

Current Macroeconomic and Financial Situation of Nepal

(Based on Annual Data of 2019/20)

Major Highlights

- Annual average Inflation remained 6.15 percent.
- Imports decreased 15.6 percent and exports increased 0.6 percent. In the previous year, imports and exports expanded 13.9 percent and 19.4 percent respectively.
- Remittances decreased 0.5 percent in Rs and 3.3 percent in USD.
- Balance of Payments remained at a surplus of Rs.282.41 billion compared to a deficit of Rs.67.40 billion last year.
- Gross foreign exchange reserves stood at USD 11.65 billion. This level of reserve is sufficient to cover the prospective merchandise and services imports for 12.7 months.
- Broad money (M2) expanded 18.1 percent.
- Deposits at Banks and Financial Institutions expanded 18.7 percent and claims on private sector expanded 12.6 percent.
- Total deposits at BFIs stood at Rs.3840 billion and claims on private sector amounted to Rs.3277 billion.

Real Sector

1. According to the Central Bureau of Statistics, Gross Domestic Product is estimated to have grown 2.28 percent in 2019/20. Agriculture, industry and service sectors estimated to grow 2.59 percent, 3.23 percent and 1.99 percent respectively.
2. Share of agriculture, industry and service sectors in GDP stands 27.65 percent, 14.27 percent and 58.08 percent respectively in 2019/20 (Table 1).
3. Gross domestic saving to GDP stands 18.1 percent in 2019/20. Ratio of gross capital formation, gross fixed capital formation and gross national saving to GDP stands 50.15 percent, 28.14 percent and 46.03 percent respectively.
4. The hydropower generation increased 11.50 percent to 1318.2 Megawatt in 2019/20.

Sectors	2017/18	2018/19R	2019/20P
Agriculture*	28.57	27.51	27.65
Industry	14.87	15.08	14.27
Service	56.56	57.41	58.08
Real GDP Growth			
GDP growth	6.70	6.99	2.28
Agriculture*	2.82	5.06	2.59
Industry	9.57	7.72	3.23
Service	7.24	7.27	1.99
* Agriculture, Forestry and Fishing P: Preliminary estimation. R: Revised estimation Source: Central Bureau of Statistics			

Inflation

Consumer Price Inflation

- The average consumer price inflation stood at 6.15 percent in 2019/20 compared to 4.64 percent a year ago.
- The y-o-y consumer price inflation stood at 4.78 percent in mid-July 2020 compared to 6.02 percent a year ago.

Food and Beverage Inflation

- The annual average food and beverage inflation stood at 8.16 percent in 2019/20 compared to 3.09 percent a year ago.

Non-food and Service Inflation

- The annual average non-food and services inflation stood at 4.61 percent in 2019/20 compared to 5.86 percent a year ago.

Region-wise Consumer Price Inflation

- The Kathmandu Valley witnessed 6.96 percent inflation followed by 6.29 percent in the Terai, 5.10 percent in the Hill and 4.91 percent in the Mountain. These regions had witnessed 4.86 percent, 4.26 percent, 5.00 percent and 4.91 percent inflation respectively in the previous fiscal year.

Inflation in Nepal and India

- The y-o-y consumer price inflation in Nepal in the twelfth month of 2019/20 remained 4.78 percent. Such inflation in India was 6.93 percent in July 2020.

Wholesale Price Inflation

- The y-o-y wholesale price inflation stood at 5.60 percent in the twelfth month of 2019/20 compared to 5.41 percent a year ago.

National Salary and Wage Rate Index

- The y-o-y salary and wage rate index increased 7.48 percent in the twelfth month of 2019/20 compared to 9.10 percent a year ago. The salary index increased 13.55 percent and the wage rate index increased 5.85 percent.

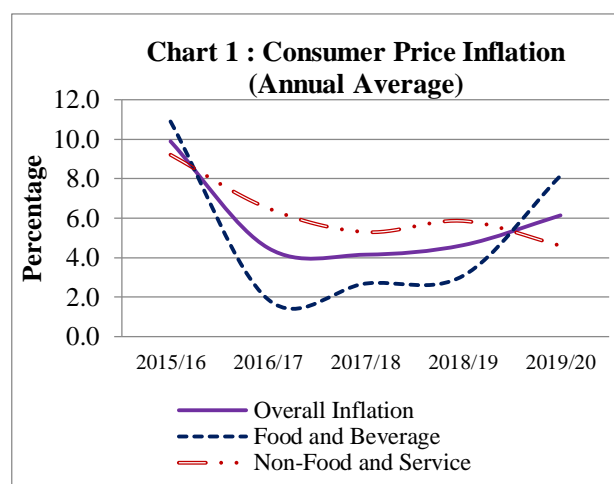


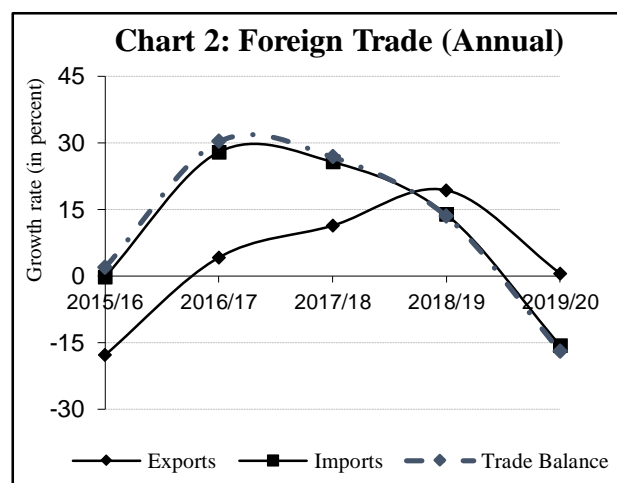
Table 2: Annual Average Inflation

Particulars	Percent	
	2018/19	2019/20
Consumer Price Inflation	4.64	6.15
Food and Beverage	3.09	8.16
Non-Food and Service	5.86	4.61

External Sector

Merchandise Trade

13. In 2019/20, merchandise exports increased 0.6 percent to Rs.97.71 billion compared to an increase of 19.4 percent in 2018/19. Destination-wise, exports to India increased 11.8 percent whereas exports to China and the other countries decreased 43.5 percent and 18.2 percent respectively. Exports of palm oil, medicine (ayurvedic), herbs, plastic utensils, fruits, among others, increased whereas exports of zinc sheet, wire, polyester yarn and threads, readymade garment, woolen carpet, among others, decreased in the review year.



14. In 2019/20, merchandise imports decreased 15.6 percent to Rs.1196.8 billion against an increase of 13.9 percent in the previous year. Destination-wise, imports from India, China and other countries decreased 19.9 percent, 11.5 percent and 5.3 percent respectively. Imports of crude palm oil, crude soyabean oil, chemical fertilizer, edible oil, computer and parts, among others, increased whereas imports of petroleum products, transport equipment and parts, M.S. billet, gold, other machinery and parts, among others, decreased in the review year.

15. Based on customs points, exports from Birgunj and Tatopani Customs Office increased whereas exports from all other customs points decreased. Imports from all the other customs points except Dry Port and Tatopani Customs Office decreased in the review year.

16. Trade deficit narrowed down 16.8 percent to Rs.1099.09 billion in review year. Such deficit had expanded 13.5 percent in the previous year. Trade deficit stands 29.2 percent of GDP. The export-import ratio increased to 8.2 percent in the review year from 6.8 percent in the previous year.

Export-Import Price Index

17. The y-o-y unit value export price index, based on customs data, decreased 1.2 percent and the import price index decreased 3.7 percent in the twelfth month of 2019/20. The terms of trade index increased 2.6 percent in the review month compared to an increase of 3.2 percent in the corresponding month of the previous year.

Services

18. Net services income remained at a surplus of Rs.1.22 billion in the review year compared to a deficit of Rs.15.23 billion a year ago.

19. Under the service account, travel income decreased 19.2 percent to Rs.60.89 billion in the review year which was Rs.75.37 billion in the previous year.

20. Under the service account, travel payments decreased 40.9 percent to Rs.53.14 billion, including Rs.25.81 billion for education in the review year. Such payments were Rs.89.91 billion and Rs.46.32 billion respectively in the previous year.

Remittances

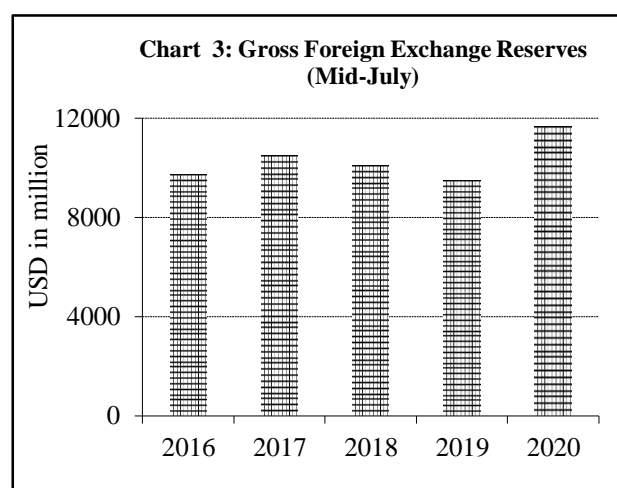
21. Remittance inflows decreased 0.5 percent to Rs.875.03 billion in the review year against an increase of 16.5 percent in the previous year. In US Dollar terms, such inflows decreased 3.3 percent in the review year against an increase of 7.8 percent in the previous year.
22. Number of Nepali workers (institutional and individual-new and legalized) taking approval for foreign employment decreased 20.5 percent in the review year. It had decreased 32.6 percent in the previous year. The number of Nepali workers (Renew entry) taking approval for foreign employment decreased 34.7 percent in the review year. It had increased 5.4 percent in the previous year.
23. Net transfer income decreased 1.3 percent to Rs.982.22 billion in the review year. Such income had increased 15.0 percent in the previous year.

Current Account and Balance of Payments

24. The current account deficit decreased 87.9 percent to Rs.32.06 billion in the review year. Such deficit was Rs.265.36 billion in the previous year. In US Dollar terms, the current account deficit remained at 326.0 million in the review year compared to 2.35 billion in the previous year.
25. In the review year, capital transfer decreased 8.1 percent to Rs.14.21 billion and net foreign direct investment (FDI) increased 49.1 percent to Rs.19.48 billion. In the previous year, capital transfer and net FDI amounted to Rs.15.46 billion and Rs.13.06 billion respectively.
26. Balance of Payments (BOP) remained at a surplus of Rs.282.41 billion in the review year against a deficit of Rs.67.4 billion in the previous year. In US Dollar terms, BOP recorded a surplus of 2.35 billion in the review year against a deficit of 591 million in the previous year.

Foreign Exchange Reserves

27. Gross foreign exchange reserves increased 34.9 percent to Rs.1401.84 billion in mid-July 2020 from Rs.1038.92 billion in mid-July 2019. In US Dollar terms, the gross foreign exchange reserves increased to 11.65 billion in mid-July 2020 from 9.50 billion in mid-July 2019.
28. Of the total foreign exchange reserves, reserves held by NRB increased to Rs.1226.12 billion in mid-July 2020 from Rs.902.44 billion in mid-July 2019. Reserves held by banks and financial institutions (except NRB) increased to Rs.175.71 billion in mid-July 2020 from Rs.136.47 billion in mid-July 2019. The share of Indian currency in total reserves stood at 22.8 percent as on mid-July 2020.



Foreign Exchange Adequacy Indicators

29. Based on the imports of 2019/20, the foreign exchange reserves of the banking sector is sufficient to cover the prospective merchandise imports of 14.4 months, and merchandise and services imports of 12.7 months. The ratio of reserves-to-GDP, reserves-to-imports and reserves-to-M2 stood at 37.2 percent, 105.8 percent and 33.1 percent respectively in mid-July 2020. Such ratios were 30.0 percent, 64.9 percent and 29.0 percent in mid-July 2019.

International Investment Position (IIP)

30. Foreign assets and liabilities of the country stood at Rs.1467.79 billion and Rs.1195.83 billion respectively in mid-July 2020. Accordingly, net IIP remained at a surplus of Rs.271.96 billion in mid-July 2020. Such surplus was Rs.188.86 billion in mid-July 2019.

Price of Oil and Gold

31. The price of oil (Brent Crude Oil) in the international market decreased 33.3 percent to US Dollar 43.96 per barrel in mid-July 2020 from US Dollar 65.87 per barrel in mid-July 2019. The price of gold increased 28.0 percent to US Dollar 1804.60 per ounce in mid-July 2020 from US Dollar 1409.85 per ounce in the previous year.

Exchange Rate

32. Nepalese currency vis-à-vis US Dollar depreciated 9.15 percent in mid-July 2020 from a year ago. It had depreciated 0.02 percent in the previous year. The buying exchange rate per US Dollar stood at Rs.120.37 in mid-July 2020 compared to Rs.109.36 in mid-July 2019.

Fiscal Situation*

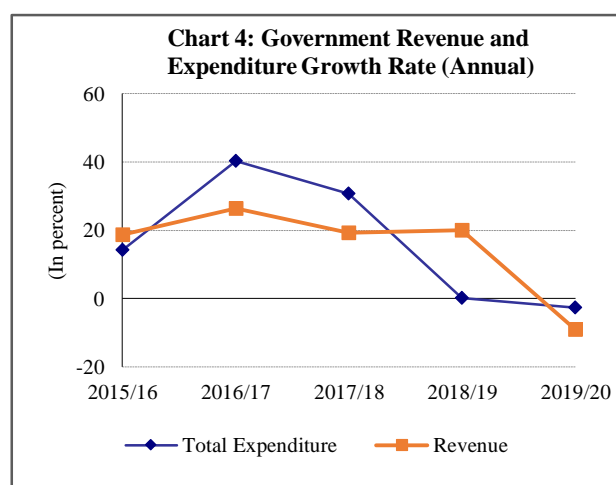
Federal Government

Fiscal Deficit/Surplus

33. Fiscal position of the Government, based on banking transactions, remained at a deficit of Rs.267.45 billion in 2019/20 compared to a deficit of Rs.180.50 billion a year ago.

Expenditure and Revenue[#]

34. Total expenditure of the federal government amounted to Rs.1094.34 billion in 2019/20. The current expenditure, capital expenditure and financing expenditure of the federal government stood at Rs.786.53 billion, Rs.191.77 billion and Rs.116.04 billion respectively in 2019/20.



35. Revenue collection based on banking transactions (including the amount to be transferred to provincial and local governments) stood at Rs.793.78 billion in 2019/20. Total government revenue was Rs.871.78 billion a year ago. Total resource mobilization (including revenue and other receipts) of the federal government stood at Rs.841.36 billion.

*Based on data reported by Banking Department of NRB and Commercial Banks conducting government transactions and report released from 81 DTCOs and payment centers.

[#] After excluding previous years recovery.

Debt Mobilization

36. GoN mobilized domestic debt of Rs.194.64 billion and made principal repayment of Rs.34.40 billion thereby mobilizing net domestic debt of Rs.160.24 billion in 2019/20. Net domestic debt mobilization stands at 4.3 percent of GDP. GoN mobilized external loan of Rs.162.58 billion in the review period.

37. The outstanding government debt amounted to Rs.1419.04 billion in mid-July 2020, which is 37.7 percent of GDP. Such ratio was 30.3 percent a year ago. Out of the total outstanding public debt, the amount of foreign and domestic debt stood at Rs.805.83 billion and Rs.613.21 billion respectively (Table 3).

Headings	Amount (in Rs billion)			Ratio with GDP		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
External Debt	525.35	594.61	805.83	17.3	17.2	21.4
Domestic Debt	390.90	452.97	613.21	12.8	13.1	16.3
Total Debt	916.25	1,047.58	1,419.04	30.1	30.3	37.7

Cash Balance

38. Balance at various accounts of the GoN maintained with NRB remained Rs.141.17 billion (including Provincial government and Local Authorities Account) in mid-July 2020.

Federal Government Budget of 2020/21

39. The federal government has presented a budget of Rs.1474.65 billion for the 2020/21, which is 34.3 percent of GDP. The share of current expenditure, capital expenditure and financing expenditure in the total budget is 64.4 percent, 23.9 percent and 11.7 percent respectively (Table 4).

Headings	Amount (in Rs. Billion)	Percentage of Total Budget	Ratio with GDP
Total Budget	1474.65	100.0	34.3
Total Resources	950.15	64.4	22.1
Revenue	1011.76	68.6	23.6
Revenue Transfer to Province and Local Level	122.14	8.3	2.8
Grants	60.53	4.1	1.4
Total Expenditure	1474.65	100.0	34.3
Current Expenditure	948.94	64.4	22.1
Capital Expenditure	352.92	23.9	8.2
Financing Expenditure	172.79	11.7	4.0
Budget Deficit/ Surplus	-524.50	-35.6	-12.2
Sources of Financing	524.50	35.6	12.2
External Loan	299.50	20.3	7.0
Domestic Debt	225.00	15.3	5.2

Province Government

40. Total expenditure of the province governments based on banking transactions stood at Rs.153.87 billion in 2019/20. Resources mobilization of province governments was Rs.148.83 billion in 2019/20. In the review period, the federal government transferred Rs.109.33 billion as grants and revenue from divisible fund to province governments. During this period, province governments mobilized the resource of Rs.39.49 billion from province revenue and other receipts.

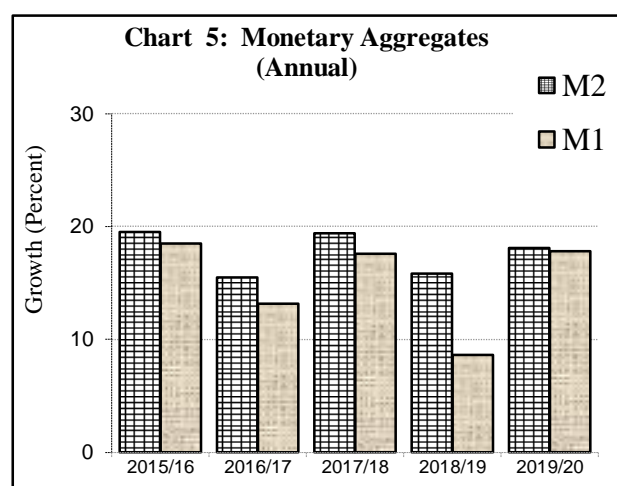
41. The province governments have presented total budget of Rs.264.21 billion for 2020/21, which is 6.2 percent of GDP. In the previous year, province governments had presented total budget of Rs.259.57 billion. The details of budget of Seven province governments in the last three years has been presented in table 5.

Name of Province	Total Budget (in Rs. billion)			Ratio with GDP		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Province 1	35.94	42.20	40.90	1.0	1.1	1.0
Province 2	29.79	38.72	33.56	0.9	1.0	0.8
Bagmati	35.62	47.60	51.43	1.0	1.3	1.2
Gandaki	24.02	32.13	34.84	0.7	0.9	0.8
Province 5	28.09	36.41	36.35	0.8	1.0	0.8
Karnali	28.28	34.35	33.74	0.8	0.9	0.8
Far Western	25.07	28.16	33.38	0.7	0.7	0.8
Total (A)	206.81	259.57	264.21	6.0	6.9	6.2
Federal Budget (B)	1315.16	1532.96	1474.65	38.0	40.7	34.3

Monetary Situation

Money Supply

42. Broad money (M2) increased 18.1 percent in 2019/20 compared to 15.8 percent in the previous year.
43. Net foreign assets (NFA after adjusting foreign exchange valuation gain/loss) increased Rs.282.41 billion (28.7 percent) in the review year compared to a decrease of Rs.67.40 billion (6.4 percent) in the previous year.
44. Reserve money increased 26.7 percent in the review year compared to a decrease of 1.5 percent in the previous year.



Domestic Credit

45. Domestic credit expanded 13.6 percent in the review year compared to a growth of 21.1 percent in the previous year. Claims on private sector increased 12.6 percent in the review year compared to a growth of 19.1 percent in the previous year.

Deposit Mobilization

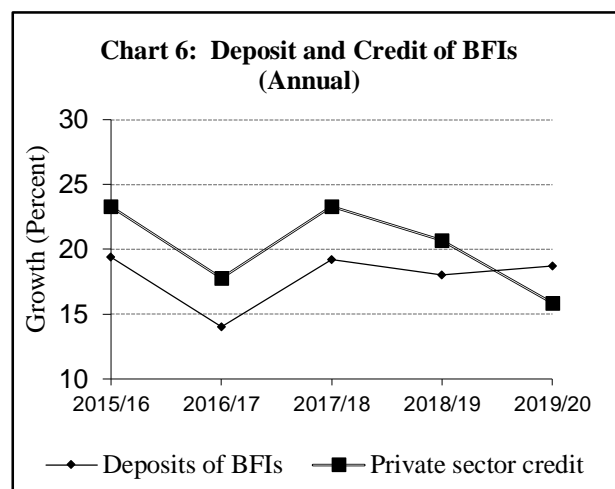
46. Deposits at Banks and Financial Institutions (BFIs) increased 18.7 percent in the review year compared to an increase of 18 percent in the previous year. The share of demand, saving, and fixed deposits in total deposits stands at 10 percent, 31.9 percent and 48.6 percent respectively in mid-July 2020. Such shares were 9.7 percent, 32.8 percent and 46.3 percent respectively a year ago.

Deposits	Mid-July				
	2016	2017	2018	2019	2020
Demand	9.1	8.7	9.3	9.7	10.0
Saving	43.3	35.4	34.5	32.8	31.9
Fixed	30.5	43.2	44.8	46.3	48.6
Other	17.1	12.7	11.3	11.2	9.5

47. The share of institutional deposits in total deposit at BFIs stands at 44.3 percent in mid-July 2020. Such share was 45.3 percent in mid-July 2019.

Credit Disbursement

48. Private sector credit from BFIs increased 12 percent in the review year compared to a growth of 19.4 percent in the previous year. In the review year, private sector credit from commercial banks and finance companies increased 16 percent and 8 percent respectively while that from development banks decreased 16.2 percent. The credit disbursement of development banks has declined in the review year due to merger and acquisition of 6 development banks by commercial banks.



49. Of the total outstanding credit of the BFIs, 65.7 percent is against the collateral of land and building and 13 percent against the collateral of current assets (such as agricultural and non-agricultural products). Such ratios were 64.4 percent and 13.5 percent respectively a year ago.
50. Loan of BFIs to agriculture sector increased 16.7 percent, industrial production sector increased 11.5 percent, construction sector increased 12.3 percent, transportation, communication and public sector increased 18.6 percent, wholesale and retail sector increased 7.7 percent and service industry sector increased 22.1 percent in the review year.
51. In the review year, term loan extended by BFIs increased 27.7 percent, overdraft increased 7.2 percent, trust receipt (import) loan increased 8.7 percent, demand and working capital loan increased 14 percent, real estate loan (including residential personal home loan) increased 8.1 percent and margin nature loan increased 11 percent while that of hire purchase loan decreased 3.8 percent.

Liquidity Management

52. In 2019/20, NRB injected Rs.219.16 billion liquidity through open market operations. Of which, Rs.115.87 billion liquidity was injected through repo and Rs.103.28 billion through standing liquidity facility (SLF). Rs.322.49 billion liquidity was injected in the previous year.
53. In the review year, NRB mopped up Rs.78 billion liquidity through open market operations. Of which, Rs.30 billion was mopped up through deposit collection auction and Rs.48 billion through reverse repo auction on a cumulative basis. Rs.100.35 billion liquidity was mopped up in previous year.
54. In the review year, NRB injected net liquidity of Rs.492.24 billion through the net purchase of USD 4.21 billion from foreign exchange market. Net liquidity of Rs.360.91 billion was injected through the net purchase of USD 3.19 billion in the previous year.
55. The NRB purchased Indian currency (INR) equivalent to Rs.442.13 billion through the sale USD 3.82 billion in the review year. INR equivalent to Rs.516.97 billion was purchased through the sale of USD 4.24 billion and other convertible currencies in the previous year.

Refinance and Concessional Loan

56. The outstanding amount of refinance provided by this bank is Rs.7.49 billion in mid-July 2020. Of which, general refinance is Rs.5.88 billion and refinance to earthquake victim Rs.1.61 billion.
57. As of mid-July 2020, the outstanding concessional loan is Rs.59.56 billion extended to 32,448 borrowers. Of which, Rs.54.11 billion has been extended to 24,763 borrowers for selected agriculture and livestock businesses, while concessional loan to other sectors has been disbursed Rs.5.45 billion to 7,685 beneficiaries.

Inter-bank Transaction

58. In the review year, inter-bank transactions among commercial banks amounted to Rs.1501.45 billion and among other financial institutions (excluding transactions among commercial banks) to Rs.129.40 billion. Such transactions were Rs.1775.11 billion and Rs.209.55 billion respectively in the previous year.

Interest Rates

59. The weighted average 91-day Treasury bills rate decreased to 1.27 percent in mid-July 2020 from 4.97 percent a year ago. The weighted average inter-bank transaction rate among commercial banks, which was 4.52 percent a year ago, decreased to 0.35 percent in mid-July 2020.
60. The average base rate of commercial banks decreased to 8.50 percent in mid-July 2020 from 9.57 percent a year ago. Weighted average deposit rate and lending rate of commercial banks stood at 6.01 percent and 10.11 percent respectively in mid-July 2020. Such rates were 6.60 percent and 12.13 percent respectively a year ago.

Merger and Acquisition

61. After introduction of merger and acquisition policy aimed at strengthening financial stability, the number of BFIs involved in this process reached 196. Out of which, the license of 150 BFIs was revoked thereby forming 46 BFIs.

Financial Access

62. Of the total 753 local levels, commercial banks extended their branches at 747 levels as of mid-July 2020. The number of local levels having commercial bank branches was 735 in mid-July 2019 (Table 7).

Province	No. of Local Levels	Local Levels having Bank Branches	
		mid-July 2019	mid-July 2020
Province 1	137	136	136
Province 2	136	134	136
Bagmati	119	117	117
Gandaki	85	84	85
Province 5	109	109	109
Karnali	79	73	78
Far Western	88	82	86
Total	753	735	747

63. The total number of BFIs licensed by NRB decreased to 155 in mid-July 2020 from 171 in mid-July 2019 (Table 9). As of mid-July 2020, 27 commercial banks, 20 development banks, 22 finance companies, 85 microfinance financial institutions and 1 infrastructure development bank are in operation. The number of BFIs branches reached 9765 in mid-July 2020 from 8686 in mid-July 2019.

*Detail information is available at <http://emap.nrb.org.np/>

Table 8: Number of BFIs and their Branches*				
Bank and Financial Institutions	Number of BFIs		Branches of BFIs	
	Mid-July 2019	Mid-July 2020	Mid-July 2019	Mid-July 2020
Commercial Banks	28	27	3585	4436
Development Banks	29	20	1267	1029
Finance Companies	23	22	205	243
Microfinance Financial Institutions	90	85	3629	4057
Infrastructure Development Bank	1	1	-	-
Total	171	155	8686	9765

Deposit and Credit Guarantee

64. Deposit and Credit Guarantee Fund (DCGF) has guaranteed saving, current, call and fixed deposits amounting Rs.689.49 billion of 26 million accounts of individuals maintained at 73 Banks and financial institutions (BFIs) as of mid-July 2020. Rs.603.39 billion of 22.2 million account holders were guaranteed a year ago.
65. DCGF has guaranteed micro and deprived sector loan, small and medium enterprises loan and agriculture loan of BFIs amounting to Rs.65.11 billion as of mid-July 2020. Rs.25.66 billion loans were guaranteed a year ago.

Electronic Payment Transaction

66. Electronic payment transaction has increased significantly in recent months due to an increased use of of electronic payment instruments (Table 9).

Table 9: Electronic Payment Transactions						
Payment Instruments	Transaction Amount (Rs. in million)			No of Transaction		
	mid-May 2020	mid-June 2020	mid-July 2020	mid-May 2020	mid-June 2020	mid-July 2020
ATM	27847	40277	54763	3488903	4662855	6302846
Mobile Banking	8641	14013	18839	4642504	5196241	5817681
Internet Banking	9975	17123	19048	373818	495088	653459
Debit Card	17390	22112	25894	2193633	2701598	3316554
Credit Card	316	887	584	64633	144967	119610
Prepaid Card	22	27	36	4631	4900	5249
RTGS	6888056	10251112	11463256	14968	20817	37297
ECC	234020	360902	792007	291484	571245	1260169
IPS	108681	150372	223651	197056	284113	596538
Connect IPS	23687	38468	51306	316473	465280	696447
Wallet	4336	7540	10222	9639228	10275290	10179557

Capital Market

67. NEPSE index stood at 1362.4 points in mid-July 2020 compared to 1259 points in mid-July 2019.

68. Stock market capitalization in mid-July 2020 stood Rs.1792.76 billion compared to Rs.1567.50 billion in mid-July 2019. Market capitalization to GDP ratio increased from 45.3 percent in mid-July 2019 to 47.6 percent in mid-July 2020.

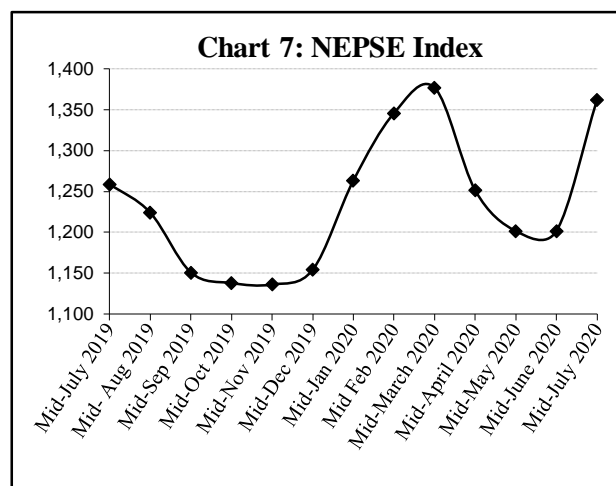
69. Number of companies listed at NEPSE stood 212, out of which 147 are Bank and Financial Institutions(BFIs) and insurance companies, 33 hydropower companies, 19 manufacturing and processing industries, 4 hotels, 4 trading companies and 5 others. The number of companies listed at NEPSE was 215 in mid-July 2019.

70. Share of BFIs and insurance companies in stock market capitalization is 78.2 percent. Such share for hydropower companies is 5.4 percent, manufacturing and processing industries 3.7 percent, hotels 1.1 percent, trading companies 0.3 percent and the share of other sector companies is 11.3 percent.

71. The paid-up value of 4.83 billion listed shares at NEPSE stood Rs.473.39 billion in mid-July 2020.

72. Securities worth Rs 99.30 billion were listed at NEPSE during 2019/20. Such securities comprise debenture worth Rs.31.94 billion, bonus shares worth Rs.28.15 billion, ordinary shares worth Rs.13.64 billion, mutual fund worth Rs.5.75 billion, right shares worth Rs.4.69 billion and others worth Rs.15.14 billion.

73. Securities Board of Nepal approved the total issuance of securities worth Rs.33.66 billion in the review period, which includes debentures worth Rs.23.45 billion, right share worth Rs.4.41 billion, ordinary share worth Rs.3.99 billion and mutual fund worth Rs.1.80 billion.



Impact of COVID-19

74. The adverse impact of COVID-19 has been witnessed on various sectors of economy, particularly on government revenue mobilization, capital spending and credit expansion from the banking sector.

Table 10 : Monthly Situation of Major Economic Indicators

Rs. Billion

Particulars	2019				2020			
	Mid-Month							
	Mar-Apr	Apr-May	May-Jun	Jun-July	Mar-Apr	Apr-May	May-Jun	Jun-July
Consumer Inflation (Y-O-Y)	4.44	5.29	6.16	6.02	6.74	5.83	4.54	4.78
Consumer Inflation (Compared to previous month)	0.58	1.19	1.14	0.64	0.62	0.34	-0.10	0.86
Food and Beverage	1.35	1.54	2.52	1.40	1.68	0.59	-0.55	1.71
Non Food and Service	-0.02	0.93	0.06	0.04	-0.21	0.14	0.26	0.20
Exports	8.6	8.7	9.3	9.3	3.9	3.3	5.9	9.7
Imports	112.5	116.5	121.7	118.7	58.3	42.6	75.7	96.0
Travel Income	7.1	9.1	5.4	5.1	1.7	0.9	1.2	3.0
Travel Spending	6.4	5.7	6.8	9.1	1.3	0.6	1.0	1.3
Remittance Inflows	71.0	72.1	73.7	80.3	34.5	53.9	94.0	101.4
Government Expenditure	81.1	86.2	-	-	64.6	85.8	122.3	210.5
Current Expenditure	57.7	65.3	-	-	44.6	76.7	98.4	116.0
Capital Expenditure	19.2	19.4	-	-	8.7	9.1	11.9	65.2
Revenue	81.0	59.1	-	-	43.9	16.1	41.1	146.0
Deposit Mobilization	24.9	29.2	43.0	129.3	53.4	44.8	74.1	173.1
Private Sector Credit	46.5	15.6	24.8	30.1	40.0	-13.3	-10.4	36.8
Weighted Average Interest Rate on Deposit	6.7	6.7	6.6	6.6	6.7	6.4	6.2	6.0
Weighted Average Interest Rate on Credit	12.3	12.2	12.2	12.1	11.8	11.0	10.4	10.1

Source : Nepal Rastra Bank, Department of Customs and FCGO.