	21668.0	24424.3	25939.8	28752.9	33152.1	38865.1	22834.2	23878.6

atch with previous data.

Table 2.3 : Non-Tax Rev

Heading	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Charges, Fees, Fines and Forfeiture	676.5	555.3	776.6	1012.6	1106.3	333.4	248.0	207.1
Firm Registration	12.9	13.9	18.4	19.7	26.1	28.4	32.6	34.3
Arms Registration	1.0	0.9	0.9	0.9	0.9	2.1	2.9	3.2
Vehicle Licence	9.1	11.0	11.5	15.0	19.5	50.5	71.4	50.9
Judiciary	27.3	28.8	27.9	30.3	27.7	30.3	47.4	50.2
Administration, Penalty & Forfeiture	626.2	500.7	717.9	946.7	1032.1	222.1	93.7	68.5
Receipts from sales of Commodities and Services	348.2	340.2	396.5	511.4	765.0	889.5	1270.0	1388.3
Drinking Water	1.8	1.9	2.1	2.3	2.8	3.9	6.8	16.8
Irrigation	3.6	3.5	1.9	1.0	3.1	1.3	1.4	1.5
Electricity	2.2	4.6	0.6	0.9	1.1	1.9	1.3	2.5
Postal Service	60.6	57.6	59.8	55.4	74.1	96.5	112.8	160.0
Food and Agriculture	23.2	22.8	24.0	25.8	20.1	20.4	21.1	28.9
Education	10.6	12.9	13.2	16.2	17.7	21.6	23.8	20.9
Forest	101.1	75.5	112.7	136.3	197.8	187.3	342.6	335.9
Transport	44.6	66.3	63.4	78.7	150.3	174.5	191.7	179.4
Others	100.5	99.0	119.3	194.8	298.0	382.1	568.5	642.4
Dividend	117.2	198.5	233.8	459.5	644.4	755.5	775.7	1060.1
financial Institutions	115.1	179.8	227.4	455.5	627.1	752.0	755.5	1037.7
Trading Concerns	0.2	11.8	0.4	0.9	3.1	0.0	0.6	9.3
Industrial Undertakings	1.9	6.9	6.0	0.0	14.2	3.0	0.5	0.8
Services Sector	0.0	0.0	0.0	3.1	0.0	0.5	19.1	12.3
Extra	-	-	-	-	-	-	-	-
Royalty and Sale of Fixed Assets	25.7	38.6	64.9	27.9	137.8	59.9	90.4	196.9
Royalty from Mining	5.9	3.2	1.4	1.3	2.6	2.3	2.3	5.1
Other Royalties	5.9	10.1	12.3	11.1	117.3	41.0	51.3	91.8
Others	13.9	25.3	24.8	13.0	14.8	12.8	33.2	100.0
Mint	-	-	-	-	-	-	-	-
Others	-	-	26.4	2.5	3.1	3.8	3.6	-
Principal and Interest Payment	358.6	343.0	529.8	498.0	974.4	1431.1	1811.0	2083.1
Loan Corporations	150.4	178.9	250.8	261.3	427.2	735.7	606.1	1210.4
Interest from Loan to Companies & Co	207.4	163.4	278.4	236.4	543.8	694.8	1191.9	872.4
Others	0.8	0.7	0.6	0.3	0.4	0.6	13.0	0.3
Miscellaneous Items	71.4	14.0	26.8	43.8	12.2	16.5	14.3	9.6
Miscellaneous	71.4	14.0	26.8	43.8	12.2	16.5	14.3	9.6
Total	1597.6	1489.6	2003.6	2553.5	3637.1	3485.9	4209.4	4945.1

*Provisional

Source: Financial Comptroller General Office.

Revenue

Rs. in Million

						First Eight Months	
1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001	2000/2001	2001/2002
286.1	270.8	329.6	336.1	386.3	386.7	258.0	365.7
39.2	47.4	50.9	53.8	65.8	60.0	42.9	50.7
2.5	2.0	2.8	2.4	2.4	1.5	0.9	2.7
57.2	52.9	68.2	94.7	106.0	95.0	61.0	73.5
114.8	78.3	89.1	97.3	95.8	106.8	71.4	153.6
72.4	90.2	118.6	87.9	116.3	123.4	81.8	85.2
1673.3	1799.6	2255.5	2146.6	2428.9	2728.0	1773.3	1679.4
19.2	19.1	21.1	21.4	14.1	9.1	5.3	4.3
1.7	1.7	1.6	1.3	1.5	1.1	0.3	0.7
2.5	2.0	212.3	2.4	0.3	0.0	0.1	0.2
157.6	165.7	198.8	201.7	226.6	229.6	158.4	156.8
21.0	30.7	28.7	34.1	43.4	50.6	26.5	29.5
22.7	37.2	58.5	50.5	83.5	94.0	89.1	103.4
442.1	369.7	390.5	374.6	525.2	602.6	363.3	285.7
263.1	270.3	311.5	235.9	86.0	86.3	55.7	58.6
743.4	903.2	1032.5	1224.7	1448.3	1654.7	1074.6	1040.2
1363.0	1134.4	1311.0	1782.8	2507.5	2336.5	1244.1	1065.3
1281.3	1120.7	1276.7	1455.2	2135.5	2076.3	1004.1	1026.6
47.2	-	31.0	124.0	9.7	13.4	13.4	0.3
2.0	0.1	2.8	-	103.2	0.0	0.0	0.0
32.5	13.6	0.5	203.6	138.0	226.6	226.6	18.2
-	-	-	0.6	121.1	20.2	0.0	20.2
67.8	447.9	565.2	202.3	563.3	949.6	451.4	461.8
2.2	3.0	3.9	11.1	11.7	5.4	2.8	12.1
25.5	394.1	440.7	94.8	370.9	483.1	421.1	409.7
40.1	50.8	120.6	96.4	180.7	461.1	27.5	40.0
-	-	-	-	0.0	0.0	0.0	0.0
-	-	-	-	0.0	0.0	0.0	0.0
2818.8	2220.7	2461.1	3927.5	3751.0	3497.2	1679.0	1100.7
1089.8	862.8	1244.9	2235.2	2176.0	2050.6	1117.5	959.6
1724.2	1357.1	1212.4	1682.7	1565.1	1437.1	557.0	134.2
4.8	0.8	3.8	9.6	9.9	9.5	4.5	6.9
16.1	75.8	75.7	102.8	104.6	130.8	64.7	597.2
16.1	75.8	75.7	102.8	104.6	130.8	64.7	597.2
6225.1	5949.2	6998.1	8498.4	9741.6	10028.8	5470.5	5270.1

Table 2.4 : Regular E

Heading	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93
Constiutional Organs	80.6	91.2	103.6	191.2	282.7	169.7
His Majesty & Royal Family	28.2	29.6	42.4	42.3	48.6	53.9
State Council	2.4	2.5	2.4	2.1	2.7	3.3
Parliamentary Secretarial	11.2	15.0	13.3	10.1	44.7	48.3
Supreme Court	5.1	6.3	6.0	5.9	8.9	12.6
Commission for Prevention of Misuse Authority	1.8	2.0	2.2	1.9	2.1	3.1
Auditor General Office	11.0	13.6	13.9	14.0	19.7	20.3
Public Service Commission	15.4	13.6	14.3	12.8	17.1	16.7
Election Commission	3.2	6.0	6.5	99.3	135.5	7.4
Attorney General Office	2.3	2.6	2.7	2.7	3.4	3.4
Judiciary Council	-	-	-	-	-	0.7
General Administration	701.3	845.1	963.4	1180.4	1534.3	1816.5
Council of Ministers	5.3	7.8	7.8	6.7	9.0	8.8
HMG Secretariat	104.1	135.7	136.9	117.2	166.1	232.8
District Administration	56.7	63.5	66.1	51.7	67.6	80.4
Police	462.3	543.4	655.0	892.2	1151.9	1331.2
Jail	32.0	39.6	37.3	55.2	59.5	71.8
Miscellaneous	39.5	52.6	58.1	55.0	80.2	91.5
Administration Reform	1.5	2.4	2.4	2.4	0.0	0.0
Revenue Administration	101.1	111.2	124.4	124.8	173.5	191.4
Land Revenue	42.5	50.1	55.7	57.3	81.9	90.1
Customs	31.8	30.6	35.1	35.5	52.7	55.6
Excise	11.3	13.1	12.4	12.4	14.1	15.6
Tax	15.0	16.9	20.7	19.0	24.2	29.4
Revenue Tribunal	0.5	0.5	0.5	0.5	0.6	0.7
Others	-	-	-	-	-	-
Economic Adm. & Planning	38.2	41.7	47.8	48.4	59.4	68.4
Planning	2.1	2.4	2.7	2.4	3.1	3.4
Statistics	2.1	2.7	3.1	2.9	3.7	4.4
Comptroller General's Office	34.0	36.6	42.0	43.1	52.6	60.6
Metric Measurement	-	-	-	-	-	-
Judiclal Administration	71.0	79.5	88.0	84.2	112.0	146.4
Court	70.6	79.0	87.6	83.9	112.0	146.4
Court for Prevention of Misuse of Authority	0.4	0.4	0.4	0.2	-	-
Foreign Services	106.9	150.8	152.1	183.4	230.0	310.1
Foreign Services	88.9	130.9	133.3	161.3	200.4	237.1
Miscellaneous	18.0	19.9	18.8	22.0	29.6	73.0
Defence	768.3	898.7	1027.2	1151.4	1489.0	1723.6
Defence	638.0	760.8	822.3	1145.8	1482.6	1717.3
Miscellaneous	130.3	137.9	204.9	5.6	6.4	6.3

Table 2.4 : Regular E

/2/

Heading	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93
Social Services	562.0	634.9	716.1	742.6	999.0	1269.3

Education	262.5	282.9	319.7	366.3	472.6	685.2
Health	204.1	251.1	296.6	293.8	410.9	460.8
Drinking Water	14.6	16.5	2.6	2.3	3.7	4.4
Local Development	28.7	30.1	8.5	6.8	9.2	10.1
Other Social Services	52.1	54.3	88.8	73.4	102.6	108.8
Economic Services	289.6	351.4	423.8	374.8	548.7	586.1
Agriculture	9.0	29.8	31.6	33.0	40.4	45.6
Irrigation	7.9	8.7	10.1	4.6	8.9	9.5
Land Reform	29.6	11.5	11.9	13.9	14.7	31.9
Survey	12.7	14.9	14.9	17.7	22.2	25.9
Forest	14.6	15.7	17.3	17.4	22.6	21.3
Industry & Mining	14.5	15.6	16.1	15.1	21.0	24.0
Communication	107.9	131.7	185.5	144.3	258.0	265.0
Transportation	88.0	115.9	127.4	120.0	148.5	148.8
Electricity	0.0	0.0	-	-	-	-
Other Economic Services	5.5	7.7	8.9	8.9	12.4	14.1
Loans & Investment	2.6	8.9	6.7	10.0	3.0	24.0
Loans & Investment	2.6	8.9	6.7	10.0	3.0	24.0
Loan Repayment & Interest	1441.6	1720.7	2279.2	2407.4	3797.1	4560.5
Payment of Principal	397.5	534.1	802.3	739.0	1207.0	1597.9
Payment of Interest	1044.1	1186.6	1476.9	1668.4	2590.1	2962.6
Miscellaneous	458.9	742.3	739.9	1075.7	676.7	618.1
Travelling Exp. of Dignitaries and Government Delegation	25.2	35.6	51.0	7.9	9.1	27.3
Pension, Allowances & Gratuity	102.3	113.0	144.6	190.1	326.9	219.2
Hospitality	1.1	0.8	0.5	0.3	0.9	0.5
Emergency Help, Donation & Prizes	-	-	-	-	-	0.1
Compensation	1.0	0.6	5.5	0.0	5.5	2.5
Miscellaneous	211.2	150.3	401.0	153.0	188.7	299.6
Contingency	118.1	442.1	137.3	724.3	145.6	68.9
Total	4622.1	5676.5	6672.2	7574.1	9905.4	11484.1

Source: Financial Comptroller General Office

Expenditure

Rs. in Million

1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001
204.4	214.8	234.9	471.0	353.5	384.2	431.5	438.2
58.2	60.5	64.2	69.6	73.4	83.4	87.8	92.9
3.6	3.9	4.5	4.7	5.5	5.1	6.1	6.7
66.3	59.9	71.0	100.3	117.7	128.3	144.0	150.6
14.2	16.2	30.2	34.4	31.0	49.5	25.9	31.6
3.4	3.8	4.9	5.2	6.5	6.4		
20.1	20.1	24.0	26.6	31.2	33.6	7.4	8.7
18.2	24.9	23.1	37.1	39.1	36.2	34.8	41.9
15.3	2.1	6.8	185.9	41.3	33.4	45.1	30.3
4.3	3.7	5.2	5.9	6.4	6.7	70.8	56.8
0.8	0.9	1.1	1.3	1.4	1.6	7.9	9.7
						1.7	9.0
1900.5	2119.8	2509.7	2842.3	3158.8	3615.6	4070.4	6258.4
9.2	9.3	17.3	21.5	27.4	23.2	26.5	33.5
181.3	241.7	215.0	253.1	259.7	293.9	345.3	524.8
78.6	95.4	95.1	108.2	107.5	123.4	128.9	133.4
1474.6	1584.0	1926.9	2195.8	2487.2	2897.8	3267.8	5183.0
72.4	80.8	88.7	100.6	105.8	110.6	121.4	127.5
84.4	15.3	152.1	146.8	154.1	150.0	161.5	237.2
0.0	93.1	14.8	16.3	17.1	16.7	19.0	19.0
194.9	222.5	252.5	261.7	288.9	314.9	339.2	384.1
94.0	104.0	121.3	122.1	124.6	140.7	152.6	162.6
56.6	59.4	67.6	72.3	78.0	82.1	87.3	102.6
16.2	17.6	19.5	19.5	33.1	32.5	35.2	43.1
27.2	29.1	31.7	34.3	36.3	42.2	45.0	53.5
0.9	1.4	1.8	2.5	2.8	3.0	3.4	4.6
-	11.0	10.6	11.0	14.1	14.4	15.7	17.7
78.4	86.4	97.4	101.7	112.5	122.0	130.7	185.1
3.2	3.3	3.9	4.0	4.3	4.3	4.6	5.7
17.4	19.0	24.0	25.5	29.7	31.3	33.1	37.9
57.8	64.1	69.5	72.2	78.5	86.4	93.0	141.5
-	-	-	-	-	-	-	-
149.5	163.7	191.4	222.7	247.6	275.7	276.0	317.5
149.5	163.7	191.4	222.7	247.6	275.7	276.0	317.5
-	-	-	-	-	-	-	-
329.6	376.7	385.0	440.4	482.1	607.4	672.6	600.3
261.1	311.9	319.4	362.8	308.1	339.9	440.5	396.1
68.5	64.8	65.6	77.6	174.0	267.5	232.1	204.2
1877.4	2001.3	2126.4	2357.6	2582.8	2994.8	3482.1	3813.4
1871.1	1994.8	2118.8	2348.4	2573.4	2985.0	3469.9	3802.2
6.3	6.5	7.6	9.2	9.4	9.8	12.2	11.2

Contd.

Expenditure

Rs. in Million

1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001
1352.8	4441.6	5375.0	5909.1	6993.3	7376.9	8327.9	10882.2

741.9	3612.1	4359.2	4847.0	5766.8	6040.2	6754.8	8260.8
505.1	637.1	799.0	885.4	1049.0	1137.4	1324.8	1547.3
3.5	9.6	10.7	10.9	11.4	12.3	13.0	15.0
9.6	12.9	11.4	11.9	13.0	17.7	17.9	21.8
92.7	169.8	194.8	153.9	153.1	169.3	217.4	1037.3
605.3	1353.9	1533.5	1738.2	1889.9	2167.9	2224.8	1631.1
36.9	63.2	68.1	75.1	80.8	88.6	99.5	111.4
8.4	98.3	103.9	99.5	104.4	110.9	117.2	131.6
29.9	30.3	32.5	31.1	32.5	35.9	39.3	46.5
27.6	45.5	39.1	43.7	46.0	54.5	60.5	71.7
23.4	381.9	481.4	512.9	539.6	731.8	790.9	829.4
22.5	183.2	186.0	231.4	231.2	233.8	231.7	183.3
278.2	328.9	373.7	476.1	563.8	630.5	658.7	6.9
165.3	192.3	211.7	227.4	244.3	232.8	174.9	196.0
-	-	-	8.7	10.1	10.4	9.5	8.1
13.1	30.0	37.0	32.3	37.2	38.7	42.6	46.2
16.0	5.2	17.4	31.7	24.9	15.1	39.2	10.0
16.0	5.2	17.4	31.7	24.9	15.1	39.2	10.0
4855.1	6083.3	6715.5	7527.2	7682.8	8723.0	10032.8	10388.4
1898.2	2653.2	2847.5	3453.3	3931.2	4642.7	5212.7	5690.6
2956.9	3430.1	3867.9	4073.9	3751.6	4080.3	4820.1	4697.8
845.3	2195.7	2123.2	2277.5	3357.3	4450.2	4496.1	7860.5
37.7	62.2	76.1	68.9	66.2	90.7	79.1	91.1
466.8	589.0	584.7	728.6	1028.6	1261.1	1372.0	1573.1
1.2	1.2	2.8	3.3	1.7	1.0	0.5	3.1
-	-	2.0	1.1	-	0.2	0.2	2.2
3.0	1.3	37.0	22.1	24.5	26.4	39.9	22.5
197.9	301.4	728.9	1001.0	1944.7	1402.8	1220.0	1208.1
138.7	1240.5	693.4	452.5	291.6	1668.0	1784.4	4960.4
12409.2	19265.1	21561.9	24181.1	27174.4	31047.7	34523.3	42769.2

Table 2.5 : Development Expe

Heading	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Constitutional Organgs	-	-	-	-	-	-	-	-
Commission for Abuse of Authority								
Auditor General Office	-	-	-	-	-	-	-	-
Public Service Commission	-	-	-	-	-	-	-	-
General Administration	24.4	35.0	14.3	11.3	13.8	29.0	31.3	33.5
Administration Reform	24.4	35.0	14.3	11.3	13.8	29.0	31.3	33.5
Economic Administ. & Planning	5.9	10.1	10.8	83.3	39.3	18.7	19.5	31.6
Planning	1.6	4.1	3.4	5.2	5.9	6.6	8.0	20.6
Statistics	4.3	6.0	7.4	78.1	33.4	12.1	11.5	11.0
Social Services	2433.3	3309.2	3973.2	3569.3	5040.3	7245.5	7104.1	6224.8
Education	1226.8	1458.8	1479.8	1716.0	2395.2	3465.0	3822.1	1453.6
Health	385.2	616.0	393.8	366.8	507.2	600.2	560.5	858.5
Drinking Water	236.3	469.3	617.4	538.5	1334.4	1821.4	1073.6	1102.2
Local Development	442.7	458.6	454.1	321.3	406.5	656.1	1006.9	2416.1
Other Social Services	142.4	306.5	1028.1	626.7	397.0	702.8	641.0	394.3
Economic Services	6751.7	8241.6	8200.7	11893.3	11063.3	12111.5	13841.4	12852.7
Agriculture	928.9	1016.2	1183.5	1534.6	1276.0	2077.2	2300.3	2639.4
Irrigation	854.7	1623.2	1204.8	1118.9	2212.2	2017.3	3232.1	2550.8
Land Reform	19.6	29.3	38.8	40.4	31.3	5.9	4.2	1.4
Survey	72.1	80.8	64.5	68.9	87.6	108.4	190.0	198.7
Forestry	449.6	556.7	547.2	460.1	884.3	928.8	966.5	408.4
Industry & Mining	604.0	554.3	1049.0	1751.5	2427.2	1085.6	648.0	27.2
Communication	519.0	374.7	128.4	56.7	116.0	474.7	437.6	1517.8
(a) Post Office	3.2	8.0	1.8	2.1	2.5	6.6	8.4	-
(b) Telecommunication	515.8	366.7	126.6	54.6	113.5	468.1	429.2	1517.8
Transportation	1214.6	1857.2	1590.1	1979.5	2381.0	2844.0	3363.2	3010.6
(a) Roads	958.4	1392.0	1090.6	1375.6	2059.3	2499.5	2991.2	2277.1
(b) Bridges	112.4	114.3	81.4	202.0	85.1	53.7	109.5	383.2
(c) Aviation	143.0	316.4	410.3	394.2	221.1	290.8	262.5	316.8
(d) Others	0	34.5	7.8	7.7	15.5	-	-	33.4
Electricity	1924.7	2003.4	2087.6	1363.1	1414.4	2229.1	2312.2	1764.9
Other Economic Services	164.6	145.3	306.8	3519.6	233.3	340.5	387.3	488.8
(a) Commerce	13.5	20.8	57.3	43.2	37.0	37.4	7.2	10.0
(b) Labour	6.5	14.9	8.3	9.4	12.2	15.3	17.9	47.8
(c) Tourism	111.4	17.2	18.4	12.4	12.5	61.8	68.1	147.4
(d) Metereology & Hydrology	13.2	24.7	16.2	16.2	16.1	19.3	18.8	20.3
(e) Supply and Others	20.0	68.2	206.5	3438.3	155.5	206.7	275.3	263.3
Miscellaneous	212.6	732.8	798.7	422.2	356.1	8.9	191.9	652.3
Miscellaneous	80.3	212.9	518.0	-	-	-	-	-
Contingency	132.3	519.9	280.7	422.2	356.1	8.9	191.9	652.3
Total	9428.0	12328.7	12997.5	15979.5	16512.8	19413.6	21188.2	19794.9

Source: Financial Comptroller General Office.

nditure

Rs. in Million

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001
-	-	3.6	28.5	26.6	12.7
				1.5	1.4
-	-	1.5	15.1	15.2	2.6
-	-	2.1	13.4	9.9	3.7
					5.0
41.6	34.5	46.4	79.2	108.1	127.2
41.6	34.5	46.4	79.2	108.1	127.2
33.2	17.3	19.3	20.5	28.6	196.2
20.6	8.1	9.7	10.7	15.3	19.1
12.6	9.2	9.6	9.8	13.3	177.1
7612.7	9281.3	10323.5	10265.4	12406.2	12872.7
1791.0	2356.2	2037.1	1641.3	2573.7	2783.9
915.5	1621.2	2076.1	1677.2	2126.7	1972.4
1206.4	1327.1	1670.0	1866.8	2423.0	2407.2
3345.3	3622.9	3678.8	3968.7	4136.7	4626.2
354.5	353.9	861.5	1111.4	1146.1	1083.0
16982.7	17054.7	17900.2	17324.4	18648.6	21114.3
2224.0	1889.6	2144.3	1926.2	2089.5	2329.3
2884.6	2726.6	2437.6	2940.7	3044.6	3953.3
29.1	25.7	51.5	61.4	63.6	90.0
238.4	246.8	184.0	241.5	200.2	251.8
378.7	463.8	410.4	480.5	519.0	478.9
306.0	263.5	477.1	289.4	833.9	366.8
1151.7	1095.9	1188.4	466.0	282.5	244.0
23.8	18.3	18.4	20.9	17.2	54.4
1127.9	1077.6	1170.0	445.1	265.3	189.6
5968.5	5305.2	5619.9	5111.3	4695.4	5354.9
2859.2	4752.7	4853.6	4350.4	3613.0	4106.6
920.7	226.7	139.1	328.1	663.8	671.0
2060.9	299.4	618.1	430.8	417.8	508.9
127.7	26.4	9.1	2.0	0.8	68.4
3210.2	4447.3	4704.7	4811.3	5537.9	6813.7
591.5	590.3	682.3	996.1	1382.0	1231.6
20.0	34.0	198.5	409.6	359.8	356.2
59.7	55.9	57.8	53.3	60.9	73.8
189.2	203.7	159.5	154.1	221.5	383.7
28.3	38.8	41.4	179.5	235.1	164.4
294.3	257.9	225.0	199.6	504.7	253.5
310.3	154.8	650.9	813.3	531.1	2742.8
-	-	-	-		48.2
310.3	154.8	650.9	813.3	531.1	2694.6
24980.5	26542.6	28943.9	28531.3	31749.2	37065.9

Table 2.6 : Foreign Aid Commitment by M

Source	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
1. Bilateral	3478.5	3532.3	6605.4	3494.9	7643.2	12650.0	7402.3	9744.8	10355.9	19768.0
Grant	2925.5	3215.3	6078.3	2734.4	7643.2	12386.0	7267.1	9670.0	8558.1	10946.3
Loan	553.0	317.0	527.1	760.5	-	264.0	135.2	74.8	1797.8	8821.7
2. Multilateral	2971.1	6870.7	9224.6	2170.5	13440.9	7876.7	5769.9	3132.1	6181.4	19875.0
Grant	14.5	1543.7	160.5	35.5	417.9	3611.7	158.9	1496.8	2508.3	2797.4
Loan	2956.6	5327.0	9064.1	2135.0	13023.0	4265.0	5611.0	1635.3	3673.1	17077.6
3. Total	6449.6	10403.0	15830.0	5665.4	21084.1	20526.7	13172.2	12876.9	16537.3	39643.0
Grant	2940.0	4759.0	6238.8	2769.9	8061.1	15997.7	7426.0	11166.8	11066.4	13743.7
Loan	3509.6	5644.0	9591.2	2895.5	13023.0	4529.0	5746.2	1710.1	5470.9	25899.3

* First eight months

Source: Ministry of Finance

Major Sources

Rs. in Million

1997/98	1998/99	1999/2000	2000/2001	2000/2001*	2001/2002*
13797.8	13787.4	11293.4	17495.9	5418.2	15707.0
12342.4	13299.1	11293.4	14046.0	5264.7	14560.5
1455.4	488.3	-	3449.9	153.5	1146.5
18224.3	4565.0	9154.6	13791.0	13790.8	14691.8
6026.0	5.0	1566.8	243.0	243.0	5950.8
12198.3	4560.0	7587.8	13548.0	13547.8	8741.0
32022.1	18352.5	20448.0	31287.0	19209.0	30398.8
18368.4	13304.2	12860.2	14289.1	5507.7	20511.4
13653.7	5048.3	7587.8	16997.9	13701.3	9887.4

Table 2.7 : Foreign Aid Commitment

Source	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Agriculture, Irrigation & Forestry	3560.6 <i>3175.1</i>	3901.1 <i>3815.0</i>	2992.4 <i>2992.4</i>	3616.2 <i>3616.2</i>	5003.3 <i>4951.9</i>	2354.9 <i>2162.6</i>	1550.7 <i>1519.0</i>	3326.5 <i>2617.9</i>	2518.6 <i>2053.3</i>
Transport and Communication	607.7 <i>589.0</i>	1437.2 <i>1403.6</i>	3076.7 <i>3076.7</i>	398.8 <i>348.4</i>	3949.9 <i>3949.9</i>	1226.9 <i>895.9</i>	5280.9 <i>2665.7</i>	1200.1 <i>929.7</i>	5597.2 <i>5597.2</i>
Power	631.1 <i>631.1</i>	1296.3 <i>1296.3</i>	3187.6 <i>3187.6</i>	585.5 <i>585.5</i>	2797.4 <i>2797.4</i>	4474.7 <i>4190.6</i>	670.5 <i>670.5</i>	1952.4 <i>1952.4</i>	3144.5 <i>2183.4</i>
Industry & Mining	619.0 <i>619.0</i>	32.7 <i>28.1</i>	186.4 <i>186.4</i>	17.0 <i>17.0</i>	446.6 <i>446.6</i>	1034.4 <i>1034.4</i>	46.6 <i>46.6</i>	254.1 <i>254.1</i>	- <i>-</i>
Rural Development	144.3 <i>38.1</i>	1280.5 <i>1284.7</i>	60.2 <i>60.2</i>	467.4 <i>467.4</i>	243.9 <i>243.9</i>	504.6 <i>125.8</i>	579.5 <i>579.5</i>	602.5 <i>602.5</i>	2482.1 <i>1319.4</i>
Water Supply & Sewerage	7.0 <i>-</i>	922.8 <i>922.8</i>	508.4 <i>508.4</i>	- <i>-</i>	3794.8 <i>3794.8</i>	1565.4 <i>1565.4</i>	- <i>-</i>	59.0 <i>59.0</i>	- <i>-</i>
Education	20.8 <i>20.8</i>	922.8 <i>922.8</i>	1784.1 <i>1784.1</i>	- <i>-</i>	2687.1 <i>2687.1</i>	1523.2 <i>1523.2</i>	1210.3 <i>1210.3</i>	210.2 <i>210.2</i>	1062.9 <i>779.3</i>
Health	214.7 <i>214.7</i>	1401.6 <i>1176.6</i>	690.6 <i>690.6</i>	487.2 <i>477.1</i>	113.1 <i>113.1</i>	3730.3 <i>961.3</i>	2884.4 <i>1445.0</i>	1052.1 <i>652.1</i>	472.0 <i>472.0</i>
Others	644.4 <i>347.9</i>	59.6 <i>59.6</i>	3343.6 <i>2933.4</i>	93.4 <i>93.4</i>	2047.7 <i>1657.4</i>	4112.3 <i>3038.9</i>	949.3 <i>949.3</i>	4220.1 <i>3405.1</i>	1260.1 <i>1260.1</i>
Total	6449.6 <i>5635.7</i>	10403.0 <i>9991.3</i>	15830.0 <i>15419.8</i>	5665.4 <i>5604.9</i>	21084.1 <i>20642.3</i>	20526.7 <i>15498.1</i>	13172.2 <i>9085.9</i>	12877.0 <i>10683.0</i>	16537.3 <i>13664.7</i>

* First Eight Months

Note: Figures in Italic indicate commitment made by members of Nepal Development Forum.

1) Land reform : In agriculture

2) Physical Planning : In drinking water

3) Tourism and civil aviation : In industry

4) Supplies : In rural development

Source : Ministry of Finance

ent (by Sectors)

Rs. in Million

1996/97	1997/98	1998/99	1999/2000#	2000/2001#	2001/2002#*
6489.5	12997.4	3804.0	685.8	3290.3	681.3
<i>6489.5</i>	<i>12997.4</i>	<i>3804.0</i>	<i>685.8</i>	<i>3290.3</i>	<i>681.3</i>
1989.8	812.8	1380.9	5628.8	924.6	3943.5
<i>1989.8</i>	<i>812.8</i>	<i>1380.9</i>	<i>5628.8</i>	<i>924.6</i>	<i>3943.5</i>
18879.5	2993.9	3318.0	4174.4	1158.7	758.5
<i>18879.5</i>	<i>2993.9</i>	<i>3318.0</i>	<i>4174.4</i>	<i>1158.7</i>	<i>758.5</i>
-	156.5	1372.7	876.6	0.0	0.0
-	<i>156.5</i>	<i>1372.7</i>	<i>876.6</i>	<i>0.0</i>	<i>0.0</i>
906.0	1491.7	848.4	1474.0	3399.1	1583.8
<i>906.0</i>	<i>1491.7</i>	<i>848.4</i>	<i>1474.0</i>	<i>3399.1</i>	<i>1583.8</i>
2177.4	0.0	440.0	518.7	15418.4	6135.0
<i>2177.4</i>	<i>0.0</i>	<i>440.0</i>	<i>518.7</i>	<i>15418.4</i>	<i>6135.0</i>
201.0	4094.5	1083.2	4034.5	540.2	2007.4
<i>201.0</i>	<i>4094.5</i>	<i>1083.2</i>	<i>4034.5</i>	<i>540.2</i>	<i>2007.4</i>
4333.8	1107.0	1246.4	-	9.6	4895.6
<i>4317.8</i>	<i>1107.0</i>	<i>1246.4</i>	-	<i>9.6</i>	<i>4895.6</i>
4666.0	8368.4	4858.9	3055.2	6546.0	10393.7
<i>4106.0</i>	<i>8125.4</i>	<i>4433.9</i>	<i>2121.6</i>	<i>5430.1</i>	<i>10393.7</i>
39643.0	32022.1	18352.5	20448.0	31286.9	30398.8
<i>39067.0</i>	<i>31779.1</i>	<i>17927.5</i>	<i>19514.4</i>	<i>30171.0</i>	<i>30398.8</i>

Table 2.8 : Foreign Aid Disbursement b

Sources	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
1. Bilateral	2251.6	1707.7	2544.9	2939.9	3597.3	3638.5	2627.1	3988.7	3533.3
Grant	1789.1	1199.9	1544.3	1337.1	1207.5	2330.9	2044.2	3271.4	3073.3
Loan	462.5	507.8	1000.6	1602.8	2389.8	1307.6	582.9	717.3	460.0
2. Multilateral	2826.9	3959.2	3882.2	3050.1	4203.1	5597.1	8930.1	7260.7	10755.7
Grant	195.1	278.3	254.5	292.9	323.5	943.0	349.4	665.7	1751.8
Loan	2631.8	3680.9	3627.7	2757.2	3879.6	4654.1	8580.7	6595.0	9003.9
3. Total	5078.5	5666.9	6427.1	5990.0	7800.4	9235.6	11557.2	11249.4	14289.0
Grant	1984.2	1478.2	1798.8	1630.0	1531.0	3273.9	2393.6	3937.1	4825.1
Loan	3094.3	4188.7	4628.3	4360.0	6269.4*	5961.7**	9163.6	7312.3	9463.9

* Under loan assistance, the amount of Structural Adjustment Loan (SAL) Rs. 547.5 million is not included.

** Under Loan assistance, the SAL amount of Rs. 450.7 million and industrial sector programme loan Rs. 508.5 mill

Source: Financial Comptroller General Office

y Major Sources

Rs. in Million

1996/97	1997/98	1998/99	1999/2000	2000/2001
6012.7	6297.7	4167.6	4929.1	2771.2
5162.0	4983.2	3583.6	4171.2	2184.5
850.7	1314.5	584.0	757.9	586.7
9019.2	10159.4	12021.4	12594.8	16026.2
826.3	419.4	753.0	1540.5	4568.9
8192.9	9740.0	11268.4	11054.3	11457.3
15031.9	16457.1	16189.0	17523.9	18797.4
5988.3	5402.6	4336.6	5711.7	6753.4
9043.6	11054.5	11852.4	11812.2	12044.0

ion is not included.

Table 2.9: Foreign Aid Disbursement (by Sectors)

Sectors	1987/88			1988/89			1989/90			1990/91	
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan
Agriculture, Irrigation and Forestry	159.3	1067.0	1226.3	211.4	1255.4	1466.8	194.9	1294.8	1489.7	141.1	1112.1
Agriculture	70.6	482.7	553.3	82.6	446.9	529.5	92.5	443.7	536.2	62.4	547.2
Irrigation	23.0	453.3	476.3	71.1	720.8	791.9	46.9	725.5	772.4	20.4	414.9
Forest	65.6	130.9	206.5	57.4	87.7	145.1	55.0	125.6	180.6	57.8	150.0
Others+	0.1	0.1	0.2	0.3	-	0.3	0.5	-	0.5	0.5	-
Transport, Power and Communication	1196.0	1598.6	2794.6	672.3	2447.9	3120.1	920.5	1758.6	2679.1	1043.8	1531.8
Transport	257.6	349.7	607.3	334.5	683.5	1017.9	371.3	378.6	749.9	687.1	670.3
Power	536.4	1135.1	1671.5	296.1	1439.3	1735.4	526.2	1275.4	1801.6	356.7	806.9
Communication	402.0	113.8	515.8	41.6	325.1	366.7	23.0	104.6	127.6	-	54.6
Industry and Commerce	252.1	193.6	445.7	46.2	145.0	191.1	10.7	645.9	656.6	120.2	1270.7
Social Services	293.8	228.4	522.3	510.2	334.7	845.0	633.3	922.5	1555.8	643.3	932.5
Education	44.8	135.6	180.4	34.5	234.4	268.9	65.9	118.7	184.6	30.8	91.4
Health	138.1	1.6	139.7	288.0	0.8	288.8	106.3	3.3	109.6	105.4	-
Drinking Water	11.9	64.6	76.5	62.2	55.4	117.7	90.7	149.9	240.6	50.4	131.5
Others++	99.1	26.6	125.7	125.6	44.1	169.6	370.4	650.6	1021.0	97.5	160.9
Others+++	82.9	6.7	89.6	38.1	5.7	43.9	39.4	6.5	45.9	0.3	61.6
Total	1984.2	3094.3	5078.5	1478.2	4188.7	5666.9	1798.8	4628.3	6427.1	1807.8	4638.3

Rs. in Million

Total	1991/92		Total	1992/93		Total	1993/94		Total	Sectors	Grant
	Grant	Loan		Grant	Loan		Grant	Loan			
1253.2	313.3	1632.1	1945.4	462.0	1465.4	1927.4	614.3	4904.8	5519.1	Agriculture, Irrigation and Forestry	1032.6
609.6	126.4	270.4	396.8	171.4	553.5	724.9	263.9	1801.0	2064.9	Agriculture	492.4
435.3	93.9	1065.0	1158.9	192.9	834.2	1027.1	82.7	1631.0	1713.7	Irrigation	313.7
207.8	93.0	296.7	389.7	93.5	77.7	171.2	197.4	1132.4	1329.8	Forest	130.5
-	-	-	-	4.2	0.0	4.2	70.3	340.4	410.7	Others+	96.0
2575.6	475.0	2010.1	2485.1	640.0	3299.6	3939.6	896.3	3273.1	4169.4	Transport, Power and Communication	2532.7
1357.4	174.7	953.5	1128.2	56.6	1409.4	1466.0	843.8	1276.0	2119.8	Transport	1741.1
1163.6	300.3	943.1	1243.4	429.0	1579.5	2008.5	50.9	1581.4	1632.3	Power	51.6
54.6	-	113.5	113.5	154.4	310.7	465.1	1.6	415.7	417.3	Communication	740.0
1390.9	30.6	2143.7	2174.3	33.6	663.3	696.9	155.4	234.5	389.9	Industry and Commerce	121.0
1575.8	708.1	483.5	1191.6	2134.2	533.4	2667.6	717.5	751.1	1468.6	Social Services	1260.5
122.2	58.2	146.9	205.1	573.0	139.3	712.3	165.0	452.1	617.1	Education	452.0
105.4	182.0	-	182.0	266.3	-	266.3	226.8	-	226.8	Health	386.2
181.9	417.9	215.1	633.0	925.9	275.7	1201.6	25.5	299.0	324.5	Drinking Water	182.3
258.4	50.0	121.5	171.5	369.0	118.4	487.4	300.2	-	300.2	Others++	240.1
61.9	4.0	-	4.0	4.1	-	4.1	10.1	-	10.1	Others+++	51.7
6446.1	1531.0	6269.4*	7800.4	3273.9	5961.7**	9235.6	2393.6	9163.5	11557.1	Total	3937.1

Contd.

+ Survey and Land Reform

+ + Local Development, Supply and

+++ Statistics, Administrative Reform

* The amount of structural Adjustment

** The amount of SAL Rs. 450.7 Mill

Source: Financial Comptroller General

Table 2.9: Foreign Aid Disbursement (by Sectors)

1994/95		1995/96			1996/97			1997/98			1998/99	
Loan	Total	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan
2429.8	3462.4	345.2	3054.4	3399.6	625.9	2201.6	2827.5	308.6	2543.5	2852.1	458.8	2925.1
810.0	1302.4	83.8	1013.5	1097.3	162.4	273.7	436.1	144.4	780.5	924.9	100.5	808.9
1569.4	1883.1	109.8	1992.7	2102.5	171.6	1876.8	2048.4	-	1681.9	1681.9	192.5	2003.0
50.4	180.9	32.6	48.2	80.8	168.1	51.1	219.2	111.4	81.1	192.5	76.0	113.2
0.0	96.0	119.0	0.0	119.0	123.8	0.0	123.8	52.8	-	52.8	89.8	-
3103.6	4574.7	3591.3	4461.4	8052.7	3373.0	5131.5	8504.5	3176.6	5813.0	8989.6	1712.5	6179.7
1120.0	1799.8	2561.8	1475.6	4037.4	1618.5	1995.9	3614.4	1641.0	2115.9	3756.9	1231.0	1945.6
1201.8	1253.3	817.4	2084.7	2902.1	1303.0	2565.5	3868.5	828.8	3289.8	4118.6	437.0	4234.1
781.8	1521.8	212.1	901.1	1113.2	451.5	570.1	1021.6	706.8	407.3	1114.1	44.5	-
359.3	480.3	12.4	3.5	15.9	5.9	17.5	23.4	30.2	167.9	198.1	13.1	391.6
1419.6	2680.1	851.9	1784.3	2636.2	1972.0	1693.0	3665.0	1887.2	2530.1	4417.3	2134.1	2312.3
866.8	1318.8	464.6	853.0	1317.6	851.8	933.9	1785.7	477.0	923.6	1400.6	405.7	535.8
30.1	416.3	193.5	39.6	233.1	769.2	90.1	859.3	670.6	415.5	1086.1	403.8	357.3
191.9	374.2	126.9	586.7	713.6	121.2	376.1	497.3	181.8	695.7	877.5	217.2	623.2
330.8	570.8	66.9	305.0	371.9	229.8	292.9	522.7	557.8	495.3	1053.1	1107.4	796.0
0.0	51.7	24.3	160.3	184.6	11.5	0.00	11.5	-	-	-	18.1	43.7
7312.3	11249.4	4825.1	9463.9	14289.0	5988.3	9043.6	15031.9	5402.6	11054.5	16457.1	4336.6	11852.4

1 other Social Services, Tourism, Labour, Hydrology and meteorology and others only.

2m, Planning and contingencies.

3ent Loan (SAL) Rs. 547.5 Million in not included

4tion and Industrial Sector Programme Loan Rs. 508.5 Million in not included.

5al Office.

Rs. in Million

)	1999/2000			2000/2001		
	Total	Grant	Loan	Total	Grant	Loan
	3383.9	516.4	2693.4	3209.8	532.8	3242.0
	909.4	79.0	788.3	867.3	27.5	778.8
	2195.5	205.3	1867.8	2073.1	347.1	2436.8
	189.2	172.7	37.3	210.0	96.7	26.4
	89.8	59.4	-	59.4	61.5	
	7892.2	2119.8	6039.5	8159.3	3222.5	6012.6
	3176.6	1757.0	847.2	2604.2	2068.8	1292.5
	4671.1	325.1	5192.3	5517.4	1120.4	4626.8
	44.5	37.7	-	37.7	33.3	93.3
	404.7	14.7	283.8	298.5	19.9	19.9
	4446.4	2998.9	2795.1	5794.0	2970.1	2789.4
	941.5	1250.3	709.8	1960.1	1367.7	562.0
	761.1	553.3	497.0	1050.3	491.0	145.0
	840.4	532.3	839.8	1372.1	523.1	782.6
	1903.4	663.0	748.5	1411.5	588.3	1299.8
	61.8	61.9	0.4	62.3	8.1	8.1
	16189.0	5711.7	11812.2	17523.9	6753.4	12044.0
						18797.4

Table 2.10 : Foreign Loan and]

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Direct								
Outstanding Upto Last Year	16990.6	23861.8	31467.5	52688.8	64569.2	81738.1	94257.9	107504.9
Borrowing	4069.9	5671.4	5959.6	7296.7	7281.8	6920.9	9163.6	7312.2
Repayments	296.5	387.6	700.8	588.0	941.1	1251.8	1467.2	1827.1
Interest Payments	293.0	312.2	419.6	497.0	722.3	878.6	1020.2	1156.2
Net Outstanding	20764.0	29145.6	36726.3	59397.5	70909.9	87407.2	101954.3	112990.0
Indirect								
Outstanding Upto Last Year	63.0	72.3	75.6	108.8	15.1	14.7	13.5	12.0
Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments	1.0	1.0	1.0	1.0	1.1	1.1	1.0	1.1
Interest Payments	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.3
Net Outstanding	62.0	71.3	74.6	107.8	14.0	13.6	12.5	10.9
Total Foreign Loan								
Outstanding Upto Last Year	17053.6	23934.1	31543.1	52797.6	64584.3	81752.8	94271.4	107516.9
Borrowing	4069.9	5671.4	5959.6	7296.7	7281.8	6920.9	9163.6	7312.2
Repayments	297.5	388.6	701.8	589.0	942.2	1252.9	1468.2	1828.2
Interest Payments	293.5	312.7	421.8	497.5	722.7	879.0	1020.5	1156.5
Net Outstanding	20826.0	29216.9	36800.9	59505.3	70923.9	87420.8	101966.8	113000.9

* First Eight Months.

Note : Outstanding may differ due to exchange rate fluctuation.

Source: Financial Comptroller General Office.

Debt Servicing

Rs. in Million

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001	2000/2001*	2001/2002*
120555.9	125214.1	150126.8	161813.6	182001.8	194940.0	193793.8	204487.3
9463.9	8963.9	13850.9	10839.5	12362.4	11104.3	7402.9	5614.5
1986.6	2101.2	2779.0	3195.3	3679.9	4499.4	2999.6	2774.8
1306.3	1246.7	1420.8	1548.6	1640.1	1700.7	1133.8	1026.7
128033.2	132076.8	161198.7	169457.8	190684.3	201544.9	198197.1	207327.0
12.3	11.2	10.5	9.3	8.1	6.9	4.6	5.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.1	1.2	1.2	1.2	1.2	1.2	0.8	0.8
0.3	0.3	0.2	0.4	0.2	0.1	0.1	0.1
11.2	10.0	9.3	8.1	6.9	5.7	3.8	4.9
120568.2	125225.3	150137.3	161822.9	182009.9	194946.9	193798.4	204493.0
9463.9	8963.9	13850.9	10839.5	12362.4	11104.3	7402.9	5614.5
1987.7	2102.4	2780.2	3196.5	3681.1	4500.6	3000.4	2775.6
1316.6	1247.0	1421.0	1549.0	1640.3	1700.8	1133.9	1026.8
128044.4	132086.8	161208.0	169465.9	190691.2	201550.6	198200.9	207331.9

Table 2.11 : Pattern of Ownership of

Description	1987	1988	1989	1990	1991	1992
1 Treasury Bills						
a Nepal Rastra Bank	3245.1	3834.0	320.0	1468.0	1273.5	535.7
b Commercial Banks	89.5	204.5	821.0	310.0	940.0	2769.5
c Others	105.4	51.5	30.0	43.0	137.5	178.0
Sub-Total	3440.0	4090.0	1171.0	1821.0	2351.0	3483.2
2 Development Bonds						
a Nepal Rastra Bank	615.5	1513.5	2001.9	2001.9	2001.9	1824.6
b Commercial Banks	2210.8	2947.7	2900.4	3222.6	3324.0	3177.1
c Financial Institutions	80.9	102.0	101.6	96.5	90.4	88.9
d Provident Fund	0.0	0.0	0.0	0.0	0.0	0.0
e Govt. Business Enterprise	19.6	20.1	9.5	9.5	9.5	10.0
f Private Business Enterprise	40.8	39.8	37.9	31.8	31.6	29.4
g Individuals	7.7	5.9	3.4	2.5	2.1	2.1
h Non-profit Organizations	14.7	22.7	33.9	23.8	22.8	0.1
Sub-Total	2990.0	4651.7	5088.6	5388.6	5482.3	5132.2
3 National Savings Certificate						
a Nepal Rastra Bank	341.9	194.2	0.0	0.0	0.0	245.6
b Commercial Banks	26.5	41.7	41.7	41.7	41.7	167.8
c Financial Institutions	80.2	64.6	63.3	106.0	102.8	132.1
d National Insurance Company	319.5	442.7	491.9	557.6	691.5	849.3
e Provident Fund	647.1	647.1	667.1	997.7	1089.6	1456.4
f Govt. Business Enterprise	0.0	0.0	70.9	91.4	172.2	342.0
g Private Business Enterprise	103.4	190.6	158.1	179.5	206.6	197.1
h Individuals	112.6	153.0	189.4	370.6	488.9	65.7
i Non-profit Organizations	308.8	462.6	514.1	552.0	853.2	1090.3
Sub-Total	1940.0	2196.5	2196.5	2896.5	3646.5	4546.3
4 Public Saving Card						
a Personal area						
5 Special Bonds.						
a. Five years special bonds (N.R.BK)	137.5	137.5	137.5	137.5	137.5	137.5
b IMF Promisory Note (N.R.BK)	489.9	560.3	625.3	760.5	760.5	1411.0
c. CB PASS 20 years Special Bond and others	0.0	0.0	3669.0	3669.0	8478.1	8524.7
1 Nepal Rastra Bank	0.0	0.0	3669.0	3669.0	5449.0	5449.0
2 Commercial Banks.	0.0	0.0	0.0	0.0	3029.1	3075.7
3 Employee's Provident Fund	0.0	0.0	0.0	0.0	0.0	0.0
4 Individuals	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total	627.4	697.8	4431.8	4567.0	9376.1	10073.2
6 Total						
a Nepal Rastra Bank	4829.9	6239.5	6753.7	8036.9	9622.4	9603.4
b Commercial Banks	2326.8	3193.9	3763.1	3574.3	7334.8	9190.1
c. Others	1840.7	2202.6	2371.1	3061.9	3898.7	4441.4
Grand Total	8997.4	11636.0	12887.9	14673.1	20855.9	23234.9

Source: Nepal Rastra Bank

f Government Bonds and Treasury Bills

Rs. in Million

1993	Mid July 1994	Mid July 1995	Mid July 1996	Mid July 1997	Mid July 1998	Mid July 1999	Mid March 2000	Mid March 2001	Mid March 2002
242.0	310.0	1410.0	1261.9	1641.3	0.0	4696.7	2794.9	3050.5	14498.1
3967.4	4371.1	4339.0	4207.1	5412.1	8127.5	10059.0	15686.0	22267.0	23375.0
193.8	535.2	643.5	1673.5	1039.1	1055.0	2831.2	2546.0	2293.3	3233.5
4403.2	5216.3	6392.5	7142.5	8092.5	9182.5	17586.9	21026.9	27610.8	41106.6
1824.6	1674.6	1674.4	1534.4	1526.7	1526.7	1526.7	1522.5	2272.2	1848.6
3177.1	2937.6	2330.4	2046.5	1052.6	1211.6	1658.6	1549.1	2184.4	2249.4
90.1	82.5	81.8	63.1	8.5	110.5	133.5	401.1	539.1	876.6
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	500.0
10.0	10.0	9.5	8.0	0.0	0.0	100.0	175.0	175.0	175.0
28.2	27.4	25.9	20.0	2.0	1.0	1.0	0.0	10.0	10.0
2.1	0.0	0.2	0.2	0.0	0.0	0.0	549.1	553.1	927.7
0.1	0.1	0.0	0.0	452.4	452.4	452.4	65.4	228.4	213.4
5132.2	4732.2	4122.2	3672.2	3042.2	3302.2	3872.2	4262.2	5962.2	6800.7
179.7	354.1	602.5	1288.6	1470.5	663.3	368.7	764.4	343.2	338.4
167.9	167.9	167.8	167.8	154.5	154.5	154.5	154.5	154.5	154.5
100.5	129.3	192.0	224.8	578.3	1371.7	1111.2	771.2	987.9	716.6
969.5	1063.5	1074.6	1261.6	1244.2	1246.1	1473.2	1331.7	713.7	975.8
1535.0	1557.9	1411.5	1384.6	1473.2	1567.1	1384.9	1231.1	1475.6	1475.6
385.2	462.6	426.2	472.0	461.9	823.9	973.4	805.8	573.9	756.9
210.6	275.4	297.8	328.5	407.6	411.7	429.8	439.9	343.8	419.5
94.0	114.6	210.0	248.8	340.8	793.4	1031.2	929.0	1268.1	1082.6
1259.1	1566.2	1694.0	1999.8	2605.5	2854.7	3499.5	5098.9	6615.7	6456.5
4901.5	5691.5	6076.4	7376.5	8736.5	9886.4	10426.4	11526.5	12476.4	12376.4
									417.9
137.5	137.5	137.5	111.2	80.2	80.2	32.8	-	-	-
2178.2	2178.2	2587.0	2645.2	2645.2	2992.7	3860.0	3650.0	3888.1	3888.1
8703.5	12675.5	12742.2	13294.3	13294.3	12962.7	13891.3	13891.4	10106.2	4849.9
6007.8	9792.9	9916.6	10702.2	10702.2	10702.2	11630.8	11630.9	7845.7	2396.7
2695.7	1409.1	1352.1	1118.6	1118.6	787.0	787.0	787.0	787.0	787.0
0.0	1473.5	1473.5	1473.5	1473.5	1473.5	1473.5	1473.5	1473.5	1473.5
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	192.7
11019.2	14991.2	15466.7	16050.7	16019.7	16035.6	17784.1	17541.4	13994.3	8738.0
10569.8	14447.3	16328.0	17543.5	18066.1	15965.1	22115.7	20362.7	17399.7	22969.9
10008.1	8885.7	8189.3	7540.0	7737.8	10280.6	12659.1	18176.6	25392.9	26565.9
4878.2	7298.2	7540.5	9158.4	10087.0	12161.0	14894.8	15817.7	17251.1	19903.8
25456.1	30631.2	32057.8	34241.9	35890.9	38406.7	49669.6	54357.0	60043.7	69439.6

Table 1.3 : Gross Domestic Product at Factor Cost
As per revised estimates
(As per new series 1994-95)

S/No	Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
1.	Agriculture, Fisheries & Forestry	70829	75137	79512	81320	80392	79631	86356
2.	Mining & Quarrying	785	895	846	922	996	1018	1080
3.	Manufacturing	10142	9426	10350	12179	16076	17075	19179
4.	Electricity Gas & Water	1520	1430	1845	2481	2649	2406	2553
5.	Construction	15382	17515	16957	18285	19695	20474	21765
6.	Trade, Restaurant & Hotel	16264	16466	16824	18701	19828	21130	22947
7.	Transport, Communication & Storage	7815	7917	8759	9910	10772	11597	12653
8.	Finance & Real Estate	13322	14198	15198	16647	17519	18522	19684
9.	Community & Social Services	12346	13494	13602	14464	15444	16929	18180
	Agriculture GDP at factor cost	70829	75137	79512	81320	80392	79631	86356
	Non-Agriculture GDP at factor cost	77576	81341	84381	93589	102979	109151	118041
10.	Total GDP at factor cost	148405	156478	163893	174909	183371	188782	204397
11.	Less imputed value of banking service	1844	2287	3060	3277	3519	3892	4518
12.	Total GDP at factor cost Excluding imputed banking services	146561	154191	160833	171632	179852	184890	199879
13.	Net indirect taxes	9049	8248	8874	9346	8979	10541	12287
14	GDP at producers Prices	155610	162439	169707	180978	188831	195431	212166

* Revised Estimate

** Preliminary Estimate

Source: Central Bureau of Statistic

Constant Prices by source

estimate

/95)

Rs. in million

1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01*	2001/02**
85569	88830	92706	93496	96183	100856	105227	107037
1117	1262	1348	1365	1416	1480	1538	1581
19555	21322	22826	23607	24856	26646	27605	25981
2862	3414	3475	3331	3520	4025	4344	4993
23093	24733	26372	26953	28786	31544	31815	33375
24326	25424	26458	27981	29069	31036	31888	29840
13995	14759	15902	17186	18355	19644	20856	21006
20534	22096	23136	24494	25719	27026	28064	28831
18924	20090	20817	22403	23885	25216	29002	29930
85569	88830	92706	93496	96183	100856	105227	107037
124406	133100	140334	147320	155606	166617	175112	175537
209975	221930	233040	240816	251789	267473	280339	282574
5060	5616	5703	6181	6610	7230	7831	7839
204915	216314	227337	234635	245179	260243	272508	274735
14261	14561	15684	15537	16240	17508	18631	18860
219176	230875	243021	250172	261419	277751	291139	293595

Table 3.1 : Overall Urban Consumers' Price Index
(Base Year 1995/96 = 100)

Mid-Months	National			Kathmandu			1998/99
	1998/99	2000/2001	20001/2002*	1998/99	2000/2001	20001/2002*	
July /August	136.2	137.5	141.5	129.7	132.4	135.4	138.3
August/September	137.1	138.5	143.7	130.7	133.8	137.9	138.5
September/October	137.6	141.6	144.4	132.1	136.6	139.2	137.9
October/November	137.5	141.3	144.8	132.5	137.4	138.6	137.2
November/December	135.0	139.3	143.1	129.5	135.9	137.2	135.8
December/January	133.2	136.7	140.7	127.9	134.2	136.4	135.3
January/February	132.7	135.1	139.5	127.9	132.1	134.6	133.5
February/March	133.0	134.9	139.7	128.8	130.7	134.0	132.8
March/April	133.7	136.8		128.8	131.6		133.4
April/May	133.7	137.7		129.5	132.9		133.8
May/June	133.5	138.6		128.9	133.6		134.7
June/July	135.0	139.6		130.2	134.3		136.1
Annual Average	134.9	138.1		129.7	133.8		135.6
Changes in Price Index (%) (Mid July-March)	-0.9	-0.1	-0.1	1.4	0.4	-0.2	-1.8
Average Inflation Rate (%) First Eight Months**	4.2	2.1	3.0	4.0	3.2	1.9	5.0
Annual Inflation Rate %	3.5	2.4		3.7	3.2		3.7

* Provisional

** First eight month

Source : Nepal Rastra Bank.

Price Index by Months

Hill		Terai		
2000/2001	20001/2002*	1998/99	2000/2001	20001/2002*
139.9	146.4	139.3	139.7	143.3
141.7	148.0	140.4	140.2	145.7
145.3	148.4	140.8	143.3	146.1
145.2	148.2	140.7	142.3	147.4
142.9	146.6	138.0	140.0	145.4
141.4	144.4	135.6	136.6	142.0
140.8	143.4	135.3	134.8	141.0
140.6	143.3	135.6	135.4	141.7
142.0		136.7	138.1	
143.2		136.2	138.5	
143.6		135.9	139.9	
144.2		137.6	141.2	
142.6		137.7	139.2	
3.3	-0.6	-2.0	-1.6	0.4
4.4	2.7	4.1	0.6	3.7
5.2		3.1	1.1	

Table 3.2: National Urban Consumers' Price Index
(Base Year 1995/96=100)

Commodities	1996/97	1997/98	1998/99	1999/2000	2000/2001	First Eight Months	
						2000/2001	2001/2002*
Overall Index	108.1	117.1	130.4	134.9	138.1	138.1	142.2
Food and Beverages	108.2	116.7	135.5	136.1	133.0	133.3	138.5
Grains and Cereal Products	109.1	112.5	133.5	145.0	125.1	127.5	127.1
Rice	106.5	110.1	132.9	145.8	124.4	127.4	125.6
Pulses	106.1	103.6	123.6	118.7	121.6	122.1	124.0
Vegetable	103.7	121.0	145.1	120.6	125.6	125.6	140.8
Spices	105.7	113.8	139.3	141.2	153.0	154.6	162.4
Meat, Fish and Eggs	111.1	120.6	128.5	134.0	137.8	136.4	141.6
Milk and Milk Products	112.0	120.6	132.1	136.9	144.7	144.1	146.2
Oil and Clarified Butter	102.5	111.0	143.2	110.9	105.7	104.2	113.4
Sugar and Related Product	104.2	112.8	118.0	113.4	126.4	124.3	134.8
Beverage	109.2	125.3	136.2	141.2	144.0	143.4	150.2
Sncks	111.0	124.0	139.8	150.8	162.9	160.8	168.5
Non-Food Items & Services	108.0	117.8	124.6	133.4	144.2	143.8	146.6
Cloths & Readymade Garments	107.8	115.2	122.1	127.8	130.6	130.1	133.8
Cloths	104.9	107.6	112.5	120.2	123.4	122.5	126.0
Readymade Garments	108.6	116.7	123.4	127.7	130.3	130.1	133.2
Footware	108.3	119.3	124.9	127.1	129.1	128.9	130.9
Housing Materials	107.8	114.5	119.1	127.5	142.5	142.7	143.6
Fuel,Light and Water	111.2	119.6	122.9	139.2	170.2	172.2	167.9
Transport & Communications	111.8	125.7	130.2	146.5	158.4	156.6	162.3
Medical and Personal Care	107.5	119.9	131.0	139.4	147.4	146.4	155.1
Education, Educational Materials and Recreation	107.6	120.4	128.9	141.6	161.4	161.3	159.1
Cigarettes	106.8	124.6	130.2	137.4	139.9	140.0	145.4

* Provisional

Source: Nepal Rastra Bank

%
Change
3.0
3.9
-0.3
-1.4
1.6
12.1
5.0
3.8
1.5
8.8
8.4
4.7
4.8
1.9
2.8
2.9
2.4
1.6
0.6
-2.5
3.6
5.9
-1.4
3.9

Table 3.3 : Consumer's Price Index by Commodities Group

(Base Year 1995/96=100)

Commodities	Hill					
	Jun/July	Mar/Apr	% Change	Jun/July	Mar/Apr	% Change
	1999/2000	2000/2001		2000/2001	2001/2002*	
Overall Index	136.1	140.6	3.3	144.2	143.3	-0.6
Food & Beverage	138.1	135.3	-2.0	141.6	138.3	-2.3
Grains and Cereal Products	132.6	120.8	-8.9	124.2	124.3	0.1
Rice	131.1	116.5	-11.1	121.1	119.3	-1.5
Wheat and Flour	141.1	126.0	-10.7	121.4	139.6	15.0
Pluses	129.1	133.4	3.3	135.4	128.8	-4.9
Vegitable & Fruits	134.1	114.5	-14.6	137.3	114.3	-16.8
Spices	158.6	171.0	7.8	174.9	163.5	-6.5
Meat, Fish & Eggs	137.0	136.7	-0.2	143.9	144.4	0.3
Milk & Milk Products	145.4	152.4	4.8	152.9	153.9	0.7
Oil & Ghee	110.8	106.2	-4.2	113.7	114.6	0.8
Sugar & related products	112.4	123.3	9.7	133.0	130.4	-2.0
Beverage	160.2	171.8	7.2	172.3	179.6	4.2
Snacks	165.4	185.0	11.9	186.2	188.1	1.0
Non-Food Items & Services	133.7	146.7	9.7	147.0	149.0	1.4
Cloths & Readymade Garments	118.1	121.7	3.0	120.8	122.4	1.3
Cloths	103.3	102.6	-0.7	102.9	104.4	1.5
Readymade Garments	120.0	125.5	4.6	123.9	124.7	0.6
Footware	123.4	124.9	1.2	125.3	125.8	0.4
Housing Materials	128.0	142.4	11.3	143.8	147.7	2.7
Fuel, light & water	137.0	163.1	19.1	166.4	168.7	1.4
Transport & Communication	167.4	179.2	7.0	179.2	180.1	0.5
Medical & Personal Care	141.8	150.0	5.8	150.2	155.8	3.7
Education, Educational Materials and Recreation	142.7	174.8	22.5	175.1	169.6	-3.1
Cigarettes	133.9	139.1	3.9	138.6	147.3	6.3

* Provisional

Source : Nepal Rastra Bank

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Table 3.3 : Consumer's Price Index by Commodities Group

(Base Year 1995/96=100)

Commodities	Kathmandu					
	Jun/July	Mar/Apr	% Change	Jun/July	Mar/Apr	% Change
	1999/2000	2000/2001		2000/2001	2001/2002*	
Overall Index	130.2	130.7	0.4	134.3	134.0	-0.2
Food & Beverage	130.0	124.0	-4.6	130.7	127.3	-2.6
Grains and Cereal Products	139.2	120.9	-13.1	126.4	126.8	3.0
Rice	142.5	120.1	-15.7	127.1	126.5	-0.5
Wheat and Flour	138.0	122.6	-11.2	119.7	141.3	18.0
Pluses	122.5	115.4	-5.8	120.8	113.4	-6.1
Vegitable & Fruits	117.0	97.4	-16.8	117.7	96.2	-18.3
Spices	139.0	143.5	3.2	160.0	151.5	-5.3
Meat, Fish & Eggs	126.0	134.0	6.3	134.6	137.1	1.9
Milk & Milk Products	122.1	133.2	9.1	133.2	133.4	0.2
Oil & Ghee	101.6	99.9	-1.7	104.4	109.2	4.6
Sugar & related products	113.6	121.6	7.0	135.5	130.9	-3.4
Beverage	136.3	134.8	-1.1	134.8	136.3	1.1
Snacks	143.0	152.2	6.4	154.2	155.1	0.6
Non-Food Items & Services	130.5	137.7	5.5	138.1	141.1	2.2
Cloths & Readymade Garments	132.9	133.7	0.6	133.7	133.9	0.1
Cloths	125.2	126.7	1.2	127.8	124.9	-2.3
Readymade Garments	133.1	132.8	-0.2	132.5	133.6	0.8
Footware	129.1	128.0	-0.9	129.9	132.7	2.2
Housing Materials	127.1	137.2	7.9	137.4	141.2	2.8
Fuel, light & water	149.1	169.1	13.4	169.3	174.0	2.8
Transport & Communication	137.4	149.2	8.6	149.1	151.2	1.4
Medical & Personal Care	137.1	143.7	4.8	144.2	164.4	14.0
Education, Educational Materials and Recreation	127.3	138.0	8.4	138.1	126.2	-8.6
Cigarettes	118.3	121.2	2.5	125.1	131.4	5.0

Contd.

* Provisional
Source : Nepal Rastra Bank

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Table 3.3 : Consumer's Price Index by Commodities Group
(Base Year 1995/96=100)

Commodities	Terai					
	Jun/July	Mar/Apr	% Change	Jun/July	Mar/Apr	% Change
	1999/2000	2000/2001		2000/2001	2001/2002*	
Overall Index	137.6	135.4	-1.6	141.2	141.7	0.4
Food & Beverage	135.7	125.0	-7.9	135.0	133.3	-1.3
Grains and Cereal Products	136.3	111.9	-17.9	118.3	121.6	2.8
Rice	136.2	107.6	-21.0	115.9	116.0	0.1
Wheat and Flour	138.3	123.9	-10.4	123.1	142.4	15.7
Pluses	117.2	115.8	-1.2	119.4	124.3	4.1
Vegitable & Fruits	129.1	102.2	-20.8	142.6	111.5	-21.8
Spices	146.2	140.7	-3.8	154.6	155.0	0.3
Meat, Fish & Eggs	140.1	140.3	0.1	144.5	146.2	1.2
Milk & Milk Products	143.9	151.8	5.5	152.3	148.6	-2.4
Oil & Ghee	103.4	103.4	0.0	109.4	112.4	2.7
Sugar & related products	110.3	118.2	7.2	131.7	126.0	-4.3
Beverage	136.8	139.5	2.0	143.9	153.7	6.8
Snacks	157.9	168.1	6.5	169.2	176.0	4.0
Non-Food Items & Services	139.9	148.1	5.9	148.8	152.0	2.2
Cloths & Readymade Garments	128.7	133.8	4.0	134.5	139.1	3.4
Cloths	123.5	131.8	6.7	133.2	133.4	0.2
Readymade Garments	127.5	131.3	3.0	131.8	138.3	4.9
Footware	129.0	131.1	1.6	130.8	131.5	0.5
Housing Materials	135.8	144.0	6.0	145.0	148.2	2.2
Fuel, light & water	148.9	163.9	10.1	165.8	167.8	1.2
Transport & Communication	154.2	163.3	5.9	163.3	162.1	-0.7
Medical & Personal Care	146.4	151.5	3.5	152.7	156.1	2.2
Education, Educational Materials and Recreation	149.7	171.3	14.4	171.1	175.4	2.5
Cigarettes	151.8	150.3	-1.0	152.4	157.0	3.0

Contd.

* Provisional
Source : Nepal Rastra Bank

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Table 3.3 : Consumer's Price Index by Commodities Group

(Base Year 1995/96=100)

Commodities	Hill					
	Jun/July	Mar/Apr	% Change	Jun/July	Mar/Apr	% Change
	1999/2000	2000/2001		2000/2001	2001/2002*	
Overall Index	136.1	140.6	3.3	144.2	143.3	-0.6
Food & Beverage	138.1	135.3	-2.0	141.6	138.3	-2.3
Grains and Cereal Products	132.6	120.8	-8.9	124.2	124.3	0.1
Rice	131.1	116.5	-11.1	121.1	119.3	-1.5
Wheat and Flour	141.1	126.0	-10.7	121.4	139.6	15.0
Pluses	129.1	133.4	3.3	135.4	128.8	-4.9
Vegitable & Fruits	134.1	114.5	-14.6	137.3	114.3	-16.8
Spices	158.6	171.0	7.8	174.9	163.5	-6.5
Meat, Fish & Eggs	137.0	136.7	-0.2	143.9	144.4	0.3
Milk & Milk Products	145.4	152.4	4.8	152.9	153.9	0.7
Oil & Ghee	110.8	106.2	-4.2	113.7	114.6	0.8
Sugar & related products	112.4	123.3	9.7	133.0	130.4	-2.0
Beverage	160.2	171.8	7.2	172.3	179.6	4.2
Snacks	165.4	185.0	11.9	186.2	188.1	1.0
Non-Food Items & Services	133.7	146.7	9.7	147.0	149.0	1.4
Cloths & Readymade Garments	118.1	121.7	3.0	120.8	122.4	1.3
Cloths	103.3	102.6	-0.7	102.9	104.4	1.5
Readymade Garments	120.0	125.5	4.6	123.9	124.7	0.6
Footware	123.4	124.9	1.2	125.3	125.8	0.4
Housing Materials	128.0	142.4	11.3	143.8	147.7	2.7
Fuel, light & water	137.0	163.1	19.1	166.4	168.7	1.4
Transport & Communication	167.4	179.2	7.0	179.2	180.1	0.5
Medical & Personal Care	141.8	150.0	5.8	150.2	155.8	3.7
Education, Educational Materials and Recreation	142.7	174.8	22.5	175.1	169.6	-3.1
Cigarettes	133.9	139.1	3.9	138.6	147.3	6.3

* Provisional

Source : Nepal Rastra Bank

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Table 3.4 :National Wholesale Price Index

(1999/2000=100)

Groups and sub-groups 1	weight % 2	2000/01			2001/02P	% Change 6 over 5
		Ann avg 3	Feb/Mar 4	Jun/Jul 5	Feb/Mar 6	
Overall Index	100.0000	101.4	99.5	104.6	103.5	-1.1
Agricultural Commodities	49.5930	98.2	94.5	103.8	99.4	-4.2
Fodgrains	16.5857	82.4	78.8	83.6	91.1	9.0
Cash Crops	6.0860	109.4	89.7	153.4	105.9	-31.0
Pulses	3.7705	105.0	102.0	109.3	105.5	-3.5
Fruits and Vegetables	11.1830	105.4	107.7	101.5	96.6	-4.8
Spices	1.9487	98.3	88.1	103.7	96.2	-7.2
Livestock Production	10.0191	106.7	107.1	107.6	110.4	2.6
Domestic Manufactured Commodities	20.3727	100.0	100.3	102.2	106.6	4.3
Food Related Products	6.1177	95.9	95.7	98.9	102.4	3.5
Beverages and Tobacco	5.6936	101.6	101.7	102.4	111.1	8.5
Construction Materials	4.4958	103.8	104.7	107.4	110.0	2.4
Others	4.0656	100.0	100.4	101.1	102.7	1.6
Imported Commodities	30.0343	107.8	107.3	107.7	108.2	0.5
Petroleum Products and Coal	5.3980	128.7	125.7	125.8	125.7	-0.1
Chemical Fertilizers and Chemical Goods	2.4560	108.6	108.1	117.3	120.9	3.1
Transport Vehicles and Machinery Goods	6.9737	101.9	102.3	102.0	101.7	-0.3
Electric and electronic Goods	1.8660	99.4	99.3	99.5	99.4	-0.1
Drugs and Medicine	2.7316	102.2	102.0	102.4	101.1	-1.3
Textile related Products	3.1001	100.7	100.4	100.1	99.8	-0.3
Others	7.5089	105.1	105.4	103.9	105.6	1.6

P=provisional

Source : Nepal Rastra Bank

Table 3.5 : Average Retail Price of Some Major Comm

Commodities	Unit	2000/2001						2001		
		Hill		Terai		National		Hill		Terai
		Jun/Jul	Mar/Feb	Jun/Jul	Mar/Feb	Jun/Jul	Mar/Feb	Jun/Jul	Mar/Feb	Jun/Jul
Rice Coarse	Per.Kg	18.99	18.23	15.99	12.09	18.95	16.08	20.08	19.07	13.53
Wheat	Per.Kg	15.87	19.88	13.00	12.25	18.20	16.87	18.15	18.70	12.95
Black Gram	Per.Kg	48.79	52.83	43.45	42.63	48.44	48.75	55.92	52.34	46.00
Rahar	Per.Kg	53.39	54.18	45.96	44.00	50.78	49.31	54.32	52.48	42.00
Linseed	Per.Kg	68.44	74.40	62.31	64.63	67.86	70.42	78.71	76.99	66.94
Ghee (Purified)	Per. Lt.	223.75	210.92	223.25	246.25	225.98	225.30	205.92	215.59	238.57
Mutton	Per. Kg	162.25	170.54	163.69	176.25	164.12	174.54	176.31	181.98	178.56
Potato	Per.Kg	14.08	11.90	13.25	5.29	13.67	8.60	15.48	13.04	12.90
Onion	Per.Kg	15.92	24.91	10.75	15.67	13.34	20.29	21.00	25.10	12.90
Ginger	Per.Kg	46.13	31.47	42.47	33.36	44.30	32.42	37.64	29.87	32.29

* Provisional

+ As the retail transaction of maize is minimal, maize has been omitted from the list of price collection from Fi
Source : Department of Agriculture , Marketing Development Division.

Commodities

Rs. Per. Kg.

Linseed Oil Rs. Per. Ltr.

/2002*		
	National	
Mar/Feb	Jun/Jul	Mar/Feb
12.97	16.81	16.02
13.75	15.55	16.23
45.89	50.96	49.11
43.28	48.16	47.88
65.33	72.82	71.16
228.57	222.25	222.08
179.38	177.44	180.68
7.88	14.19	10.46
12.56	16.95	18.83
22.44	34.96	26.15

iscal Year 2000/2001.

Table 3.6 : Monthly National Average Retail Price of Sor

S.N.	Commodities	Year	Mid-Jul Mid-Aug	Mid-Aug Mid-Sep	Mid-Sep Mid-Oct	Mid-Oct Mid-Nov	Mid-Nov Mid-Dec
1	Rice Coarse	2000/2001	18.95	19.33	19.47	18.38	17.04
		2001/2002	16.81	16.80	17.39	17.08	16.38
2	Wheat	2000/2001	18.20	17.69	18.51	17.56	16.50
		2001/2002	15.55	15.90	16.25	16.09	16.23
3	Black Gram	2000/2001	48.44	50.11	49.47	50.32	49.34
		2001/2002	50.96	51.33	52.14	50.72	50.07
4	Rahar	2000/2001	50.78	52.92	49.67	49.74	48.06
		2001/2002	48.16	47.46	48.02	48.39	48.29
5	Linseed Oil	2000/2001	67.86	68.60	67.38	67.41	69.57
		2001/2002	72.82	74.12	72.80	73.87	72.43
6	Ghee (Purified)	2000/2001	225.98	219.78	224.10	223.13	212.95
		2001/2002	222.25	205.48	204.98	202.56	228.24
7	Mutton	2000/2001	164.12	162.94	168.98	168.01	166.65
		2001/2002	177.44	180.31	176.64	175.43	176.21
8	Potato	2000/2001	13.67	14	13.23	11.99	11.41
		2001/2002	14.19	14.51	15.66	16.5	15.34
9	Onion	2000/2001	13.34	16.52	19.07	21.70	23.83
		2001/2002	16.95	24.05	21.52	23.19	26.23
10	Ginger	2000/2001	44.30	37.92	40.06	37.51	35.47
		2001/2002	34.96	36.03	38.34	30.20	28.71

* Preliminary

+ As the retail transaction of maize is minimal, maize has been omitted from the list of price collection

Source : Department of Agriculture , Marketing Development Division.

ne Agricultural Commodities

Rs. Per. Kg.

Linseed Oil Rs. Per Litre

Mid-Dec Mid-Jan	Mid-Jan Mid-Feb	Mid-Feb Mid-Mar*	National Average of Eight Months
16.31	15.72	16.08	17.66
15.98	14.69	16.02	16.39
18.39	17.10	16.87	17.60
18.70	14.88	16.23	16.23
48.70	48.89	48.75	49.25
48.28	47.86	49.11	50.06
48.90	50.05	49.31	49.93
48.32	47.28	47.88	47.97
69.10	68.88	70.42	68.65
98.20	69.98	71.16	75.67
220.58	223.29	225.30	221.89
218.86	220.44	222.08	215.61
168.25	170.57	174.54	168.01
178.49	180.27	180.68	178.18
10.38	8.59	8.39	11.46
14.55	11.56	10.46	14.10
23.67	23.01	20.73	20.23
22.03	15.81	18.83	21.07
34.08	31.38	32.56	36.66
29.11	22.37	26.15	30.73

from Fiscal Year 2000/2001.

Table 3.7 : Price Situation of Some Petroleum

Items	Unit	1987/88	1988/89	1989/90	1991/92	1992/93	1990/91	1993/94	1994/95+	1995/96
Petrol	Per Lt.	12.90	12.90	19.00	25.00	29.00	20.00	29.00	29.00	31.00
Diesel	Per Lt.	7.50	7.50	9.10	10.00	11.50	10.00	12.00	12.00	13.50
Kerosene	Per Lt.	5.75	5.75	6.90	8.00	9.75	8.50	9.75	8.50	9.50

@ Prices of Kathmandu Valley only

+Price in Mid - April 1995

** First Eight Months

*Mid - April 1996

Since Mid-Jan. 1998

Source: Nepal Oil Corporation

um Products[@]

Price in Rs.

1996/97*	1997/98#	1998/99	1999/2000	2000/2001*	2001/2002**
34.00	39.00	40.00	40.00	46.00	46.00
14.00	15.50	15.50#	23.00	26.50	26.50
9.50	10.50	10.50	13.00	17.00	17.00

Table 3.8 : Supply Position of Some Pet

Main Item of Petroleum	Unit	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Petrol	In K.L.	15609	17340	14708	17241	26777	28891	31476	35033
Diesel	In K.L.	73321	75356	103273	106438	163344	177271	195473	227675
Kerosene	In K.L.	51835	63246	92672	75939	122367	143586	162234	176724
Air Fuel	In K.L.	-	-	9327	16541	24288	28735	30436	37868
L.P. Gas	In M.ton	-	-	-	-	-	-	-	-

* First Eight Months

Source: Nepal Oil Corporation

roleum Products

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001	2001/2002*
41736	46449	47507	51584	58570	60653	65694
254323	258671	302063	319158	327427	333791	344345
213832	243802	287595	298351	350196	325198	316042
40776	48773	51700	56010	59123	65620	73236
18600	21824	22961	25019	30627	40102	54139

Table 1.4 : National Accounts
(At Current Price)

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Gross Domestic Product (Producer's Price)	76906	89270	103416	120370	149487	171474	199272	219175
Plus Import of goods and Nfs.	16350	19162	21820	27785	39321	47429	62972	75850
Total Resources Available = Uses	93256	108432	125236	148155	188808	218903	262244	295025
Total Consumption	69302	79120	95273	108856	133280	148302	170052	186710
Private Consumption	62407	70173	86314	97771	121372	133402	154065	166443
Public Consumption	6895	8947	8959	11085	11908	14900	15987	20267
Total Investment	15237	19415	19076	25074	31619	39653	44644	55231
Gross Fixed Capital Formation	13414	16392	17002	22780	29277	37278	42032	48370
Public	5483	7902	7968	8683	10331	11769	13380	15070
Private	7931	8490	9034	14097	18945	25509	28652	33300
Change in Stock	1823	3023	2074	2294	2342	2375	2612	6861
Export of Goods and Nfs.	8717	9897	10887	14226	23909	30948	47548	53084
Gross Domestic Savings	7604	10150	8143	11514	16207	23172	29220	32465
Net Factor Income	1575	1541	1934	2147	2715	3231	3863	4817
Net Current Transfer	156	116	172	218	482	581	495	819
Gross National Savings	9335	11807	10249	13879	19404	26984	33578	38101
Gross National Product	78481	90811	105350	122517	152202	174705	203135	223992

* Revised Estimates

** Preliminary Estimates

Source : Central Bureau of Statistics

Summary

Rs. in million

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01*	2001/02**
248913	280513	300845	342036	379521	410194	428033
88996	105775	101949	101648	123055	131403	123143
337909	386288	402794	443684	502576	541597	551176
214487	241351	259407	295473	322529	350080	371495
191469	216364	231392	264944	287947	309107	326108
23018	24987	28015	30529	34579	40973	45387
68017	71084	74728	70061	91690	99497	101130
56081	60794	65375	65269	73314	78017	84165
17624	19392	22573	23888	26436	31290	31709
38457	41402	42802	41381	46878	46727	52456
11936	10290	9353	4792	18376	21480	16954
55405	73853	68659	78150	88360	91821	77796
34426	39162	41438	46563	56995	60114	56538
3566	4660	6025	10881	13125	16171	18186
900	1009	1158	1205	1319	1456	1664
38892	44831	48620	58648	70120	76285	74724
252479	285173	306870	352917	392646	426365	446219

Table 4.1 : Monet

	Description	Mid-July							
		1987	1988	1989	1990	1991	1992	1993	1994
1	Net Foreign Assets	3059.9	5573.6	6203.5	9338.9	16151.7	20792.4	29125.0	36218.1
2	Domestic Credit	17803.1	20469.3	26584.3	29661.6	34491.4	41609.1	49404.9	57828.1
3	Net Claims on Government	8712.3	9259.0	12345.1	13940.2	16821.4	19001.6	23446.2	23482.0
4	Claims on Govt. Enterprises	2958.3	3263.2	3882.2	4033.8	3561.3	4827.3	5749.8	4739.2
	(a) Financial	(1102.3)	(1297.0)	(1714.3)	(2005.4)	(2225.4)	(2788.0)	(3291.7)	(3227.2)
	(b) Non-Financial	(1856.0)	(1966.2)	(2167.9)	(2028.4)	(1335.9)	(2039.3)	(1458.1)	(1512.0)
5	Claims on Private Sector	6132.5	7947.1	10357.0	11687.6	14108.7	17780.2	21208.9	29606.9
6	Net Capital & Other Items	3364.8	4620.3	6182.7	7448.1	12930.6	16730.9	20207.4	24269.1
	Money Supply, M1	8120.2	9596.6	11775.4	14223.0	16283.6	19457.7	23833.0	28510.4
	(a) Currency	(5746.1)	(6374.6)	(7946.6)	(9718.2)	(11654.5)	(13639.7)	(16313.0)	(19659.7)
	(b) Demand Deposits	(2374.1)	(3222.0)	(3828.8)	(4504.8)	(4629.1)	(5818.0)	(7520.0)	(8850.7)
	Money Supply, M2	17498.2	21422.6	26605.1	31552.4	37712.5	45670.5	58322.5	69777.1
	Fixed & Savings Deposits ++	(9378.0)	(11826.0)	(14829.7)	(17329.4)	(21428.9)	(26212.8)	(34489.5)	(41266.7)
	Net Domestic Assets	14438.3	15849.0	20401.6	22213.5	21560.8	24878.2	29197.5	33559.0
	Change in Money Supply (%)								
	M1	15.5	18.2	22.7	20.8	14.5	19.5	22.5	19.6
	M2	15.4	22.4	24.2	18.6	19.5	21.1	27.7	19.6

* Estimate

++ Includes margin deposits

Source : Nepal Rastra Bank.

ary Survey

Rs. in million

							Mid-March	
1995	1996	1997	1998	1999	2000	2001	2001	2002*
37085.5	37703.6	40191.1	55572.8	65027.6	80467.5	87798.0	920358.0	85927.5
72184.7	89265.7	100916.7	115812.1	134832.7	158001.2	187337.9	171176.0	194504.2
25191.2	27531.7	29229.4	31753.1	34918.2	38242.6	48657.6	38420.5	49634.6
5050.4	6209.3	7028.6	7228.9	9114.0	10310.9	11922.4	11381.6	11978.4
(3821.5)	(4251.0)	(5431.6)	(6170.4)	(7547.3)	(8502.8)	(9699.4)	(92639.5)	(9757.2)
(1228.9)	(1958.3)	(1597.0)	(1058.5)	(1566.7)	(1808.1)	(2223.0)	(2112.1)	(2221.2)
41943.1	55524.7	64658.7	76830.1	90800.5	109447.6	126757.9	121373.9	132891.2
28285.5	34317.1	37387.2	44922.2	47060.1	52347.8	60481.8	59204.8	58100.1
32985.4	36498.0	38460.3	45163.8	51062.5	60979.8	70776.9	67173.4	77618.8
(22493.9)	(25046.4)	(27333.7)	(30893.2)	(34984.3)	(42143.0)	(48495.1)	(46123.6)	(55511.2)
(10491.5)	(11451.6)	(11126.6)	(14270.6)	(16078.1)	(18836.8)	(22281.8)	(21049.8)	(22107.6)
80984.7	92652.2	103720.6	126462.6	152800.1	186120.9	214654.1	204007.0	222331.6
(47999.3)	(56154.2)	(65260.3)	(81298.8)	(101737.7)	(125141.1)	(143877.2)	(136833.6)	(144712.8)
43899.2	54948.6	63529.5	70889.8	87772.6	105653.4	126856.1	111971.2	136404.1
15.7	10.6	5.4	17.4	13.1	19.4	16.1	10.2	9.7
16.1	14.4	11.9	21.9	20.8	21.8	15.3	9.6	3.6

Table 4.2 : Determinants c

	Description	Changes Over Previous Year							
		1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
1	Net Foreign Assets @	2513.7	629.9	3135.4	6812.8	4640.7	8332.6	7093.1	867.4
2	Net Domestic Assets	1410.7	4552.6	1811.9	-652.7	3317.4	4319.3	4361.5	10340.2
3	Domestic Credit	2666.2	6115.0	3077.3	4829.8	7481.6	7853.0	8587.5	14841.2
	Net Claims on Government	546.7	3086.1	1595.1	2881.2	2180.2	4444.6	35.8	1709.2
	Claims on Govt. Enterprises	304.9	619.0	151.6	-472.5	1266.0	-77.5	-10.6	311.2
	Claims on Private Sector	1814.6	2409.9	1330.6	2421.1	4035.4	3485.9	8562.3	12820.8
4	Net Capital & Other Items @	1255.5	1562.4	1265.4	5482.5	4164.3	3533.6	4226.0	4501.0
5	Money Supply, M2 (1+2)	3924.4	5182.5	4947.3	6160.1	7958.0	12652.0	11454.6	11207.6
6	Money Supply, M1	1476.4	2178.8	2447.6	2060.6	3174.1	4375.3	4677.4	4475.0
	(a) Currency	628.5	1572.0	1771.6	1936.3	1985.2	2673.3	3346.7	2834.2
	(b) Demand Deposits	847.9	606.8	676.0	124.3	1188.9	1702.0	1330.7	1640.8
7	Fixed and Savings Deposits +	2448.0	3003.7	2499.7	4099.5	4783.9	8276.7	6777.2	6732.6

* Estimate

+ Includes margin deposits.

@ Exchange valuation gain/loss has not been adjusted.

Source : Nepal Rastra Bank.

of Money Supply

Rs.in Million

						Mid-March	
1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001	2000/2001	2001/2002*
618.1	2487.5	15381.7	9454.8	15439.9	7330.5	11568.3	-1870.5
11049.4	8580.9	7360.3	16882.8	17880.8	21202.7	6317.8	9548.0
16011.0	11651.0	14895.3	19020.7	23168.5	29336.7	13174.8	7166.3
2340.5	1697.7	2523.7	3165.1	3324.4	10415.0	177.9	977.0
1158.9	819.3	200.3	1885.1	1197.0	1611.5	1070.7	56.0
12511.6	9134.0	12171.4	13970.5	18647.1	17310.3	11926.3	6133.3
4961.6	3070.1	7535.0	2137.9	5287.6	8134.1	6857.0	-2381.7
11667.5	11068.4	22742.0	26337.5	33320.8	28533.2	17886.0	7677.5
3512.6	1962.3	6703.5	5898.6	9917.4	9797.1	6193.5	6841.9
2552.5	2287.3	3559.5	4091.1	7158.7	6352.1	3980.5	7016.1
960.1	-325.0	3144.0	1807.5	2758.7	3445.0	2213.0	-174.2
8154.9	9106.1	16038.5	20438.9	23403.4	18736.1	11692.5	835.6

Table 4.3 : Sources of Funds and Thei

	Purpose	Mid-July							
		1987	1988	1989	1990	1991	1992	1993	1994
1	Total Deposits	11812.4	14951.9	18954.6	21885.0	26687.5	33328.6	43543.1	52168.5
2	Demand Deposits	2353.9	2986.2	3924.0	4293.7	4782.4	6451.2	8302.1	10156.8
3	Savings Deposits	2672.2	3338.8	4321.8	5218.2	6671.5	8634.9	12923.3	17460.7
4	Fixed Deposits	6386.2	8036.4	10044.7	11761.5	14382.6	17326.4	21414.7	23358.7
5	Margin Deposits	400.1	590.5	664.1	611.6	851.0	916.1	903.0	1192.3
6	Borrowings from Nepal Rastra Bank	520.3	357.4	160.1	50.5	37.2	34.0	47.8	29.2
7	Foreign Liabilities	98.0	48.7	38.8	0.5	11.4	10.4	0.6	0.5
8	Net Other Sources	1148.2	1581.0	2418.5	2793.7	5353.4	7089.8	8164.5	10943.1
9	Sources Use	13578.9	16939.0	21572.0	24729.7	32089.5	40462.7	51756.0	63141.3
10	Liquid Funds	2848.8	3415.5	4307.5	5812.6	7679.0	8304.0	15113.3	18905.0
11	Cash in Hand	437.7	587.5	761.3	808.2	953.9	1147.0	1360.1	1859.4
12	Balance with Nepal Rastra Bank @	1049.4	1364.3	2032.9	2522.0	3528.7	3704.3	+9515.1	+11003.9
13	Foreign Currency in Hand	169.0	198.1	199.8	296.8	353.9	414.7	335.6	459.5
14	Balance held Abroad	1192.7	1265.6	1313.5	2185.6	2842.5	3038.0	3902.5	5582.2
15	Loans & Advances	10730.1	13523.5	17264.5	18917.1	24410.5	32158.7	36642.7	43236.3
16	Claims on Government	2326.8	3222.2	3771.4	3582.4	7343.1	9198.6	9998.0	8894.1
17	Claims on Govt. Enterprises	1965.7	2022.5	3072.7	3254.9	2830.7	4079.5	4189.9	4243.9
18	Claims on Private Sector	6117.9	7941.2	10079.8	11527.2	13553.1	17633.2	21115.8	29653.0
19	Foreign Bills Purchase & Discounted	319.7	337.6	340.6	552.6	683.6	1247.4	1339.0	1445.3
20	Loans & Advances Deposits Ratio (%)	90.8	90.4	71.2	70.1	64.0	68.9	61.2	67.7

Not including claims on Government

@ Includes transfer amount from FY 1995/96.

* Estimate

+ Including Nepal Rastra Bank Bond.

Source: Nepal Rastra Bank.

r Use by Commercial Banks.

Rs. in Million

							Mid-March	
1995	1996	1997	1998	1999	2000	2001	2001	2002
61045.5	71207.5	81542.4	102401.6	126773.6	154530.3	181203.4	171331.2	181971.8
12014.4	13215.5	12917.4	16409.4	17777.6	20307.6	24629.2	23239.5	24101.3
22765.9	25887.3	29783.1	36884.4	50140.8	65703.6	80987.8	74509.4	83331.2
24811.8	30155.5	36974.7	47300.5	56844.3	66516.2	73488.8	71317.5	71900.8
1453.4	1949.2	1867.2	1807.3	2010.9	2002.9	2097.6	2264.8	2638.5
15.4	364.6	6.5	5.5	5.5	45.1	5.5	57.2	5.5
-	-	-	-	21.7	0.0	0.0	0.0	83.3
12634.5	18143.2	21211.4	22439.2	22878.2	26770.3	30354.3	30458.2	26140.9
73695.4	89715.3	102760.3	124846.3	149609.0	181345.7	211563.2	201846.6	208201.5
17512.9	20700.9	24248.6	31048.6	37710.2	45160.9	50643.8	53130.1	39184.9
2037.6	2446.4	2837.3	2889.7	3310.4	3507.0	4116.9	4157.0	4149.7
+8322.0	+9036.6	+11017.3	12704.0	13340.8	15426.6	18363.4	20097.7	12998.7
455.8	592.9	627.5	750.7	692.6	632.1	665.9	702.3	876.0
6697.5	8625.0	9766.5	14704.2	20366.4	25595.2	27497.6	28173.1	21160.5
56182.5	69014.4	78511.7	93797.7	111968.8	136184.8	160919.4	148716.5	169016.6
8197.8	7548.4	7746.2	10280.7	12659.1	18176.7	25393.0	17377.0	26565.9
4318.7	5060.0	5533.1	5607.1	7463.1	8684.3	10225.4	9812.5	10321.1
42379.2	54584.8	63169.7	75643.9	89433.1	107343.1	123417.4	119074.3	130711.4
1286.8	1821.2	2062.7	2266.0	2413.5	1980.7	1883.6	2452.7	1418.2
78.6	86.3	86.8	81.6	78.3	76.4	74.8	76.7	78.3

Table 4.4 : Loan Disbursement by

	Purpose	Mid-July								
		1987	1988	1989	1990	1991	1992	1993	1994	1995
1	Agriculture	153.2	553.2	1157.8	1531.6	1850.3	2432.1	3144.2	3395.6	4923.8
2	Industry	2042.0	2575.2	3134.7	3817.6	4545.6	5389.3	6621.1	11046.9	15877.6
3	Commerce	2476.8	2512.0	2829.8	3371.7	4150.0	6801.8	7235.2	9508.1	13305.7
4	General Use & Social Purpose	1698.5	2190.1	2733.2	2785.3	3132.7	3629.3	3741.0	4116.7	4785.5
5	Service Sector	571.0	333.8	501.2	292.5	330.4	545.1	735.5	1271.8	1697.7
	Total	6941.5	8164.3	10356.7	11798.7	14009.0	18797.6	21477.0	29339.1	40590.3

* Estimate

Source: Nepal Rastra Bank.

Commercial Banks

Rs. in Million

						Mid-March	
1996	1997	1998	1999	2000	2001	2001	2002 *
3972.8	5102.9	6095.9	7868.5	8863.7	9999.4	9785.2	10385.4
24212.6	26393.8	31775.2	38062.1	44885.3	51008.9	49586.2	54825.4
17010.3	20401.0	23963.9	27654.9	32753.3	36200.2	36552.4	37798.1
4749.7	5651.9	5970.1	6256.1	7237.9	8048.9	8139.0	9298.6
2674.4	2927.0	3439.1	4240.9	5713.6	7603.2	6552.3	8453.3
52619.8	60476.6	71244.2	84082.5	99453.8	112860.6	110615.1	120760.8

Table 4.5 : Distribution of Loans b

Description	1987/88	1988/89	1989/90	1990/91**	1991/92	1992/93	1993/94
1. Nepal Industrial Development Corp.							
(a) Loan Disbursement	157.2	101.6	206.5	247.5	371.3	292.9	394.2
(b) Realisation	57.0	53.6	105.9	173.0	246.5	226.3	260.1
(c) Loan Disbursement, Net	100.2	47.7	100.6	74.5	124.8	66.6	134.1
(d) Outstanding Loan	689.9	737.6	838.2	912.7	1037.5	1104.1	1238.2
2. Agricultural Development Bank.							
(a) Loan Disbursement	854.0	1049.5	1170.8	1095.1	1469.0	1985.3	2887.9
(b) Realisation	593.2	732.1	754.9	741.3	1142.5	1383.9	1832.8
(c) Loan Disbursement ,Net	260.8	317.4	415.9	343.8	326.5	601.4	1055.1
(d) Outstanding Loan	2242.1	2568.8	2984.7	3328.8	3655.3	4256.7	5311.8
3. Employee's Provident Fund							
(a) Loan Disbursement	335.5	417.4	454.1	193.4	53.5	48.7	158.6
(b) Realisation	198.1	270.2	84.6	-	32.7	59.4	91.3
(c) Loan Disbursement ,Net	137.4	147.2	369.5	96.0	20.8	-10.7	67.3
(d) Outstanding Loan	1236.8	1516.3	1580.2	289.4	310.2	299.5	366.8
4. Total							
(a) Loan Disbursement	1340.7	1568.5	1580.1	1536.0	1893.8	2326.9	3440.7
(b) Realisation	838.1	1061.3	916.5	2585.7	1421.7	1669.6	2184.2
(c) Loan Disbursement ,Net	502.6	507.2	933.6	514.3	472.1	657.3	1256.5
(d) Outstanding Loan	4169.4	4822.7	5403.1	4530.9	5003.0	5660.3	6916.8

* Estimate

** Adjusted as per change in accounting system of EPF

+ Provisional Cash Only

Source : N.I.D.C. , ADB, NRB and EPF.

by Some Financial Institutions

Rs. in Million

1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001	First Eight Months	
							2000/2001	2001/2002 *
361.8	783.4	711.4	396.2+	292.1+	107.7	81.7	48.2	58.1
332.6	186.2	205.2	278.1	348.6	358.3	240.1	84.3	50.8
29.2	597.2	506.2	118.1	56.5	250.6	158.4	36.1	7.3
1267.4	1864.6	2370.8	2488.9	2432.4	2181.8	2023.4	1987.3	2030.7
3433.7	3896.8	4023.4	4369.8	5562.4	6969.6	8037.0	3226.0	3325.0
2165.0	2788.1	2873.0	3463.5	4233.9	5180.9	6065.0	2165.0	2460.0
1268.7	1108.7	1150.4	906.3	1328.5	1788.7	1972.0	1061.0	865.0
6580.5	7689.2	8839.6	9745.9	11094.4	12883.1	14877.0	13966.0	15742.0
826.6	936.1	510.7	751.9	1054.0	1651.3	2524.9	1415.4	2132.7
98.7	206.3	146.7	525.8	315.0	293.3	585.9	395.8	411.0
727.9	729.8	364.0	226.1	739.0	1358.0	1939.0	1019.6	1721.7
1094.7	1824.5	2188.5	2482.0	3221.0	4579.0	6518.0	5598.6	8239.7
4622.1	5616.3	5245.5	5517.9	6908.5	8659.6	10643.6	4689.6	5515.8
2596.3	3180.6	3224.9	4267.4	4897.5	5774.5	6891.0	2645.1	2921.8
2025.8	2435.7	2020.6	1250.5	2011.0	2885.1	4069.4	2116.7	2594.0
8942.6	11378.3	13398.9	14649.4	16747.8	19632.9	23418.4	21551.9	26012.4

Table No. 1.d

Selected Economic Indicators

S. No.	Indicators	Unit	Fiscal Year							
			1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001+	2001/2002*
1	Gross Domestic Product (At producers' 1994/95 price) d	% Change	-	5.3	5.3	2.9	4.5	6.2	4.8	0.8
2	Gross Domestic Product a	" "	-	5.7	5.0	3.3	4.5	6.2	4.8	0.8
	a. Agriculture	" "	-	3.8	4.4	0.9	2.9	4.9	4.3	1.7
	b. Non-agriculture	" "	-	7.0	5.4	5.0	5.6	7.1	5.1	0.2
3	Gross Domestic Product (At Producers Current Price)	" "	10.0	13.6	12.7	7.2	13.7	11.0	8.1	4.3
4	Gross Domestic Product b	" "	9.6	14.0	12.6	7.5	13.9	11.0	7.4	4.3
	a. Agriculture	" "	6.2	13.2	12.3	3.4	17.7	9.3	3.0	4.9
	b. Non-agriculture	" "	12.1	14.5	12.8	10.3	11.5	12.1	10.3	4.0
5	Gross National Product at current price	" "	10.3	12.7	12.9	7.6	15.0	11.3	8.6	4.7
6	Major Agricultural Production d	" "	-	4.2	4.3	0.8	2.8	4.9	4.3	1.7
	a. Food Crops	" "	-	16.1	0.7	0.6	2.0	7.9	2.8	0.7
	b. Cash Crops	" "	-	7.7	4.7	-2.3	13.9	6.5	9.1	3.5
7	Major Industrial Production (1986-87=100)	" "	9.2	9.7	3.0	37.6	14.6	6.1	6.3	2.0#
8	Gross Domestic Product Price Index d	" "	-	7.9	7.2	4.0	8.9	4.5	2.5	3.5
	a. Agriculture	" "	-	9.1	7.6	2.5	14.4	4.2	-1.2	3.2
	b. Non-agriculture	" "	-	7.6	6.5	5.1	5.5	4.7	4.9	3.7
9	Consumer Price Index (Annual Averag) 1995/96=100	" "	7.7	8.1	8.1	8.4	11.4	3.5	2.4	3.0
10	Gross National Savings/Gross Natonal Production Ratio	%	17.0	15.4	15.7	15.8	16.6	17.9	17.9	16.7
11	Ratio of GDP (at producers current price) with	%								
	a. Gross Domestic Savings	%	14.8	13.8	14.0	13.8	13.6	15.0	14.7	13.2
	b. Total Investment	%	25.2	27.3	25.3	24.8	20.5	24.2	24.3	23.6
	c. Domestic Savings and Investment Gap (-)	%	10.4	13.5	11.3	11.1	6.9	9.2	9.6	10.4
	d. Total Consumption	%	85.2	86.2	86.0	86.2	86.4	85.0	85.4	86.8
	e. Total Government Expenditure	%	17.8	18.7	18.1	18.6	17.4	17.5	19.4	
	f. Regular Expenditure	%	8.8	8.7	8.6	9.0	9.1	9.1	10.4	
	g. Development Expenditure	%	9.0	10.0	9.5	9.6	8.3	8.4	9.0	
	h. Total Revenue	%	11.2	11.2	10.8	10.9	10.9	11.3	11.9	
	I. Tax Revenue	%	9.0	8.7	8.7	8.6	8.4	8.7	9.5	
	j. Non-tax Revenue	%	2.2	2.5	2.1	2.3	2.5	2.6	2.4	
	k. Budget Deficit	%	4.8	5.6	5.1	5.9	5.3	4.7	5.9	
	l. Receipts of Foreign Loan	%	3.3	3.8	3.2	3.7	3.5	3.1	2.9	
	m. Receipts of Foreign Loan and Grants	%	5.1	5.7	5.4	5.5	4.7	4.6	4.6	
	n. Outstanding Domestic Loan	%	14.6	13.8	12.8	15.8	14.5	14.3	14.6	

Selected Economic Indicators

/2/

S. No.	Indicators	Unit	Fiscal Year							
			1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001+	2001/2002*
	O. Outstanding Foreign Loan	%	51.6	51.4	47.1	53.6	49.5	50.2	49.1	
	P. Total Outstanding Loan	%	66.2	65.2	59.9	66.4	64.0	64.5	63.7	
	q. Total Exports (goods)	%	8.0	8.0	8.1	9.1	10.4	13.1	13.6	
	r. Total Imports (goods)	%	29.1	30.0	33.4	29.6	25.6	28.6	28.2	
	s. Merchandise Trade Deficit	%	21.1	22.0	25.3	20.4	15.2	15.5	14.7	
	t. Current Account Deficit	%	-5.4	-8.6	-5.9	-5.0	-0.1	-2.4	-2.7	
12	Outstanding Foreign Loan/Government Revenue	%	459.8	459.0	434.9	489.4	454.9	444.6	412.2	
13	Outstanding Foreign Loan/Total Exports	%	640.6	644.0	583.5	585.9	474.8	382.6	362.0	
14	Government Revenue	% Change	25.5	13.5	8.9	8.4	13.1	15.1	14.0	
15	Regular Expenditure	" "	55.2	11.9	12.1	12.4	14.3	11.2	23.9	
16	Development Expenditure	" "	9.3	26.2	6.2	9.0	-1.4	11.3	16.7	
17	Total Government Expenditures	" "	16.3	19.2	9.0	10.6	6.2	11.2	20.5	
18	Debt Service (Principal and Interest Repayments) /Regular Expenditure Ratio	%	31.6	31.1	31.1	28.3	28.1	29.1	24.3	
19	Money Supply	% Change								
	a. M-1	" "	15.7	10.6	5.4	17.4	13.1	19.4	16.1	9.7
	b. M-2	" "	16.1	14.4	11.9	21.9	20.8	21.8	15.3	3.6
20	Private Sector's Share in the total outstanding Credit of the Banking system	%	58.1	62.2	65.1	66.3	67.4	69.3	67.7	68.3
21	Total Exports	% Change	-8.6	12.7	13.9	21.5	29.6	39.6	11.7	-7.8#
22	Total Imports	" "	23.5	16.9	25.6	-4.9	-1.6	23.9	6.6	-8.5#
23	Exports/Imports Ratio	-	27.7	26.7	24.2	30.9	40.7	45.9	49.6	50.0#
24	Current Account	in 10 million	-1178.6	-2154.2	-1650.8	-1518.8	23.5	-896.6	-1095.4	-773.1#
25	Balance of Payments	" "	-31.4	-108.0	320.2	1096.6	984.0	1444.8	522.1	-174.2#
26	Foreign Exchange Reserves	" "	4308.5	4443.8	4854.1	6515.8	7665.1	9384.4	10517.3	10389.5
27	Exchange Rate c	US \$ 1 = Rs.	50.7	56.5	57.0	67.9	68.5	70.8	75.0	77.7
28	Total Population	in thousand	20053	20533	21023	21526	22040	22567	23151	23670

- + Revised Annual Estimate
- * Preliminary Annual Estimate (Based on First Eight Months)
- # Based on First Six Months Estimate
- a Factor cost at constant price prior to the deduction of the imputed value of the bank service change.
- b Factor cost at current price prior to the deduction of the imputed value of the bank service change.
- c Average of bying and selling rates in mid-July.
- d Change of the base year.

Table 6.1 : Direction of Foreign

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Export F.O.B.	4114.6	4195.3	5156.2	7387.5	13706.5	17266.5	19293.4	17639.2	19881.1
India	1567.8	1034.9	602.5	1552.2	1450.0	1621.7	2408.9	3124.3	3682.6
Other countries	2546.8	3160.4	4553.7	5835.3	12256.5	15644.8	16884.5	14514.9	16198.5
Import C.I.F.	13869.6	16263.7	18324.9	23226.5	31940.0	39205.6	51570.8	63679.5	74454.5
India	4595.8	4238.7	4674.5	7323.1	11245.5	12542.1	17035.4	19615.9	24398.6
Other countries	9273.8	12025.0	13650.4	15903.4	20694.5	26663.5	34535.4	44063.6	50055.9
Trade Balance	-9755.0	-12068.4	-13168.7	-15839.0	-18233.5	-21939.1	-32277.4	-46040.3	-54573.4
India	-3028.0	-3203.8	-4072.0	-5770.9	-9795.5	-10920.4	-14626.5	-16491.6	-20716.0
Other countries	-6727.0	-8864.6	-9096.7	-10068.1	-8438.0	-11018.7	-17650.9	-29548.7	-33857.4
Total volume of Trade	17991.2	20459.0	23481.1	30614.0	45646.5	56472.1	70864.2	81318.7	94335.6
India	6163.6	5273.6	5277.0	8875.3	12695.5	14173.8	19444.3	22740.2	28081.2
Other countries	11827.6	15185.4	18204.1	21738.7	32951.0	42308.3	51419.9	58578.5	66254.4
% Share in Total Trade	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
India	34.3	25.8	22.5	29.0	27.8	25.1	27.4	28.0	29.8
Other countries	65.7	74.2	77.5	71.0	72.2	74.9	72.6	72.0	70.2

* Provisional

Source : Nepal Rastra Bank .

Trade

Rs. in Million

1996/97	1997/98	1998/99	1999/2000*	2000/01	First Eight Months *	
					2000/01	2001/02
22636.5	27513.5	35676.3	49822.7	55654.1	37900.6	34933.8
5226.2	8794.4	12530.7	21220.7	26030.2	16839.5	22057.8
17410.3	18719.1	23145.6	28602.0	29623.9	21061.1	12876.0
93553.4	89002.0	87525.3	108504.9	115687.2	76352.8	69841.2
24853.3	27331.0	32119.7	39660.1	45211.0	28894.0	28787.6
68700.1	61671.0	55405.6	68844.8	70476.2	47458.8	41053.6
-70916.9	-61488.5	-51849.0	58682.2	60033.1	38452.2	34907.4
-19627.1	-18536.6	-19589.0	18439.4	19180.8	12054.5	6729.8
-51289.8	-42951.9	-32260.0	40242.8	40852.3	26397.7	28177.6
116189.9	116515.5	123201.6	158327.6	171341.3	114253.4	104775.0
30079.5	36125.4	44650.4	60880.8	71241.2	45733.5	50845.4
86110.4	80390.1	78551.2	97446.8	100100.1	68519.9	53929.6
100.0	100.0	100.0	100.0	100.0	100.0	100.0
25.9	31.0	36.2	38.5	41.6	40.0	48.5
74.1	69.0	63.8	61.5	58.4	60.0	51.5

Table 6.2 : Commodity Trade

SITC Group	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Export	4114.6	4295.3	5106.2	7387.5	13705.8	17266.5	19293.4	17639.2
Food & live Animals	804.4	577.6	616.0	986.5	1941.6	1862.9	1163.4	1562.7
Tobacco & Beverage	10.1	6.6	4.1	11.2	13.0	13.2	12.8	11.3
Crude Materials & Inedibles	513.7	249.9	238.6	312.1	437.4	531.8	432.4	485.5
Mineral Fuels & Lubricants	0.8	-	-	-	-	0.3	-	-
Animals & Vegetable Oil & Fats	171.5	100.3	20.1	201.9	160.3	176.4	138.4	214.1
Chemicals & Drugs	12.6	26.0	10.9	17.7	19.6	28.7	212.1	302.3
Classified by Materials	1601.6	1982.6	2643.1	4312.3	7557.2	10298.3	10912.6	9260.3
Machinery & Transport Equipment	0.5	5.8	0.1	0.1	0.3	1.2	6.4	37.1
Miscellaneous Manufactured Articles	996.9	1346.5	1573.3	1545.7	3576.4	4352.3	6415.1	5765.8
Not Classified	2.5	-	-	-	-	1.4	0.2	0.1
Import	13869.6	16253.7	18324.9	23226.3	31940.0	39205.6	51570.8	63679.5
Food & live Animals	1523.7	1322.6	1607.7	1820.5	2947.5	3024.7	4084.8	4464.0
Tobacco & Beverage	172.2	197.1	226.6	257.0	288.3	469.3	367.6	500.9
Crude Materials & Inedibles	1036.8	1182.7	1571.1	2013.4	3415.7	3977.0	3122.3	3347.9
Mineral Fuels & Lubricants	1049.9	1116.6	1515.5	2278.3	3644.7	3834.1	4837.0	4717.1
Animals & Vegetable Oil & Fats	352.6	342.7	476.3	741.7	801.8	1085.1	1457.2	2056.0
Chemical & Drugs	1495.4	1532.6	2823.9	3051.1	4615.3	5265.0	5541.4	7193.2
Classified by Materials	3359.2	4671.0	5065.0	5950.8	8599.9	11633.1	19147.4	25300.6
Machinery & Transport Equipment	4143.7	4847.0	3790.4	5990.8	5892.5	7701.7	10037.5	13027.6
Miscellaneous Manufactured Articles	729.1	1036.6	1247.8	1120.7	1547.6	2185.9	2884.5	3057.2
Not Classified	7.0	4.8	0.6	2.0	186.7	29.7	91.1	15.0

* Provisional

Source: Nepal Rastra Bank

by SITC Group

Rs. in Million

1995/96	1996/97	1997/98	1998/99	1999/2000*	2000/01	First Eight Months *	
						2000/01	2001/02
19881.1	22636.5	27513.5	35676.3	49822.7	55654.1	37900.6	34933.8
1946.6	2661.7	3123.2	3724.5	4240.4	4776.6	3277.1	3877.0
9.7	14.9	22.8	50.0	117.2	75.6	30.3	84.2
768.7	663.5	487.1	469.9	561.3	751.1	398.0	677.3
1.3	1.4	20.9	0.5	2.2	1.3	0.0	0.3
251.3	312.6	2136.3	3597.2	3229.7	4101.7	2296.1	6707.8
640.4	1353.4	1968.5	2804.0	3933.2	4041.7	2701.5	2219.5
10455.7	11028.6	11637.1	13539.6	15838.7	18909.3	11901.8	12302.2
35.2	59.6	58.0	97.8	390.8	243.6	178.5	287.8
5772.2	6540.3	8059.6	11392.8	21509.2	22650.9	7117.3	8777.7
-	0.5	0.0	0.0	0.0	0.0	0.0	0.0
74454.5	93553.4	89002.0	87525.3	108504.9	115687.2	76352.8	69841.2
4785.8	5400.5	4929.0	7619.5	10839.0	5994.4	4090.1	4615.2
508.6	590.7	799.5	846.1	906.5	906.1	646.1	557.2
4865.9	5487.1	6976.2	6246.7	7012.4	7559.6	4401.3	4305.7
5549.3	7160.3	9537.3	8737.5	9097.9	11269.2	6981.7	8940.3
2830.9	2327.6	2025.8	3329.0	4446.0	5589.2	3329.6	5889.3
8686.8	8504.2	11077.3	12476.4	14474.2	12941.9	9156.2	8339.4
28129.7	44741.9	32601.6	25638.0	34420.0	41188.0	27936.3	21328.7
15301.1	13794.9	16734.7	18063.7	20547.9	23027.8	15172.7	12724.2
3794.6	4016.4	3974.0	4302.4	6682.8	7210.2	4638.8	3082.9
1.8	1529.8	346.6	266.0	68.2	0.8	0.0	58.3

Table 6.3 : Export of Major Commoo

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Timber	-	-	-	-	-	-	-	-	-	-
Rice (Husked)	-	-	-	-	-	-	-	-	-	-
Maize	-	1.3	0.1	5.8	-	-	-	-	-	-
Mustard & Linseeds	141.3	50.8	3.7	5.8	72.7	149.6	91.3	64.8	48.0	35.2
Herbs	16.4	13.7	4.5	21.3	22.4	24.0	28.1	41.7	40.5	52.6
Ghee	46.7	49.9	7.8	27.6	22.6	43.6	46.5	49.6	35.4	90.0
Dried Ginger	37.3	30.3	9.9	29.4	21.9	30.7	23.1	76.9	47.2	46.5
Pulses	123.1	51.8	2.7	77.0	14.3	6.3	183.0	401.5	314.7	510.7
Kutch	105.4	43.6	-	5.8	10.1	5.6	4.8	3.2	4.2	6.2
Live Animals	162.5	126.1	73.1	178.1	158.6	152.9	173.4	181.2	176.3	183.4
Flour	0.2	0.1	0.2	4.5	1.7	-	-	-	0.3	3.9
Ginger	34.1	30.5	29.2	73.4	84.6	73.9	73.8	90.9	137.3	140.7
Oil Cake	57.5	49.0	22.6	78.1	67.7	99.7	110.0	105.6	103.4	104.1
Catechu	9.0	3.3	11.0	93.1	101.0	46.5	4.6	7.5	27.1	55.4
Rice bran Oil	79.0	53.2	5.1	136.4	94.0	120.3	99.5	121.2	129.3	106.2
Salseed Oil	56.9	35.8	-	33.9	-	2.5	-	47.5	0.1	0.4
Raw Jute	44.1	36.5	117.5	5.7	-	44.2	40.0	86.0	33.0	3.2
Jute Cutting	8.6	10.5	-	-	0.5	-	0.5	0.1	2.8	3.3
Jute Goods	188.7	134.0	4.5	272.3	191.4	176.4	242.0	231.1	453.2	565.1
Hessian	84.9	58.5	2.2	105.2	72.2	67.8	72.0	15.3	76.1	69.2
Sacking	68.4	46.6	0.6	78.0	29.5	11.2	24.1	0.2	28.4	74.9
Twins	35.4	28.9	1.7	89.1	89.7	97.4	145.9	215.6	348.7	421.0
Total	1110.8	720.4	291.9	1048.2	863.5	976.2	1120.6	1508.8	1552.8	1906.9
Other	457.0	314.5	310.6	504.0	586.5	645.5	1288.3	1615.5	2129.8	3319.3
Grand Total	1567.8	1034.9	602.5	1552.2	1450.0	1621.7	2408.9	3124.3	3682.6	5226.2

* Provisional

Source: Nepal Rastra Bank

dities to India

Rs. in Million

1997/98	1998/99	1999/2000*	2000/01	First Eight Months *	
				2000/01	2001/02
-	-	-	-	-	-
8.0	74.1	0.0	16.6	16.4	-
4.4	0.1	0.1	0.0	0.0	-
9.5	19.2	29.3	37.9	34.5	10.2
50.9	31.4	61.2	71.5	36.9	63.2
167.0	39.2	37.6	470.7	409.9	9.4
41.5	41.1	59.5	61.0	39.4	43.8
198.8	281.2	969.7	713.5	493.8	790.3
7.4	11.3	10.2	12.6	6.1	6.5
163.2	54.1	71.9	45.8	32.3	19.7
8.3	13.4	0.0	60.8	34.6	34.8
167.2	151.7	161.5	161.8	143.4	146.0
124.4	165.0	222.4	212.8	144.0	178.8
69.7	117.3	199.3	150.0	101.7	133.9
95.4	106.7	45.0	124.7	93.3	59.4
-	3.7	51.9	0.0	0.0	0.0
5.0	0.1	0.0	113.6	0.0	7.9
1.4	-	0.1	1.1	1.1	0.0
720.2	871.7	1103.9	1294.2	860.3	1031.6
155.5	153.2	103.9	50.5	40.5	19.0
267.3	298.4	403.2	540.4	360.9	407.8
297.4	420.1	596.8	703.3	458.9	604.8
1842.3	1981.3	4127.5	4842.8	3308.0	3567.1
6952.1	10549.4	17093.2	21187.4	13531.5	18490.7
8794.4	12530.7	21220.7	26030.2	16839.5	22057.8

Table 6.4 : Export of Major Comm

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Pulses	4.0	46.0	208.8	169.9	1144.3	1043.0	164.3	55.4
Cardamon (Large)	20.0	14.9	5.6	-	-	-	-	0.2
Medicinal Herbs	0.2	0.8	2.6	1.2	4.5	3.5	3.5	7.2
Catechu	1.4	1.6	-	-	-	-	-	-
Wollen Goods	9.0	16.8	23.2	21.9	46.8	-	-	-
Nepalese Paper & Paper								
Products	1.1	1.8	-	-	-	19.9	25.4	50.2
Hides & Skins	165.4	161.2	283.9	210.6	218.0	243.6	222.6	416.5
Carpets (Hand Knotted Wollen)	1223.7	1634.0	2318.5	3733.0	7048.1	9594.2	9534.1	7718.1
Readymade Garments	916.6	1117.8	1399.2	1350.3	3254.5	3930.3	5943.2	5139.3
Handicrafts	53.8	91.6	71.1	86.9	176.5	84.7	91.5	145.4
Total	2395.2	3086.5	4312.9	5573.8	11892.7	14919.2	15984.6	13532.3
Other	151.6	73.9	240.8	261.5	363.8	725.6	899.9	982.6
Grand Total	2546.8	3160.4	4553.7	5835.3	12256.5	15644.8	16884.5	14514.9

* Provisional

Source: Nepal Rastra Bank.

odities to Other Countries

Rs. in Million

1995/96	1996/97	1997/98	1998/99	1999/2000*	2000/01	First Eight Months *	
						2000/01	2001/02
348.7	528.3	858.3	915.7	87.1	501.1	305.7	67.8
-	-	-	5.4		21.8	3.2	64.1
8.1	18.0	14.3	9.6	15.1	25.9	19.8	13.6
-	-	-	-				
-	-	-	-				
47.3	66.4	82.7	121.5	168.4	196.7	135.6	135.1
387.6	288.5	417.3	270.5	181.9	658.4	382.7	316.9
8163.9	8880.0	8485.3	9802.0	9842.1	8592.3	5790.2	4256.6
5374.8	5955.0	7015.4	9701.9	13942.4	13124.7	9307.1	5389.1
81.8	142.1	135.0	173.5	218.1	233.9	143.6	128.9
14412.2	15878.3	17008.3	21000.1	24455.1	23354.8	16087.9	10372.1
1786.3	1532.0	1710.8	2145.5	4146.9	6269.1	4973.2	2503.9
16198.5	17410.3	18719.1	23145.6	28602.0	29623.9	21061.1	12876.0

Table 6.5 : Income and Expenditures of C

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
Income	9207.0	11150.8	13362.7	16465.8	25056.0	27323.4	36160.8	39103.4
- Services	2253.1	2879.9	2777.8	3343.1	4675.1	4632.1	6457.6	9343.7
Gorkha Remittances	589.8	602.1	676.8	549.6	423.6	549.7	223.0	1842.9
Tourist's Expenditure	1415.1	1856.5	1541.7	1993.8	3090.7	2615.1	4819.7	5896.2
Intrest on Investment Abroad	248.2	421.3	559.3	799.7	1160.8	1467.3	1414.9	1604.6
- Merchandise Export	2348.5	3005.2	4239.9	5763.4	10020.6	10389.5	16033.2	15624.5
- Diplomatic Mission	1223.5	1527.0	1818.6	1829.9	2903.2	5805.3	4707.8	4689.7
- Foreign Aid	2753.9	3037.1	3645.9	3877.6	3712.6	5188.6	4474.6	4419.3
- Miscellaneous	628.0	701.6	880.5	1651.8	3744.5	1307.9	4487.6	5026.2
Expenditures	7345.4	8463.9	11446.8	11197.1	18885.0	21496.8	29789.2	35510.6
- Services	1114.8	1930.2	2100.6	2569.0	6012.5	6869.9	8221.2	10858.2
Amortization	644.2	1063.2	1143.2	1318.0	2214.8	2582.4	3263.1	4983.7
Others	470.6	867.0	957.3	1251.0	3797.7	4287.5	4958.1	5874.5
- Merchandise Import	5871.9	5876.0	8710.8	7745.9	8349.1	11255.3	18638.5	21527.3
- Diplomatic Missions	109.1	140.0	141.5	167.2	59.2	61.0	204.3	238.5
- Miscellaneous	249.6	517.7	494.0	715.0	4464.2	3310.6	2725.2	2886.6
Surplus or Deficit (-)	1861.6	2686.9	1915.9	5268.7	6171.0	5826.6	6371.6	3592.8

* Provisional

Source: Nepal Rastra Bank

Convertible Foreign Exchange

Rs. in million

1995/96	1996/97	1997/98	1998/99*	1999/2000*	2000/01	First Six Months*	
						2000/01	2001/02
37459.8	38280.4	44983.9	57939.8	64250.0	89823.2	48040.6	39804.0
8526.4	8459.2	10817.2	15225.8	15836.5	18520.5	9102.2	7407.0
716.0	979.9	1285.9	1627.0	1288.2	3557.5	1836.5	2082.3
6605.9	6158.8	7850.9	11584.2	11691.0	11969.2	6073.6	4312.3
1204.5	1320.5	1680.4	2014.6	2857.3	2993.8	1192.1	1012.4
14719.4	15603.9	16355.3	18766.6	23724.4	29789.7	15771.0	9772.9
2989.0	2362.9	4374.4	8327.3	6247.7	7254.4	3313.5	5684.8
7943.4	8921.5	9868.4	8518.4	11072.4	23459.0	13954.9	8439.8
3281.6	2932.9	3568.6	7101.7	7369.0	10799.6	5899.0	8499.5
33463.3	34821.5	39912.3	45164.3	53066.0	82560.3	41027.5	40990.5
11336.0	10188.1	9820.0	8318.6	10636.5	13839.5	7006.7	6828.3
3772.2	3870.6	4496.4	5227.8	5776.3	6476.3	3141.9	3172.1
7563.8	6317.5	5323.6	3090.8	4860.2	7363.2	3864.8	3656.2
21361.5	24099.7	29590.0	34185.9	41152.2	66569.0	33055.6	30641.0
478.4	298.1	361.1	1128.9	604.7	507.6	232.5	349.6
287.4	235.6	141.2	1530.9	672.6	1644.2	732.7	3171.6
3996.5	3458.9	5071.6	12775.5	11184.0	7262.9	7013.1	-1186.5

Table 6.6 : Gold and Foreign Exchange Holdings of Banking

Year/Months	Nepal Rastra Bank							Commercial Banks	
	Total (2+3+4+5)	Gold	IMF Gold Tranche	Special Drawing Rights	Foreign Exchange (6+7)	Con- vertible	Incon- vertible	Foreign Exchange (9+10)	Conver- tible
	1	2	3	4	5	6	7	8	9
1987 July	2795.8	139.2	159.2	2.6	2494.8	1936.8	558.0	1681.4	1171.4
1988 July	5594.1	150.7	175.7	4.2	5263.5	4808.2	455.3	1801.3	1263.7
1989 July	6837.1	176.7	200.2	3.3	6456.9	6207.4	249.5	1853.9	1329.5
1990 July	8979.4	187.7	225.4	11.5	8554.8	7127.3	1427.5	3035.0	2344.4
1991 July	15390.0	275.5	321.5	16.4	14776.6	13329.0	1447.6	3880.0	3075.4
1992 July	20182.2	274.8	352.5	3.6	19551.3	19125.6	425.7	4700.1	4020.2
1993 July	28647.9	316.1	388.5	10.0	27933.3	25926.5	2006.8	5577.1	4840.7
1994 July	35261.3	316.8	414.3	1.5	34528.7	31584.2	2944.5	7487.0	6552.8
1995 July	35423.0	324.4	450.1	3.7	34644.8	28365.4	6279.4	8440.1	7771.3
1996 July	34231.2	362.9	459.6	9.6	33399.1	27432.4	5966.7	11039.1	10502.1
1997 July	36909.8	366.1	451.4	7.6	36084.7	26973.4	9111.3	12456.7	11528.9
1998 March	41662.2	407.1	484.3	1.9	40768.9	29408.5	11360.4	15753.0	14236.1
1998 July	48393.1	436.1	514.5	5.7	47436.8	36016.3	11420.5	17720.9	16621.6
1999 March	53935.0	434.5	524.2	3.4	52972.9	44861.3	8111.6	22688.5	20659.6
1999 July	54138.6	439.7	517.0	3.6	53178.3	48290.3	4888.0	23472.5	20697.0
2000 March	64507.2	442.9	530.2	16.4	63517.7	53914.6	9603.1	27353.9	25762.5
2000 July	66647.8	454.2	532.4	11.1	65650.1	54364.9	11285.2	28208.0	25956.0
2001 March	78040.4	475.1	543.2	2.8	77019.3	56302.7	20716.6	30588.7	28812.7
2001 July*	76143.6	481.6	533.5	3.1	75125.4	52972.4	22153.0	30047.1	27194.9
2002 March**	81498.5	498.7	552.6	6.9	80440.3	54471.7	25968.6	23454.7	20644.1

* Provisional

** Estimate

Source : Nepal Rastra Bank

System

Rs. in Million

anks	
Inconver- tible	Total (1+8)
10	11
510.0	4477.2
537.6	7395.4
524.4	8691.0
690.6	12014.4
804.6	19270.0
679.9	24882.3
736.4	34225.0
934.2	42748.3
668.8	43863.1
537.0	45270.3
927.8	49366.5
1516.9	57415.2
1099.3	66114.0
2028.9	76623.5
2775.5	77611.1
1591.4	91861.1
2252.0	94855.8
1776.0	108629.1
2852.2	106190.7
2810.6	104953.2

Table 6.7 : Balance of F

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
Export F.O.B.	4127.3	4211.1	5169.9	7403.3	13725.6	17286.4	19316.0
Import C.I.F.	13892.8	16296.8	18356.5	23255.7	31987.0	39259.9	51628.7
Trade Balance	-9765.5	-12085.7	-13186.6	-15852.4	-18361.4	-21973.5	-32312.7
Services, Net	2211.7	2989.5	2752.9	2691.5	3893.1	5064.4	17476.5
Reciepts	4785.4	6189.7	6336.5	7679.0	11756.7	14942.7	30000.1
Travel	1675.7	2787.5	3129.4	3587.6	5016.9	5966.0	8251.7
Investment Income	196.0	503.8	655.3	856.5	1123.3	1518.9	1768.6
Others	2913.7	2898.4	2551.8	3234.9	5616.5	7457.8	19979.8
Payments	2573.7	3200.2	3583.6	4987.5	7863.6	9878.3	12523.6
Transfers, Net	2931.0	2761.4	2790.1	3661.2	4294.3	6937.3	6809.0
Receipts	3043.2	3020.3	3005.5	4040.5	4489.9	7075.5	7003.9
Private Remittances	1608.4	1628.6	1747.9	2128.3	2316.5	2994.3	3469.1
Official Grants	1278.7	1272.7	1085.8	1694.0	1689.5	3498.5	3039.9
Indian Excise Refund	112.8	87.2	0.2	188.0	422.0	561.8	494.2
Others	43.3	31.8	171.6	30.2	61.9	20.9	0.7
Payments	112.2	258.9	215.4	379.3	195.6	138.2	194.9
Current Account Balance	-4622.8	-6334.8	-7643.6	-9499.7	-10074.0	-9971.8	-8027.2
Official Capital Net	4368.0	6045.1	5888.8	6300.0	7326.0	5474.2	10723.3
Foreign Loans	4675.4	6425.2	6617.6	7154.0	8710.3	6960.1	12974.7
Amortization	-307.4	-380.1	-728.8	-854.0	-1384.3	-1485.9	-2251.4
Foreign Direct Investment	-	-	-	-	-	-	-
<i>Miscellaneous Capital</i>	2527.8	365.6	4404.4	7331.9	6142.4	12237.8	3587.2
Change in Reserves Net	2273.0	75.9	2649.6	4132.2	3394.4	7740.2	6283.3

* Provisional

Source: Nepal Rastra Bank

Payments Summary

Rs. in million

1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000*	2000/01	First Six Months *	
							2000/01	2001/2002
17680.3	19912.7	22663.1	27540.2	35692.7	49844.7	55676.5	28073.0	26371.8
63740.4	74570.8	93661.9	89153.8	87695.0	108624.4	115797.0	57028.8	52513.0
-46060.1	-54658.1	-70998.8	-61613.6	-52002.3	-58779.7	-60120.5	-28955.8	-26141.2
23565.2	20922.7	39360.7	29127.5	30201.3	26445.7	22239.0	11081.1	4518.5
37478.5	37178.5	53180.5	43495.8	45967.2	43084.9	41614.9	19631.7	14182.9
8973.2	9521.2	8523.0	9881.6	12167.8	12073.9	11717.0	5308.1	4354.6
2075.1	1685.8	1990.3	2377.2	3510.4	4569.3	5470.5	2262.1	2053.0
26430.2	25971.5	42667.2	31237.0	30289.0	26441.7	24427.4	12061.5	7775.3
13913.3	16255.8	13819.8	14368.3	15765.9	16639.2	19375.9	8550.6	9664.4
10708.8	12193.2	15130.1	17297.9	22036.1	23368.2	26927.7	11565.5	13891.9
11227.2	12766.3	16347.3	19065.3	23167.5	25267.3	28360.4	12175.5	14889.4
5063.6	4283.6	5595.0	6987.8	10314.6	12662.3	15903.2	7307.5	9397.6
5339.1	7582.8	9743.2	10919.7	11648.3	11286.1	11001.1	4347.5	4896.9
819.0	899.9	1009.1	1157.8	1204.6	1318.9	1456.1	520.5	594.9
5.5	-	-	-	-	-	-	-	-
518.4	573.1	1217.2	1767.4	1131.4	1899.1	1432.7	610.0	997.5
-11786.1	-21542.2	-16508.0	-15188.2	235.1	-8965.8	-10953.8	-6309.2	-7730.8
8804.7	7401.0	8390.2	10369.6	9100.7	8878.4	6693.4	3803.1	2248.9
11395.9	10284.7	11232.9	14236.1	13264.2	13453.5	11739.6	6237.3	4571.3
-2591.2	-2883.7	-2842.7	-3866.5	-4163.5	-4575.1	-5046.2	-2434.2	-2322.4
-	387.8	1620.7	684.6	577.7	-	-	-	-
2667.5	12672.9	9699.2	15099.9	-74.0	14535.8	9481.6	6306.6	3739.5
-313.9	-1080.5	3202.1	10965.9	9840.0	14448.4	5221.2	3800.5	-1742.4

Table 8.1 : Area, Production & Yield of Princ

	Food Crops	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Paddy	Area	1435	1459	1445	1453	1412	1324	1454	1421	1497	1505
	Production	2999	3302	3409	3498	3223	2712	3493	2928	3579	3699
	Yield	2.09	2.26	2.36	2.41	2.28	2.05	2.40	2.06	2.39	2.46
Maize	Area	750	755	751	756	754	775	757	771	792	793
	Production	1003	1122	1201	1228	1205	1291	1210	1273	1331	1312
	Yield	1.34	1.49	1.60	1.63	1.59	1.67	1.60	1.65	1.68	1.65
Wheat	Area	594	599	604	593	571	614	620	634	654	665
	Production	740	828	855	836	779	765	873	914	1013	1056
	Yield	1.25	1.38	1.42	1.41	1.36	1.25	1.41	1.44	1.55	1.59
Barley	Area	30	29	30	30	30	30	30	31	39	39
	Production	25	27	27	28	28	28	29	30	41	39
	Yield	0.84	0.92	0.93	0.94	0.93	0.93	0.96	0.96	0.95	1.00
Millet	Area	196	196	198	198	198	202	254	250	260	260
	Production	181	196	230	231	229	237	274	268	282	289
	Yield	0.92	1.00	1.16	1.17	1.15	1.17	1.08	1.07	1.09	1.11
	Total Area	3005	3038	3028	3030	2965	2945	3115	3107	3242	3262
	Total Production	4948	5475	5722	5821	5464	5033	5879	5413	6246	6395

Index of Food Crops
(1974/75=100)

	Area	140.29	141.83	141.36	141.46	138.42	137.49	145.42	145.05	151.35	152.52
	Production	130.97	144.92	151.46	154.08	144.63	133.22	155.61	143.28	165.33	170.09
	Yield	93.36	102.18	107.14	108.92	104.49	96.89	107.00	98.78	109.18	111.52

* Revised Estimate

** Preliminary Estimate

Source : Central Bureau of Statistics & Ministry of Agriculture and Co-operative, Agriculture Statistics Division

ipal Food Crops

Area : Thousand Hectare

Production: Thousand M.T.

Yield: M.T./Hectare

1997/98	1998/99	1999/2000	2000/01*	2001/02**
1506	1514	1551	1560	1517
3641	3710	4030	4216	4165
2.42	2.45	2.59	2.70	2.74
799	802	819	824	826
1367	1346	1445	1484	1511
1.71	1.68	1.76	1.80	1.83
647	641	660	641	667
1001	1086	1184	1158	1258
1.55	1.69	1.79	1.80	1.88
37	32	28	28	28
37	32	31	30	31
1.00	1.00	1.10	1.10	1.11
262	264	263	260	258
285	291	295	283	282
1.09	1.10	1.12	1.09	1.10
3251	3253	3321	3313	3296
6331	6465	6985	7171	7247

151.77	151.87	155.04	154.67	153.87
167.57	171.12	184.89	189.78	191.07
111.00	112.68	119.24	122.70	124.82

Table 8.2 : Area, Production & Yield of P

	Cash Crops	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Sugercane	Area	30	30	31	33	37	38	40	42	45
	Production	819	904	997	1106	1291	1366	1431	1500	1569
	Yield	27.52	30.54	31.71	33.55	34.52	35.95	35.49	35.99	35.00
Oil seeds	Area	152	152	152	154	154	165	166	170	185
	Production	95	97	97	91	88	94	98	102	116
	Yield	0.62	0.64	0.64	0.59	0.57	0.57	0.59	0.60	0.63
Tobacco	Area	6	7	8	7	7	7	7	7	6
	Production	4	5	7	7	6	6	6	7	6
	Yield	0.69	0.74	0.87	0.96	0.92	0.86	0.90	0.91	0.90
Potato	Area	82	83	84	85	85	87	89	97	106
	Production	582	629	677	746	733	733	780	840	898
	Yield	7.06	7.57	8.04	8.82	8.59	8.43	8.76	8.62	8.48
Jute	Area	14	14	13	14	15	9	9	9	11
	Production	15	18	16	16	19	10	11	11	15
	Yield	1.07	1.29	1.23	1.14	1.27	1.11	1.21	1.20	1.34
	Total Area	284	286	288	293	298	306	311	325	353
	Total Production	1515	1653	1794	1966	2137	2209	2326	2460	2604

Index of Cash Crops
(1974/75=100)

	Area	128.51	129.41	130.32	132.58	134.84	138.46	140.72	147.06	159.73
	Production	226.12	246.72	267.76	293.43	318.96	329.70	347.16	367.16	388.66
	Yield	175.96	190.65	205.46	221.32	236.55	238.12	246.70	249.67	243.30

* Revised Estimate

** Preliminary Estimate

Note: Revised Statistics, Area and production are given in thousand and productivity is given in accurate figure.

Source : Central Bureau of Statistics & Ministry of Agriculture and Co-operative, Agriculture Statistics Division

Principal Cash Crops

Area : Thousand Hectare
 Production: Thousand M.T.
 Yield: M.T./Hectare

1996/97	1997/98	1998/99	1999/2000	2000/01*	2001/02**
46	49	54	58	59	59
1622	1718	1972	2103	2212	2248
35.30	35.13	36.58	36.18	37.49	38.10
184	179	190	190	188	188
119	109	120	123	132	135
0.65	0.61	0.63	0.65	0.70	0.72
6.00	6.0	4.4	4.3	4.0	3.9
5.0	4.6	3.9	3.8	4.0	3.9
0.83	0.80	0.88	0.89	1.00	1.00
110	112	118	123	129	131
961	935	1091	1183	1314	1380
8.74	8.39	9.24	9.64	10.18	10.53
11	12	11.6	14.7	11.0	11.1
14	15	15.1	15.2	16.0	16.1
1.27	1.26	1.33	1.04	1.45	1.45
357	358	378	390	391	393
2721	2782	3202	3428	3678	3783

161.08	162.00	171.04	171.94	172.38	173.26
412.54	415.16	478.05	511.49	548.79	564.45
251.41	256.32	279.41	297.44	318.36	325.78

Table 8.3 : Other Crops Proc

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Pulses	139.90	156.70	163.23	161.32	154.54	191.14	204.69	201.78	214.85	223.00
Fruits	397.50	404.40	463.31	502.36	502.00	519.50	535.00	565.00	367.49	428.23
Vegetables	874.52	922.00	993.56	970.20	1128.00	1197.00	1197.00	1256.85	1327.29	1350.00
Total Production	1411.92	1483.10	1620.10	1633.88	1784.54	1907.64	1936.69	2023.63	1909.63	2001.23

* Revised Estimate

** Preliminary Estimate

Source : Central Bureau of Statistics & Ministry of Agriculture and Co-operative Agriculture Statistics Division.

uction

In Thousand Metric Ton					
1997/98	1998/99	1999/2000	2000/01*	2001/02**	Changed in % between 99/01 to 2000/01
215.70	228.84	237.32	243.24	250.40	2.94
425.60	456.00	447.33	487.33	472.76	-2.99
1412.20	1342.57	1489.66	1652.98	1736.00	5.02
2053.50	2027.41	2174.31	2383.55	2459.16	3.17

Table 8.4 : Livestock Production

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Meat	137.73	142.01	145.15	147.08	148.42	149.89	153.52	159.24	161.52	174.27
Milk & Milk Products	808.60	834.41	859.36	865.42	871.82	876.59	885.36	903.64	961.56	1012.16
Egg (in Million)	278.34	288.06	342.15	369.52	368.16	370.93	375.10	412.11	396.40	421.50
Fish	12.10	12.52	13.30	14.50	16.50	15.19	15.52	17.58	21.88	23.20

* Revised Estimate

** Preliminary Estimate

Source : Central Bureau of Statistics & Ministry of Agriculture and Co-operative Agriculture Statistics Division.

In Thousand Metric Ton

1997/98	1998/99	1999/00	2000/01*	2001/02**	% Change in 1999/2000 Over 1998/99
180.67	185.03	189.16	194.26	198.64	2.26
1048.04	1072.94	1097.02	1124.13	1158.79	3.08
440.90	460.62	480.80	507.32	538.42	6.13
24.86	25.75	31.72	33.27	35.00	5.20

Table 8.5 : Production Index of Agricultural Productic

S. No.	Agricultural Commodities	Weights %	1994/95	1995/96	1996/97	1997/98	1998/99
1.	Foodgrains	33.68	100.00	116.08	116.93	117.69	120.04
	a) Paddy	19.75	100.00	122.23	126.33	124.35	126.70
	b) Maize	6.87	100.00	104.54	103.06	107.39	105.71
	c) Wheat	4.59	100.00	110.86	115.57	109.53	118.91
	d) Millet	2.23	100.00	105.58	108.00	106.58	108.92
	e) Barley	0.23	100.00	140.04	130.96	125.17	107.72
2.	Cash Crops	6.87	100.00	107.71	112.79	110.25	125.54
	a) Sugarcane	1.37	100.00	104.54	108.06	114.46	131.39
	b) Oilseeds	1.50	100.00	113.63	116.71	107.03	117.29
	c) Tobacco	0.19	100.00	82.86	76.99	68.57	58.81
	d) Jute	0.13	100.00	131.72	123.35	135.24	133.88
	e) Potato	3.68	100.00	106.93	114.45	111.28	129.89
3.	Other Crops	21.57	100.00	86.12	92.36	93.59	95.46
	a) Pulses	2.72	100.00	106.48	111.00	106.88	113.41
	b) Fruits	10.07	100.00	65.04	75.79	75.33	80.71
	c) Vegetables	5.73	100.00	105.58	107.41	112.36	106.82
	d) Others	3.05	100.00	101.00	102.20	106.82	106.82
4.	Livestocks	27.66	100.00	103.13	109.55	113.56	116.44
	a) Milk	15.84	100.00	106.41	112.01	115.98	118.74
	b) Buffalo meat	4.51	100.00	105.97	114.72	118.63	120.87
	c) Mutton	3.99	100.00	92.70	99.47	102.37	103.87
	d) Pig meat	0.75	100.00	96.17	100.85	106.68	113.48
	e) Poultry meat	1.01	100.00	96.06	105.40	112.42	119.62
	f) Eggs	1.55	100.00	96.19	102.27	106.99	111.77
5.	Fishery	0.99	100.00	124.47	131.98	141.46	146.49
6.	Forestry	9.24	100.00	101.00	100.77	100.62	100.90
	Overall Index	100.00	100.00	104.15	108.63	109.50	112.61

* Revised estimate

** Preliminary estimate

Source : Central Bureau of Statistics.

on (Base Year 1994/95=100)

1999/00	2000/01*	2001/02**	% Change
129.58	133.23	134.13	0.67
137.64	144.00	142.24	-1.23
113.53	116.56	118.66	1.80
129.53	126.72	137.69	8.65
110.41	105.73	105.63	-0.10
104.39	103.28	105.75	2.39
133.71	145.84	150.96	3.52
140.18	147.40	149.81	1.64
120.25	129.63	132.20	1.98
57.28	57.74	56.59	-5.29
133.70	144.42	140.97	-2.39
140.76	156.37	164.29	5.06
98.56	106.45	107.83	1.30
117.62	120.55	124.10	2.94
79.17	86.25	83.67	-2.99
118.52	131.52	138.16	5.05
108.05	113.46	116.10	2.33
119.20	122.45	126.10	2.98
121.40	124.40	128.24	3.08
123.10	126.21	128.89	2.12
105.68	107.90	109.98	1.92
119.36	124.20	127.09	2.33
124.57	130.25	136.04	4.44
116.67	123.10	130.65	6.13
180.47	189.27	199.11	5.20
100.47	104.59	105.22	0.60
118.12	123.24	125.36	1.72

Table 8.6 : Use of Chemical Fertilizer, Impr

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
1. Chemical Fertilizer (Nutrients)	54181	56839	67286	72719	84391	83331	73812	90263	70154
a) Nitrogen	38112	39801	49206	51929	59956	60447	55385	64385	46448
b) Phosphorus	15211	15268	16742	19257	22833	21595	17149	24300	21306
c) Potash	858	1770	1338	1533	1602	1289	1278	1578	2400
2. Improved Seed	2551	2048	2394	2275	2153	1862	3576	3684	3343
a) Paddy	212	213	146	156	177	211	242	324	250
b) Maize	96	121	126	44	66	77	105	81	144
c) Wheat	2243	1714	2122	2075	1910	1574	3229	3279	2949
3. Insecticides									
a) Powder*(in MT)	720	733	971	429	391	422	303	147	83
b) Liquid (in litres)	8008	7527	4886	3945	3236	2513	1688	744	470

+ Provisional

* Includes Agri-Lime

Source: Agriculture Inputs Corporation

oved Seed & Insecticides

In Metric Ton

1996/97	1997/98	1998/99	1999/00	2000/01	First Eight Months +	
					2000/01	2001/02
64150	47010	45669	37250	23623	12260	11480
43231	32629	32314	25034	16397	8917	5890
19284	13124	12097	12031	7191	3315	5290
1635	1257	1258	185	35	28	300
3926	2229	1794	2585	1894	1315	2650
372	178	308	326	231	1	-
124	116	43	25	7	3	-
3430	1935	1443	2234	1656	1311	2650
34	39	7	-	-	-	-
445	235	55	-	-	-	-

Table 8.7 : Extension of Additional Irrig

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
1. Topography	34602	53304	25666	22288	33833	30405	33542	25372	48530	32018
a) Hill	2085	17502	2373	6418	6977	8601	5078	4215	10603	9209
b) Terai	5135	32527	11070	15839	9705	21804	16576	21157	36084	21717
c) Not classified	27382	3275	12223	31	17151	29518*	11888	-	1843	1092
2. Types	34602	53304	25666	22288	33833	30405	33542	25372	48530	32028
a) Canals	7385	27974	3968	11807	17522	29508	7850	7304	33898	23636
b) Ground Water	2285	25330	8468	9840	16311	897	18594	18068	12231	6878
c) Not Classified	24932	-	13230	641	-	29518*	7098	-	2401	1514

+ Provisional

* Additional irrigation facilities extended under ADB/N.

Source: Department of Irrigation and ADB/N

ation Facilities

In Hectare					
1997/98	1998/99	1999/2000	2000/01+	First Eight Months +	
				2000/01	2001/02
21447	49015	35702	29661	1732	3017
8378	10815	7899	7266	100	129
13069	38200	26960	22395	1632	2888
-	-	843	-	-	-
21447	49015	35702	29661	1732	3017
19027	27528	26509	26091	1300	129
2420	21487	9030	3570	432	2888
-	-	163	-	-	-

Table 8.8 : Agricultural C

	Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
1	Disbursement	854.00	1049.50	1170.70	1095.30	1469.00	1985.30	2887.90	3433.70
a	Food Grains & Cash								
	Crops Production	273.10	335.50	383.80	300.30	435.00	561.60	811.50	894.80
b	Agri. Tools & Irrigation	117.30	158.80	157.40	182.20	274.80	451.90	557.00	678.40
c	Agricultural Business	214.70	217.10	276.40	280.30	299.60	371.20	699.50	694.50
d	Agri Industries								
	Marketing & Godowns	212.30	257.50	287.60	273.50	420.50	542.60	725.90	972.30
e	Horticulture	32.40	36.80	40.20	44.50	27.10	29.00	35.30	36.40
f	Tea/Coffee Cultivation	4.20	7.50	5.90	9.90	7.80	21.20	37.30	50.70
g	Housing & Land Developme	-	36.30	19.40	4.60	4.20	7.80	21.40	106.60
	Loan								
2	Collection	593.20	732.10	754.80	747.70	1142.50	1383.90	1832.80	2165.00
a	Food Grains & Cash								
	Crops Production	207.20	257.30	259.20	294.90	391.80	391.70	566.00	662.00
b	Agri. Tools & Irrigation	100.80	125.10	126.70	85.40	215.70	304.10	339.40	400.80
c	Agricultural Business	128.60	156.80	148.10	129.50	213.00	256.80	431.00	400.40
d	Agri Industries								
	Marketing & Godowns	146.80	180.00	203.50	222.10	290.70	382.40	438.80	564.50
e	Horticulture	8.00	9.80	9.50	11.40	15.70	21.20	26.10	26.00
f	Tea/Coffee Cultivation	1.80	1.00	3.20	2.50	1.70	23.90	24.90	14.20
g	Housing & Land Developme	-	2.10	4.60	1.90	13.90	3.80	6.60	97.10
	Loan								
3	Total Loans Outstanding	2242.10	2568.70	2984.70	3332.50	3655.30	4256.70	5311.80	6580.50

+ Provisional

++ Audited but AGM not held

Source: Agriculture Development Bank

redits & Collection

Rs. in Million

1995/96	1996/97	1997/98++	1998/99+	1999/2000+	2000/01	First Eight Months +	
						2000/01	2001/02
3896.80	4023.40	4430.10	5562.40	7084.70	8036.00	4755.20	5227.20
1015.60	993.60	1170.00	1465.90	1756.30	1945.20	990.30	952.90
661.50	609.10	580.40	823.00	1027.70	1089.60	696.70	521.70
768.50	795.40	866.60	1029.30	1221.70	1377.00	910.10	1049.50
1224.00	1387.80	1559.10	1969.90	2772.50	3296.30	1954.90	2539.40
37.10	33.50	36.00	30.10	61.50	62.30	46.30	14.60
43.50	43.70	41.80	83.60	138.00	145.50	89.70	97.50
146.60	160.30	176.20	160.60	107.00	120.10	67.20	51.60
2780.90	2873.00	3503.80	4233.90	5274.80	6063.60	3300.90	3909.60
804.50	818.30	934.00	1132.10	1423.70	1604.30	782.40	786.50
440.70	407.90	518.30	547.70	699.30	742.20	380.50	426.30
525.70	536.30	671.70	829.20	968.00	1032.00	617.4	685.9
868.40	957.50	1186.30	1517.70	1986.80	2493.90	1395.70	1910.20
31.20	35.70	35.10	33.90	48.00	45.50	31.10	20.50
0.80	8.00	6.30	9.10	30.30	36.70	30.60	6.20
109.60	109.30	152.10	164.20	118.70	109.00	63.20	74.00
7689.20	8839.60	9765.90	11094.40	12904.20	14876.60	14358.50	16194.20

Table 8.9 Price of Fertilizer

Description	1987/88	1988/89	1989/90	1990/91	28-Jul 1991	20-Aug. 1992	13-Feb 1993	12-Apr 1994	12-Apr 1995	12-Apr 1996
Fertilizer										
a) Sulphate	2850.0	3050.0	3111.0	3111.0	4670.0	4200.0	6900.0	6900.0	6900.0	6900.0
b) Urea	3920.0	3990.0	4070.0	4070.0	5710.0	5140.0	5600.0	5600.0	5600.0	6720.0
c) Complex	3990.0	4370.75	4502.0	4502.0	6300.0	5680.0	10000.0	10000.0	10000.0	10000.0
d) Compound	3990.0	3990.0	3990.0	3990.0	3990.0	3990.0	-	-	-	-
e) D.A.P.	5339.0	6020.0	6319.0	6319.0	8360.0	7520.0	12500.0	12500.0	12500.0	16880.0
f) Potash	1995.0	2190.0	2315.0	2315.0	3210.0	2900.0	8500.0	8500.0	8500.0	8500.0
g) T.S.P.	3371.5	3700.0	3963.0	3963.0	5150.0	4640.0	8000.0	8000.0	8000.0	8000.0

Source: Agriculture Inputs Corporation

zer

Rs. Per Metric Ton

12-Apr 1997	12-Apr 1998	12-Apr 1999	12-Mar 2000	12-Mar 2001	12-Mar 2001
6900.0	-	6900.0	10300.0	10300.0	10300.0
6720.0	7400.0	7400.0	8000.0	13980.0	13500.0
10000.0	-	10000.0	-	-	-
-	-	-	-	-	-
16880.0	18570.0	18570.0	20400.0	19500.0	19000.0
8500.0	9350.0	9350.0	13900.0	13907.0	13600.0
8000.0	-	8000.0	-		

Table 9.1 : Production of]

S.No.	Code No.	Major Industry Group	Unit	1987/88	1988/89	1989/90	1990/91
1	311-312	Food Manufacturing					
	42.30	I Noodles	M.T.	1532	1620	1647	1774
	48.42	II Biscuits	M.T.	4674	4458	4430	5538
	54.50	III Squash	Th. Litre	773	421	565	908
	61.20	IV Sugar	M.T.	30040	24197	31927	44548
	74.11	V Tea	M.T.	1290	1184	1393	1249
	81.98	VI Animal Feeds	M.T.	12328	11972	11543	10574
	91.40	VII Vegetable Ghee	M.T.	5365	4483	7862	12638
2	313	Beverage industries					
	111.02	I Soft Drinks	Th. Litre	15996	12270	11520	12042
	112.30	II Beer	Th. Litre	5276	6281	6838	10386
	112.40	III Liquor	Th. Litre	2118	2092	2460	2626
3	314	Tobacco Manufacturing					
	122.20	I Cigarette	Mil. Sticks	6046	5665	6317	6691
	122.30	II Bidi	Mil. Sticks	635	581	368	224
4	321	Manufacture of Textiles					
	652.10	I Cotton Clothes	Th. Metre	9914	7057	5286	5421
	653.50	II Synthetic Clothes	Th. Metre	13363	11848	13631	16484
		III Jute Goods	M.T.	17198	16950	7473	11170
5	323	Leather & Leather Products					
	611.20	I Processed Leather	Th. Sq. Ft.	6274	7117	12035	14174
6	324	Footwear manufacturing					
	851	I Shoes	Th. Pairs	214	332	744	1009
7	331	Wood & Wood Products					
	634.20	I Plywood	Th. Sq. Ft.	1314	1315	0	268
		II Straw Board	M.T.	781	334	494	402
8	341	Paper & Paper Products					
	641.90	I Paper	M. T.	4819	5904	5321	6341
9	352	Manufacture of Other Chemical Product					
	554.10	I Soap	M. T.	12303	14856	11943	20057
	554.30	II Detergent Powder	M. T.	184	250	489	490
	99.32	III Matches	Th. Gross	1215	1272	1223	1091

Table 9.1 : Production of]

/2/

S.No.	Code No.	Major Industry Group	Unit	1987/88	1988/89	1989/90	1990/91
10	355	Manufacture of Rubber Products					
	851.01	I Slipper	Th. Pairs	5769	7247	7689	9752
11	356	Manufacture of Plastic Products					
	581	I Plastic Goods	M. T.	1579	2070	2829	5604
12	369	Other Non Metallic Mineral Products					
	661.2	I Cement	M. T.	215010	217666	101179	135897
	662.41	II Bricks & Tiles (Govt. Sector)	Th. Piece	34629	33440	16291	32625
13	371	Iron and Steel based Industries					
	673	I Iron Rod. Angles etc.	M. T.	25625	34834	36339	45631
14	381	Manufacture of Cutlery, Hand					

		Tools Except Machinery Equipment					
	697.21	I Steel Utensils	M. T.	389	237	189	265
		II Agricultural Tools	M. T.	297	264	283	113
15	383	Manufacture of Electricals, Industrial Machinery Apparatus, Appaliances					
	723.1	I Wires/Cables					
		a. GI/HB Wires	MT	12765	9640	7702	6217
		b. ACSR Conductor/PVC Cable	KM	11773	9617	13766	20842
	729.11	II Dry Cell Battery	Th. Nos.	10808	10095	10754	10350

* Provisional Estimates based on Six months data

Source: Department of Industry and Nepal Rastra Bank.

Manufacturing Commodities

1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001*	2001/2002*
2176	2304	2775	4043	4947	4908	4458	6079	6021	6473	7200
5534	6497	6278	6789	6057	6868	9113	11810	9129	9585	9440
848	1651	1816	1934	2200	2300	2400	2534	2379	2308	2250
55365	64416	34044	49227	67051	63374	67206	68512	77156	78313	82200
1476	1636	1993	2351	2457	2561	2275	2339	7395	8282	8770
21682	15141	18000	19500	21999	24000	22452	22893	22755	21617	22266
12242	11790	20233	20800	19583	20663	67218	86975	88715	95368	99000
13410	12953	14507	20592	23954	25783	25626	25636	26211	27522	27100
12329	14382	14900	16776	18315	21497	13933	18753	21725	23354	22800
3022	3477	2100	2500	2608	2800	3100	3345	3847	3885	3700
6963	7846	6894	7430	8067	7944	8127	7315	6584	6979	6900
245	247	165	150	120	100	160	548	234	229	150
7207	7139	5619	5060	5160	4000	3329	2678	2630	2485	1700
11445	12795	16657	14700	18123	18183	18685	17811	24248	25582	26100
17639	18199	19315	20187	29908	39585	51432	49328	33130	32037	31400
6892	8424	7950	10306	10977	10754	11372	9841	3010	3236	3184
1530	823	700	685	649	550	550	605	650	709	744
645	411	570	450	383	476	70	102	590	608	632
336	574	714	831	936	958	825	840	1048	1195	1195
6417	6775	8177	8863	11564	13575	15848	19459	40065	41267	41000
20903	22970	20648	23477	25111	29014	39086	47704	49631	55090	55900
723	756	681	2400	6378	7000	4337	3422	4814	4958	5008
942	1081	1113	1176	1316	1246	1951	1930	2241	2297	2320

Contd.

Manufacturing Commodities

1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001*	2001/2002*
9353	6267	4332	4100	4351	4400	5321	5794	5006	4906	5100
4885	2850	2808	2700	2900	3000	2532	2670	1552	1583	1615
237327	247891	315514	326839	309466	226681	139080	190588	205835	215098	233000
34915	27290	23545	23449	25911	32414	28250	22866	25153	25781	25500
59661	60316	71023	95118	91583	107346	91291	106646	131354	135951	140000

159	275	347	300	240	250	100	83	55	56	58
735	1329	150	120	60	40	-	-	-	-	-
15522	6574	5023	12000	13574	19904	18228	21449	21395	22893	24000
20469	11930	7514	8000	9723	11496	10319	8812	11088	12751	12369
12789	12373	17102	17603	25597	28674	28965	22728	43374	46844	48000

Table 9.2 : Production Index
(Base : 198

S.No.	Code No.	Major Industry Groups	Weight %	1987/88	1988/89	1989/90	1990/91
1	311-312	Food Manufacturing	19.25	111.73	95.88	133.63	190.25
	42.30	I Noodles	0.97	131.16	138.70	141.01	151.88
	48.42	II Biscuits	1.97	103.04	98.28	97.66	122.09
	54.50	III Squash	0.29	77.07	41.97	56.33	90.53
	61.20	IV Sugar	6.13	122.29	98.50	129.97	181.35
	74.11	V Tea	0.93	116.01	106.47	125.27	112.32
	81.98	VI Animal Feeds	0.92	133.28	129.43	124.79	114.31
	91.40	VII Vegetable Ghee	8.04	101.74	85.02	149.10	239.67
2	313	Beverage industries	3.92	148.31	142.34	158.94	179.95
	111.02	I Soft Drinks	1.18	119.07	91.34	85.75	89.64
	112.30	II Beer	0.51	142.63	169.80	184.46	280.78
	112.40	III Liquor	2.23	165.08	163.06	191.74	204.68
3	314	Tobacco Manufacturing	20.11	106.71	99.85	108.65	113.49
	122.20	I Cigarette	18.74	107.96	101.16	112.80	119.48
	122.30	II Bidi	1.37	89.56	81.95	51.90	31.59
4	321	Manufacture of Textiles	18.14	96.81	86.52	77.05	95.44
	652.10	I Cotton Clothes	3.78	55.63	39.60	29.66	30.42
	653.50	II Synthetic Clothes	9.07	115.59	102.48	117.91	142.58
		III Jute Goods	5.29	94.03	92.68	40.86	61.07
5	323	Leather & Leather Products	2.34	51.28	57.26	96.83	114.04
	611.20	I Processed Leather	2.34	51.28	57.26	96.83	114.04
6	324	Footwear manufacturing	0.41	176.86	274.38	614.88	833.88
	851	I Shoes	0.41	176.86	274.38	614.88	833.88
7	331	Wood & Wood Products	2.02	62.98	54.50	9.41	17.47
	634.20	I Plywood	1.84	52.81	52.85	0.00	10.77
		II Straw Board	0.18	166.88	71.37	105.56	85.90
8	341	Paper & Paper Products	0.85	176.97	216.82	195.41	232.87
	641.90	I Paper	0.89	176.97	216.82	195.41	232.87
9	352	Manufacture of Other					
		Chemical Product	6.05	99.18	110.51	102.02	120.25
	554.10	I Soap	2.11	107.36	129.63	104.21	175.02
	554.30	II Detergent Powder	0.04	322.81	438.60	857.89	859.65
	99.32	III Matches	3.90	92.47	96.80	93.07	83.03

Table 9.2: Production Index o
(Base : 198

S.No.	Code No.	Major Industry Group	Weight (in %)	1987/88	1988/89	1989/90	1990/91
10	355	Manufacture of Rubber Products	0.65	130.99	164.55	174.59	221.44
	851.01	I Slipper	0.65	130.99	164.55	174.59	221.44
11	356	Manufacture of Plastic Products	1.27	119.26	156.34	213.67	423.26
	581	I Plastic Goods	1.27	119.26	156.34	213.67	423.26
12	369	Other Non Metallic Mineral Products	16.85	121.51	120.56	57.17	93.05
	661.2	I Cement	8.21	141.80	143.55	66.73	89.62
	662.41	II Bricks & Tiles (Govt. Sector)	8.64	102.22	98.71	48.09	96.31
13	371	Iron and Steel based Industries	3.07	74.17	100.83	105.18	132.08
	673	I Iron Rod. Angles etc.	3.07	74.17	100.83	105.18	132.08
14	381	Manufacture of Cutlery, Hand Tools Except Machinery Equipment	3.17	91.66	57.43	47.19	60.74
	697.21	I Steel Utensils	2.95	92.40	56.29	44.89	62.95
		II Agricultural Tools	0.22	81.82	72.73	77.96	31.13
15	383	Manufacture of Electricals, Industrial Machinery apparatus, Appliances	1.90	122.19	99.03	94.04	91.68
	723.1	I Wires/Cables	1.41	119.82	91.55	82.11	80.60
		a. GI/HB Wires	1.03	140.29	105.95	84.65	68.33
		b. ACSR Conductor/PVC Cal	0.38	64.33	52.55	75.22	113.88
	729.11	II Dry Cell Battery	0.49	129.04	120.52	128.39	123.57
		Overall Index	100.00	107.39	102.07	100.58	129.72

* Provisional

Source: Central Bureau of Statistics , Nepal Rastra Bank and Department of Industry.

of Manufacturing Industries

36/87=100)

1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001*
209.50	218.90	251.22	284.52	302.39	309.47	684.42	856.39	896.74	957.08
186.30	197.26	237.59	346.15	423.54	420.21	381.68	520.46	515.50	554.20
122.00	143.23	138.40	149.67	133.53	151.41	200.90	260.36	201.26	211.31
84.55	164.61	181.06	192.82	219.34	229.31	239.28	252.68	237.19	230.11
225.38	262.23	138.59	200.39	272.95	257.98	273.58	278.90	314.09	318.80
132.73	147.12	179.23	211.42	220.95	230.31	204.59	210.31	665.02	744.78
234.40	163.69	194.59	210.81	237.83	259.46	242.72	247.49	246.00	233.70
232.16	223.59	383.71	394.46	371.38	391.86	1274.76	1649.44	1682.43	1608.61
207.41	233.78	178.03	216.00	233.73	257.53	243.88	271.71	305.70	316.07
99.82	96.42	107.99	153.28	178.31	191.92	190.75	190.83	195.11	204.87
333.31	388.81	402.81	453.53	495.13	581.16	376.67	506.97	587.32	631.36
235.54	271.01	163.68	194.86	203.27	218.24	241.62	260.71	299.82	302.61
118.22	132.94	116.31	125.08	135.39	133.15	136.78	126.99	111.80	118.34
124.34	140.11	123.11	132.68	144.05	141.86	145.13	130.63	117.56	124.63
34.56	34.84	23.27	21.16	16.93	14.10	22.57	77.29	33.00	32.30
86.05	92.70	109.41	101.68	132.10	146.44	166.71	158.82	160.77	164.63
40.44	40.06	31.53	28.39	28.95	22.44	18.66	15.02	14.76	13.94
99.00	110.67	144.08	127.15	156.76	157.28	161.62	154.06	209.74	221.38
96.45	99.51	105.61	110.38	163.53	216.44	281.22	269.71	181.15	175.17
55.45	67.78	63.96	82.92	88.32	86.52	91.50	79.18	24.22	26.04
55.45	67.78	63.96	82.92	88.32	86.52	91.50	79.18	24.22	28.04
1264.46	680.17	578.51	566.12	536.36	454.55	454.55	500.00	537.19	585.95
1264.46	680.17	578.51	566.12	536.36	454.55	454.55	500.00	537.19	585.95
30.01	25.98	34.46	32.30	31.84	35.67	18.27	19.73	41.56	45.01
25.92	16.52	22.91	18.09	15.39	19.13	2.81	4.10	23.71	24.44
71.79	122.65	152.56	177.56	200.00	204.70	176.28	179.49	223.93	255.34
235.66	248.81	300.29	325.49	424.68	498.53	582.01	714.62	1471.36	1515.50
235.66	248.81	300.29	325.49	424.68	498.53	582.01	714.62	1471.36	1515.50
118.21	131.71	125.34	156.98	214.16	230.62	264.97	279.55	316.82	337.85
182.40	200.44	180.17	204.86	219.12	253.18	341.06	416.27	433.08	480.72
1268.42	1326.32	1194.74	4210.53	11189.47	12280.70	7608.77	6003.32	8445.61	8698.25
71.69	82.27	84.70	89.50	100.15	94.82	148.48	146.88	170.55	174.81

Contd.

of Manufacturing Commodities

36/87=100)

1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000*	2000/2001*
212.38	142.30	98.37	93.10	98.80	99.11	120.82	131.56	113.67	111.40
212.38	142.30	98.37	93.10	98.80	99.11	120.82	131.56	113.67	111.40
368.96	215.26	212.08	203.93	219.03	226.59	191.24	201.66	117.22	119.56
368.96	215.26	212.08	203.93	219.03	226.59	191.24	201.66	117.22	111.56
129.11	120.96	137.02	140.52	138.66	121.90	87.45	95.85	104.21	108.14
156.52	163.48	208.08	215.55	204.09	149.50	91.72	125.69	135.75	141.86
103.07	80.56	69.50	69.22	76.49	95.68	83.39	67.50	74.25	76.10
172.69	174.59	205.58	275.32	265.09	310.72	264.24	308.69	380.21	393.51
172.69	174.59	205.58	275.32	265.09	310.72	264.24	308.69	380.21	393.51
49.20	86.20	79.57	68.61	54.20	56.03	22.10	18.41	12.16	12.38
37.77	65.32	82.42	71.26	57.01	59.38	23.75	19.79	13.06	13.30
202.48	366.12	41.32	33.06	16.53	11.02	0.00	0.00	0.00	0.00
154.22	90.30	90.79	134.44	170.31	219.43	209.06	207.40	273.13	294.56
154.76	70.35	51.39	108.12	123.29	176.72	161.54	185.18	188.09	202.57
170.59	72.25	55.20	131.88	149.18	218.75	200.33	235.73	235.14	251.60
111.84	65.18	41.06	43.71	53.13	62.81	56.38	48.15	60.58	69.67
152.69	147.72	204.18	210.16	305.60	342.34	345.81	271.35	517.84	559.28
141.70	143.68	150.25	164.07	179.97	185.36	255.14	290.71	308.57	328.06

2001/2002*
996.06
616.44
208.11
224.33
334.62
788.67
240.71
1877.49
304.97
201.73
616.38
288.39
116.26
123.21
21.16
164.93
9.54
225.76
171.69
25.62
25.62
614.88
614.88
45.89
25.40
255.34
1505.69
1505.69
342.02
487.78
8785.96
176.56

2001/2002*
115.80
115.80
121.98
121.98
113.47
153.66
75.27
405.23
405.23
12.82
13.78
0.00
304.30
210.89
283.77
67.58
573.07
334.58

Table 9.3 : Capacity Utilization of Some Select

		1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
1	Sugar	73	58	52	72	69	69	65	98	70
2	Cigarettes	67	60	63	65	66	63	68	79	86
3	Beer	81	96	76	72	57	77	90	53	58
4	Matches	70	53	19	13	25	44	37	42	55
5	Shoes	11	13	31	39	48	24	48	21	21
6	Cement	67	68	26	34	48	44	52	51	62
7	Jute Products	73	54	24	35	47	38	37	20	36

Source : Department of Industry

ed Industries

In Percentage

1996/97	1997/98	1998/99	99/2000	2000/01
61	57	55	54	44
84	83	85	77	80
55	45	48	57	59
54	59	53	60	58
20	21	-	20	23
37	48	47	43	41
49	45	46	70	72

Table 9.4 : Distribution of Industrial Loans 1

Type of Industries	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Hotels and Tourism	13.68	7.89	30.35	23.28	19.52	31.26	16.62	19.76	17.56
Transportation	-	-	-	-	-	-	-	-	-
Power	5.34	1.74	-	1.14	0.40	1.73	0.02	-	-
Manufacturing	64.57	71.68	44.33	56.97	66.46	55.89	54.06	49.62	70.56
Cement	0.83	4.43	9.51	7.72	16.72	0.78	-	-	-
Food**	24.43	11.72	11.92	6.31	7.38	6.69	14.81	11.19	8.39
of Which, Sugar	5.15	0.79	1.02	1.86	1.56	0.63	1.04	8.31	18.59
Beverages and Cold Drinks	8.84	6.50		2.60	1.45	11.35	5.68	6.02	10.03
Textiles (including Jute)	8.84	16.49	9.83	22.15	28.02	17.09	22.40	12.90	23.54
Saw Milling and Wood Products	1.02	6.70	1.38	0.70	0.20	0.68	0.41	-	0.34
Straw Board	-	-	-	0.62	0.62	-	-	-	0.27
Printing and Publishing	3.05	5.27	0.28	7.27	4.16	6.45	2.56	1.29	3.66
Chemicals	1.21	1.92	2.98	0.31	0.18	2.79	-	-	2.49
Stone Products (Clay, Bricks)	7.13	13.26	5.91	5.14	3.48	8.63	4.85	8.23	1.51
Light Machinery	0.89	0.59	-	0.96	1.44	-	1.04	1.05	1.74
Ice Making and Cold Storage	3.18	4.01	1.50	1.33	1.25	0.80	1.27	0.63	-
Miscellaneous	16.41	18.69	25.32	18.61	13.62	11.12	29.30	30.62	11.88
Total	100.0	100.0	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Loan Distribution + + +									
Total (In million Rs)	157.2	101.6	206.2	247.5	371.3	292.9	394.2	36.18	78.34

*** Provisional (first eight months)

* Provisional Yearly

#Only of NIDC

** Mostly rice mills

+ + + Since FY 1996/97 only cash transaction (Rescheduled amount not included)

Source: Nepal Industrial Development Corporation.

by Types of Industry

In Percentage

1996/97	1997/98*	1998/99*	1999/2000*	2000/2001**	2001/2002**
30.03	40.41	23.24	16.06	12.96	11.61
-	-	-	-	-	-
-	-	-	-	-	-
52.30	31.92	30.85	57.24	51.86	57.65
-	2.52	-	-	-	-
3.60	5.55	4.80	20.86	33.19	49.29
16.70	6.08	0.03	-	-	-
4.86	-	-	9.28	-	-
21.90	13.23	23.80	3.95	3.22	0.65
0.60	0.91	0.10	1.92	-	-
-	-	-	-	-	-
2.76	0.98	0.62	3.96	5.30	5.19
-	0.20	-	13.50	6.83	0.77
1.28	0.93	0.75	1.43	3.32	1.75
0.56	0.23	0.03	-	-	-
0.04	1.29	0.72	2.34	-	-
17.67	27.67	45.91	26.73	35.18	30.74
100.00	100.00	100.00	100.00	100.00	100.00
71.14	39.62	29.21	10.77	8.17	5.81

Table 9.5 : Number of Cottage and Small Scale Industries Registered

Rs. in Million

Year	No of Industries Registered				Fixed Capital Investment			
	Private Firm	Private Ltd.	Partner-ship	Total	Private Firm	Private Ltd.	Partner-ship	Total
1987/88	758	39	228	1025	246.3	26.6	104.8	377.7
1988/89	694	60	85	839	211.2	90.8	45.2	347.2
1989/90	727	88	117	932	409.4	301.2	118.0	828.6
1990/91	946	43	123	1112	905.0	137.2	184.0	1226.2
1991/92*	5020	242	465	5727	1840.6	382.2	351.2	2574.0
1992/93	6087	296	398	6781	2070.0	590.0	490.0	3150.0
1993/94	8535	321	630	9486	3630.0	630.0	1460.0	5720.0
1994/95	7833	247	439	8519	4280.6	679.8	409.6	5370.0
1995/96	8638	544	468	9650	3850.0	2890.0	480.0	7220.0
1996/97	7404	346	446	8196	4080.0	1360.0	600.0	6040.0
1997/98	8669	511	470	9650	4780.0	3470.0	710.0	8960.0
1998/99	8773	533	684	9990	5100.0	3640.0	880.0	9620.0
1999/2000	8889	689	549	10127	6650.0	3240.0	450.0	10340.0
2000/2001**	8368	542	407	9317	4550.0	2380.0	390.0	7320.0
2001/2002	5259	361	335	5955	2550.0	1970.0	400.0	4920.0

* Numbers since 1991/92 includes registration by the branch offices of Department of Cottage and Small Industries.

** First Eight months

Source: Department of Cottage & Small Industries.

**Table 9.6 : Regionwise Loan Disbursement by Commercial Bank
Industry Sub-sector under Intensive Bank**

Year	Eastern Dev. Region		Central Dev. Region		Western Dev. Region		Mid-Western Region
	No of Industries	Amount	No of Industries	Amount	No of Industries	Amount	No of Industries
1987/88	356	13789	362	17958	435	21972	120
1988/89	484	18529	498	29612	472	21977	158
1989/90	645	20113	533	31166	576	25895	168
1990/91	432	28879	420	31033	456	21347	201
1991/92	363	34451	421	25986	330	14052	125
1992/93	309	19983	436	51759	227	13825	102
1993/94	306	16277	468	141735	460	39062	221
1994/95	274	17543	390	78937	309	27165	166
1995/96	472	39192	584	132749	315	32958	180
1996/97	502	45566	492	104199	266	32843	208
1997/98	609	28265	241	72152	130	27028	95
1998/99	1271	123318	1631	234176	863	86678	481
1999/2000*	1482	133018	1766	222128	1468	99030	603
2000/2001**	157	20067	234	81550	419	43151	122
2001/2002	58	9670	69	29102	179	16770	61
Total	7720	568660	8545	1284242	6905	523753	3011

* Amended (Provisional)

** First Six Months (estimate)

Source : Nepal Rastra Bank.

ial Banks to Cottage and Small Scale anking Programme

Rs in '000

Dev. Region	Far-Western Dev. Region		Total	
Amount	No of Industries	Amount	No of Industries	Amount
3927	65	1539	1338	59185
3351	173	3442	1785	76911
4738	186	3162	2108	85074
7316	169	4078	1678	92653
4767	169	4898	1408	84154
3952	97	3425	1171	92944
9558	125	5675	1580	212307
6960	99	4304	1238	134909
12756	120	8504	1671	226159
12500	74	5300	1542	200408
1165	60	7798	1135	136408
35548	342	18057	4588	497777
37238	131	8231	5450	499645
14145	128	8188	1060	167101
5620	22	1128	389	62290
163541	1960	87729	28141	2627925

Table 9.7 : Capacity Utilization of Selected

S. No	Name of Industries	Annual Production Capacity	1987/88	1988/89	1989/90	1990/91
1	Birgunj Sugar Factory	13500 M. Ton	98.68	88.98	106.82	150.18
		Rectified Spirit 1350000 Lit.	87.02	93.85	99.25	78.66
2	Lumbini Sugar Factory	10800 M. Ton	-	7.48	46.60	90.38
		Alcohol 108000 Lit	-	5.46	41.57	47.40
3	Janakpur Cigarattes Factory	5.25 Billion Sticks	98.29	79.67	83.61	83.60
4	Bhaktapur Brick Factory	20 Million	65.50	68.50	63.50	66.00
5	Hetauda Textile Industry	11 mllion Metres	59.07	55.45	42.48	43.44
6	Himal Cement Factory	108400 M. Ton	44.50	38.59	6.78	79.17
7	Hetauda Cement Company	260000 M. Ton	52.05	52.28	38.97	45.54
8	Udayapur Cement	277300 M. Ton	-	-	-	-

S. No	Name of Industries	Annual Production Capacity	1992/93	1993/94	1994/95	1995/96
1	Birgunj Sugar Factory	13500 M. Ton (Sugar)	90.08	37.03	92.76	113.46
		Rectifled Spirit (1350000 Lit)	75.03	43.62	32.74	51.04
2	Lumbini Sugar Factory	10800 M. Ton (Sugar)	95.91	69.36	126.28	117.53
		Alcohol 108000 Lit	54.54	58.53	99.69	72.63
3	Janakpur Cigarattes Factory	5.25 Billion Sticks	61.30	55.07	43.24	55.40
4	Bhaktapur Brick Factory	20 Million	62.50	60.00	52.00	75.08
5	Hetauda Textile Industry	6.2 million Metres	81.83	75.04	42.54	86.42
6	Himal Cement Factory	108400 M. Ton	58.48	51.75	42.56	44.61
7	Hetauda Cement Company	260000 M. Ton	38.91	45.40	41.14	48.00
8	Udayapur cement	277300 M.T.	25.00	46.45	57.62	47.25

* Estimates

Source : Ministry of Finance.

Public Enterprises

In Percentage

1991/92
152.66
90.89
129.06
125.19
85.00
72.50
55.00
62.67
57.69
25.00

In Percentage

1996/97	1997/98	1998/99	1999/2000	2000/2001*	2001/2002*
111.50	58.87	69.54	99.87	61.07	31.85
0.02	12.96	20.96	20.96	15.26	3.78
112.17	89.76	58.21	84.19	56.02	62.59
8.34	54.06	50.93	37.96	21.95	7.83
32.55	40.00	41.90	43.81	78.93	78.00
59.84	-	-	-	-	-
36.59	42.74	17.11	-	-	-
35.95	44.42	37.57	35.46	-	-
48.42	52.69	49.55	45.64	33.42	48.08
33.22	47.49	35.94	39.85	38.21	54.11

Table 9.8 : Flow of Fund Between HMG

Particular	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
A. Fund from HMG to PEs	1235.5	1499.1	1745.6	3448.6	4787.7	3595.1	2100.7	2780.0
Share Capital	152.8	240.0	218.9	178.5	225.5	701.1	253.1	858.7
Loan Capital	374.7	812.4	1061.8	2502.9	4020.0	2102.8	1655.2	1272.4
Operating/ Transport Subsidy	90.5	36.2	18.1	43.2	170.0	-	-	571.4
Capital Subsidy	617.5	410.5	446.8	724.0	372.2	791.2	192.4	77.5
B. Fund from PEs to HMG	1796.3	1714.4	1930.1	2233.3	2148.3	4068.4	5002.3	3966.7
Indirect Taxes	1080.9	1153.7	1158.4	1527.0	1130.4	1430.6	1870.0	0.0
Income Tax	198.2	208.4	238.2	218.5	182.8	457.7	555.9	860.2
Dividend	117.2	25.6	10.0	21.0	20.5	755.5	766.0	1063.0
Interest	223.2	163.9	138.2	205.6	531.7	689.0	1204.6	843.1
Principal	176.8	162.8	385.3	261.2	282.9	735.6	605.8	1200.4
C. Cash Flow from Govt. to Corporation	-560.8	-215.3	-184.5	1215.3	2639.4	-473.3	-2901.6	-1186.7

* Estimate

Source: Financial Comptroller General Office.

Note:

- 1 Bonds issued as share capital under the financial reform programme of commercial banks in fiscal year 1990/91 are not included.
- 2 External loan received by Udayapur Cement Factory and Nepal Electricity Authority is included in loan capital.
- 3 Budget Expenditure of Marshyandi Hydro Electricity Project capitalized Rs. 4,900 million in the fiscal year 1991/92 is not included in the cash flow.
- 4 Loan worth of Rs. 372.9 million converted into share capital and worth of Rs. 24.5 million capitalized after asset evaluation converted into share is not included in cash flow.
- 5 Reimbursement of external sources, grant and direct payment is also included in Loan investment.
- 6 External Sources, reimbursement grant and direct payment is also included in Share investment.

and Public Enterprises

Rs. in million

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001*	2001/2002*
6298.0	7065.1	7562.7	6213.7	7950.5	8255.1	9225.0
1553.0	868.2	1839.0	1420.0	1373.0	1088.8	2140.0
3822.0	5303.3	4658.8	4090.0	5945.0	6898.0	6800.0
726.0	713.6	988.0	698.7	577.5	268.3	285.0
197.0	180.0	76.9	5.0	55.0	0.0	0.0
5330.4	4585.5	4913.3	6830.0	8523.2	8784.3	7452.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0
1144.5	1231.0	1317.8	1150.0	2190.2	2928.0	1102.8
1357.9	1134.2	1194.5	1780.0	2623.0	2336.3	2400.0
1734.0	1357.5	1153.0	1660.0	1568.0	1463.0	1750.0
1094.0	862.8	1248.0	2240.0	2142.0	2057.0	2200.0
967.6	2479.6	2649.4	-616.3	-572.7	-529.2	1772.2

Table 9.9 : Performance of Public

	Gross Profit								
	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Manufacturing	-96.0	-58.0	-132.5	-170.8	81.0	-114.0	-113.9	-737.4	-537.4
Trading	-79.0	-204.4	-497.6	-256.5	-1087.2	-306.6	-291.0	14.3	-673.0
Services	-	49.4	25.1	-181.1	58.5	5.0	375.7	-18.5	321.3
Social	-	1.5	-5.6	-3.7	11.3	-12.8	18.7	7.1	-12.2
Public Utilities & Others	78.0	147.9	168.6	-865.3	-415.4	430.9	323.9	1990.2	1921.2
Financial	156.0	24.8	197.4	-394.3	206.3	144.0	760.3	709.9	357.8
Total	59.0	-38.8	-244.6	-1871.7	-1145.5	146.4	1073.7	1965.6	1377.6

	Capital Employed								
	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Manufacturing	2433.0	2066.1	2885.2	2205.2	6813.3	2029.3	3856.8	7921.5	7591.6
Trading	-206.0	-398.7	-486.7	177.6	500.0	-697.4	297.9	-232.0	1207.6
Services	-	2892.7	3119.4	3647.5	3376.2	3605.5	8388.9	2539.8	2511.7
Social	-	180.8	144.0	184.8	190.7	279.5	339.9	596.8	672.4
Public Utilities & Others	4068.0	7699.9	7394.4	25997.0	27585.5	29387.2	39616.0	35035.7	34868.3
Financial	7233.0	4677.4	5419.9	3631.1	12064.6	8878.8	11385.5	13383.0	15159.3
Total	13528.0	17118.2	18476.2	35843.2	50530.3	43482.9	63885.0	59244.8	62010.9

	Gross Profit as % of Capital Employed								
	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Manufacturing	-3.94	2.80	-4.59	-7.74	1.19	-5.62	-2.95	-9.31	-7.28
Trading	-	-	-	-144.41	-217.44	Negative	-97.70	-	-55.73
Services	-	1.70	0.80	4.48	1.73	0.14	4.48	-0.73	12.79
Social	-	.82	-3.89	-2.03	5.94	-4.57	5.50	1.19	1.82
Public Utilities & Others	1.91	1.92	2.28	-3.32	-1.51	1.47	0.82	5.68	5.51
Financial	2.15	0.53	3.64	-10.85	1.71	1.62	6.68	5.30	2.36
Total	0.44	-0.23	-1.38	-5.22	-2.27	0.34	1.68	3.32	2.22

* Estimate

Source : Ministry of Finance

Enterprises

Rs in Million

1996/97	1997/98	1998/99	1999/2000	2000/2001	2001/2002
-819.1	-679.2	-484.6	-409.0	-357.4	-223.2
-1563.9	-1383.3	265.2	689.4	86.5	62.1
-27.5	-15.3	-90.3	26.9	-959.6	-192.6
22.4	-23.8	-26.2	-24.7	-21.1	63.6
2027.5	2504.9	2555.7	3410.1	2166.6	2474.4
836.5	914.3	683.5	-1288.3	-2268.2	194.0
475.9	1317.6	2903.3	2404.4	-1353.2	2378.3

1996/97	1997/98	1998/99	1999/2000	2000/2001	2001/2002
7634.0	3753.5	6287.6	4858.6	4078.1	4247.0
1509.6	1227.5	1107.4	952.4	1770.7	1253.1
1417.9	1114.0	497.5	702.8	290.4	361.9
849.7	870.0	947.2	984.2	1066.2	1217.6
54370.0	62175.2	66545.5	72971.2	79027.8	102891.1
19976.7	12130.6	8300.4	2951.4	-3322.7	2633.5
85757.9	81270.8	83685.6	83420.6	82910.5	112604.2

1996/97	1997/98	1998/99	1999/2000	2000/2001	2001/2002
-10.73	-18.10	-7.71	-8.42	-8.76	-5.26
-103.60	-112.69	23.95	72.39	4.89	4.96
-1.94	-1.37	-18.15	3.83	-330.44	-53.22
2.64	-2.74	-2.77	-2.51	-1.98	5.22
3.73	4.03	3.84	4.67	2.74	2.40
4.19	7.54	8.23	-43.65	68.26	7.37
0.55	1.62	3.47	2.88	-1.63	2.11

Table 9.10 : Status of the Indus
(Fiscal Year 2001/2002)

	Name of Industrial Districts (ID)	Date of Establish-ment	Total Area in Ropani	Area of Land Dev-elopment in Ropani	Area of Land Rented (%) of the Total Area (Ropani)	Total Investment of the ID (Rs. in Million)
1	Cetral Office					
2	Balaju Industrial Estate	2016	696	696	523	1.32
3	Hetauda Industrial Estate	2020	2829	2367	1511	2.47
4	Patan Industrial Estate	2020	293	293	218	1.43
5	Nepalgunj Industrial Estate	2030	233	233	157	0.96
6	Dharan Industrial Estate	2029	202	202	125	0.77
7	Pokhara Industrial Estate	2031	501	501	384	1.47
8	Butwal Industrial Estate	2032	434	434	338	0.98
9	Bhaktapur Industrial Estate	2035	70	68	55	1.35
10	Birendra Nagar Industrial Estate	2038	90	90	42	0.74
11	Dhankuta Industrial Estate	2041	63			0.56
12	Rajbiraj Industrial Estate	2044	294	196	42	3.55
	Total		5705	5080	3395	15.60

Source : Industrial Estate Management Co.

Industrial Districts

Investment of the Industrialist (Rs. in Million)	Total Investment on the fixed Assets of ID (Rs. in Million)	No of Industries in Operation	Closed Industries	Industries Under Construction	Employment of ID Office	
					42	1
162.32	1.98	61	19	4	39	2
257.20	186.30	36	7	5	47	3
25.73	1.66	93	9	2	28	4
21.56	0.90	20	6	3	16	5
16.29	0.66	18	4	3	15	6
17.00	1.24	45	19	5	21	7
77.25	0.94	38	13	5	19	8
11.00	1.54	26	5		15	9
0.31	0.68	8	1	4	8	10
	0.11				1	11
3.00	3.54	3	6		13	12
591.66	199.55	348	89	31	264	

Source :

Contd.

**Table 9.10: Status of the Industrial Districts
(Fiscal Year 2001/2002)**

/2/

Name of Industrial Districts (ID)	Employments of Industries	Total No of People Employed	No of Shade Constructed by the industrialists	No of Buildings Constructed By ID	No of Shades Rented to the industrialists
Cenrtal Office					
Balaju Industrial Estate	2527	3445	73	49	49
Hetauda Industrial Estate	3214	4669	378	15	15
Patan Industrial Estate	2313	2060	154	49	49
Nepalgunj Industrial Estate	721	519	30	20	20
Dharan Industrial Estate	519	433	38	16	16
Pokhara Industrial Estate	1722	1257	148	13	13
Butwal Industrial Estate	1500	1499	87	8	8
Bhaktapur Industrial Estate	709	627	44	12	12
Birendra Nagar Industrial Estate	47	28	-	6	6
Dhankuta Industrial Estate	1	1	-	-	-
Rajbiraj Industrial Estate	66	49	-	10	10
Total	13339	14587	952	198	198

Industrial Estate Management Co.

Table 9.11 : Number of Tourist Arrival and Length of Stay

Year	Total Number*	Tourist Arrival by Air	Average of Stay (in days)	Annual Growth Rate (%)
1987 Dec.	248,080	205,611	12.00	11.10
1988 Dec.	265,943	234,945	12.00	7.20
1989 Dec.	239,945	207,907	12.00	-9.78
1990 Dec.	254,885	226,421	12.00	6.20
1991 Dec.	292,995	267,932	9.25	15.00
1992 Dec.	334,353	300,496	10.14	14.10
1993 Dec.	293,567	254,140	11.94	-12.20
1994 Dec.	326,531	289,381	10.00	11.20
1995 Dec.	363,395	325,035	11.27	11.28
1996 Dec.	393,613	343,246	13.50	8.30
1997 Dec.	421,857	371,145	10.50	7.20
1998 Dec.	463,684	398,008	10.80	9.90
1999 Dec	491,504	421,243	12.80	6.00
2000 Dec +	463,646	376,914	11.88	-5.70
2001 Dec	365,477	298,614	11.40	-21.17

* Including Indian Tourists

+ Estimated

Source: Ministry of Culture, Tourism and Civil Aviation.

Table 9.12 : Number of Tourist by Purpose of Visit

In Nos.

Purpose of Visit Year (December)	Pleasure	Trekking & Mountai- neering	Business	Official	Pilgrimage	Meeting and Seminar	Other	Total
1987	184979 74.6	36164 14.6	11781 4.7	8882 3.6	- -	- -	6274 2.5	248080 100.0
1988	200775 75.5	36937 13.9	12008 4.5	9781 3.7	- -	- -	6442 2.8	265943 100.0
1989	180973 75.4	40093 16.7	2630 1.1	12275 7.1	- -	- -	3974 1.7	239945 100.0
1990	168552.0 66.1	39999.0 15.7	11728.0 4.6	29416.0 11.6	- -	- -	5190.0 2.0	254885 100.0
1991	177370 60.5	42308 14.4	14601 5.0	37274 12.7	9103 3.1	5441 1.9	6898 2.4	292995 100.0
1992	237711 71.1	35166 10.5	31765 9.5	20967 6.3	7219 2.2	815 0.2	710 0.2	334353 100.0
1993	170279 58.0	69619 23.7	19495 6.6	15812 5.4	10429 3.6	5367 1.8	2566 0.9	293567 100.0
1994	168164 51.5	76856 23.5	23522 7.2	20431 6.3	5475 1.7	5361 1.6	26722 8.2	326531 100.0
1995	183470 50.5	84524 23.3	21829 6.0	20090 5.5	5257 1.4	5272 1.5	42953 11.8	363395 100.0
1996	209377 53.2	88945 22.6	25079 6.4	20191 5.1	4802 1.2	6054 1.5	39165 10.0	393613 100.0
1997	249360.0 59.1	91525 21.7	27409 6.5	24106 5.7	4068 1.0	5824 1.4	19565 4.6	421857 100.0
1998	261347 56.4	112644 24.3	24954 5.4	22123 4.8	16164 3.4	5181 1.1	21271 4.6	463684 100.0
1999	290862 59.2	107960 22.0	23813 4.8	24132 4.9	19198 3.9	5965 1.2	19574 4.0	491504 100.0
2000	255889 55.2	118780 25.6	29454 6.4	20832 4.5	15801 3.4	5599 1.2	17291 3.7	463646 100.0
2001*	206933 56.6	84936 23.2	21563 5.9	16446 4.5	14619 4.0	4385 1.2	16595 4.6	365477 100.0

Notes: Numbers in bold represent Percentage of Total

* Estimated

Source: Ministry of Culture,Tourism and Civil Aviation.

Table 9.13 : Tourist Arrivals-By Major Regions

Year	North America	Central & South America	Western Europe	Eastern Europe	Africa	Asia			Australia & Pacific	Other
						India	Other	Total#		
1987	31495 12.7	1849 0.7	92008 37.1	2495 1.1	549 0.2			101563 40.9	13783 5.6	4338 1.7
1988	30365 11.4	1888 0.7	99742 37.5	2563 1.0	604 0.2			114074 42.9	13592 5.1	3115 1.2
1989	28045 11.7	1968 0.8	104695 43.6	3271 1.4	605 0.3			86372 36	13966 5.8	1023 0.4
1990	26343 10.3	1872 0.7	110750 43.5	3275 1.3	611 0.2			98320 38.6	13108 5.2	606 0.2
1991	24027 8.2	2202 0.7	110425 37.7	3126 1.1	956 0.3			140025 47.8	10476 3.6	1758 0.6
1992	27356 8.2	2727 0.8	132555 39.6	2553 0.8	1263 0.4	106574 31.9	49738 14.9	156312 46.8	10893 3.2	694 0.2
1993	25283 8.6	2612 0.9	122064 41.6	3016 1.0	985 0.3	83362 28.4	45450 15.5	128812 43.9	9806 3.4	989 0.3
1994	26078 8.0	3083 1.0	132518 40.6	2664 0.8	915 0.3	102540 31.4	48442 14.8	150982 46.2	9905 3.0	386 0.1
1995	29702 8.2	3049 0.8	133809 36.8	3860 1.1	1073 0.3	117260 32.3	63117 17.4	180377 49.6	11499 3.2	26 0.0
1996	30635 7.8	4230 1.1	132787 33.7	6114 1.5	1775 0.5	122512 31.1	83297 21.2	205809 52.3	12233 3.1	30 0.0
1997	36301 8.6	4554 1.1	137028 32.5	6416 1.5	1645 0.4	133438 31.6	89411 21.2	222849 52.8	13047 3.1	17 0.0
1998	43038 <i>9.3</i>	5937 <i>1.3</i>	151070 <i>32.6</i>	6741 <i>1.4</i>	1795 <i>0.4</i>	143229 <i>30.9</i>	97231 <i>21.0</i>	240460 <i>51.9</i>	14635 <i>3.1</i>	8.0 0.0
1999	46910 <i>9.5</i>	6096 <i>1.2</i>	164913 <i>33.6</i>	6723 <i>1.4</i>	1857 <i>0.4</i>	140661 <i>28.6</i>	109132 <i>22.2</i>	249793 <i>50.8</i>	15207 <i>3.1</i>	5.0 0.0
2000	49032 <i>10.6</i>	6076 <i>1.3</i>	159325 <i>34.4</i>	6992 <i>1.5</i>	2040 <i>0.4</i>	95915 <i>20.7</i>	128617 <i>27.7</i>	224532 <i>48.4</i>	15641 <i>3.4</i>	8.0 0.0
2001*	38736 <i>10.6</i>	4870 <i>1.3</i>	124993 <i>34.2</i>	5482 <i>1.5</i>	1462 <i>0.4</i>	64200 <i>17.6</i>	112690 <i>30.8</i>	176890 <i>48.4</i>	13044 <i>3.6</i>	- -

* Estimated

Indian Tourists are included till 1991

Notes: Figures in bold shows percentage of total

Source: Ministry of Culture, Tourism and Civil Aviation.

Total
248080 100
265943 100
239945 100
254885 100
292995 100
334353 100
293567 100
326531 <i>100.0</i>
363395 <i>100.0</i>
393613 <i>100.0</i>
421857 <i>100.0</i>
463684 <i>100.0</i>
<i>491504</i> <i>100.0</i>
<i>463646</i> <i>100.0</i>
365477 <i>100.0</i>

Table 9.14: Foreign Exchange Earnings from Tourism

Rs. in million

Year	Total Foreign Exchange Earnings From Tourism	As % of Total Value of Merchandise Exports	As % of Total Value of Exports of Goods & Non- Factor Services	As % of Total Foreign Exchange Earnings	As % of GDP
1	2	3	4	5	6
1987/88	1675.7	40.6	18.8	18.2	2.3
1988/89	2735.3	65.0	28.2	24.5	3.3
1989/90	3121.2	59.5	28.5	23.3	3.2
1990/91	3587.6	47.1	23.5	21.8	3.2
1991/92	5016.9	35.9	19.5	20.0	3.6
1992/93	5966.0	34.5	26.7	17.6	3.7
1993/94	8251.7	42.7	22.4	18.9	4.1
1994/95	8973.2	50.0	21.6	17.2	4.1
1995/96	9521.2	47.9	23.3	21.4	3.8
1996/97	8523.0	37.6	13.7	17.6	3.0
1997/98	9881.6	35.9	17.4	15.2	3.3
1998/99	12167.8	34.1	18.5	15.9	3.6
1999/2000	12073.9	24.2	13.0	11.4	3.2
2000/2001	11717.0	21.0	12.0	10.4	2.9
2001/2002*	4354.6	16.5	10.7	8.7	-

* First Six months

Source : Nepal Rastra Bank

Table 9.15: Number of Hotels and Hotel Beds

Year	Star Hotel		Non-Star Hotel		Total	
	Number	Beds	Number	Beds	Number	Beds
1987	43	4381	61	2671	104	7052
1988	43	4412	77	3599	120	8011
1989	54	4880	105	4528	159	9408
1990	57	5502	111	4742	168	10244
1991	61	5809	131	5398	192	11207
1992	64	5969	139	5803	203	11772
1993	64	5969	150	6578	214	12547
1994	72	6502	322	11228	394	17730
1995	72	6502	448	15305	520	21807
1996	79	7050	553	18588	632	25638
1997	86	7779	620	19833	706	27612
1998	89	7842	650	21036	739	28878
1999	87	8656	698	23558	785	32214
2000	94	9320	754	25638	848	34958
2001*	97	9430	791	26733	888	36163

* Estimated

Source: Ministry of Culture, Tourism and Civil Aviation.

Table 9.16: Mountaineering Expedition Teams

Year	Season	Number of Teams	Number of Mountaineers	Number of Employment	Royalty (Rs.in Thousand)	Expenditure of the team (Rs.in Thoudand)
1988	Spring	30	372	4446	1440	16997
	Autumn	50	469	5569	2993	19170
	Winter	12	95	824	646	6415
	Total	92	936	10839	5079	42583
1989	Spring	48	426	5625	2816	25224
	Autumn	60	496	4652	3537	31109
	Winter	17	131	707	869	7643
	Total	125	1053	10984	7222	63976
1990	Spring	29	249	3530	1759	16255
	Autumn	80	650	8009	4881	48678
	Winter	11	67	640	626	3435
	Total	120	966	12179	7266	68368
1991	Spring	37	308	2686	2878	65879
	Autumn	82	628	5230	4956	71448
	Winter	11	102	1238	1095	19036
	Total	130	1038	9154	8929	156363
1992	Spring	34	300	4244	11721	35181
	Autumn	69	565	3732	16529	53617
	Winter	10	64	275	2101	12557
	Total	113	929	8251	30351	101355
1993	Spring	29	271	2460	11640	53845
	Autumn	56	400	2578	22573	44593
	Winter	9	54	358	4496	4631
	Spring	1	5	27	392	735
	Total	95	730	5423	39101	103804
1994	Spring	19	121	896	18372	41140
	Autumn	77	523	3915	24326	63911
	Winter	1	7	81	393	1725
	Spring	8	45	347	1407	6725
	Total	105	696	5239	44498	113501

Table 9.16: Mountaineering Expedition Teams

/2/

Year	Season	Number of Teams	Number of Mountaineers	Number of Employment	Royalty (Rs. in Thousand)	Expenditure of the team (Rs. in Thousand)
1995	Spring	22	194	1623	20428	36317
	Autumn	66	411	3459	15766	77633
	Winter	3	19	113	1113	2650
	Total	91	624	5195	37307	116600
1996	Spring	39	272	1710	61121	111442
	Autumn	84	536	3106	38885	111012
	Winter	5	40	96	1649	3819
	Summer	1	3	13	223	1140
	Total	129	851	4925	101878	227413
1997	Spring	49	375	3813	67287	202088
	Autumn	62	421	2985	37196	84838
	Winter	9	65	205	3754	8075

	Total	120	861	7003	108237	295001
1998	Spring	48	332	2615	61272	140229
	Autumn	90	623	4169	33261	237602
	Winter	3	19	158	946	4610
	Total	141	974	6942	95479	382441
1999	Spring	35	242	4055	55667	154615
	Autumn	69	522	4948	26469	151507
	Winter	8	51	432	2736	31947
	Summer	3	42	255	117	6555
	Total	115	857	9690	84989	344624
2000	Spring	62	415	8750	82035	253593
	Autumn	63	298	2573	35866	233850
	Winter	4	38	206	1665	1695
	Summer	3	22	58	327	9375
	Total	132	773	11587	119893	498513
2001*	Spring	50	387	4011	107609	427559
	Autumn	55	397	1705	17883	105514
	Winter	7	52	487	1902	18960
	Summer	-	-	-	-	-
	Total	112	836	6203	127394	552033

* Estimated

Source: Ministry of Culture, Tourism and Civil Aviation

Table 9.17: Manpower Trained by Nepal Academy of Tourism and Hotel Management

S. No.	Types of Courses	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93
1	Food Preparation and Control	19	16	36	42	50	50
2	Food & Beverage Services	57	51	32	47	64	139
3	House Keeping	41	35	35	45	46	44
4	Front Office	29	42	25	42	53	48
5	Bakery	-	17	20	-	-	-
6	Indian Sweets	-	11	-	-	-	-
7	Hotel Maintenance Training	-	-	13	139	-	25
8	Hotel Accounts	-	-	-	-	-	-
9	Tourist Guide	84	44	74	62	31	74
10	Local Guide for Various area	22	-	-	-	-	-
11	Accommodation Operation	-	-	-	-	-	-
12	Travel Agency and Ticketing	67	63	49	-	-	16
13	Cook and waiter for Trekkers	33	68	40	19	21	30
14	Trekking Guide	45	62	61	51	67	343
15	Trekking and Tourist guide leader	-	-	-	30	-	-
16	Rafting guide	-	-	-	-	24	24
17	Seminar for Trainers	19	-	-	-	-	-
18	High Level Training	-	-	-	-	-	-
19	Public Relation Training	21	-	-	-	-	-
20	Spirit of Hospitality Courses	13	14	-	-	14	-
21	Tourism Service Training for First and Second class non gazetted officer	-	12	-	-	-	-
22	Mobile Team training	347	583	40	207	199	231
23	International Freight Forwarding (Cargo)	-	-	-	-	-	-
24	Tourist Guide Reference Course	-	-	-	-	-	-
25	Skill Test Program	-	-	-	-	-	-
26	Bachelor in Hotel Management	-	-	-	-	-	-
	Total	797	1018	425	684	569	1024

*Skilled Manpower Production Description from FY 1961/62 to 1983/84 in total

First Eight Months.

Source: Nepal Academy of Tourism and Hotel Management.

cademy of Tourism and Hotel Management

1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001#	2001/02	Gross Total
68	52	45	101	74	94	48	32	-	727
82	70	79	114	102	71	49	32	-	989
69	49	41	72	48	39	30	31	28	653
72	47	58	179	57	31	33	31	25	772
-	-	-	-	-	17	17	-	-	71
-	-	-	-	-	-	-	-	-	11
18	-	-	10	13	12	13	-	-	243
-	-	-	-	-	-	-	-	-	-
35	70	91	93	371	67	106	76	70	1348
-	-	-	83	29	-	-	75	-	209
-	-	-	-	18	13	-	-	-	31
29	-	66	59	50	35	33	22	34	523
24	12	-	-	44	16	-	-	-	307
55	117	234	189	210	219	239	370	186	2448
-	-	-	-	-	-	-	-	-	30
23	35	66	-	34	37	-	21	-	264
-	42	-	-	-	-	-	-	-	61
-	-	-	-	23	-	-	-	-	23
-	-	-	-	-	-	-	-	-	21
22	14	-	41	-	-	-	-	-	118
-	-	75	240	-	126	93	-	-	546
170	208	414	237	258	183	476	401	317	4271
-	-	-	36	-	27	30	-	-	93
-	-	35	41	-	-	-	-	-	76
-	-	-	-	274	84	-	-	-	358
-	-	-	-	-	-	30	37	36	103
667	716	1204	1495	1605	1071	1197	1128	696	14296

Table 10.1 : Structure of Energy Consu

Energy Sources	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Traditional	5238	5347	5460	5576	5691	5811	5933	6059	6185	6268
Fuelwood	4679	4777	4877	4980	5084	5191	5300	5412	5525	5574
Agri. Waste	210	214	219	224	228	233	238	243	248	273
Animal Dung	349	356	364	372	379	387	395	404	412	421
Commercial	286	282	236	349	419	430	483	582	651	691
Coal	57	43	7	42	58	26	32	67	72	60
Petroleum	191	199	185	257	306	348	391	449	507	554
Electricity	38	40	44	50	55	56	60	66	72	77
Total	5524	5629	5696	5925	6110	6241	6416	6641	6836	6959

*Provisional

Note:-

1. Since the fiscal year 1993/94 structure of energy consumption is presented in Tonne of Oil Equivalent (TOE) instead of Tonne of Coal Equivalent (TCE). The basis of conversion is taken as 1 TOE equivalent to 1.454288 TCE.
2. As data have been adjusted in accordance with the survey recently conducted by Water and Energy Commission it may not verify with the earlier statistics.

Source: Water & Energy Commission

mption

Thousand Tonne of Oil Equivalent				
1997/98	1998/99	1999/2000	2000/2001	2001/02*
6403	6540	6681	6824	6960
5694	5816	5941	6068	6189
279	285	292	299	305
430	439	448	457	466
769	811	1044	1088	1202
61	61	236	734	790
625	661	709	246	297
83	89	99	108	115
7172	7351	7725	7912	8162

Table 10.2 : Sources and Uses of Electric

Fiscal Year	Household	Industrial	Commercial	Export	Other	Total	Power Loss	Production & Import
1987/88	185.7	161.6	25.4	16.1	76.4	465.2	163.4	628.6
1988/89	193.3	175.3	30.8	17.6	79.2	496.2	176.2	672.4
1989/90	231.4	178.3	33.7	23.3	81.4	548.1	225.8	773.9
1990/91	261.4	206.9	36.6	80.6	83.8	669.3	236.9	906.2
1991/92	275.2	246.4	45.2	85.4	85.1	737.3	243.7	981.0
1992/93	259.8	273.8	47.6	46.1	82.1	709.4	253.9	963.3
1993/94	275.1	304.0	49.0	50.5	105.3	783.9	247.0	1030.9
1994/95	301.6	328.3	58.6	39.5	111.3	839.3	278.2	1117.5
1995/96	328.7	358.7	62.9	87.0	99.4	936.7	325.2	1261.9
1996/97	355.1	376.7	67.6	100.2	128.2	1027.8	340.8	1368.6
1997/98	378.8	413.7	71.5	67.4	120.0	1051.4	321.8	1373.2
1998/99	410.6	441.0	77.3	64.2	120.5	1113.6	361.4	1475.0
1999/2000	467.1	508.4	81.8	95.0	117.1	1269.4	380.8	1701.5
2000/2001*	518.4	520.6	94.1	126.0	148.0	1407.1	461.3	1868.4
2001/02**	600.0	605.0	103.6	170.0	163.9	1642.5	730.4	2372.9

* Revised

** Estimate

Note : Data may not verify with earlier data due to some revision.

Source: Nepal Electricity Authority

ity

In Million KWH		
Peak Load MW	Import	Export
141	68.3	16.1
150	113.9	17.6
176	60.7	23.3
201	33.7	80.6
216	54.9	85.4
214	82.2	46.1
231	102.8	50.5
244	113.8	39.5
275	73.0	87.0
300	154.0	100.2
317	210.3	67.4
326	232.4	60.0
352	232.2	95.0
391	226.5	126.0*
426	170.0	170.0**

Table 10.3 : Consumption of Petroleum

Description	1987/88	1988/89	1989/90	1990/91*	1991/92	1992/93	1993/94	1994/95	1995/96
Petrol	15609	17340	14708	17241	26780	29910	31056	34942	41191
High speed Diesel	73321	75356	103273	106438	166552	179900	196047	227226	250504
Kerosene Oil	51835	63246	95672	75939	122458	149237	162077	180536	208720
Light diesel Oil	5719	6074	-	2476	2542	1530	-	4191	4375
Furnace Oil	7435	6836	-	6209	11062	20222	27319	31567	18449
Aircraft Turbine Oil	19698	16244	9327	16541	24836	29210	30250	37536	40621
Lubricants	238	1170	-	26	28	302	-	-	-
Jute Bleaching Oil	422	443	-	253	312	386	-	-	-
Liquified Petroleum Gas	2304	2548	-	3816	5711	7700	-	-	-
Bitumin	1195	946	-	2643	2754	2421	-	-	-
Methanol	30	33	-	28	-	-	-	-	-
Hexen Oil	-	158	-	165	80	-	-	-	-
M.T.O.	-	52	-	72	216	156	-	125	-
Base Oil	604	423	-	-	573	-	-	-	-
L.P. Gas	-	4	-	-	1	-	-	-	18400
Other	-	-	-	-	30	-	-	208	-
Total	178,410	190,873	222,980	231,847	363,935	420,974	446,749	516,331	582,260
Value (Rs. in Million)	972.30	840.80	2178.20	3025.6	4411.20	4108.60	4971.30	534.64	632.47
PTL Imports as % of Merchandise Export**	23.6	26.6	42.2	40.9	32.2	23.8	25.8	30.30	31.80

* Till 1990/91 in M. Ton

** As export data are provisional, it may not verify with earlier data.

+ Provisional

Source: Nepal Oil Corporation

roleum Products

Quantity in Kilolitre

1996/97	1997/98	1998/99	1999/2000	2001/02	First Eight Months	
					2001/02	2001/02+
44889	46939	49994	55589	59245	39224	41018
257235	300604	315780	310561	326060	209586	184471
243005	282026	294982	331120	316381	201278	252685
2017	967	547	4005	3418	2381	2099
16858	27776	33860	26876	20999	11668	12598
47688	51412	55549	56849	63130	43194	31765
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	132	132	132	96	72
-	-	-	-	-	-	-
21824	-	25019	30627	40102	26152	30525
-	-	-	-	-	-	-
633,516	709,724	775,863	815,759	829,467	533,579	555,233
744.87	1032.41	1113.61	1461.74	1868.57	1033.59	1163.56
32.90	37.60	31.21	29.30	33.60	36.80	44.10

Table 11.1 : Extension of Road Facilities

Fiscal Year	In Kilometre			
	Black-Topped	Gravelled	Fair Weathered	Total
1987/88	2822	1348	2441	6611
1988/89	2837	1477	2297	6611
1989/90	2821	1542	2343	6706
1990/91	3083	2181	3064	8328
1991/92	3164	2243	3444	8851
1992/93	3404	2373	3757	9534
1993/94	3451	2396	3934	9781
1994/95	3533	2662	4529	10724
1995/96	3609	2867	4761	11237
1996/97	3655	3011	5048	11714
1997/98	4080	3489	5654	13223
1998/99+	4148	3710	5851	13709
1999/2000+	4,522	3,646	7,140	15,308
2000/2001	4,566	3,786	7,350	15,702
2001/2002*	4,593	3,851	7,415	15859*

+ Data of Department of Roads Only.

* First Eight Months

Source : Department of Roads.

Table: 11.2 : Number of Vehicles Registered

Type	Registration of new vehicles									
	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
Bus/Minibus	165	885	723	822	571	791	1245	933	513	756
Truck	525	449	240	772	1524	1491	1751	1629	3269	979
Jeep/Car	1538	1933	1831	2885	2115	2266	3049	3043	5278	2976

*First Eight Months

Source : Departmet of Transport Management.

In Numbers

1997/98	1998/99	1999/2000	2000/2001	2001/2002*
1029	891	616	1453	1012
1324	1013	829	1271	1116
4139	2507	3647	5152	2921

Table 11.3 : Extension of Transport Fac

	Unit	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
1. Airways								
a) Passenger in Domestic Flight	Th.	338	296	291	308	309	348	767
b) Passenger in External Flight	Th.	259	300	317	326	339	805	934
c) Cargo in Domestic Flight	M. Ton	822	791	853	743	887	455	1093
d) Cargo in External Flight	M. Ton	5204	6598	6308	4111	4585	15303	18553
2. Railways								
a) Available Facilities	KM	51	51	51	51	51	51	51
b) Number of Passenger	Th	1365	1387.4	1760	1100	884	755	653
c) Goods Transported	Th Ton.	18	17.6	22	15	14	11	9
3. Ropeways								
a) Available Facilities	KM	42	42	42	42	42	42	42
b) Goods Transported	Th. Ton	11	21	28.1	11.5	11.7	7.5	12
4. Trolley Bus								
a) Available Facilities	KM	13	13	13	13	13	13	13
b) Number of Passenger	Th.	4222	5434	5435	5300	5032	4094	4560
5. Roads								
a) Available Facilities	KM	6611	6611	6706	8328	8851	9534	9781

* First Eight Months .

The data of district airports have been included since FY 1994/95.

Note: Private airlines services have been included since FY 1992/93.

Source: Department of Roads, Nepal Transport Corp. and Civil Aviation Authority of Nepal.

ilities and Goods Transported

1994/95	1995/96	1996/97	1997/98	1998/99	1999/2000	200/2001*	2001/2002*
1182	1208	1318	1383	1328	1771	-	-
844	941	958	1331	1051	1254	-	-
4006	11849	10539	10596	8500	10871	-	-
14060	14592	15202	16683	14230	18621	-	-
51	51	51	51	51	51	-	-
1118	1245	1416	1731	1533	981	-	-
7	8	7.3	8.0	7.5	9.5	-	-
42	42	42	42	42	42	-	-
11	7.5	33.5	13.2	-	-	-	-
13	13	13	13	13	13	-	-
4353	4182	3700	3332	3558	2116	-	-
10724	11237	11714	13223	13709	13849	7415	15859

Table 11.4 : Extension of Telephone Facilities

	Title	December							
		1987	1988	1989	1990	1991	1992	1993	1994
	I. Number of Towns	29	30	34	38	38	41	42	43
	II. Telephone Line Distribution	28204	38295	45457	57320	65298	68886	72033	77317
1	Automatic								
	I. Number of Towns	3	2	2	2	2	2	2	2
	II. Telephone Line Distribution	8393	6590	5761	5209	6108	6188	7072	7143
2	C.B.								
	I. Number of Towns	9	9	9	6	7	4	4	4
	II. Telephone Line Distribution	1433	1550	1352	814	1135	559	645	653
3	Digital Automatic								
	I. Number of Towns	15	17	23	30	32	37	42	45
	II. Telephone Line Distribution	18338	30115	38344	51297	63404	62139	64316	69521
4	Magneto								
	I. Number of Towns	2	2	-	-	-	-	-	-
	II. Telephone Line Distribution	40	40	-	-	-	-	-	-

* Provisional, First Eight Months

Source : Nepal Telecommunication Corporation

1995	1996	1997	1998	1999	2000	2001	2001/2002*
47 82774	51 112645	58 153782	58 181302	58 221863	58 255777	58 288036	58 312032
2 6974	1 2930	1 1550	- -	- -	- -	- -	- -
4 666	2 374	- -	- -	- -	- -	- -	- -
43 75114	49 109341	58 152232	58 181302	58 221863	58 255777	58 288036	58 312032
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

**Table 12.1 : Number of Primary, Lower Secondary
and Secondary Schools and Students**

Students Nos. in Thousand

Year	Primary		Lower Secondary		Secondary	
	School	Student	School	Student	School	Student
1987 Sept.	12491	1953	3824	290	1501	290
1988 Sept.	13488	2110	3857	305	1638	307
1989 Sept.	15834	2526	3941	325	1791	339
1990 May	17842	2789	3964	344	1953	365
1991 May	18694	2884	4045	378	2079	395
1992 May	19498	3035	4230	433	2309	422
1993 May	20217	3092	4376	637	2242	273
1994 May	21102	3191	4739	670	2482	274
1995 May	21473	3263	5041	726	2654	290
1996 May	22218	3448	5506	791	2903	330
1997 May	23284	3461	6062	829	3322	359
1998 July	23885	3587	6617	842	3624	375
1999 Oct.	25522	3780	7276	916	4082	385
2000 Oct.	25927	3623	7289	957	4350	373
2001 Oct*	26338	3818	7302	1000	4636	383

* Estimated

Note : Since 1993 grade 8 is included in Lower Secondary Level. Due to change in academic year
in 1998/99 data collection months has been different.

Source: Ministry of Education & Sports.

Table 12.2: Number of Primary, Lower Secondary and Secondary School Teachers

In Number

Year	Primary		Lower Secondary		Secondary		Grant Total	
	Total	Trained	Total	Trained	Total	Trained	Total	Trained
1987 Sept	55207	19764	11744	4747	8918	4535	75869	29046
1988 Sept	57204	20109	11989	4253	9143	4393	78336	28755
1989 May	63945	25304	12245	4571	10207	5056	86397	34931
1990 May	71213	26775	12399	4298	10421	4771	94033	35844
1991 May	74495	31906	13005	4428	11627	5120	99127	41454
1992 May	77948	36359	13225	4490	12132	5339	103305	46188
1993 May	79590	38536	13647	4623	12656	5512	105893	48671
1994 May	81544	33536	15358	4820	13820	5865	110722	44221
1995 May	82645	35057	16821	5438	14585	6491	114051	46986
1996 May	89378	38980	19704	6204	16423	7328	125505	52512
1997 May	91464	42039	20641	6411	16494	7743	128599	56193
1998 July	91878	42683	22095	7246	16677	8220	130650	58149
1999 Oct	99382	44221	24696	8062	19185	9711	143263	61994
2000 Oct	97879	50697	25375	10228	19498	11012	142752	71977
2001 Oct+	100452	55663	26073	13078	19816	12487	146341	81228

+ Estimated

Note : Due to change in academic year 1998/99 data collection month has been different.

Source: Ministry of Education & Sports.

**Table 12.3: Sectoral Distribution of Schools, Students and Teachers Under Public and Private Schools
(Academic Year 1999/2000)***

	Primary (1-5)			Lower Secondary (6-8)		
	School	Student	Teacher	School	Student	Teacher
NEPAL	26338	3818000	100452	7302	1000000	26073
PUBLIC	21174	3488512	80473	8673	748354	16862
COMMUNITY	3168	78709	4770	2657	152448	1990
PRIVATE	2952	250937	15209	1515	99197	7220
Eastern Region	5707	895286	22834	1632	259670	5976
a. Public	4724	835774	19122	3251	199466	4115
b. community	636	17433	816	686	39357	508
c. Private	501	42078	2896	229	20847	1353
Central Region	7688	1121322	27827	2374	297863	8036
a. Public	5728	986832	21830	3507	213079	4876
b. community	638	19483	900	615	35669	327
c. Private	1475	115007	5097	821	49115	2834
Western Region	6544	916345	27647	1664	258117	6856
a. Public	5333	828699	21441	1017	197275	4365
b. community	1082	20571	1792	638	39772	632
c. Private	607	67076	4414	310	21070	1859
Mid-Western Region	3795	530426	12734	931	103743	2801
a. Public	3198	507147	10889	517	81254	2004
b. community	404	9932	573	337	18555	264
c. Private	224	13347	1273	89	3934	533
Far-Western Region	2604	354779	9410	701	80607	2404
a. Public	2192	330059	7191	381	57281	1503
b. community	408	11290	690	381	19096	260
c. Private	144	13430	1529	66	4231	641

* Estimated

Source: Ministry of Education & Sports.

Students

ate Sector

Secondary (9-10)		
School	Student	Teacher
4636	383	19816
7009	271	13107
1239	68	833
1108	44	5875
999	104	4194
2686	74	2935
323	21	181
220	9	1078
1557	123	7272
3268	83	4263
286	16	153
588	23	2855
1144	95	5145
622	71	3523
304	16	285
224	9	1337
564	33	1765
255	26	1407
155	6	104
49	1	255
373	28	1440
179	18	980
171	8	111
27	2	350

Table 12.4: Number of Students Enrolled in

Educational Institute	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
A. Tribhuvan University								
a. Technical Education	13598	14568	15509	16939	18873	18472	19932	16936
1. Engineering	1837	1952	1831	2039	2268	2080	2029	+2112
2. Agriculture & Animal Science	1151	1252	1318	684	721	674	675	565
3. Medicine	1458	1658	+1540	+1943	+1863	+1655	+1238	+1371
4. Forestry	541	587	577	561	454	563	541	483
5. Science & Technology	+8611	+9119	+10243	+11712	+13567	13500	15449	+12405
b. General Education	69369	80094	86621	106523	135853	128989	119120	113163
6. Law	+6703	+7006	+7109	+7539	+10268	9882+	7961	+8293
7. Management	+25223	+28736	+28061	+36468	+46335	42327+	40816	+42353
8. Education	4748	6032	6372	+8677	+10730	11396	16664	+15330
9. Humanities & Social Science	+32695	+38320	+45149	+53839	+68520	65384	53679	+47187
10. Sanskrit	-	-	-	-	-	-	-	-
Total	82967	94662	102130	123462	154726	147461	139052	130099
B. Mahendra Sanskrit University	-	-	-	-	923	913	864	851
C. Kathmandu University								
1. School of Science	-	-	-	-	-	-	-	453
2. School of Engineering	-	-	-	-	-	-	-	76
3. School of Management	-	-	-	-	-	-	-	71
4. School of Education	-	-	-	-	-	-	-	24
5. School of Arts	-	-	-	-	-	-	-	-
6. School of Medical Science	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	624
D. Eastern University								
1. Humanities	-	-	-	-	-	-	-	-
2. Management	-	-	-	-	-	-	-	-
3. Education	-	-	-	-	-	-	-	-
4. Science & Technology	-	-	-	-	-	-	-	-
5. Law	-	-	-	-	-	-	-	-
6. Agriculture	-	-	-	-	-	-	-	-
7. Engineering	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
E. Pokhara University								
1. Science & Techonology	-	-	-	-	-	-	-	-
2. Management	-	-	-	-	-	-	-	-
3. Engineering	-	-	-	-	-	-	-	-
4. Humanities & Social Science	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Grand Total (A+B+C+D+E)	82967	94662	102130	123462	155649	148374	139916	131574

* Estimated, Private Campus are not included

+ Private Campus are included

++ Private Campus are not Included

Note:-Includes Students enrolled in Private Campuses under Science and Technology Faculty of T.U. since 1986/87.

Source : Tribhuvan University, Mahendra Sanskrit University, Kathmandu University, Eastern University & Pokhara Univer

Higher Level of Education

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001*	2001/2002*
15116	16230	14275	18767	17615	19058	19184
++1974	++1998	++1784	++2645	++3150	++3612	++4049
520	602	598	696	742	745	830
++1228	++1565	++1212	++1371	++1453	++1605	++1589
404	410	353	435	396	405	418
++10990	++11655	++10328	++13620	++11874	++12691	++12298
84243	88396	82905	104466	109740	128254	96424
++4826	3877	4417	++4745	++4036	++3843	++1425
++28979	++31534	++28133	++36037	++36167	++39374	++29432
++11623	++10984	++10840	++14980	++17452	++21891	++16808
++38815	++42001	++39515	++48704	++52085	++63156	++48759
-	-	-	-	-	-	-
99359	104626	97180	123233	127355	147322	115608
833	1017	1100	2311	2952	3616	3252
636	865	1372	665	828	711*	843*
180	252	388	442	428	515*	505*
71	71	96	138	248	127*	177*
13	24	156	81	30	35*	63*
-	32	67	87	110	16*	16*
-	-	-	1222	1730	93*	179*
900	1244	2079	2635	3374	1497*	1783*
-	-	-	26	159	239	489
-	-	31	38	88	229	510
-	-	-	-	111	265	514
-	-	-	-	103	461	1024
-	-	-	-	-	11	33
-	-	-	-	-	28	42
-	-	-	-	-	96	228
-	-	31	64	461	1329	2840
-	-	-	71	66	137	642#
-	-	-	-	220	733	833#
-	-	-	-	409	762	1426#
-	-	-	-	-	36	45#
-	-	-	71	695	1668	2946
101092	106887	100390	128320	134837	155432	126429

sity.

Table 12.5 : Extension of Health

Description	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95
1. Extension of Services	1075	1088	1096	1098	1312	1833	2441	3097
a. Hospitals	96	101	111	111	113	114	114	82
b. Health Centres	18	16	16	18	18	18	18	17
c. Health Posts	816	816	816	816	816	816	801	775
d. Ayurvedic Services Centre ++	145	155	153	153	165	165	168	167
e. Sub-Health Posts	-	-	-	-	200	700	1300	1997
f. Primary Health Centre	-	-	-	-	-	20	40	59
2. Hospital Beds	4153	4329	4572	4570	4798	4848	4848	3604
3. Skilled Manpower	20926	22771	27948	30195	32815	32798	33441	27960
a. Doctors	879	951	951	1196	1497	1497	917+	952+
b. Nurses	2663	2980	2980	2986	2986	2999	2980	4606
c. Kaviraj (Ayurvedic Physician)+++	165	198	240	240	270	240	193	249
d. Vaidya (Ayurvedic Physician)	114	119	130	130	144	144	168	197
e. Health Assistants	1017	1186	1186	1186	3461	3461	1168	4492
f. Health Workers (M. C. H. W.)	13462	14337	19461	20442	20442	20442	24000	2400
g. Village Level Health Workers	2626	3000	3000	4015	4015	4015	4015	4015
h. Other Members (Trained Sudeni, Women Health Volunteers)	-	-	-	-	-	-	-	11049

* Estimated

Data after F.Y.1994/95 are only of Governmental Sector.

+ HMG Employed Only. In FY 99/00 and FY 00/01 doctors of Teaching Hospital have not included.

++ Zonal Ayurvedic Service Centre and District Ayurvedic Health Centre.

+++ Including Ayurvedic Officers (Permanent Ayurvedic Officers and Vaidyas are included only after FY 1998/99).

The number of Health post and Sub-Health post have been changed because of some health post and sub-health post upgradation.

Source: Ministry of Health

h Services

In Number

1995/96	1996/97	1997/98	1998/99	1999/2000	2000/01*	2001/02*
3722	4340	4377	4406	4421	4419	4439
82	82	82	83	83	83	83
17	17	17	13	13	10	10
775	754	736	723	711	700	700
172	200	230	260	275	275	285
2597	3187	3192	3187	3179	3171	3161
79	100	120	140	160	180	200
3604	3904	4189	4955	5190	5250	5310
30520	73572	77107	78371	81381	81351	81353
872+	894+	894+	923+	1259+	1259	1259
4606	4706	3588	3925	4655	4655	4775
249	290	290	201	211	211	211
197	219	219	195	210	210	220
5092	5152	5192	5295	5295	5295	5295
2400	3187	3190	3190	3190	3190	3190
4015	4015	4015	4015	4015	3985	3980
13089	55109	59719	60627	62546	62546	62546

led to primary Health Centre from FY 1996/97 .

Table 12.6 : Extension of Drinking Water

Description	Unit	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94
A. Additional Facilities Extended By Water Supply & Sewerage Department								
a. Additional Population Benefited from New Projects	In Th.	846	579	882	454	680	685	691
b. Additional Population Benefited from Repaired Projects	In Th.	-	-	-	-	-	5	8
c. Total Available Water	Th. Lt/Day	32705	25305	39700	20430	48875	35820	46948
Urban Areas								
a. Population Benefited	In Th.	10	39	-	-	10	52	18
b. Available Water	Th. Lt/Day	852	3715	-	-	811	14096	1736
* B. Additional Facilities Extended By Nepal Water Supply Corporation								
a. Available Water	Th. Lt/Day	42000	12200	10300	5000	8000	4260	16000
b. Population Benefited	Th. Lt/Day	48	57	57	27	150	40	81
c. Modern Sewerage Facilities	K.M.	4	21	4	6	9	7	5

* First Eight Months.

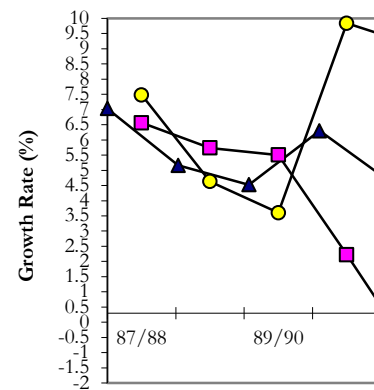
Source : Water Supply and Sewerage Department & Nepal Water Supply Corporation

r and Sewerage Facilities

1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/2001*	2001/2002*
811	800	756	707	374	525	466	456
2	5	14	-	-	-	-	-
54471	54067	34650	31815	20011	28271	25164	3557
48	40	-	-	-	-	-	-
4608	3880	-	-	-	-	-	-
3300	5500	5500	300	7000	3000	1480	1400
34	69	55	45	43	19	15	14
2.84	4.31	12	0.46	10	7	5	2

	87/88	88/89	89/90	90/91	91/92	92/93	93/94
Agriculture	6.6	5.7	5.5	2.2	-1.2	-1.0	7.8
Non-Agriculture	7.5	4.6	3.6	9.8	9.1	5.7	7.5
Real GDP	7.0	5.2	4.5	6.3	4.6	2.9	7.6

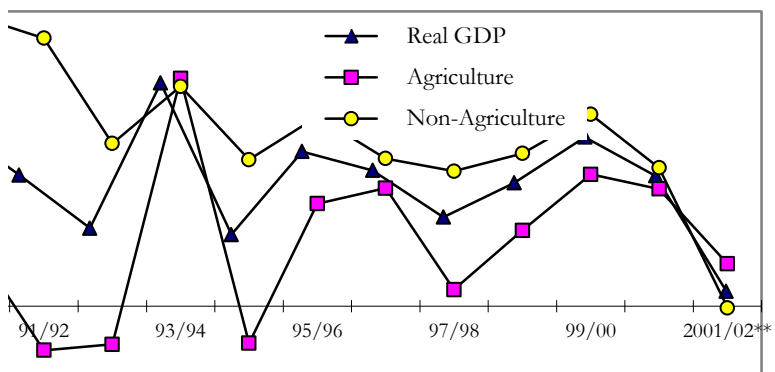
Chart 1



94/95	95/96	96/97	97/98	98/99	99/00	2000/01*	2001/02**
-0.9	3.7	4.2	0.8	2.8	4.6	4.2	1.7
5.1	6.5	5.2	4.7	5.3	6.6	4.9	0.2
2.7	5.4	4.8	3.2	4.4	5.9	4.6	0.8

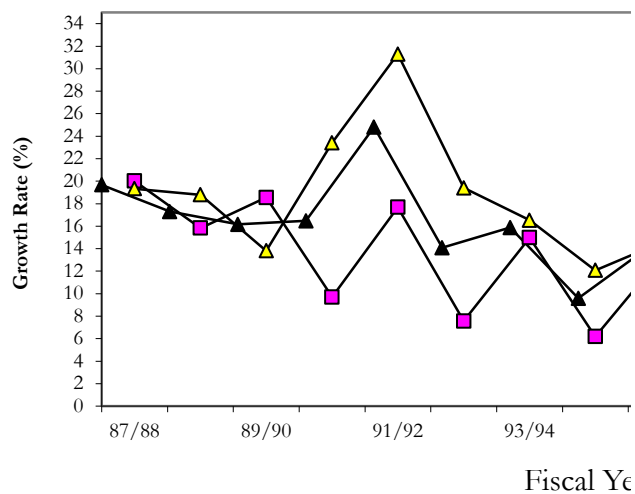
(a) : Gross Domestic Product

(At 1994/95 Price)



	87/88	88/89	89/90	90/91	91/92	92/93
Agriculture	20.0	14.5	17.6	9.7	17.7	7.6
Non-Agriculture	19.3	17.5	13.5	23.8	31.3	19.8
Nominal GDP	19.7	17.3	16.2	16.4	24.5	18.9

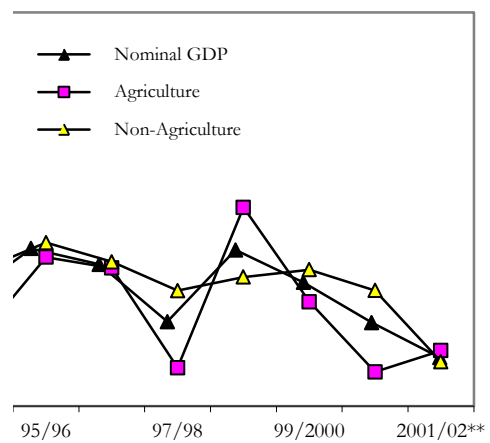
Chart 1 (b) : Gross E
(At Current l



93/94	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01*	2001/02**
94.0	6.2	93.2	92.3	3.4	99.9	9.3	3.0	4.9
96.4	92.9	94.4	92.5	90.3	99.4	92.9	90.3	4.0
94.9	9.6	94.0	92.6	9.4	93.9	99.0	9.4	4.3

Domestic Product

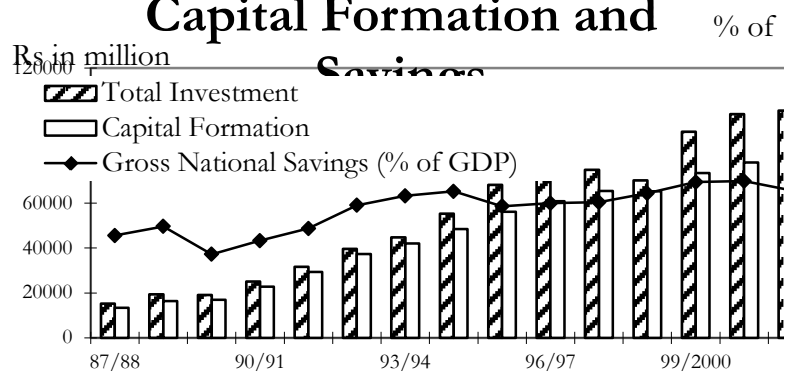
(Price)



par

	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Investment	15237	19415	19076	25074	31619	39653	44644	55231	68017	71084
Capital Formation	13414	16392	17002	22780	29277	37278	42032	48370	56081	60794
Gross National Savings (% of GDP)	12.14	13.23	9.91	11.53	12.98	15.74	16.85	17.38	15.62	15.98

Chart 1 (c) : Investment, Capital Formation and

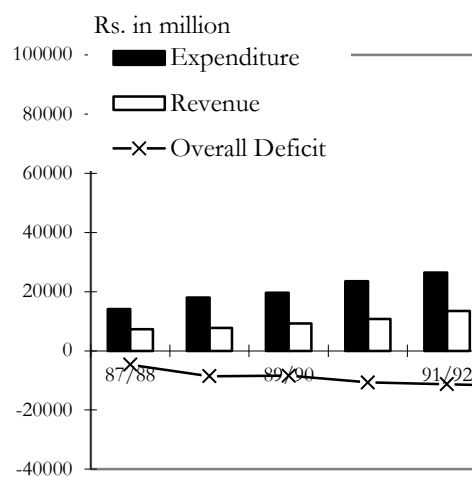


97/98	98/99	99/200	2000/01*	2001/02**
74728	70061	91690	99497	101130
65375	65269	73314	78017	84165
16.10	17.15	18.48	18.6	17.46

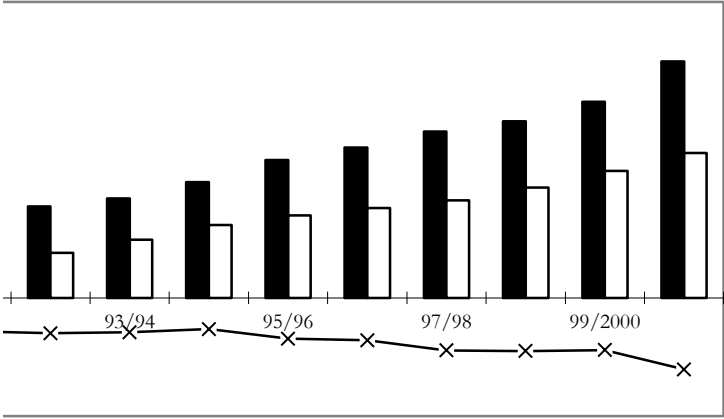
GDP



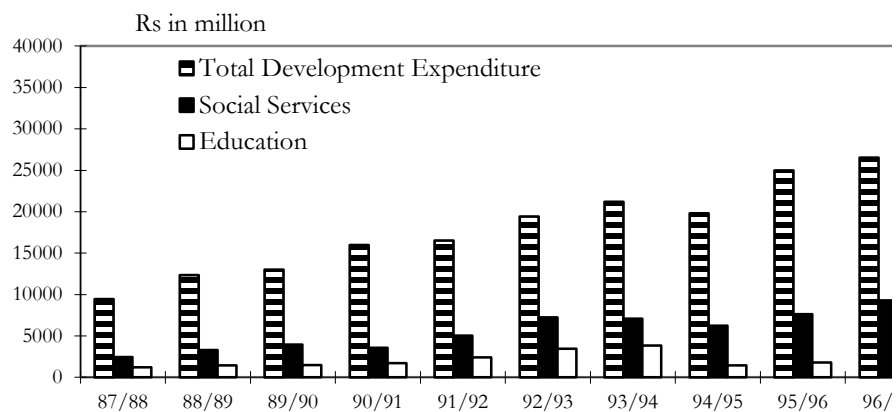
	87/88	88/89	89/90	90/91	91/92	92/93	93/94
Expenditure	14105.0	18005.0	19669.3	23549.8	26418.2	30897.7	33597.4
Revenue	7350.4	7776.9	9287.5	10729.9	13512.7	15148.4	19580.8
Overall Deficit	-4677.8	-8547.5	-8406.4	-10655.1	-11261.7	-11956.0	-11623.0



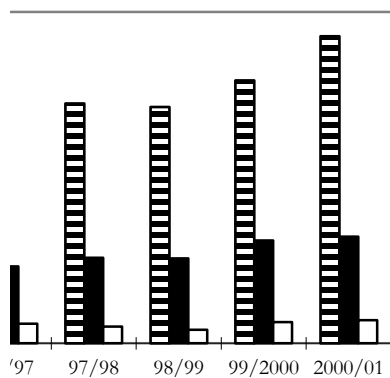
94/95	95/96	96/97	97/98	98/99	99/2000	2000/01
39060.0	46542.4	50723.7	56118.3	59579.0	66273	79835.1
24575.2	27893.1	30373.5	32937.9	37251.3	42894	48893.6
-10547.7	-13824.2	-14361.9	-17777.8	-17991.4	-17667	-24188.1



	87/88	88/89	89/90	90/91	91/92	92/93	93/94
Total Development Expenditure	9428.0	12328.7	12997.5	15979.5	16512.8	19413.6	21188.2
Social Services	2433.35	3309.2	3973.2	3569.3	5040.3	7245.5	7104.1
Education	1226.8	1458.8	1479.8	1716.0	2395.2	3465.0	3822.1

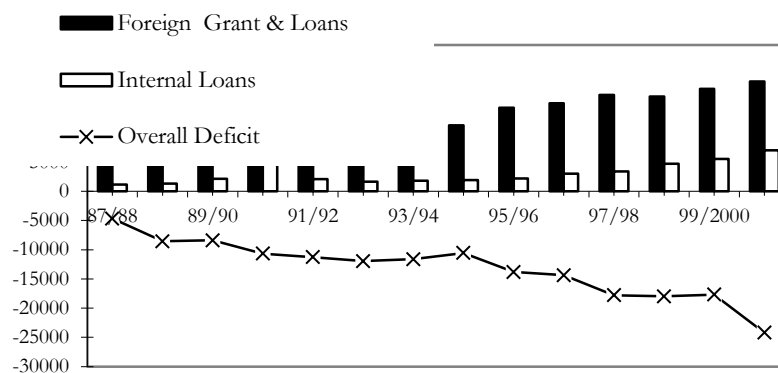


94/95	95/96	96/97	97/98	98/99	99/2000	2000/01
19794.9	24980.5	26542.6	28943.9	28531.3	31749.2	37065.9
6224.8	7612.7	9281.3	10323.5	10265.4	12406.2	12872.7
1453.6	1791.0	2356.2	2037.1	1641.3	2573.7	2783.9



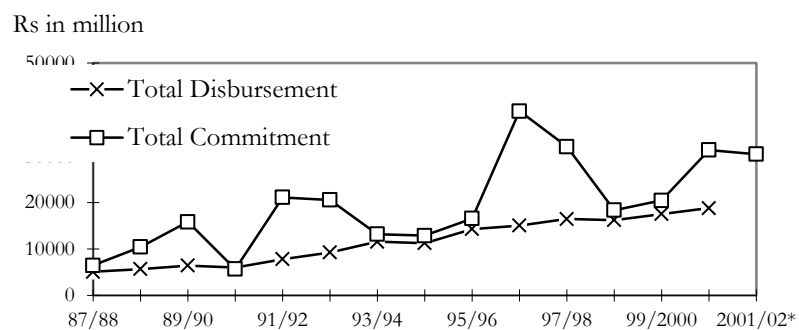
	87/88	88/89	89/90	90/91	91/92	92/93
Foreign Grant & Loans	5892.6	7347.0	7935.0	8421.5	8460.7	10714.2
Internal Loans	1130.0	1330.0	2150.0	4552.7	2078.8	1620.0
Overall Deficit	-4677.8	-8547.5	-8406.4	-10655.1	-11261.7	-11956.0

Rs in million



93/94	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01
11557.2	11249.4	14289.0	15031.9	16457.1	16189.0	17523.9	18797.4
1820.0	1900.0	2200.0	3000.0	3400.0	4710.0	5500	7000
-11623.0	-10547.7	-13824.2	-14361.9	-17777.8	-17991.4	-17667	-24188.1

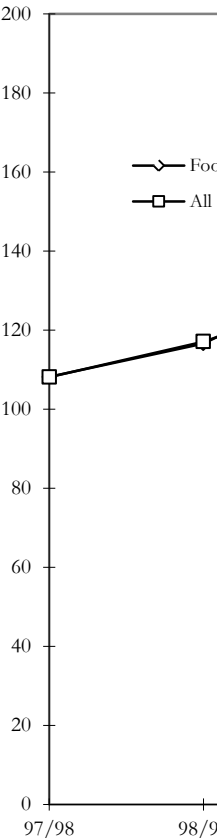
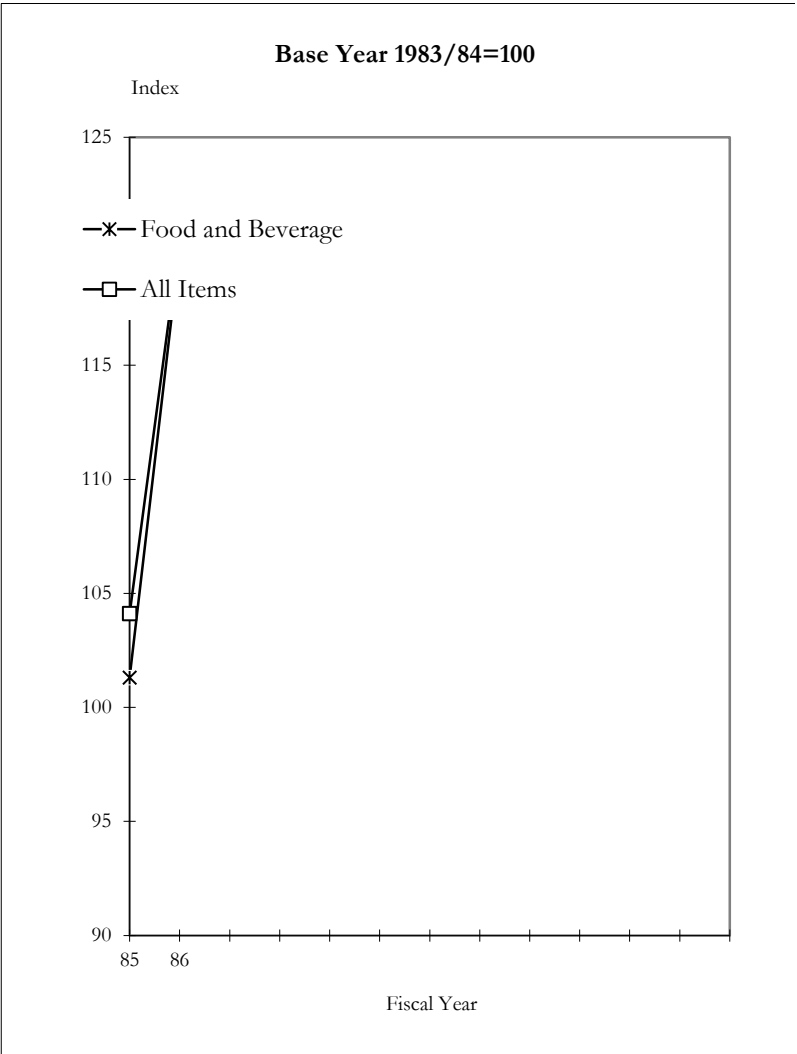
	87/88	88/89	89/90	90/91	91/92	92/93	93/94
Total Disbursement	5078.5	5666.9	6427.1	5990.0	7800.4	9235.6	11557.2
Total Commitment	6449.6	10403.0	15830.0	5665.4	21084.1	20526.7	13172.2



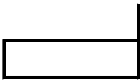
94/95	95/96	96/97	97/98	98/99	99/2000	2000/01	2001/02*
11249.4	14289.0	15031.9	16457.1	16189.0	17523.9	18797.4	
12876.9	16537.3	39643.0	32022.1	18352.5	20448.0	31287	30398.8

	85	86
Food and Bev	101.3	120.1
All Items	104.1	120.5

Base Year 1983/84=100

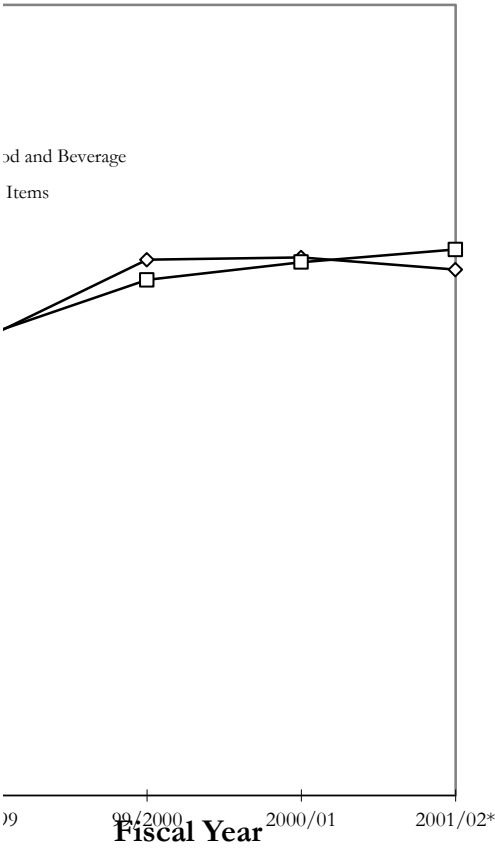


	97/98	98/99	99/2000	2000/01	2001/02*
Food and Bev	108.2	116.6	135.5	136.1	133
All Items	108.1	117.1	130.4	134.9	138.1



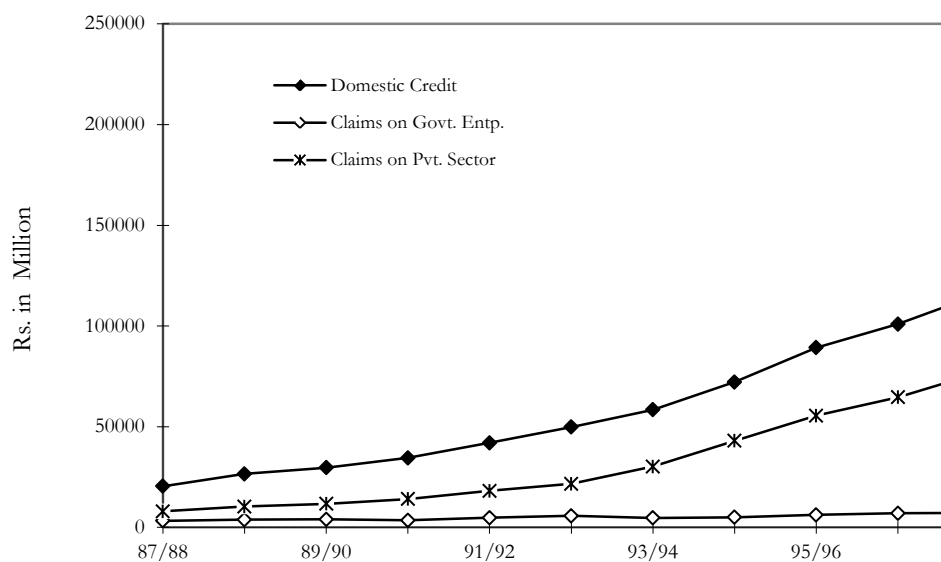
Base Year 1995/96=100

Base Year 1995/96=100



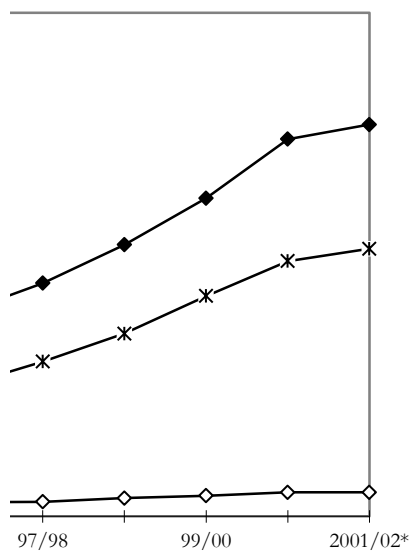
	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96
Domestic Credit	20469.3	26584.3	29661.6	34491.4	41973.0	49826.0	58413.5	72184.7	89265.7
Claims on Govt. Entp.	3263.2	3882.2	4033.8	3561.3	4827.3	5749.8	4739.2	5050.4	6209.3
Claims on Pvt. Sector	7947.1	10357.0	11687.6	14108.7	18144.1	21630.0	30192.3	43013.1	55524.7

Chart 4 (a) : Determinants of Monetary Growth



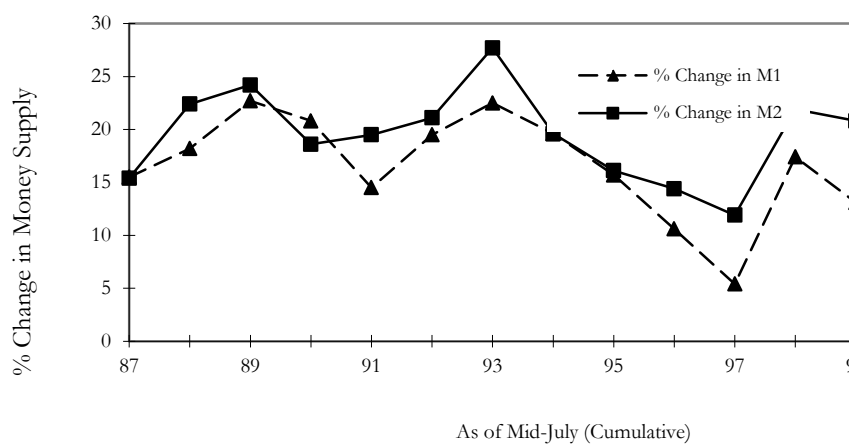
96/97	97/98	98/99	99/00	2000/01	2001/02*
100916.7	115812.1	134832.7	158001.2	187337.9	194504.2
7028.6	7228.9	9114.0	10310.9	11922.4	11978.4
64658.7	76830.1	90800.5	109446.9	126757.9	132891.2

ey Supply



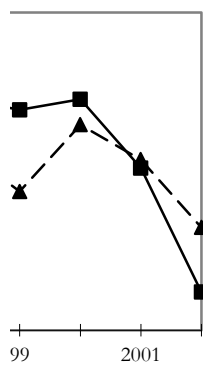
	87	88	89	90	91	92	93	94	95	96	97	98	99
% Change in M1	15.5	18.2	22.7	20.8	14.5	19.5	22.5	19.6	15.7	10.6	5.4	17.4	13.1
% Change in M2	15.4	22.4	24.2	18.6	19.5	21.1	27.7	19.6	16.1	14.4	11.9	21.9	20.8

Chart 4 (b) : Growth in Money



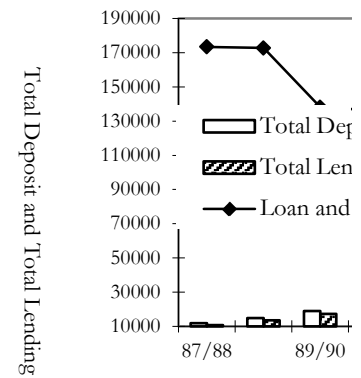
2000	2001	2002*
19.4	16.1	9.7
21.8	15.3	3.6

ey Supply



	87/88	88/89	89/90	90/91	91/92	92/93
Total Deposit	11812.4	14951.9	18954.6	21885.0	26687.5	33328.6
Total Lending	10730.1	13523.5	17264.5	18917.1	24410.5	32158.7
Loan and Deposit Ratio	90.8	90.4	71.2	70.1	64.0	68.9

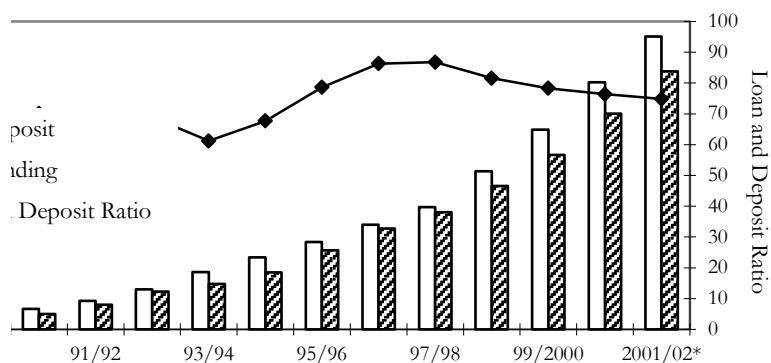
Chart 4



93/94	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01	2001/02*
43543.1	52168.5	61045.5	71207.5	81542.4	102401.6	126773.6	154530.3	181203.4
36642.7	43236.3	56182.5	69014.4	78511.7	93797.7	111969.0	136184.8	160919.4
61.2	67.7	78.6	86.3	86.8	81.6	78.3	76.40	74.80

(c) : Loan and Deposit with Commercial Banks

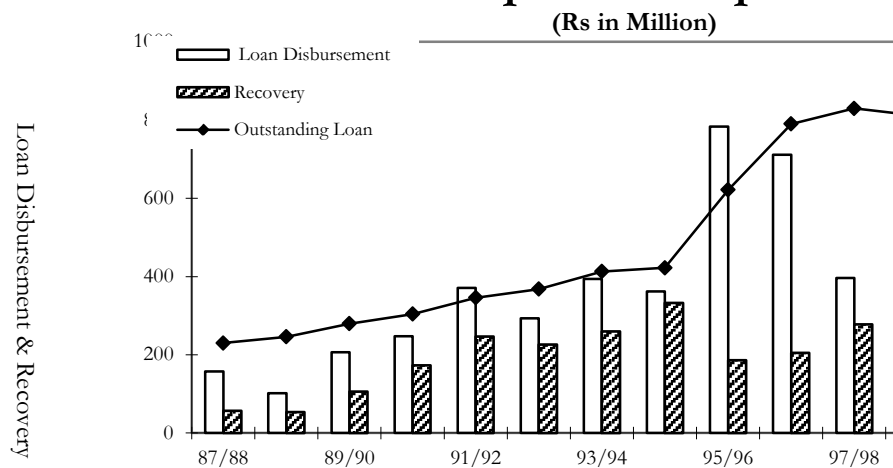
(Rs in Million)



	87/88	88/89	89/90	90/91	91/92
Loan Disbursement	157.2	101.6	206.5	247.5	371.3
Recovery	57.0	53.6	105.9	173.0	246.5
Outstanding Loan	689.9	737.6	838.2	912.7	1037.5

92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/2000
292.9	394.2	361.8	783.4	711.4	396.2	292.1	107.7
226.3	260.1	332.6	186.2	205.2	278.1	348.6	358.3
1104.1	1238.2	1267.4	1864.6	2370.8	2488.9	2432.4	2181.8

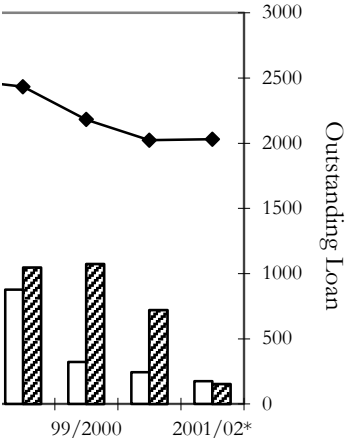
Chart 4 (d) : Loan - Nepal Industrial Development Corporation



2000/01	2001/02*
81.7	58.1
240.1	50.8
2023.4	2030.7

ustrial

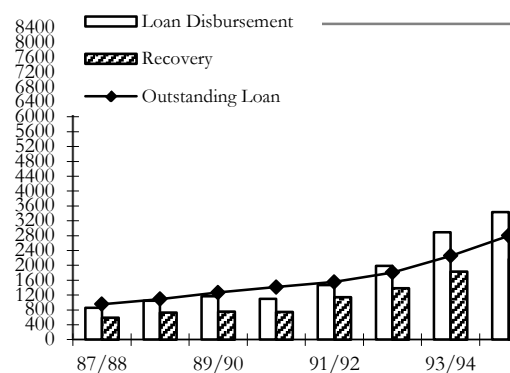
1



	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Loan Disbursement	854.0	1049.5	1170.8	1095.1	1469.0	1985.3	2887.9	3433.7	3896.8	4023.4
Recovery	593.2	732.1	754.9	741.3	1142.5	1383.9	1832.8	2165.0	2788.1	2873.0
Outstanding Loan	2242.1	2568.8	2984.7	3328.8	3655.3	4256.7	5311.8	6580.5	7689.2	8839.6

Chart 4 (e) : Loan

Loan Disbursement & Recovery



97/98	98/99	99/2000	2000/01	2001/02*
4430.1	5562.4	6969.6	8037	3325
3503.8	4233.9	5180.9	6065	2460
9765.9	11094.4	12883.1	14855.1	15742

n - Agriculture Development Bank

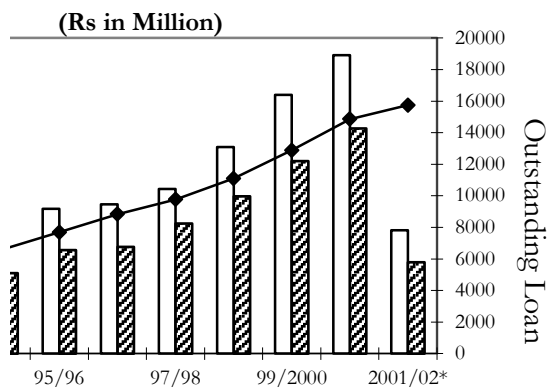


Chart 5 (a) : Paid-up Value and Turnover

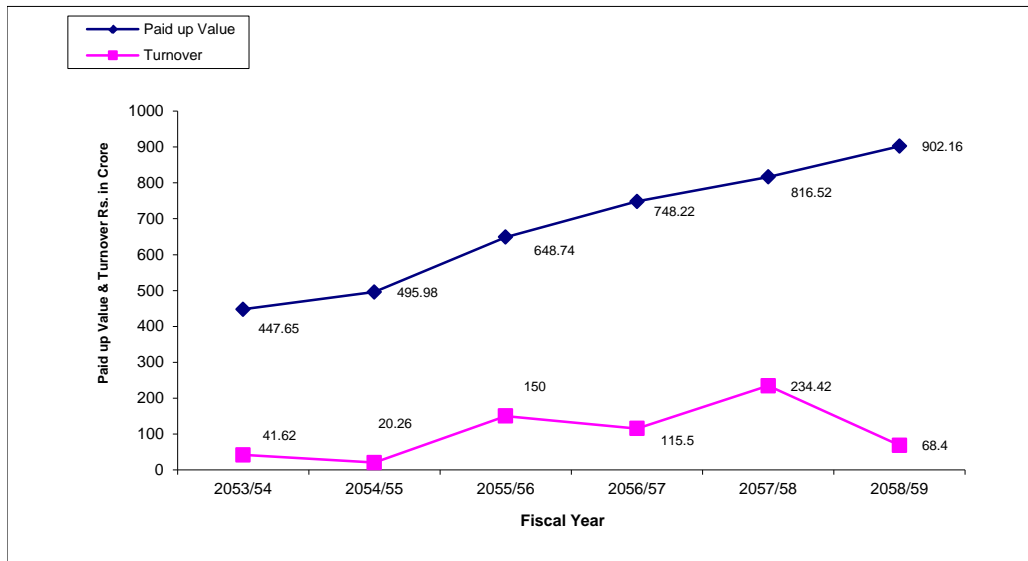


Chart 5 (b) : NEPSE Index

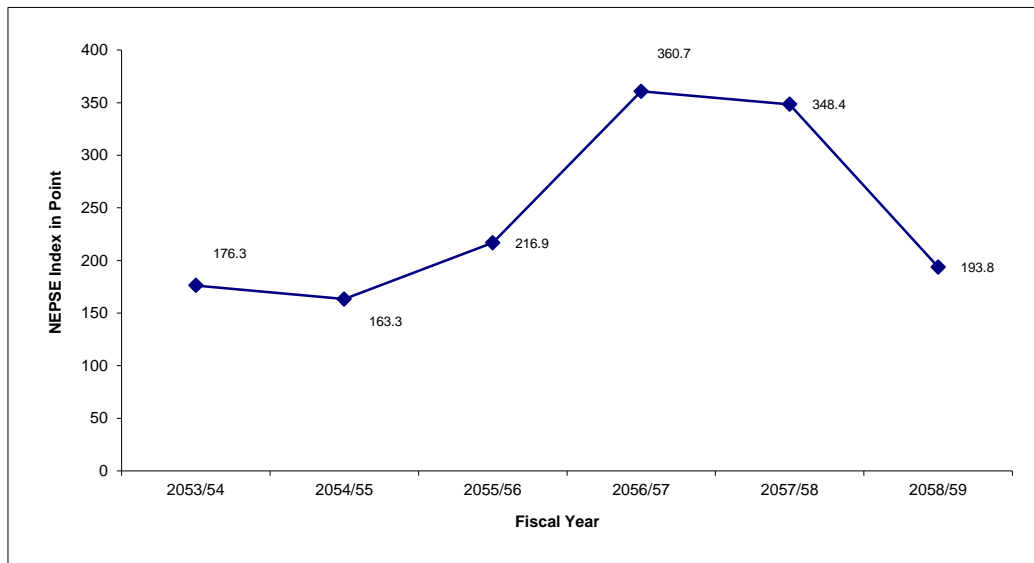


Chart 5 (c) : Issue Approved

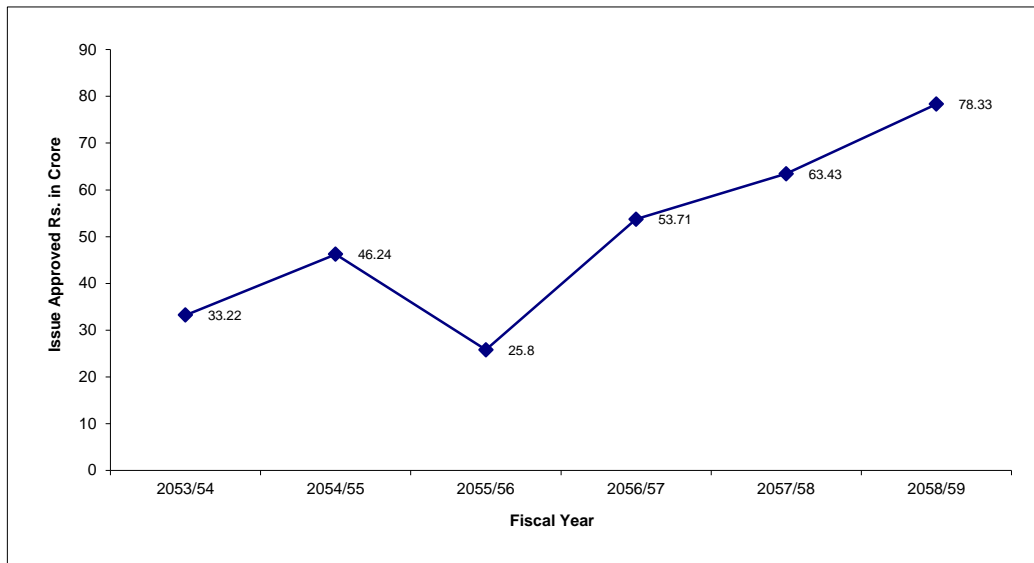
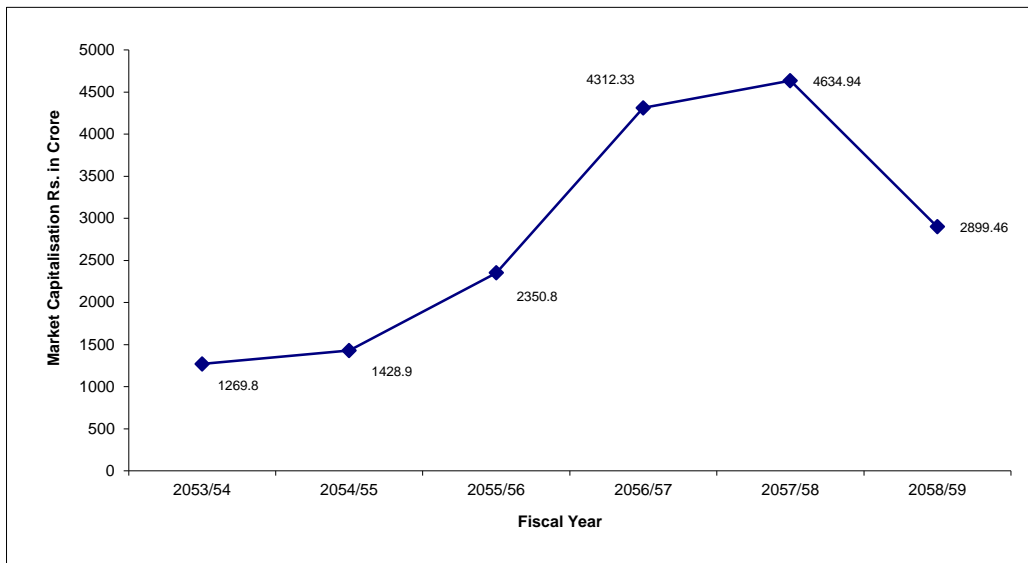
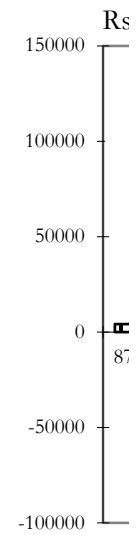


Chart 5 (d) : Market Capitalisation



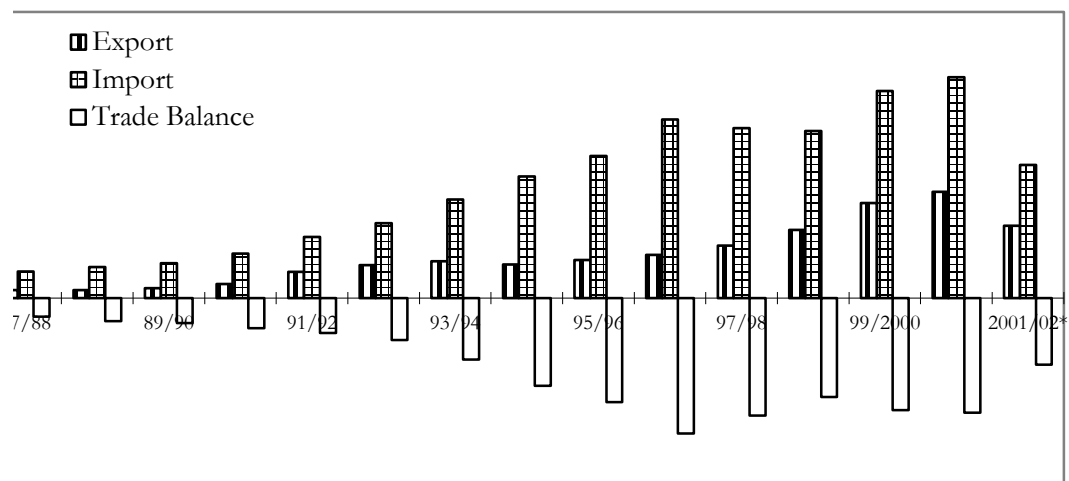
	87/88	88/89	89/90	90/91	91/92	92/93	93/94
Export	4114.6	4195.3	5156.2	7387.5	13706.5	17266.5	19293.4
Import	13869.6	16263.7	18324.9	23226.5	31940.0	39205.6	51570.8
Trade Balance	-9755.0	-12068.4	-13168.7	-15839.0	-18233.5	-21939.1	-32277.4



94/95	95/96	96/97	97/98	98/99	99/2000	2000/01	2001/02*
17639.2	19881.1	22636.5	27513.5	35676.3	49822.7	55654.1	37933.8
63679.5	74454.5	93553.4	89002.0	87525.3	108504.9	115687.2	69841.2
-46040.3	-54573.4	-70916.9	-61488.5	-51849.0	-58682.2	-60033.1	-34907.4

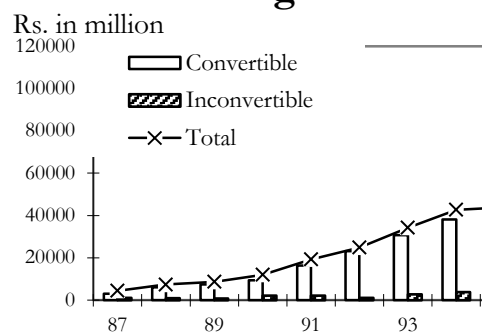
Chart 6 (a) : Foreign Trade

s. in million

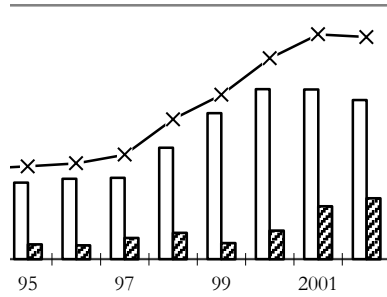


Year	Convertible	Inconvertible	Total
87	3108.2	1068	4477.2
88	6071.9	992.9	7395.4
89	7536.9	773.9	8691.0
90	9471.7	2118.1	12014.4
91	16404.4	2252.2	19270.0
92	23145.8	1105.6	24882.3
93	30767.2	2743.2	34225.0
94	38137.0	3878.7	42748.3
95	36136.7	6948.2	43863.1
96	37934.5	6503.7	45270.3
97	38502.3	10039.1	49366.5
98	52637.9	12519.8	66114.0
99	68987.3	7663.5	77611.1
2000	80320.9	13537.2	94855.8
2001	80167.3	25005.2	106190.7
2002*	75115.8	28779.2	104953.2

**Chart 6 (b) : Gold & Foreign
Holdings of the Ba**

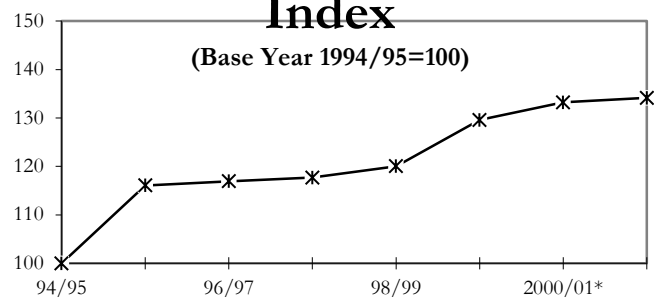


Foreign Exchange Linking System



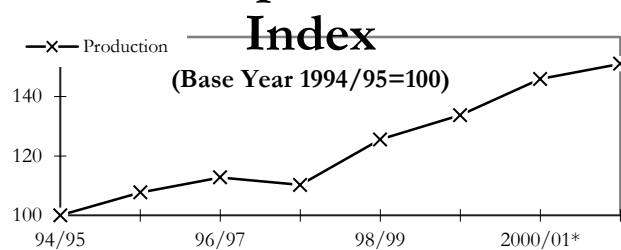
	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01*	2001/2002'
Production	100.00	116.08	116.93	117.69	120.04	129.58	133.23	134.13

**Chart 8 (a) : Weighted
Foodgrain Production
Index**

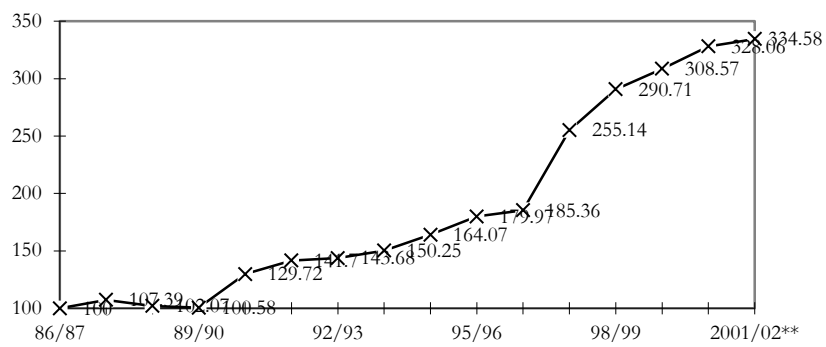


	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01*	2001/2002**
Production	100.00	107.71	112.79	110.25	125.54	133.71	145.84	150.96

Chart 8 (b) : Weighted Cash Crops Production

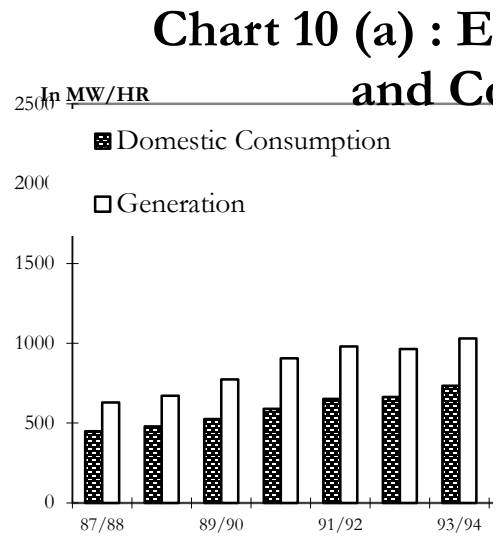


86/87	87/88	88/89	89/90	90/91	91/92	92/93
100	107.39	102.07	100.58	129.72	141.70	143.68

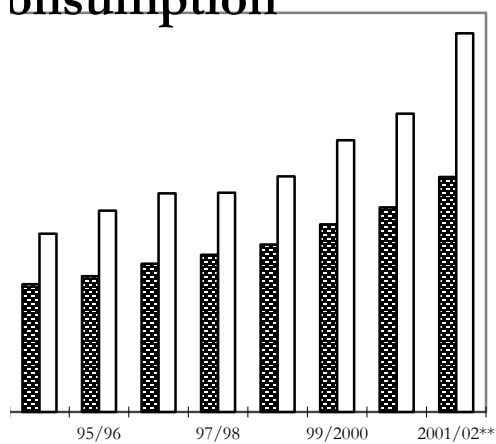


93/94	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01*	2001/02**
150.25	164.07	179.97	185.36	255.14	290.71	308.57	328.06	334.58

Fiscal Year	Domestic Consumption	Generation
87/88	449.1	628.6
88/89	478.6	672.4
89/90	524.8	773.9
90/91	588.7	906.2
91/92	651.9	981.0
92/93	663.3	963.3
93/94	733.4	1030.9
94/95	799.8	1117.5
95/96	849.7	1261.9
96/97	927.6	1368.6
97/98	984.0	1373.2
98/99	1049.4	1475.0
99/2000	1174.4	1701.5
2000/01*	1281.1	1868.4
2001/02**	1472.5	2372.9
	984.0	
	1052.9	
	1192.9	



Electricity Generation consumption



Fiscal Year	Fair Weather	Gravel	Black-Topped
87/88	2441	1348	2822
88/89	2297	1477	2837
89/90	2343	1542	2821
90/91	3064	2181	3083
91/92	3444	2243	3164
92/93	3757	2373	3404
93/94	3934	2396	3451
94/95	4529	2662	3533
95/96	4761	2867	3609
96/97	5048	3011	3655
97/98	5654	3489	4080
98/99	5851	3710	4148
99/00	7140	3646	4522
00/01	7350	3786	4566
01/02*	7415	3851	4593

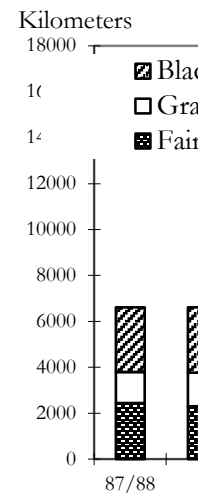
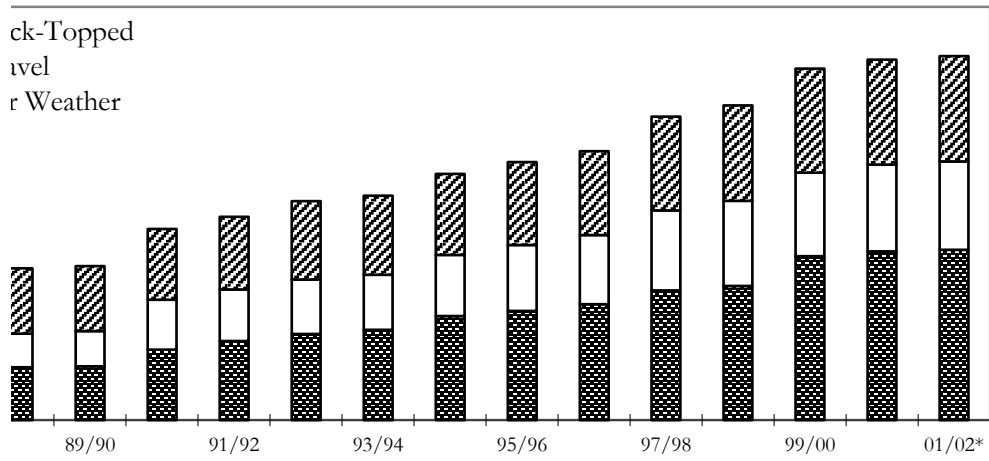
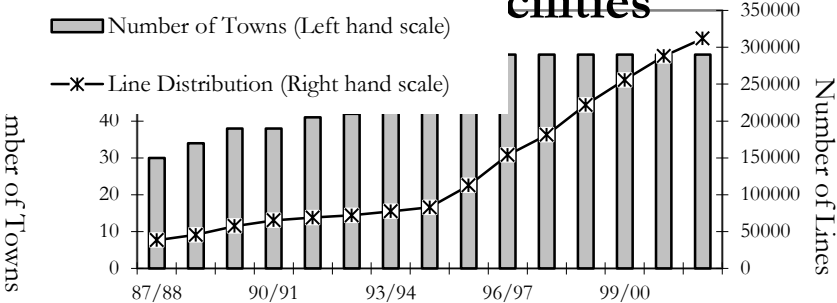


Chart 11 (a) : Extension of Road Facilities



Fiscal Year	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98
Number of Towns (L	30	34	38	38	41	42	43	47	51	58	58
Line Distribution (Ri	38295	45457	57320	65298	68886	72033	77317	82774	112645	153782	181302

Chart 11 (b) : Expansion of
Township Facilities

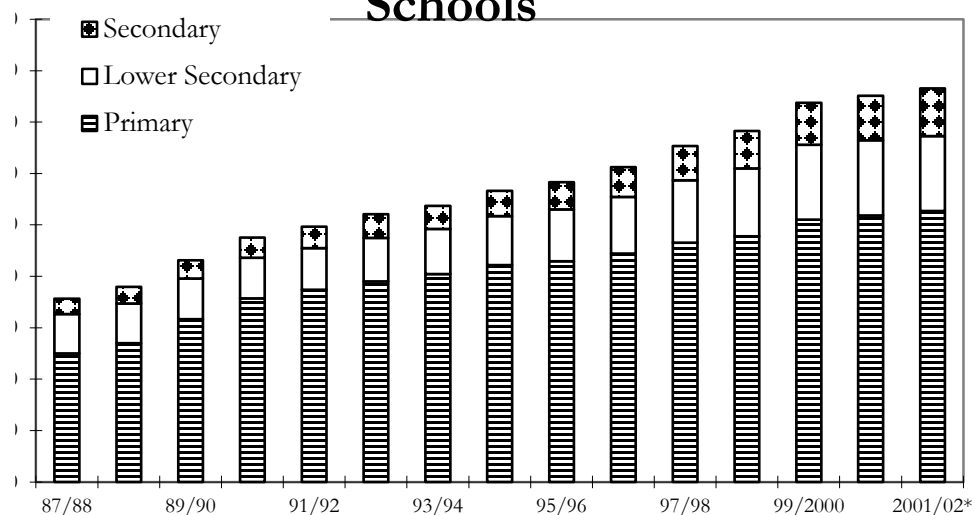


98/99	99/00	2000/01	2001/02*
58	58	58	58
221863	255777	288036	312032

	Primary	Lower Secondary	Secondary
87/88	12491	3824	1501
88/89	13488	3857	1638
89/90	15834	3941	1791
90/91	17842	3964	1953
91/92	18694	4045	2079
92/93	19498	4230	2309
93/94	20217	4376	2242
94/95	21102	4739	2482
95/96	21473	5041	2654
96/97	22218	5506	2903
97/98	23284	6062	3322
98/99	23885	6617	3624
99/2000	25522	7276	4082
2000/01	25927	7289	4350
2001/02*	26338	7302	4636

45000
40000
35000
30000
25000
20000
15000
10000
5000
0

Chart 12 (a) : Number of Public Schools



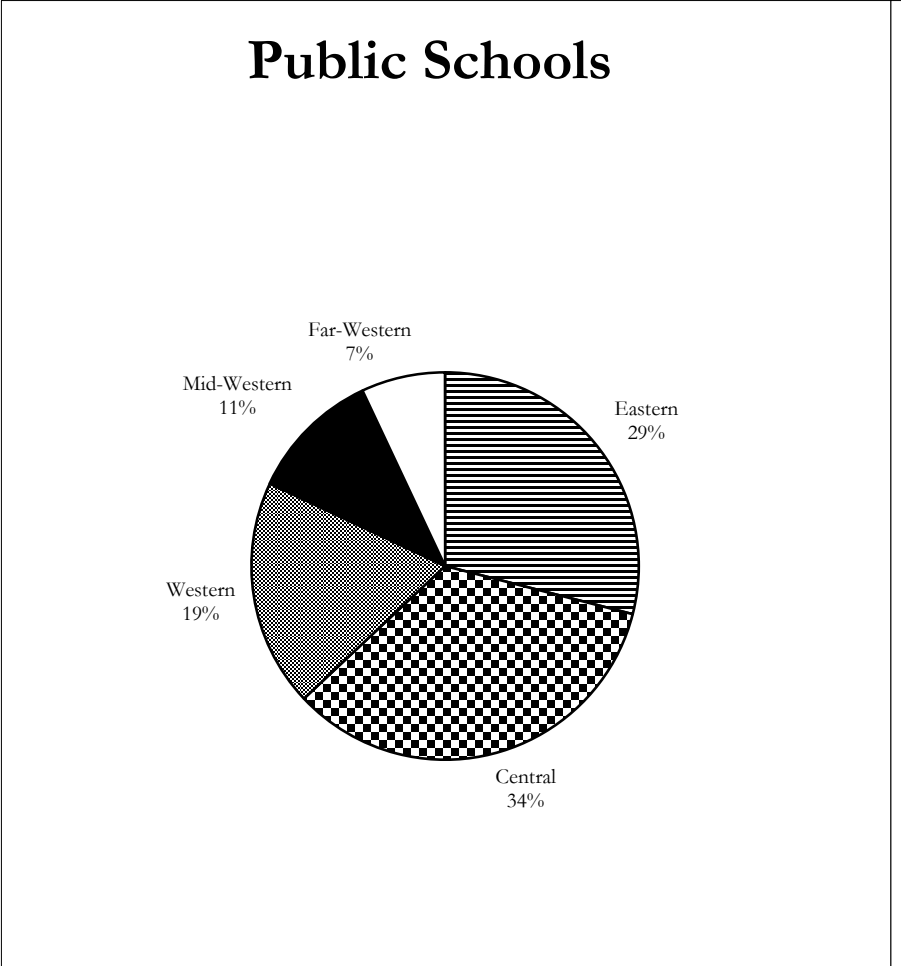
Public

Chart 12 (b)

Eastern	29
Central	34
Western	19
Mid-Western	11
Far-Western	7
	100

Private	
Eastern	17
Central	52
Western	20
Mid-Western	7
Far-Western	4
	100

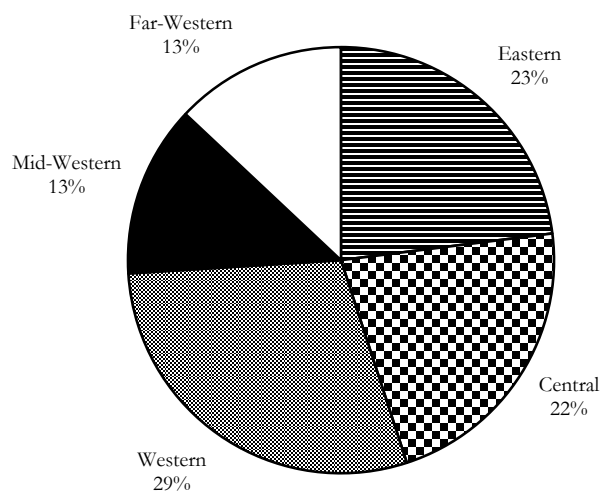
Community	
Eastern	23
Central	22
Western	29
Mid-Western	13
Far-Western	13
	100



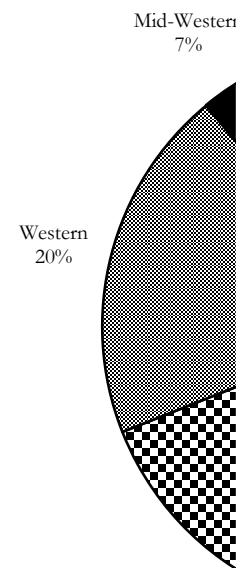
: REGIONAL DISTRIBUTION OF SCHOOLS

(Academic Year 2001/2002)

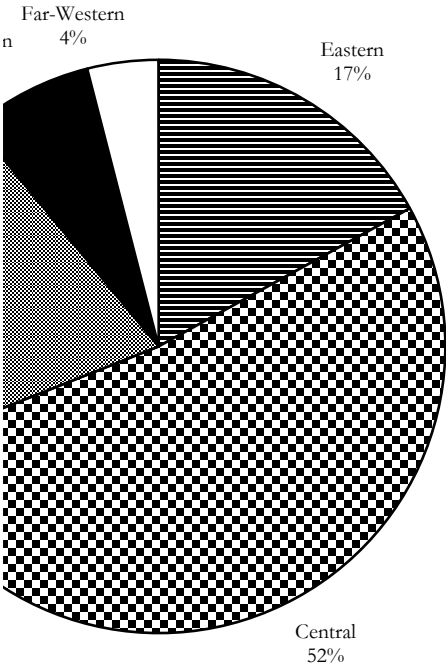
Community Schools



P₁

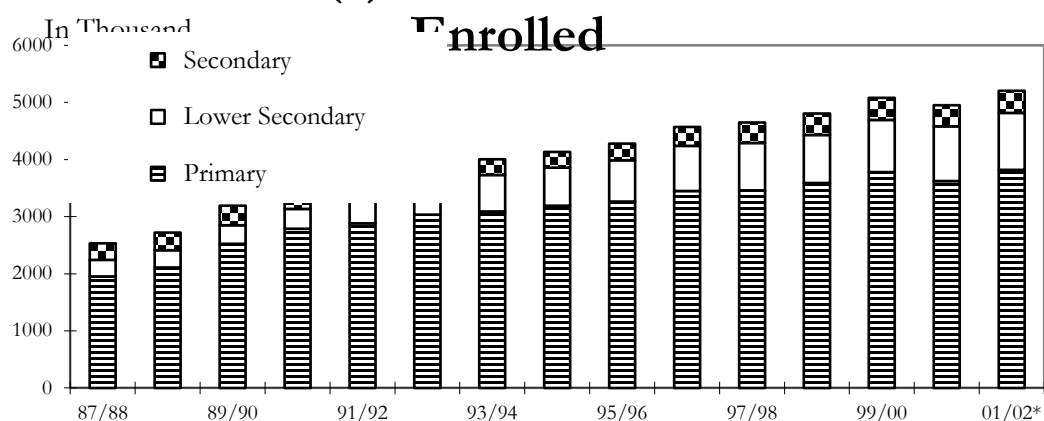


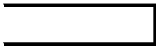
Private Schools



	Primary	Lower Secondary	Secondary
87/88	1953	290	290
88/89	2110	305	307
89/90	2526	325	339
90/91	2789	344	365
91/92	2884	378	395
92/93	3035	433	422
93/94	3092	637	273
94/95	3191	670	274
95/96	3263	726	290
96/97	3448	791	330
97/98	3461	829	359
98/99	3587	842	375
99/00	3780	916	385
00/01	3623	957	373
01/02*	3818	1000	383

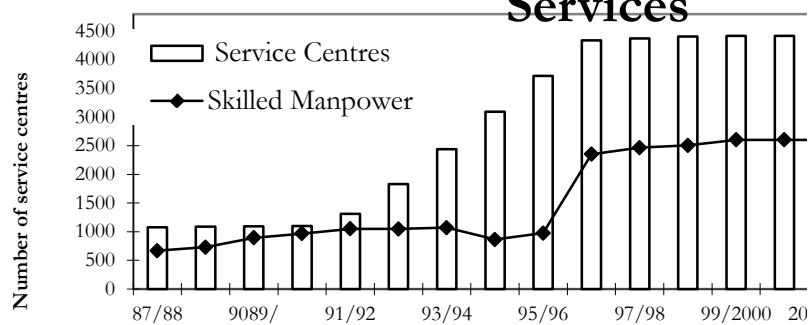
Chart 12 (c) : Number of Students





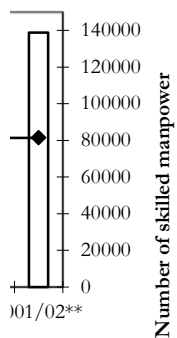
	87/88	88/89	9089/	90/91	91/92	92/93
Service Centres	1075	1088	1096	1098	1312	1833
Skilled Manpower	20926	22771	27948	30195	32815	32798

Chart 12 (d) : Extension of Services



93/94	94/95	95/96	96/97	97/98	98/99	99/2000	2000/01*
2441	3097	3722	4340	4377	4406	4421	4419
33441	27008	30520	73572	77107	78371	81381	81351

Health



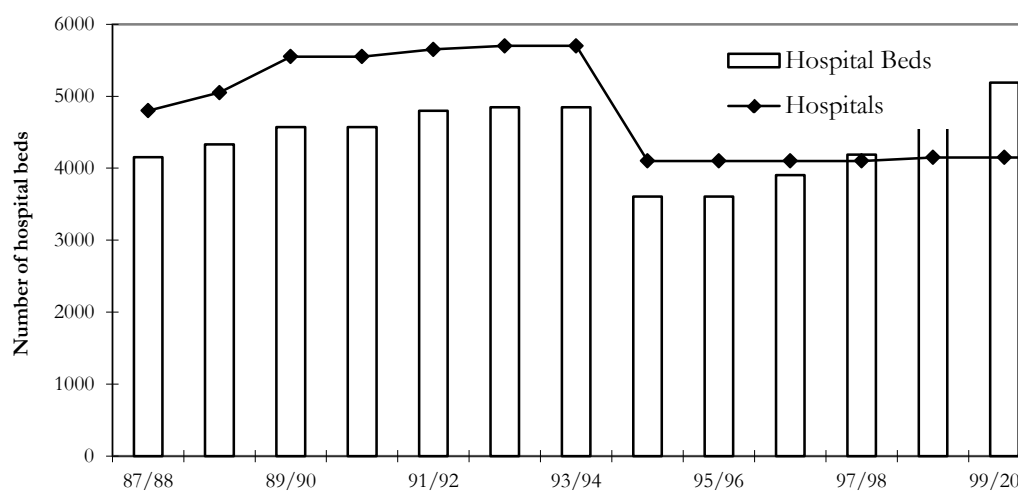
2001/02**

4439

81353

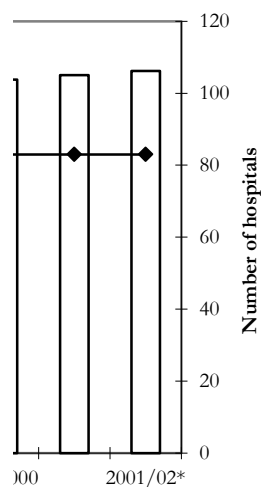
	87/88	88/89	89/90	90/91	91/92	92/93	93/94
Hospital Beds	4153	4329	4572	4570	4798	4848	4848
Hospitals	96	101	111	111	113	114	114

Chart 12 (e) : Expansion of Health



94/95	95/96	96/97	97/98	98/99	99/200	2000/01	2001/02*
3604	3604	3904	4189	4955	5190	5250	5310
82	82	82	82	83	83	83	83

Facilities



**Chart 18 : Market Capitalization, Paid-up Value and Annual Turnover
of Listed Securities
(Rs.in million)**

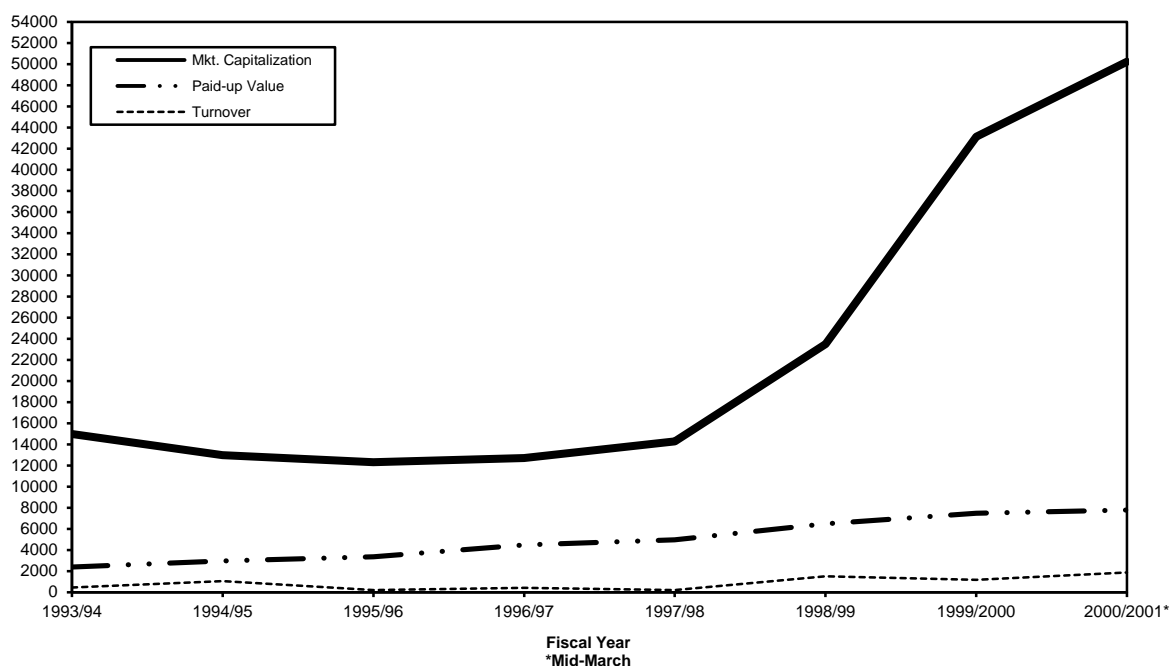


Chart 19 : Capital Issue and Secondary Market Turnover
(Rs. In million)

