CNI NEPAL

ECONOMY INSIGHTS

MONTHLY SERIES

POUSH 2079

IMPORT AND EXPORT

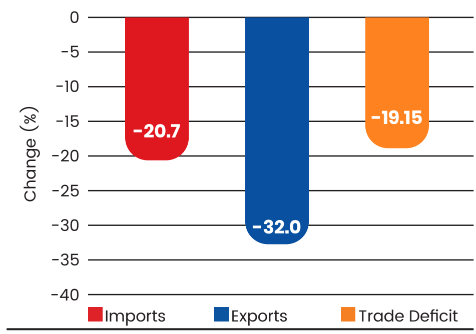
Rs in Billion

Period → Heading ↓	FY 2078/79*	FY 2079/80*	Change (%)
Imports	999.34	792.67	-20.7
Exports	118.85	80.81	-32.0
Trade Deficit	880.49	711.86	-19.15

*As of Poush 2079/80 Source: Department of Customs

Import of the first six months of FY 2079/80 shows a decline of 20.7% compared to the same period of FY 2078/79 whereas export also decreased by 32%. The trade deficit dropped by 19.15%, which is a positive sign for the economy.

TRADE INDICATORS



MAJOR IMPORT PRODUCTS

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

Import Products (2078/79)	Import Products (2079/80)
Diesel	Diesel
Crude soya-bean oil	Petrol
Crude palm oil	Liquefied Petroleum Gas
Petrol	Crude soya-bean oil
Liquefied Petroleum Gas	Gold

MAJOR EXPORT PRODUCTS

Top export products (2078/79)*	Top export products (2079/80)*
Soya-bean oil (excl. crude) and fractions	Soya-bean oil (excl. crude) and fractions
Deodorized palm oil	Deodorized palm oil
Palm oil 15119010	Carpets and other textile
Palm oil 15119090	Palm oil 15119010
Carpets and other textile	Alaichi

Export Products (2078/79)	Export Products (2079/80)
Soya-bean oil (excl. crude) and fractions	Soya-bean oil (excl. crude) and fractions
Deodorized Palm Oil	Deodorized palm oil
Palm oil 15119010	Carpets and other textile
Palm oil 15119090	Palm oil 15119010
Carpets and other textile	Alaichi

*As of Poush 2079/80 Source: Department of Customs

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

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

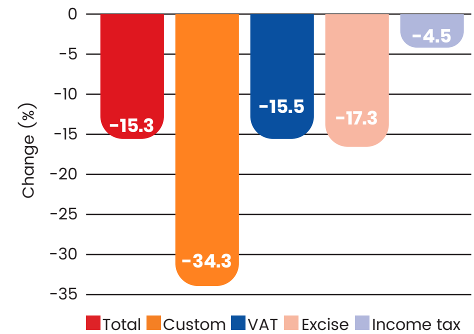
GOVERNMENT REVENUE (YOY) Rs in Billion

Heading	Total Revenue (FY 2078/79)	Total Revenue (FY 2079/80)	Change (%)
Total	542.05	458.99	-15.3
Custom	130.7	85.8	-34.3
VAT	155.6	131.5	-15.5
Excise	85.2	70.5	-17.3
Income tax	122.2	116.8	-4.5

*As of Poush 2079/80 Source: Nepal Rastra Bank

Total government revenue shrunk by 15.3 percent compared to the same period in the last fiscal year.The customs revenue decreased by 34.3 percent. The decrease in consumption based taxes like the VAT and excise reflects the fall in aggregate demand of the economy.

GOVERNMENT REVENUE



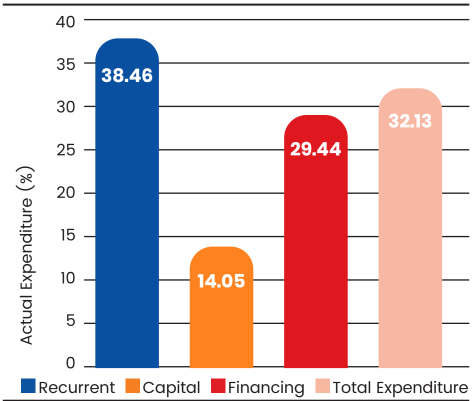
GOVERNMENT EXPENDITURE Rs in Billion

Heading	Target	Actual Expenditure*	Actual Expenditure%
Recurrent	1183.24	455.127	38.46
Capital	380.38	53.455	14.05
Financing	230.22	67.765	29.44
Total Expenditure	1793.84	576.347	32.13

*As of Poush 2079/80 Source: FCGO

In the first six months of the current fiscal year the government has spent 14.05% of the targeted capital expenditure while in the same period previous year it was 13.44%.

GOVERNMENT EXPENDITURE STATUS



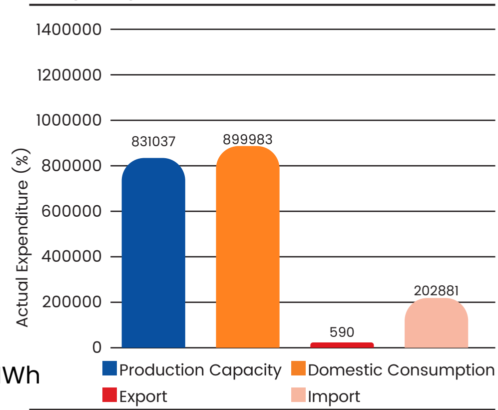
ELECTRICITY

Heading	Poush 2079/80
Production Capacity	831037 MWh
Domestic Consumption	899983 MWh
Export	590 MWh
Import	202881 MWh

*As of Poush 2079/80 Source: : Nepal Electricity Authority

During this period 202881 MWh of electricity has been imported to meet the demand. It was 17589 MWh in the previous month. The export has fallen to 590 MWh from 86918 MWh in previous month , due to dry season.

ELECTRICITY



FINANCIAL INDICATORS

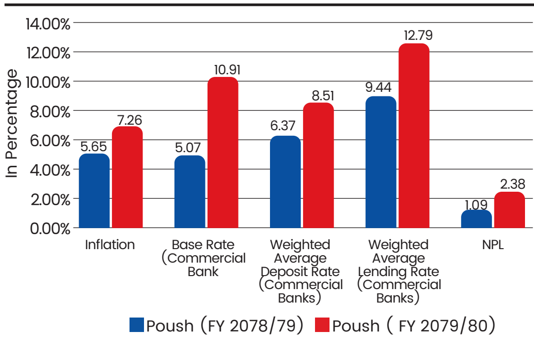
Headings	Poush (FY 2078/79)	Poush (FY 2079/80)
CD ratio (Class "A")**	89.93%	85.96%
Inflation	5.65%	7.26%
Forex reserve (USD in billion)	9.89	10.3
Forex reserve Adequacy (Goods and services) in months	6.6	9.1
Base Rate (Commercial Bank)	5.07%	10.91%
Weighted Average Deposit Rate (Commercial Banks)	6.37%	8.51%
Weighted Average Lending Rate (Commercial Banks)	9.44%	12.79%
Total deposit (Rs in billion)	4841.8	5297.9
BFIs Credit to Private Sector (Rs. in billion)	4577.4	4758.4
Remittance (Rs in billion)	468.45	585.08
BOP (Rs in billion)	-241.23	97.1
NPL (Class "A")**	1.09%	2.35%

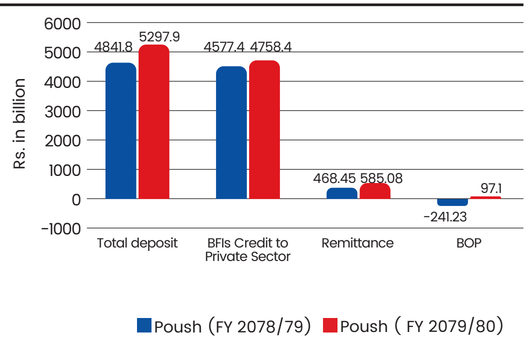
*As of Poush 2079/80

Source: Nepal Rastra Bank, **NBA

Inflation increased to 7.26% year-on-year in Poush 2079 as compared to 5.65% the previous year. BOP became positive by Rs. 97.1 billion compared to the previous month 45.87 billion. NPL of commercial bank has increased by 115.6% which is alarming for banking sector and overall economy.

FINANCIAL INDICATORS





TOURISM

Jan 2022	Jan 2023	Growth (%)
16975	55074	224.44%

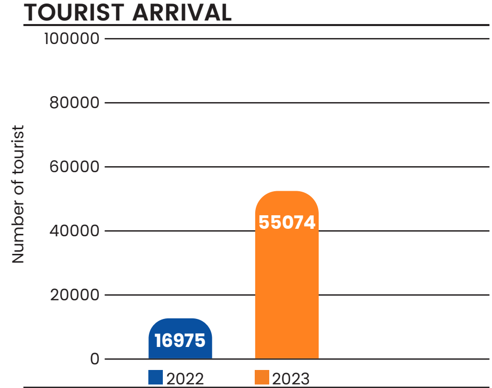
*As of Poush 2079/80

There has been a significant positive change of 224.44% in arrival in the given period compared to the same period last year.

Travel income made in the period was Rs.28.08 billion whereas travel payments was Rs.51.45 billion.

Source: Nepal Rastra Bank

TOURIST ARRIVAL



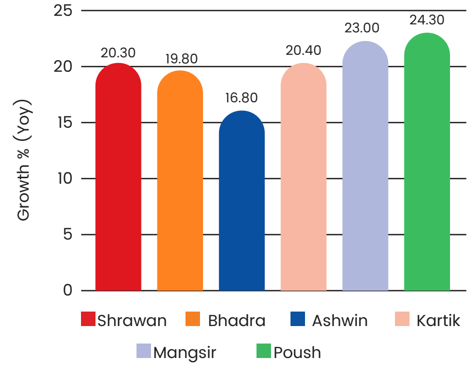
REMITTANCE

Months	Remittance in Rs Billion	Growth (YoY)
Shrawan	92.21	20.30%
Bhadra	187.04	19.80%
Ashwin	281.05	16.80%
Kartik	378.04	20.40%
Mangsir	480.5	23.00%
Poush	585	24.30%

*As of Poush 2079/80 Source: Nepal Rastra Bank

Remittance increased by 24.30% in NPR and 13.9% in US dollar compared to the same period of previous fiscal year.

REMITTANCE



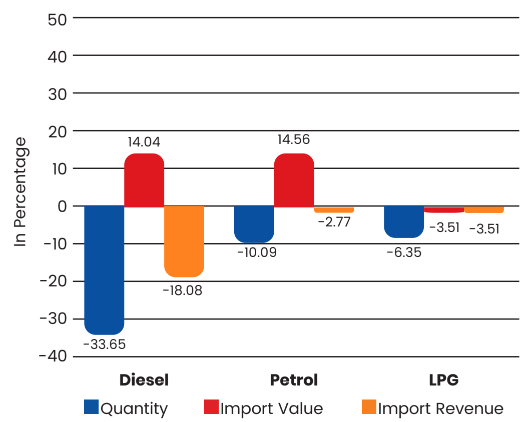
FUEL (GAS AND OIL)

Description	Import Quantity	Import Value	Import Revenue
Diesel	-33.65%	14.04%	-18.08%
Petrol	-10.09%	14.56%	-2.77%
Liquefied Petrolium Gas (LPG)	-6.35%	-3.51%	-3.51%

Source: Custom Department

As of Poush 2079/80, import of diesel has decreased by 33.65% in FY 2079/80 Diesel is a significant source of energy, the decline in its consumption is concerning. This demonstrates that economic activities have stagnated.

CHANGE IN MAJOR PETROLEUM PRODUCTS IMPORT (YoY)



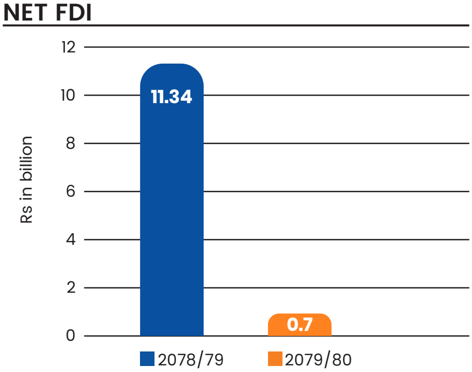
NET FOREIGN DIRECT INVESTMENT

Poush (FY 2078/79)	Poush (FY 2079/80)
11.34 (Rs in billion)	0.7 (Rs in billion)

Source: Nepal Rastra Bank

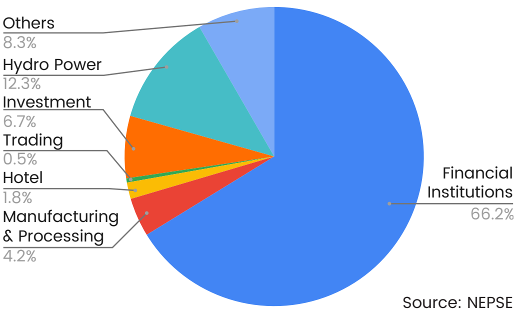
Net FDI decreased by 93.39% in the first six months of the current fiscal year compared to the to same time period of previous fiscal year.

NET FDI



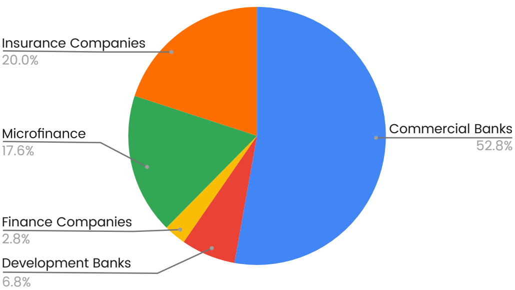
STOCK MARKET

MARKET CAPITALIZATION



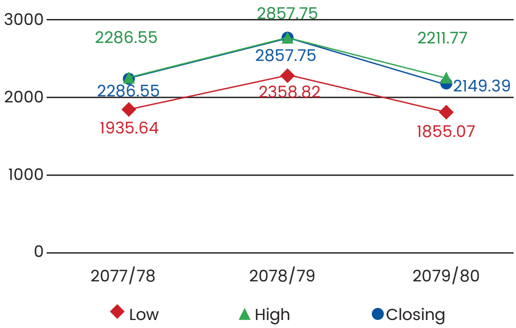
Source: NEPSE

FINANCIAL INSTITUTIONS

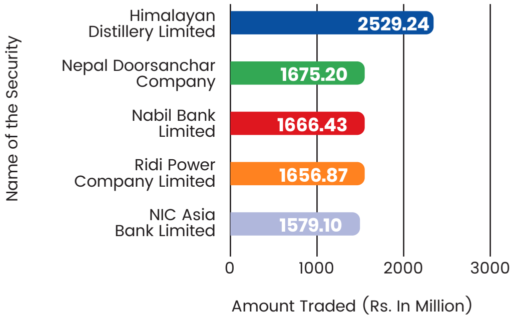


Source: NEPSE

NEPSE INDEX



TOP 5 SHARES BY TURNOVER



Source: NEPSE

CNI NEPAL ECONOMY INSIGHTS

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

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