FIFTH
HOUSEHOLD BUDGET SURVEY
2014/15

NEPAL RASTRA BANK

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Nepal

(Mid-February 2014 – Mid-February 2015)

NEPAL RASTRA BANK

FOREWORD

This survey is the fifth in the series of household budget surveys undertaken by Nepal Rastra Bank. The previous four surveys were conducted between 1973/74 and 2005/06 at regular intervals of about ten years. The sole purpose of this survey is to identify the consumer expenditure pattern of Nepalese households and thereby provide a new commodity basket with updated expenditure weights for the computation of consumer price index.

The fifth survey was conducted from February 2014 through February 2015. A representative sample of 8,028 households selected from different rural-urban areas, ecological belts and development regions provided information on household income and household consumption expenditure for a complete year.

I hope that the findings of the survey will be useful for the planners and policy makers, non-governmental organizations, researchers, academicians and other stakeholders.

I wish to express my sincere thanks to Mr. Gopal Prasad Kaphle, Deputy Governor and chairman of Fifth Household Budget Survey Committee and other members of the committee for bringing the project to a successful completion. I would also like to thank Mr. Nara Bahadur Thapa, the Executive Director of Research Department and Dr. Min Bahadur Shrestha, the former Executive Director of Research Department for providing continuous guidance to the project staff.

I would like to take this opportunity to express my gratitude to Prof. Dr. Ajay Bikram Sthapit, Central Department of Statistics, Tribhuvan University and his team for providing us the technical assistance during survey design, data processing and analysis.

The project could not have been feasible without the commitment and painstaking efforts by Mr. Chiranjibi Chapagain, the Project Chief and his team. Appreciation also goes to the former Project Chief Mr. Upendra Kumar Poudel.

Finally, I would like to express my gratitude to all the respondent households for their full support and cooperation during the fieldwork.

…………....………..

January, 2016

Dr. Chiranjibi Nepal

Governor

LETTER OF TRANSMITTAL

Honorable Governor

Nepal Rastra Bank

Baluwatar, Kathmandu

Dear Sir,

I take a great pleasure in submitting the report of the Fifth Household Budget Survey on behalf of the Fifth Household Budget Survey Committee. The report is based on the information collected from a sample of 8,028 households selected from different rural-urban areas, ecological belts and development regions of the country from February 2014 through February 2015.

I would like to thank all the members of the Fifth Household Budget Survey Committee including Mr. Maha Prasad Adhikari, Deputy Governor, Mr. Bikas Bista, Director General, Central Bureau of Statistics, and Prof. Dr. Ajay Bikram Sthapit, Central Department of Statistics, Tribhuvan University for their valuable suggestions for taking the project forward.

On behalf of the committee, I would like to extend my appreciation to Mr. Nara Bahadur Thapa, the Executive Director of Research Department and Dr. Min Bahadur Shrestha, the former Executive Director of Research Department for the guidance provided by them to the project staff. I would also like to thank Mr. Chiranjibi Chapagain, the Project Chief and also the former Project Chief Mr. Upendra Kumar Poudel along the whole project team and the school teachers who worked as surveyors for their diligent and painstaking efforts for completing the project on time. The Committee also wishes to extend its sincere thanks to all the respondent households for the information provided by them with patience during the fieldwork of the survey.

Finally, I would like to extend my sincere gratitude to you for providing us an opportunity to work with the Fifth Household Budget Survey Committee.

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Mr. Gopal Prasad Kaphle

Deputy Governor

and

Chairman

December, 2015   Fifth Household Budget Survey Committee

ACKNOWLEDGEMENT

The Fifth Household Budget Survey was conducted from February 2014 through February 2015 with a focus on identifying the consumption pattern of Nepalese households and thereby come up with a new commodity basket with updated expenditure weights to be used for the computation of consumer price index.

The survey is based on a representative sample of 8,028 households selected from different rural-urban areas, ecological belts and development regions. It has a wider coverage in terms of market centers, number of goods and services and frequency of data collection than the previous surveys. For ensuring proper representation of the households, the population under consideration was divided into twenty seven strata. A three stage stratified sampling was adopted to select 84 market centers in the first stage, 207 wards in the second stage and 8,028 households in the third stage. Information regarding household expenditure on 1,165 goods and services were recorded on a daily basis for 365 days whereas information on household income was recorded on a monthly basis. Furthermore, household diary method was used for data collection which was supposed to reduce the recall bias of the structured questionnaire used in the previous surveys. Consumption expenditure was recorded on the basis of acquisition approach to consumption.

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Mr. Nara Bahadur Thapa
Executive Director
Research Department

December, 2015

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BS	:	Bikram Sambat
CDR	:	Central Development Region
COICOP	:	Classification of Individual Consumption according to Purpose
CPI	:	Consumer Price Index
CV	:	Coefficient of Variation
EDR	:	Eastern Development Region
FSU	:	First Stage Unit
FWDR	:	Far-Western Development Region
HBS	:	Household Budget Survey
HH		Household
Ktm	:	Kathmandu
LPG	:	Liquefied Petroleum Gas
MC	:	Market Center
MWDR	:	Mid-Western Development Region
NLSS		Nepal Living Standards Survey
NR	:	Non Response
PSU	:	Primary Sampling Unit
SSU	:	Second Stage Unit
TSU	:	Third Stage Unit
VDC	:	Village Development Committee
WDR	:	Western Development Region

SUMMARY OF THE MAIN FINDINGS

1.   Methodology and Coverage

1.1   This report is based on the information collected from a representative sample of 8,028 households selected from the 207 wards of the 84 market centers chosen from different rural-urban areas, ecological belts and development regions of the country. A three stage stratified sampling technique was adopted to select the market centers, wards and households. Information on household consumption was recorded on a daily basis and information on household income was recorded once a month for a complete year by using household diary method. The reference period for data collection was February 13, 2014 to February 12, 2015.

1.2   Urban area in this survey refers to the 58 old municipalities of the country at the time of sampling frame design whereas rural area refers to the new municipalities, district headquarters and other areas having significant level of economic activities. Moreover, the Kathmandu Valley has been considered as a separate analytical domain due to its typical urban characteristics and has been excluded from the estimates of Hilly region.

1.3   Household consumption expenditure includes the value of goods and services purchased from market, received free of cost, received from exchange, paid in kind and home produced goods and services that were acquired for the purpose of consumption. Moreover, expenditure on house rent as well as household income includes the imputed rent of owner occupied buildings.

2.   Household Characteristics

2.1   The average size of the Nepalese households in 2014/15 was 4.95. The household size in rural area was 5.08 whereas the household size in urban area was 4.85.

2.2   The median household size was 5 and the modal household size was 4.

2.3   The number of family members in majority of the households were 3 to 6. Out of the total households, 41.64 percent had 3 to 4 members and 33.32 percent of the households had 5 to 6 members.

2.4   The proportion of male members in the household was 49.31 percent whereas the proportion of female members was 50.66 percent. The rest 0.03 percent of the household members was related to "others" category. In rural area, 49.17 percent members were male whereas in urban area such a ratio was 49.42 percent.

2.5 The average age of the household heads was 45.87 years. The median and modal age of the household heads was 45 years.

2.6 Almost three-fourth (77.58 percent) of the household heads were in the age group of 25 to 59 years whereas 3.5 percent of the household heads were in the age group of 15 to 24 years. The rest 18.92 percent of the household heads were in the age group of 60 years and above.

2.7 Of the total households, 84.59 percent were headed by male members whereas the rest 15.41 percent were headed by female members. In rural area, 14.98 percent of the households were headed by female members whereas in urban area, 15.77 percent of the households were headed by female.

2.8 Agriculture, business and service were the major occupations adopted by the household heads. Out of the total households, 28.71 percent were farmers, 20.32 percent were businessmen, 18.60 percent were associated with some type of services whereas the rest of the household heads adopted other occupations. In rural area, 40.94 percent of the household heads adopted agriculture as their primary occupation whereas in urban area, only 18.35 percent of the household heads adopted agriculture as their primary occupation.

2.9 About two-third (66.75 percent) of the households lived in bricked houses and the rest of the households lived in non-bricked houses. In rural area, only 53.05 percent of the households had bricked houses whereas in urban area, 78.36 percent of the households were found to have bricked houses.

2.10 About three-fourth (77.45 percent) of the households lived in their own houses whereas 20.73 percent households lived in rented houses. In rural area, only 13.69 percent households lived in rented houses whereas in urban area, 26.68 percent households lived in rented houses.

3. Level and Sources of Household Income

3.1 The average monthly household income was Rs. 30,121. The average monthly household income in rural area was Rs. 27,511 and such income in urban area was Rs. 32,336.

3.2 Income from salary, wages, allowance and pension, income from business activities and remittance income were the three major sources of household income. The contribution of salary, wages, allowance and pension in household income was 30.26 percent, followed by business income (24.43 percent) and remittance income (17.61 percent).

3.3 In rural area, the contribution of salary, wages, allowance and pension in household income was 26.42 percent, followed by remittance income (23.68 percent) and business income (22.68 percent). In urban area, the contribution of salary, wages, allowance and pension was 33.03 percent followed by business income (25.70 percent) and rent and imputed rent (20.51 percent).

3.4 The per capita monthly household income at national level was Rs. 6,729. Such income was Rs. 6,041 in rural area and Rs. 7,332 in urban area.

3.5 The average monthly household income of the first consumption quintile group was Rs. 18,338. The average monthly household income for the second quintile was Rs. 23,739, for the third quintile was Rs. 24,516, for the fourth quintile was Rs. 32,042 and for the fifth quintile was Rs. 53,578.

4. Household Expenditure

4.1 At national level, the average monthly expenditure of Nepalese households was Rs. 25,928 of which Rs. 23,883 was consumption expenditure and Rs. 2,045 was non-consumption expenditure. Average monthly household expenditure in rural area was Rs. 22,928 and in urban area such expenditure was Rs. 28,474.

4.2 Out of the average monthly consumption expenditure of Rs. 23,883 at national level, Rs. 9,425 was allocated for food and non-alcoholic beverages, Rs. 4,796 for housing and utilities and Rs. 1,750 was allocated for education. Similarly, Rs. 1,699 was allocated for clothing and footwear, Rs. 1,261 for transport and Rs. 1,015 for furnishing and household equipment. In addition, Rs. 926 was allocated for miscellaneous goods and services, Rs. 819 for health, Rs. 665 for communication, Rs. 690 for restaurant and hotel, Rs. 581 for recreation and culture and Rs. 256 was allocated for alcoholic beverages and tobacco.

4.3 The average monthly per household member consumption expenditure was Rs. 4,823. Such expenditure was Rs. 4,118 for rural area and Rs. 5,449 for urban area.

4.4 The average monthly household consumption expenditure of the poorest consumption quintile group was Rs. 14,514. Such expenditure for the second quintile group was Rs. 18,721, for the third quintile group was Rs. 22,960, for the fourth quintile group was Rs. 28,573 and for the fifth quintile group was Rs. 44,499.

5.   Consumption Pattern

5.1   The share of expenditure for food and beverage items in consumption expenditure was 43.43 percent and the share of non-food and service items was 56.57 percent.

5.2   Under food and beverage items, food and non-alcoholic beverage items had an expenditure share of 39.46 percent, alcoholic beverages and tobacco items occupied an expenditure share of 1.07 percent and restaurant and hotel items held an expenditure share of 2.89 percent.

5.3   Under non-food and service items, the expenditure share was 7.11 percent for clothing and footwear, 20.08 percent for housing and utilities, 4.25 percent for furnishing and household equipment, 3.43 percent for health, 5.28 percent for transport, 2.79 percent for communication, 2.43 percent for recreation and culture, 7.33 percent for education and 3.87 percent for miscellaneous goods and services.

5.4   Rural area was found to have a higher expenditure share of food and beverage items in consumption expenditure than urban area. The expenditure share of food and beverage items was 47.82 percent in rural area whereas it was 40.48 percent in urban area. Moreover, the expenditure share of food and beverage items was 43.73 percent in Terai region, 46.00 percent in Hilly region, 57.58 percent in Mountain region and 39.53 percent in the Kathmandu Valley.

6.   Inequality in Consumption Expenditure

6.1   The Lorenz curves as well as the Gini coefficients show a higher degree of inequality of consumption expenditure in urban area compared to that of rural area. The Gini coefficient for rural area was 0.28 whereas such coefficient for urban area was 0.30. The Gini coefficient for overall Nepal was 0.30.

CHAPTER I

INTRODUCTION

1.1 Introduction

Household Budget Survey (HBS) has been regularly conducted in Nepal by Nepal Rastra Bank since 1973/74 in an interval of ten years to track the consumption pattern of Nepalese households and thereby identify the expenditure weights of goods and services required for the calculation of Consumer Price Index. The present survey is the fifth in the series.

Household budget surveys conducted in the past differed in terms of objectives, coverage, number of market centers and number of sample households. Surveys till the Fourth HBS were multipurpose in nature covering different demographic and socio-economic aspects of the households besides the information on household income and expenditure. The present survey, however, is only focused on identifying the consumption pattern of Nepalese households.

A summary of the household budget surveys conducted in Nepal till now has been presented in Table 1.1.

Table 1.1
Summary of Household Budget Surveys in Nepal

Particulars	First HBS	Second HBS	Third HBS	Fourth HBS	Fifth HBS
Survey Period	1973/74	1984/85	1995/96	2005/06	2014/15
Coverage	Rural and Urban	Rural and Urban	Urban	Rural and Urban	Rural and Urban
No. of Market Centers	18	35	21	48	84
Sample Households	6,625	5,323	2,500	5,095	8,028
Total Population	11,555,983	15,022,839	18,491,097	23,151,423	26,494,504
No. of Households	2,084,062	2,584,948	3,328,721	4,253,220	5,427,302

Source: Household Budget Surveys, Nepal Rastra Bank

The weight of consumer expenditure on different goods and services is crucial for the calculation of price indices. As long as the weights used in the computation of consumer price index (CPI) do not truly reflect the actual shares of household expenditure among goods and services, CPI cannot reflect the price movement realistically. This problem arises mainly because relative weightage of household expenditure on goods and services changes along with the changes in consumer preferences, introduction of new goods and services in the market and improvement in overall living standard of people. The present survey aims to

reflect such changes in the consumption pattern of Nepalese households and provide new commodity basket with updated expenditure weights of different goods and services.

1.2 Fifth Household Budget Survey

Nepal Rastra Bank decided to conduct the Fifth HBS to track the consumption pattern of Nepalese households as almost ten years passed since the fourth HBS was conducted and a number of new goods and services introduced in the consumer market.

Fifth HBS started in February 13, 2014. A sample of 8,028 households selected from 27 strata that spread across rural-urban areas, ecological belts and development regions of the country participated in the survey to provide information about household income and expenditure on different goods and services for a complete year.

The fifth survey included larger coverage in terms of rural-urban areas, ecological belts and development regions than the previous surveys. Altogether 84 market centers were selected from different rural-urban areas, ecological belts and development regions to increase the representativeness of such regions in the national sample. Furthermore, expenses on 1,165 goods and services were considered to cover all sorts of household consumption expenditure. Unlike the interviewer-administered questionnaire used in the past four surveys, information about the expenses on goods and services were recorded on a daily basis for a complete year by using household diary method. It was done to capture the seasonality pattern in consumption expenditure. The diary method was supposed to reduce the 'recall bias' of the structured questionnaire which records the information on income and expenditure on a retrospective basis. Teachers from the local public schools were appointed as surveyors to assist the households in filling up the diaries and putting the codes for different goods and services on the diaries.

1.3 Objectives of the Survey

The single objective of the Fifth HBS was:

"To identify the consumption pattern of Nepalese Households and thereby provide a new commodity basket with expenditure weights required for the computation of national level consumer price index."

1.4   Scope of the Survey

The survey focused on the information about the level and pattern of household consumption expenditure across rural-urban areas, ecological belts and development regions of Nepal.

1.4.1 Area Coverage

The survey covered 27 strata across the rural-urban areas, all the ecological belts and development regions of the country. The strata were formed on the basis of climatic and topographical variations, variations in settlement pattern, variations in income and expenditure patterns, and different development indicators. Altogether, 84 market centers from 27 strata were selected for the survey.

1.4.2 Population Coverage

The survey included private non-institutional households representing the total range of socio-economic and demographic characteristics of the population. Institutional households such as schools, hospitals, hotels, etc. were not covered. However, individuals living within the confines of such households like caretakers, teachers, doctors were included in the survey. Furthermore, foreign nationals and beggars were excluded.

1.5   Concepts and Definitions

A list of the concepts used in this survey report along with their definitions has been provided in Annex E.

1.6   Reference Period

Information about households and their demographic characteristics was recorded at the beginning of the survey while information regarding household income and expenditure on different goods and services was recorded for a complete year from February 13, 2014 through February 12, 2015.

1.7   Organization of the Survey

The Fifth HBS was carried out by the Fifth HBS Project Office established within the Research Department of Nepal Rastra Bank. The project office conducted all the activities through the regional offices as per the directions and overall guidance provided by the Fifth HBS Committee.

1.7.1 Fifth Household Budget Survey Committee

For policy level decisions and overall guidance to the project operations, a high-level committee headed by the senior Deputy Governor of Nepal Rastra Bank was formed. The members of the committee comprised the Deputy Governor of Nepal Rastra Bank, the Executive Director of Research Department, Director General of Central Bureau of Statistics, an expert member (Professor) from Central Department of Statistics of Tribhuvan University, the Project Chief of the Fifth HBS Project Office. The Deputy Director of the project office acted as the member secretary of the committee. The committee undertook policy decisions and provided guidance on different issues of the survey like survey methodology, survey modality, questionnaire design, selection of teacher surveyors, data collection, monitoring, data processing and editing issues, estimation of population parameters etc. and recommended the decisions for approval. The details of the committee have been presented in Annex A.

1.7.2 Establishment of Fifth HBS Project Office and Regional Offices

To conduct the survey operations, the Fifth HBS Project Office was established within the Research Department of Nepal Rastra Bank. The project office was headed by a Director of this Bank. It was entitled the task of conducting the overall activities of the survey through the eight regional offices established across the country. The regional offices were to supervise the work of the surveyors, collect the diaries filled by households, manage the data entry in the web application designed for the survey and verify the entered data. The regional offices along with the number of market centers and households monitored by them have been presented in Table 1.2.

Table 1.2
HBS Regional Offices with Allotted Market Centers

S.N.	Regional Office	Market Centers	Households
1.	Fifth HBS Regional Office, Kathmandu	18	2,296
2.	Fifth HBS Regional Office, Biratnagar	14	1,365
3.	Fifth HBS Regional Office, Janakpur	10	732
4.	Fifth HBS Regional Office, Birgunj	5	741
5.	Fifth HBS Regional Office, Siddharthanagar	10	861
6.	Fifth HBS Regional Office, Pokhara	5	746
7.	Fifth HBS Regional Office, Nepalgunj	12	685
8.	Fifth HBS Regional Office, Dhangadhi	10	602
	Total	**84**	**8,028**

The details of the market centers monitored by the regional offices have been provided in Annex D.

Each regional office was headed by a Deputy Director of the Bank. The staffing pattern of the project office and regional offices have been presented in Table 1.3.

Table 1.3

Staffing Pattern of the Fifth Household Budget Survey Project

S.N.	Office	Position	No. of Staff	Total	Pool Staff*
1.	Fifth HBS Project Office, Kathmandu	Director	1	12	
		Deputy Director	2		
		Assistant Director	8		
		Office Assistant	1		
2.	Fifth HBS Regional Office, Kathmandu	Deputy Director	1	7	
		Assistant Director	6		
3.	Fifth HBS Regional Office, Biratnagar	Deputy Director	1	5	5
		Assistant Director	4		
4.	Fifth HBS Regional Office, Janakpur	Deputy Director	1	3	4
		Assistant Director	2		
5.	Fifth HBS Regional Office, Birgunj	Deputy Director	1	3	3
		Assistant Director	2		
6.	Fifth HBS Regional Office, Siddharthanagar	Deputy Director	1	3	4
		Assistant Director	2		
7.	Fifth HBS Regional Office, Pokhara	Deputy Director	1	3	3
		Assistant Director	2		
8.	Fifth HBS Regional Office, Nepalgunj	Deputy Director	1	3	5
		Assistant Director	2		
9.	Fifth HBS Regional Office, Dhangadhi	Deputy Director	1	3	4
		Assistant Director	2		
	Total			42	28

*The pool staff were used as supervisors whenever needed.

The details of the staff associated with the Fifth HBS Project have been provided in Annex B and Annex C.

1.7.3 Outsourcing for the Sample Design

The sample design for the survey was outsourced to a team of statisticians from the Central Department of Statistics, Tribhuvan University. The team included Prof. Dr. Ajay Bikram Sthaphit, Associate Prof. Dr. Srijan Lal Shrestha and Associate Prof. Dr Tikaram Aryal. It designed the sampling scheme for the survey in accordance with the criteria set by the Fifth HBS Committee regarding the coverage and representativeness of the sample households in terms of rural-urban areas, ecological belts, development regions and inside-outside the Kathmandu Valley.

1.7.4 Pilot Test

In the beginning, information from households was proposed to be collected through an interviewer-administered questionnaire. The questionnaire was tested in four market centers: Bhimeshwor (Mountain Region), Dhankuta (Hilly Region), Dhangadhi (Terai Region) and Kathmandu Metropolitan City (Kathmandu Valley). The feedbacks from the test indicated that questionnaire method would not be appropriate for collecting information from the households on a regular basis for a long period of time. Thus, instead of the questionnaire, household diary method was adopted as the technique for collecting information on income and expenditure from the selected households.

To ensure the effectiveness of data collection instruments and methods, a pilot survey was conducted in 6 different wards before starting the actual survey. The pilot test covered wards from the market centers of different ecological belts, development regions and inside-outside the Kathmandu Valley: Phidim (Eastern Hill), Chandranigahapur (Central Terai), Daman-Palung (Central Hill), Kohalpur (Western Terai), Sitapaila (Kathmandu Valley) and Kathmandu Metropolitan City (Kathmandu Valley). Altogether, 70 households were selected from the six wards. They were requested to fill up the diaries for fifteen days. The feedbacks and suggestions obtained from the pilot survey regarding the response from the households, suitability and effectiveness of the data collection methods and instruments were used to improve the instruments and the modality of data collection.

1.7.5 Selection of Surveyors

The fieldwork of the survey was carried out through 309 surveyors selected from the teachers of public schools operating in the 207 selected wards. The number of surveyors for a ward was determined on the basis of the number of sample households in the ward and topographical difficulties. For some wards, alternate surveyors were also appointed. The surveyors were to visit the households and assist them in solving any issues regarding the diaries given to them for recording their monthly income and daily consumption expenses. Furthermore, they were to collect the diaries, check for consistency in units and amount, put the codes for goods and services and provide the diaries to the supervisors from regional household budget survey offices.

1.7.6 Training and Field Operations

To carry out the field activities more efficiently, the supervisors at regional offices were trained before starting the survey. The training covered theoretical and practical aspects of the survey objectives, sample design, listing of the households for sampling frame, sample selection, pilot test, data collection and supervision of the field work by the surveyors. Interaction programs among the supervisors, regional heads and project office staff were conducted as the survey work progressed to enhance the supervision and monitoring skill of the supervisors and equip them with the skills required for working with the HBS web application software efficiently. The surveyors were also trained about the use of diary method for collecting information regarding income and consumption expenditure of the households. Furthermore, interaction programs with the households were conducted twice during the survey period to convince the households about the purpose of the survey, data confidentiality issues and relevance of the true information provided by them.

The supervisors were to visit the households each month and ensure that the surveyors were continually assisting the households in filling up the diaries and there were no further issues to be addressed regarding the fill-up of the diaries. The regional project heads visited one ward per month to supervise the fieldwork of the surveyors as well as the supervisors. The staff at the project office and the members of the fifth household budget survey committee also visited the survey areas whenever needed to ensure that the tools and methods of data collection were working well.

1.7.7 Data Collection, Processing and Analysis

The data on income and consumption expenditures of the households were collected by using household diary method. The surveyors were to provide one diary to the selected households every fortnight and collect them. The diaries were entered in the household budget survey online data entry system by the supervisors at the regional offices and the outsourced staff. Data processing, analysis and report writing was performed by the HBS Project Office staff as per the directions of Fifth HBS Committee.

1.8 Limitations

The survey focused on identifying the expenditure weights of Nepalese households on different goods and services required for revising the existing series of Consumer Price Index (CPI). For this purpose, the sampling frame of the survey

covered only those areas of the country which had significant level of economic activities and availability of sufficient goods and services for consumption. Though the sampling frame of the survey covers all the 75 districts of the country, the remote villages of the districts where bartering of goods and services persists at a significant level and only few goods and services are available for consumption are not covered in this survey. Thus, caution should be taken while comparing the results of this survey with other studies of the same nature.

CHAPTER II

SURVEY METHODOLOGY

2.1   Introduction

The Fifth HBS utilized information on income and expenditure of 8,028 sample households selected from 27 strata spread across the rural-urban areas, ecological belts and development regions. A three-stage stratified sampling with proportional allocation of households among the strata, market centers and wards was adopted to select the sample households. The survey employed household diaries for collecting information on household income and expenditure which was supposed to minimize the recall bias present in the structured questionnaire used in the past surveys. Household diaries were used to record the household consumption of goods and services, whether they were purchased, received free of cost, paid in kind, received through exchange or home produced, on a daily basis for a complete year. Furthermore, information on consumption was based on acquisition approach to consumption.

2.2   Stratification

Nepal has diversity across rural-urban areas, ecological belts and development regions in terms of settlement patterns, climatic and topographic conditions, income and expenditure patterns, living standard and other development indicators. To draw a representative sample from such a population, the potential population for the survey was divided into 27 strata on the basis of rural-urban areas, ecological belts, development regions and inside-outside the Kathmandu Valley.

The potential population outside the Kathmandu Valley was divided into 21 strata (Table 2.1).

Table 2.1
Stratification Outside the Kathmandu Valley

Development Region	Ecological Belt				
	Hill		Terai		Mountain
	Rural	Urban	Rural	Urban	
Eastern Development Region	1	2	3	4	
Central Development Region	5	6	7	8	
Western Development Region	9	10	11	12	21
Mid-Western Development Region	13	14	15	16	
Far-Western Development Region	17	18	19	20	

Note: Numbers in the cells represent strata numbers.

The population inside the Kathmandu Valley was divided into 6 strata (Table 2.2).

Table 2.2
Stratification Inside the Kathmandu Valley

Strata	Urban	Rural
Kathmandu Metro City - I	22	
Kathmandu Metro City - II	23	
Kathmandu Metro City - III Kirtipur Municipality	24	27
Lalitpur Sub - Metro City	25	
Bhaktapur Municipality Madhyapur Thimi Municipality	26	

Note: Numbers in the cells represent strata numbers.

2.3 Sampling Frame

The sampling frame for the survey consisted of four categories of market centers: MC-A, MC-B, MC-C and MC-D. MC-A refers to the 58 old municipalities at the time of sampling frame design which included one metropolitan city (Kathmandu), four sub-metropolitan cities (Lalitpur, Birgunj, Pokhara and Biratnagar) and other old municipalities. MC-B refers to the 41 new municipalities at the time of sampling frame design. MC-C refers to the 83 proposed municipalities at the time of sampling frame deign and MC-D refers to 40 other market centers (9 district headquarters and 31 other market centers with access to road and having significant level of economic activities. The market centers spread across all the ecological belts, development regions and rural-urban areas of the country.

The sampling frame covered 222 such market centers across the country with 20,41,063 households and a population of 87,02,629 residing in those market centers (Table 2.3).

Table 2.3
Coverage of Sampling Frame

Type	Market Centers	Districts	Households	Population
MC-A	58	43	11,16,447	45,25,787
MC-B	41	35	2,64,859	11,92,688
MC-C	83	42	5, 58,423	25,55,518
MC-D	40	32	1,01,334	4,28,636
Total	222	75*	20,41,063	87,02,629

*Many districts have more than one type of market centers.

The list of the market centers included in the frame has been provided in Annex F.

Since the major objective of the survey was to provide the expenditure weights of Nepalese households on different goods and services for the purpose of revising the existing CPI, the sampling frame covered only those areas of the country which have significant level of economic activities and availability of sufficient goods and services for consumption. The remote villages of the country where the degree of monetization is very low were not included in the sampling frame of the survey.

2.4 Sample Size Determination

The sample size for the survey was determined as per the minimum required sample size per stratum to ensure the representation of the respective stratum. The minimum required sample size per stratum was fixed on the basis of type I error (α), type II error (β), tolerable relative error in the estimate (r), coefficient of variation (CV) and assumed non-response rate (NR). The mechanism used for sample size determination was:

$$n = \frac{CV^2 \left(z_{\alpha/2} + z_\beta\right)^2}{r^2} \, (1 + NR)$$

Taking 5% level of significance (α), 85% power of test (1-β), 5% error (r), 5% non-response rate (NR) and 0.28 coefficient of variation (taken from NLSS-III, 2011), the minimum required sample size per stratum was found to be 297 households. Accordingly, the total allocated households for 27 strata were 8,028 (297X27=8019 with some adjustments). Out of the total households, 1,782 households were allocated inside the Kathmandu Valley and the remaining 6,246 households were allocated outside the Kathmandu Valley.

2.5 Sampling Technique

A three-stage stratified sampling design was adopted in the survey in which:

- Market centers selected from the strata were the First Stage Units (FSU)
- Wards selected from the market centers were the Second Stage Units (SSU)
- Households selected from the wards were the Third Stage Units (TSU)

2.5.1 Selection of First Stage Units

Market centers from the 27 strata were selected as the first stage units. Out of the total 222 market centers included in the sampling frame, 84 market centers were selected of

which 75 market centers were from outside the Kathmandu Valley and the remaining 9 market centers were from the Kathmandu Valley.

2.5.1.1 Selection of First Stage Units outside the Kathmandu Valley

Market centers from each stratum outside the Kathmandu Valley were selected randomly with some randomization restrictions taking into consideration of greater representation of market centers in terms of their size, locations, settlement patterns, major development indicators, etc. Out of the total market centers outside the Kathmandu Valley, 75 market centers were selected as first stage units: 44 market centers were from rural area and 31 market centers were from urban area. The total sample size of 6,246 households was allocated proportionately across those market centers. A list of selected market centers with adjusted sample size (sample size was adjusted with minimum size fixed at 35 for rural market center and 45 for urban market center) has been provided in Annex G.

2.5.1.2 Selection of First Stage Units inside the Kathmandu Valley

Out of total market centers in the Kathmandu Valley, Kathmandu Metro City I, Kathmandu Metro City II, Kathmandu Metro City III, Kirtipur municipality, Lalitpur Sub-metro City, Bhaktapur Municipality (including Madhyapur Thimi municipality) were selected as MC-A type of market centers. The other market centers included Champapur (MC-B), Nagarjuna (MC-C) and Chagunarayan-Nagarkot (MC-D). These market centers covered five urban strata and one rural strata of the Kathmandu Valley. A list of the selected market centers inside the Kathmandu Valley with the allocated sample size has been provided in Annex H.

2.5.2 Selection of Second Stage Units

Wards within the selected market centers were selected randomly as the second stage sampling units after fixing the number of wards to be selected within each market center. The number of wards to be selected was determined by the number of households allocated within that particular market center. A list of the wards selected from different market centers with the allocated sample households has been provided in Annex G and H.

2.5.3 Selection of Third Stage Units

Households from the selected wards were chosen randomly as the third stage sampling units. Before selecting the households, sampling frame for each of the ward was prepared through field visit. In case of the wards within MC-A and MC-B type of market centers, if the number of households of a ward was less than ten times the number of households to be selected, then all the households were included in the

frame. On the other hand, if the number of households was greater than ten times the number of households to be selected, the frame was prepared by including just the ten times of the households to be selected. In case of, Kathmandu and Lalitpur districts, the wards were divided into reasonable number of grids and few grids were selected randomly until the prescribed number of households were covered in the frame. Furthermore, all the households within the selected wards were included in the sampling frame in case of MC-C and MC-D type of market centers.

After preparing the sampling frame for each ward, systematic sampling was used to select the required number of households.

2.6 Allocation of Sample Households across Strata and Analytical Domains

The total 8,028 sample households were allocated proportionately across the 27 strata. The sample size allocation per stratum ranged from 90 households to 704 households (Table 2.4).

Table 2.4
Allocation of Sample Households across Strata

S.N.	Strata	Strata No.	Sample Size
1	Eastern Rural Hill	1	214
2	Eastern Urban Hill	2	131
3	Eastern Rural Terai	3	704
4	Eastern Urban Terai	4	608
5	Central Rural Hill	5	297
6	Central Urban Hill	6	233
7	Central Rural Terai	7	457
8	Central Urban Terai	8	489
9	Western Rural Hill	9	421
10	Western Urban Hill	10	532
11	Western Rural Terai	11	421
12	Western Urban Terai	12	233
13	Mid-Western Rural Hill	13	160
14	Mid-Western Urban Hill	14	90
15	Mid-Western Rural Terai	15	168
16	Mid-Western Urban Terai	16	224
17	Far-Western Rural Hill	17	107
18	Far-Western Urban Hill	18	90
19	Far-Western Rural Terai	19	170
20	Far-Western Urban Terai	20	200
21	Mountain Region	21	297
22	Urban Kathmandu I	22	297
23	Urban Kathmandu II	23	297
24	Urban Kathmandu III	24	297
25	Urban Lalitpur	25	297
26	Urban Bhaktapur	26	297
27	Rural Kathmandu	27	297
	Total	**27**	**8,028**

Out of the 8,028 households, 3,623 households were selected from rural market centers and 4,405 households were selected from urban market centers. The allocation of sample households by rural-urban areas, ecological belts, development regions and inside-outside the Kathmandu Valley has been presented in Table 2.5.

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Table 2.5

Allocation of Sample Households across Analytical Domains

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Analytical Domains		Strata	Market Centers	Sample Size
Rural-Urban	Rural	12	47	3,623
	Urban	15	37	4,405
	Total	**27**	**84**	**8,028**
Ecological Belt	Terai	10	34	3,674
	Hills**	10	34	2,275
	Mountain	1	7	297
	Kathmandu Valley	6	9	1,782
	Total	**27**	**84**	**8,028**
Development Region	EDR	4	19	1,749
	CDR	10	28	3,385
	WDR	4	15	1,607
	MWDR	4	12	685
	FWDR	4	10	602
	Total	**26***	**84**	**8,028**
Ktm Valley	Inside Ktm Valley	6	9	1,782
	Outside Ktm Valley	21	75	6,246
	Total	**27**	**84**	**8,028**

* Since strata no. 21 (Mountain) includes the market centers of more than one development region, it is not included in the development region-wise sub-totals of the strata.

** Hills excludes the Kathmandu Valley.

2.7 Data Collection

Data for the survey were collected by using questionnaires and household diary method. Information regarding the household characteristics (household size, age of household head, profession, etc.) was collected through an interviewer-administered questionnaire named "Kha Form" in the beginning of the survey. Data regarding household income and expenses were collected through household diary method.

The HBS project office provided two diaries per month to every selected household for recording the details of goods and services that were purchased from market, received free of cost, received through exchange, received in kind and produced by the

households themselves for consumption. Diary method was adopted as a tool of data collection as this method proved to be more effective during the pilot survey conducted by the project office. It reflected the seasonality effects, data accuracy and it proved to be less costly to collect the information for the whole 365 days through this method than the questionnaire method.

Out of the two diaries, Survey Diary I was used to record the daily consumption of goods and services from the beginning of the month to 15th of the month, and the amount of household income of the previous month. Survey Diary II was used to record household consumption from the 16th of the month to the end of the month.

2.8 Data Entry, Processing and Validation

The diaries filled by the households were collected by the surveyors and were brought to the Fifth HBS Regional Offices by the supervisors. The data from the diaries were entered in the HBS Online Software System by the supervisors and other outsourced staff. The entered data were verified by the supervisors which were then approved by HBS regional office heads after checking for any inconsistencies regarding income and expenditure figures of the households. Data thus approved were finally approved by the project office staff in Kathmandu.

Consumption expenditure was based on acquisition approach to consumption. According to this approach, consumption expenditure is recorded as soon as the goods and services are acquired for consumption irrespective of the time they are actually consumed. Furthermore, consumption expenses reported by the households were classified into twelve groups following the COICOP classification (Classification of Individual Consumption according to Purpose) recommended by United Nations Statistics Division (Chart 2.1).

Chart 2.1
COICOP Classification of Consumption Expenditure

01 - Food and Non-alcoholic Beverages
02 - Alcoholic Beverages, Tobacco and Narcotics
03 - Clothing and Footwear
04 - Housing, Water, Electricity, Gas and other Fuels
05 - Furnishings, Household Equipment and Routine Household Maintenance
06 - Health
07 - Transport
08 - Communication
09 - Recreation and Culture
10 - Education
11 - Restaurants and Hotels
12 - Miscellaneous Goods and Services

Cleaning of the data set was done before analysis. Out of the 8,028 households, 226 households did not provide information for all the twelve months. They were thus dropped out from the analysis. With this adjustment, the response rate of the survey was 97.19 percent (7,802 households).

Data regarding the rent of owner occupied houses was imputed through rental equivalence approach[1]. Further, to treat for the undesirable effect of outliers, five percent winsorizing technique[2] was used.

2.9 Survey Weights

The sample design was originally proposed as a self-weighted sample design with proportional allocation of households across strata, market centers and wards. It was based on the preliminary results of population census 2011. However, with the publication of final census report, the number of households across strata changed and need for assigning proper weights was felt. With the revised number of households and population of the 27 strata used in the survey, the weights for the strata, market centers and wards were assigned on the basis of the number of households in the respective strata, market centers and wards to ensure the representativeness of the sample.

2.10 Estimation Scheme

The population parameters estimated in the survey were population mean and population proportion. Weighted arithmetic mean and weighted proportions had been used to estimate the population mean and population proportion.

The estimation scheme used for the parameters has been presented in Annex I.

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[1] In this approach, rent for an owner occupied house is imputed on the basis of the rent being received from similar type of rented houses in the survey area.

[2] In this technique, all the values below the fifth percentile are replaced by the value of fifth percentile and all the values above the ninety-fifth percentile are replaced by the value of the ninety-fifth percentile.

CHAPTER III

HOUSEHOLD CHARACTERISTICS

3.1 Household Size

The average household size decreased over the last nine years from 5.36 in 2005/06 to 4.95 in 2014/15. The fall in average household size was observed in both rural and urban areas. However, the average household size in rural area was still bigger than that of urban area (Chart 3.1).

As per the ecological belts, Terai region hold the highest average household size and the Kathmandu Valley occupied the lowest. The average household size was 5.24 for Terai region, 4.74 for Hilly region, 4.78 for Mountain region and 4.63 for the Kathmandu Valley. Furthermore, Far-Western Development Region occupied the highest average household size of 5.66 and Western Development Region had the lowest average household size of 4.83 (Table 3.1 and Statistical Table 1).

Chart 3.1
Average Household Size

[Bar chart showing Household Size for Rural, Urban, National categories comparing HBS 2005/06 (red) and HBS 2014/15 (blue):
Rural: 5.21 (2005/06), 5.08 (2014/15)
Urban: 5.49 (2005/06), 4.85 (2014/15)
National: 5.36 (2005/06), 4.95 (2014/15)]
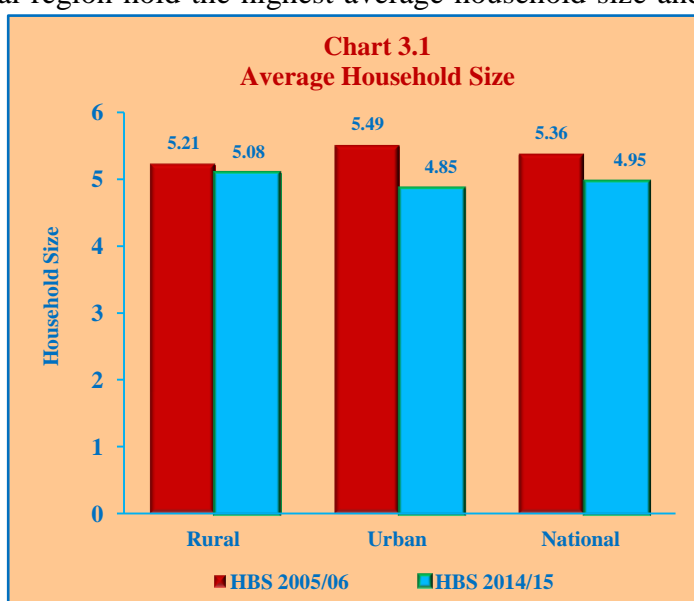
Table 3.1
Average Household Size and Percentage Distribution of Households by Size

HH Size	Rural-Urban		Ecological Belt				National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	
1 to 2	6.99	8.07	6.78	8.33	11.82	5.53	7.57
3 to 4	39.4	43.84	36.64	43.70	39.86	50.25	41.64
5 to 6	34.71	32.15	35.07	33.52	30.07	29.75	33.32
7 to 8	12.35	10.39	13.44	10.31	12.50	7.65	11.29
9 and Above	6.90	5.54	8.08	4.14	5.74	4.81	6.17
Total	100	100	100	100	100	100	100
Average HH Size	5.08	4.85	5.24	4.74	4.78	4.63	4.95

The household size ranged from 1 member to 27 members. The median household size was 5 and the modal household size was 4.

Distribution of households by size shows that a household with 3 to 6 members was the dominant household in terms of household size. About two-fifth (41.64 percent) of the households had 3 to 4 members whereas about one-third (33.32 percent) of the households had 5 to 6 members. It implies that about three-fourth (74.96 percent) of the households had a household size of 3 to 6 members. Moreover, 7.57

Chart 3.2
Distribution of Households by Size

6.17   7.57
11.29
33.32
41.64

■ 1 to 2 ■ 3 to 4 ▢ 5 to 6 ■ 7 to 8 ▢ 9 and Above

percent of the households had 1 to 2 members, 11.29 percent of the households had 7 to 8 members and only 6.17 percent of the households had more than 8 members (Chart 3.2).
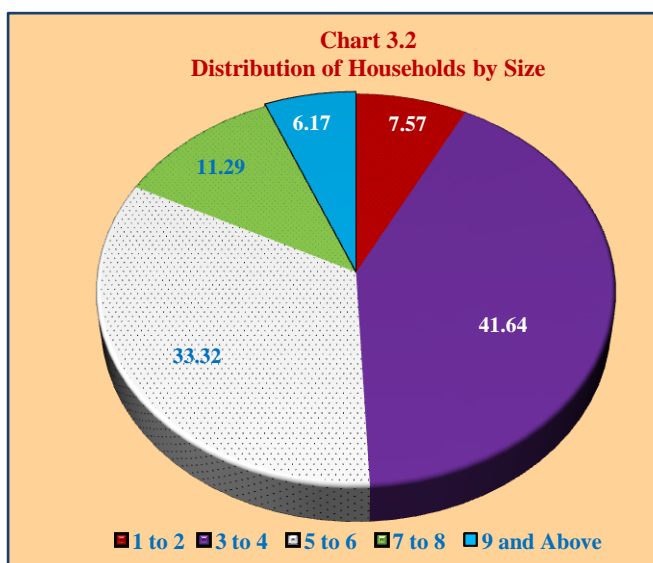
Average household size of the consumption quintile groups shows that the poorer households had have more members than the middle class and rich households (Table 3.2).

Table 3.2
Average Household Size of Quintile Groups

Quintile Groups	Poorest 20%	Second	Third	Fourth	Richest 20%
Average HH Size	6.75	5.31	4.76	4.29	3.65

3.2 Distribution of Household Members by Gender

Distribution of household members by gender shows that 49.31 percent of the household members were male while 50.66 percent were female and the remaining 0.03 percent of the members were related to 'others' category. In rural area, the proportion of male members was slightly lower

Chart 3.3
Distribution of Household Members by Gender

Percentage of Household Members

	Rural	Urban	National
Others	0.04	0.03	0.03
Female	50.79	50.55	50.66
Male	49.17	49.42	49.31

■ Male ■ Female ■ Others
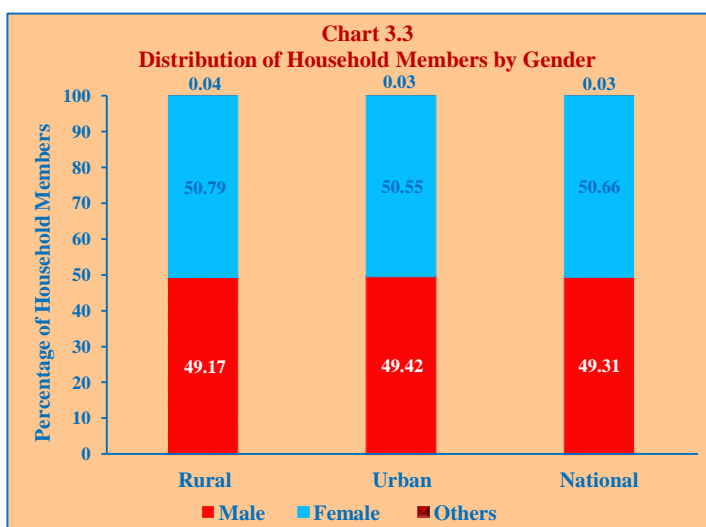
than urban area. In rural area, 49.17 percent of the household members were male while 50.79 percent were female whereas in urban area 49.42 percent members were male and 50.55 percent were female (Chart 3.3).

3.3 Distribution of Households by Age of Household Head

Distribution of household heads by age reveals that majority of the household heads were within the age group of 25 to 59 years. Out of the total household heads, 77.58 percent of the household heads were in the age group of 25 to 59 years, 18.92 percent were in the age group of 60 years and above whereas only 3.5 percent were in the age group of 15 to 24

Chart 3.4
Distribution of Households by Age of Household Head
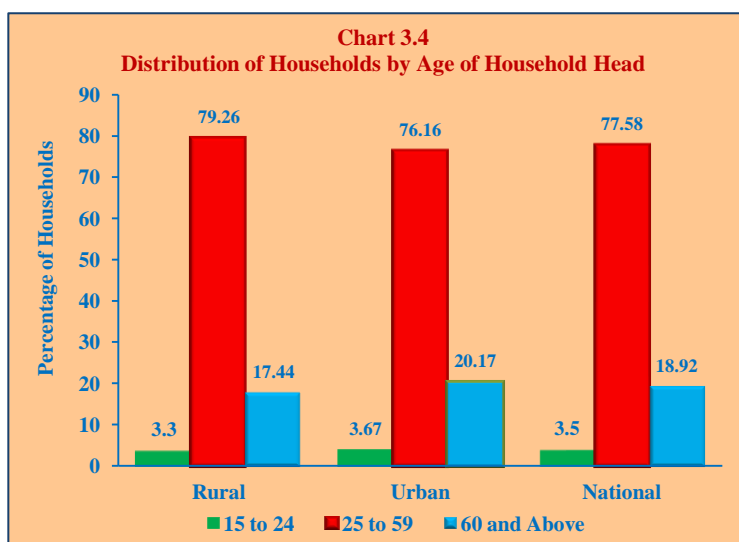
years. In rural area, 79.26 percent of the household heads were in the age group of 25 to 59 years, 17.44 percent of the household heads were in the age group of 60 years and above whereas only 3.3 percent of the household heads were in the age group of 15 to 24 years. In urban area, 76.16 percent of the household heads were in the age group of 25 to 59 years, 20.17 percent of the household heads were in the age group of 60 years and above whereas only 3.67 percent of the household heads were in the age group 15 to 24 years (Chart 3.4).

The average age of the household heads was 45.87 years. In rural area, average age of the household heads was 45.30 years whereas it was 46.36 years in urban area. Mountain region had the highest average age of the household heads across all the analytical domains (Table 3.3).

Table 3.3

Percentage Distribution of Households by Age of Household Head

Age of HH Head	Rural-Urban		Ecological Belt				National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	
15 to 24	3.30	3.67	2.65	5.07	3.72	3.15	3.50
25 to 59	79.26	76.16	78.68	77.18	74.66	76.23	77.58
60 and Above	17.44	20.17	18.67	17.75	21.62	20.62	18.92
Total	100	100	100	100	100	100	100
Average Age of HH Head	45.30	46.36	45.94	44.98	48.46	46.51	45.87

The age of the household heads ranged from 16 years to 95 years. The median and modal age of the household heads was 45 years.

3.4 Female Headed Households

Out of the total households, 15.41 percent of the households were headed by female whereas the rest 84.59 percent of the households were headed by male members. A slightly higher proportion of urban households were headed by female. In urban area, 15.77 percent households were female headed and the rest 84.23 percent households

Chart 3.5
Distribution of Households by Gender of Household Head

were male headed whereas in rural area, 14.98 percent households were female headed and the rest 85.02 percent households were male headed (Chart 3.5).
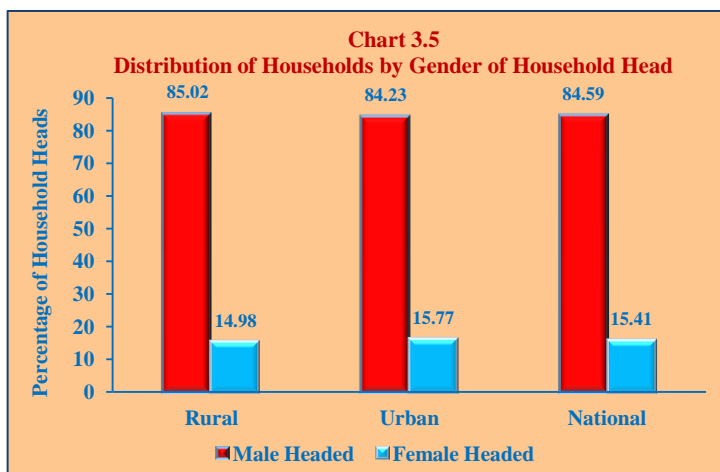
3.5 Distribution of Household Heads by Profession

Distribution of household heads by profession reveals the dominance of agriculture as the primary occupation of the household heads. Out of the total households, 28.71 percent of the household heads were engaged in agriculture as their primary occupation, 20.32 percent were businessmen, 18.6 percent were engaged in some type of services, 9.34 percent were

Chart 3.6
Distribution of Household Heads by Profession

housewives, 3.29 percent were teachers and the rest had adopted other professions. Only 2.32 percent of the household heads were industrialists and less than one percent of the household heads were doctors and engineers (Chart 3.6).
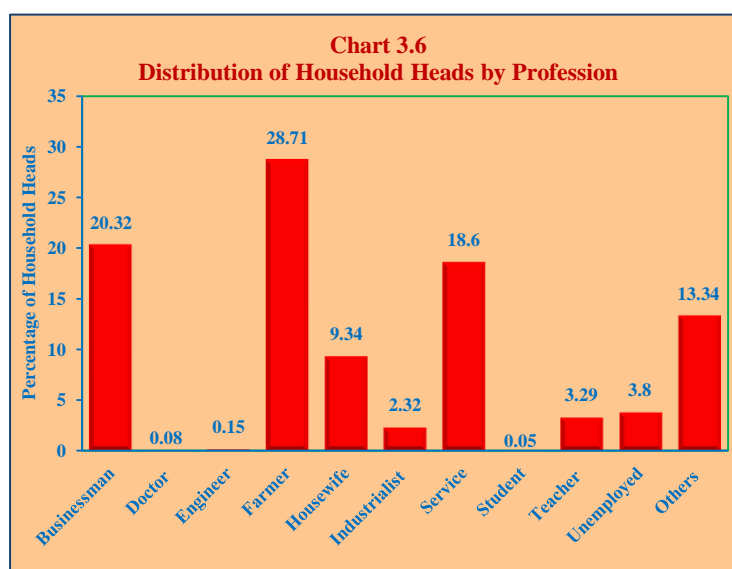
In rural area, 40.94 percent of the household heads had adopted agriculture as the primary occupation whereas in urban area only 18.35 percent of the household heads

had adopted agriculture as the primary occupation. The proportions of household heads adopting agriculture as primary occupation was 30.03 percent for Terai region, 39.52 percent for Hilly region and 47.30 percent for Mountain region. In the Kathmandu Valley, only 7.22 percent of the household heads had adopted agriculture as the primary occupation (Table 3.4).

Table 3.4

Percentage Distribution of Household Heads by Profession

Profession	Rural-Urban		Ecological Belt				National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	
Businessman	19.06	21.38	21.07	14.36	17.57	27.47	20.32
Doctor	0.03	0.12	0.11	0.00	0.00	0.12	0.08
Engineer	0.03	0.26	0.08	0.04	0.00	0.49	0.15
Farmer	40.94	18.35	30.03	39.52	47.30	7.22	28.71
Housewife	7.55	10.87	6.47	12.91	7.09	11.17	9.34
Industrialist	2.29	2.34	2.32	1.67	0.68	3.52	2.32
Service	14.03	22.47	17.64	14.89	14.19	26.73	18.60
Student	0.03	0.07	0.08	0.00	0.34	0.00	0.05
Teacher	2.85	3.67	3.24	3.83	4.73	2.41	3.29
Unemployed	2.13	5.21	3.35	3.39	1.35	5.81	3.80
Others	11.07	15.27	15.60	9.38	6.76	15.06	13.34
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**

In terms of development regions, the proportion of household heads adopting agriculture as the primary occupation ranged from the lowest 20.19 percent for Central Development Region to the highest 66.61 percent for Far-Western Development Region (Statistical Table 5).

3.6 Type of House

The housing structure of the households shows that about two-third of the households (66.75 percent) had bricked houses whereas 33.25 percent of the households were found to have non-bricked houses. In rural area, only 53.05 percent of the households lived in

Chart 3.7
Distribution of Households by Type of House
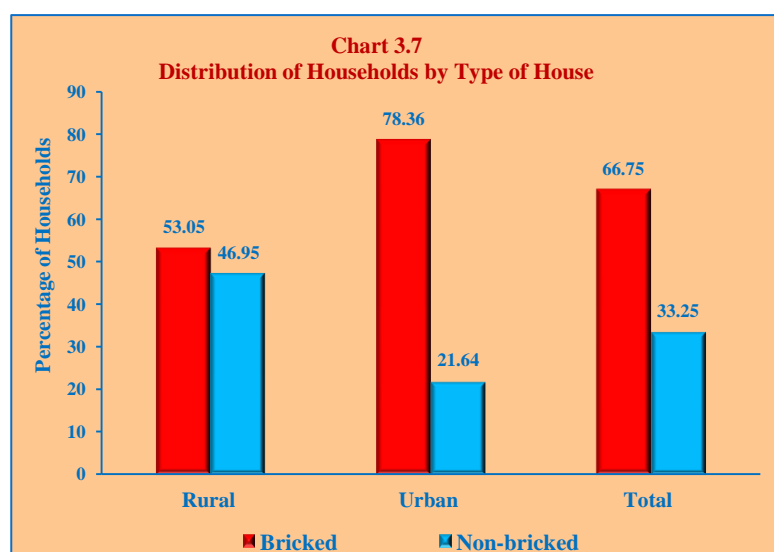
bricked houses whereas the rest of the households lived in non-bricked houses. However, in urban area, more than three-fourth (78.36 percent) of the households had bricked houses while only 21.64 percent of the households lived in non-bricked houses (Chart 3.7).

3.7 House Ownership

Distribution of households by house ownership reveals that about three-fourth (77.45 percent) of the households lived in their own houses whereas 20.73 percent of the households lived in rented houses/flats. The proportion of households living in rented houses in urban area was higher than such proportion in rural area. In rural area, only 13.69 percent of the households lived in rented houses and

Chart 3.8
Distribution of Households by House Ownership

84.82 percent of the households lived in their own houses whereas 26.68 percent of the households lived in rented houses in urban area.
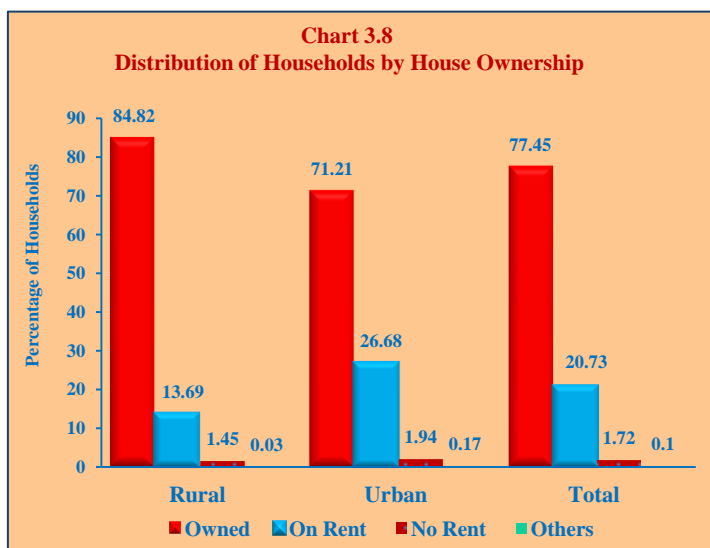
As per the ecological belts, 15.02 percent of the households in Terai region, 19.96 percent of the households in the Hilly region and 9.80 percent of the households in the Mountain region lived in rented houses. The proportion of households living in rented houses was 36.54 percent in the Kathmandu Valley (Statistical Table 7).

CHAPTER IV
HOUSEHOLD INCOME

4.1 Average Monthly Household Income

The average monthly income of Nepalese households was Rs. 30,121 in the year 2014/15. Such income included individual salary, wages, allowance and pension amount of all usual members of the households, income from business enterprises run by the household members, income from rent, interest and dividend, imputed rent of owner occupied houses, transfer income, income from remittance and others. It also included the value of goods and services produced by households for their own consumption.

Chart 4.1
Average Monthly Household Income by Domain

Domain	Household Income (Rs.)
Rural	27,511
Urban	32,336
National	30,121
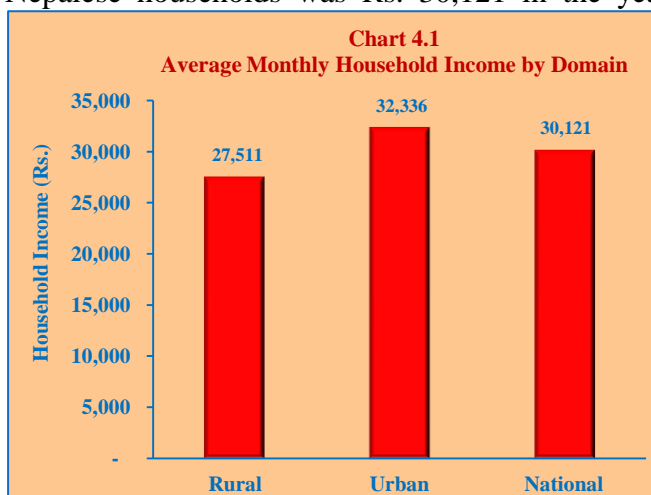
The average monthly household income of urban area was Rs. 32,336 which was 17.54 percent greater than such income (Rs. 27,511) in rural area.

4.2 Sources of Household Income

Household income from salary, wages, allowance and pension, income from business and remittance income were the major sources of household income. Out of the average monthly household income of Rs. 30,121, salary, wages, allowance and pension contributed 30.26 percent (Rs. 9,115), income from business contributed 24.43 percent (Rs. 7,360) whereas remittance income contributed 17.61 percent (Rs. 5,304). The rest of the household income was generated from agriculture, livestock and fishery, rent and other miscellaneous income sources. The contribution of rent and imputed rent was 17.25 percent (Rs. 5,196).

Contribution of agriculture, livestock and fishery as well as remittance in household income was larger in the rural area compared to the urban area whereas the contribution of salary, wages, allowance and pension, business income, and rent and imputed rent in household income was larger in urban area. In rural area, the contribution of agriculture, livestock and fishery in household income was 11.36 percent compared to 4.05 percent in urban area and the contribution of remittance was

23.68 percent compared to 13.23 percent in urban area. In urban area, the contribution of salary, wages, allowance and pension was 33.03 percent compared to 26.42 percent in rural area, the contribution of income from business was 25.70 percent compared to 22.68 percent in rural area and the contribution of rent and imputed rent was 20.51 percent compared to 12.73 percent in rural area (Table 4.1).

Chart 4.2
Sources of Household Income
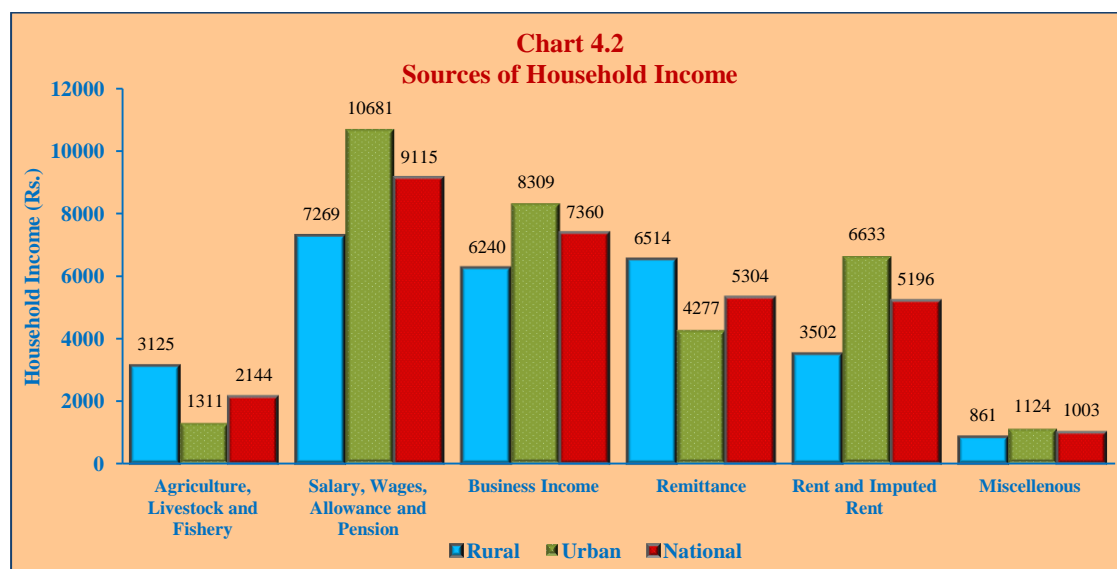
The contribution of salary, wages, allowance and pension in household income was highest both in urban and rural areas. In rural area, income from remittance was the second largest source of household income followed by income from business activities whereas in urban area, income from business activities was the second largest source of household income followed by income from rent and imputed rent (Table 4.1).

Table 4.1
Average Monthly Household Income by Source

Analytical Domain	Rural		Urban		National	
	Amount (Rs.)	Share (%)	Amount (Rs.)	Share (%)	Amount (Rs.)	Share (%)
Agriculture, Livestock and Fishery	3,125	11.36	1,311	4.05	2,144	7.12
Salary, Wages, Allowance and Pension	7,269	26.42	10,681	33.03	9,115	30.26
Business Income	6,240	22.68	8,309	25.70	7,360	24.43
Remittance	6,514	23.68	4,277	13.23	5,304	17.61
Rent and Imputed Rent	3,502	12.73	6,633	20.51	5,196	17.25
Miscellaneous	861	3.13	1,124	3.48	1,003	3.33
Total	27,511	100	32,336	100	30,121	100

Chart 4.3
Sources of Household Income (Share)

Inner: Rural   Middle: Urban   Outer: National

4.3 Average Per Capita Monthly Household Income

The average per capita monthly household income in rural area was Rs. 6,041. The contribution of salary, wages, allowance and pension in such income was Rs. 1,596, the contribution of remittance was Rs. 1,430 and the contribution of business income was Rs. 1,370. Moreover, the contribution of rent and imputed rent was Rs. 769, the contribution of agriculture, livestock and fishery was Rs. 686 and the contribution of other miscellaneous sources was Rs. 189.

Chart 4.4
Average Per Capita Monthly Household Income
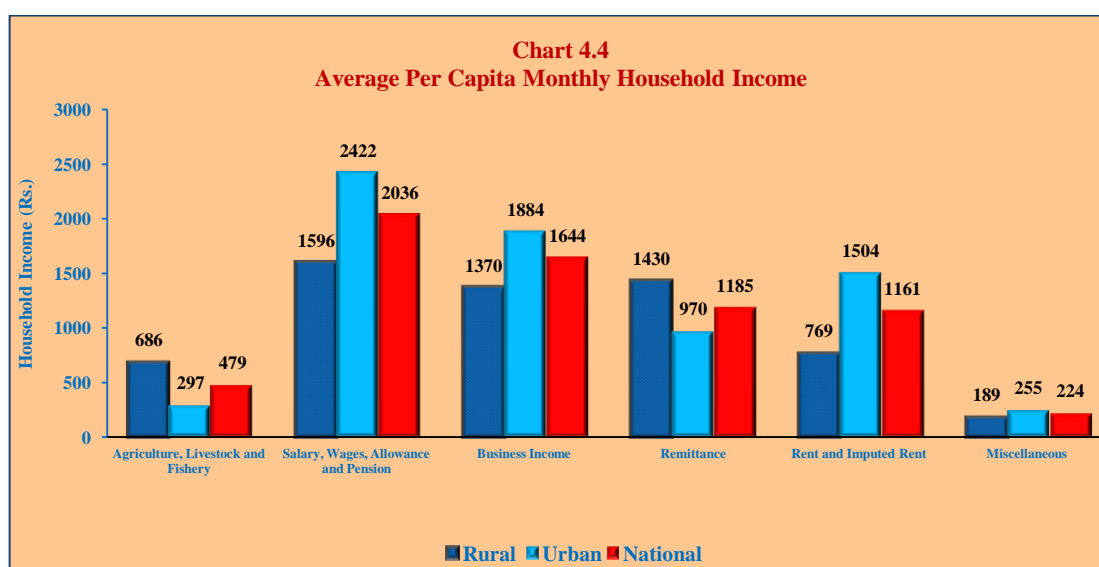
On the other hand, average per capita monthly household income in urban area was Rs. 7,332. The contribution of salary, wages, allowance and pension in such income was Rs. 2,422, the contribution of business income was Rs. 1,884 and the contribution

of rent and imputed rent was Rs. 1,504. Moreover, the contribution of remittance was Rs. 970, the contribution of agriculture, livestock and fishery was Rs. 297 and the contribution of other miscellaneous sources was Rs. 255.

Table 4.2

Average Per Capita Monthly Household Income by Source

Sources of Household Income	Rural	Urban	National
	(Rs.)	(Rs.)	(Rs.)
Agriculture, Livestock and Fishery	686	297	479
Salary, Wages, Allowance and Pension	1,596	2,422	2,036
Business Income	1,370	1,884	1,644
Remittance	1,430	970	1,185
Rent and Imputed Rent	769	1,504	1,161
Miscellaneous	189	255	224
Total	**6,041**	**7,332**	**6,729**

The average per capita monthly household income for overall Nepal was Rs. 6,729. The contribution of salary, wages, allowance and pension was Rs. 2,036, the contribution of business income was Rs. 1,644 and the contribution of remittance was Rs. 1,185. Moreover, the contribution of rent and imputed rent was Rs. 1,161, the contribution of agriculture, livestock and fishery was Rs. 479 and the contribution of miscellaneous sources was Rs. 224.

4.4 Average Monthly Household Income by Quintile Groups

Average monthly household income by consumption quintile groups shows a huge gap between the household income of poorest 20 percent and the richest 20 percent households. The average monthly household income of the richest 20 percent households was Rs. 53,578 which was 2.92 times the average monthly household income of the poorest

Chart 4.5
Average Monthly Household Income by Quintile Groups
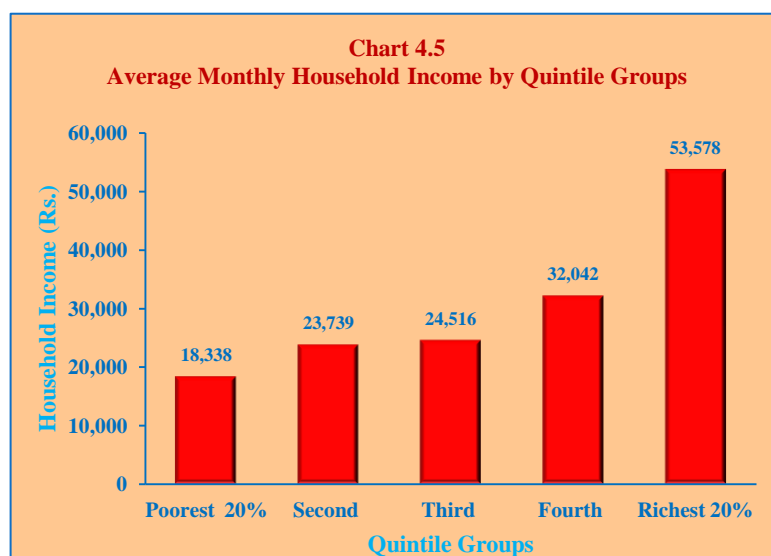
20 percent (Rs. 18,338). Moreover, the average monthly household income was Rs. 23,739 for the second quintile group, Rs. 24,516 for the third quintile group and Rs. 32,042 for the fourth quintile group.

For all the quintile groups, salary, wages, allowance and pension had the largest contribution in household income. For the poorest 20 percent households, the contribution of salary, wages, allowance and pension in household income was 32.28 percent (Rs. 5,920) followed by remittance with a contribution of 19.61 percent (Rs. 3,597). The third largest contribution was from business income 19.05 percent (Rs. 3,493). Moreover, the contribution of rent and imputed rent was 14.84 percent (Rs. 2,722), the contribution of agriculture, livestock and fishery was 12.01 percent (Rs. 2,203) and the contribution of miscellaneous sources was 2.20 percent (Rs. 403).

Table 4.3
Average Monthly Household Income by Quintile Groups

Sources of Household Income	Poorest		Second		Third		Fourth		Richest	
	Rs.	(%)	Rs.	(%)	Rs.	(%)	Rs.	(%)	Rs.	(%)
Agriculture, Livestock and Fishery	2,203	12.01	3,647	15.36	2,124	8.66	5,338	16.66	8,345	15.58
Salary, Wages, Allowance and Pension	5,920	32.28	6,784	28.58	7,427	30.29	9,721	30.34	14,445	26.96
Business Income	3,493	19.05	4,857	20.46	5,453	22.24	5,947	18.56	12,821	23.93
Remittance	3,597	19.61	4,263	17.96	4,576	18.67	4,656	14.53	7,473	13.95
Rent and Imputed Rent	2,722	14.84	3,647	15.36	4,200	17.13	5,338	16.66	8,345	15.58
Miscellaneous	403	2.20	542	2.28	736	3.00	1,042	3.25	2,149	4.01
Total	18,338	100	23,739	100	24,516	100	32,042	100	53,578	100

For the second quintile group, the contribution of salary, wages, allowance and pension in household income was 28.58 percent (Rs. 6,784) followed by business income with a contribution of 20.46 percent (Rs. 4,857). The third largest contribution was from remittance 17.96 percent (Rs. 4,263). Moreover, the contribution of rent and imputed rent as well as agriculture, livestock and fishery each was 15.36 percent (Rs. 3,647) and the contribution of miscellaneous sources was 2.28 percent (Rs. 542).

For the third quintile group, the contribution of salary, wages, allowance and pension in household income was 30.29 percent (Rs. 7,427) followed by income from business with a contribution of 22.24 percent (Rs. 5,453). The third largest contribution was from remittance 18.67 percent (Rs. 4,576). Moreover, the contribution of rent and imputed rent was 17.13 percent (Rs. 4,200), the contribution of agriculture, livestock

and fishery was 8.66 percent (Rs. 2,124) and the contribution of miscellaneous sources was 3.0 percent (Rs. 736).

Chart 4.6
Average Monthly Household Income by Quintile Groups

Quintile	Agriculture, Livestock and Fishery	Salary, Wages, Allowance and Pension	Business Income	Remittance	Rent and Imputed Rent	Miscellaneous
Richest 20%	15.58%	26.96%	23.93%	13.95%	15.58%	4.01%
Fourth	16.66%	30.34%	18.56%	14.53%	16.66%	3.25%
Third	8.66%	30.29%	22.24%	18.67%	17.13%	3.00%
Second	15.36%	28.58%	20.46%	17.96%	15.36%	2.28%
Poorest 20%	12.01%	32.28%	19.05%	19.61%	14.84%	2.20%

For the fourth quintile group, the contribution of salary, wages, allowance and pension in household income was 30.34 percent (Rs. 9,721) followed by income from business with a contribution of 18.56 percent (Rs. 5,947). The contribution of rent and imputed rent as well as agriculture, livestock and fishery each was 16.66 percent (Rs. 5,338). Moreover, the contribution of remittance was 14.53 percent (Rs. 4,656) and the contribution of other miscellaneous sources was 3.25 percent (Rs. 1,042).

For the richest 20 percent households, the contribution of salary, wages, allowance and pension in household income was 26.96 percent (Rs. 14,445) followed by income from business with a contribution of 23.93 percent (Rs. 12,821). Contribution of rent and imputed rent as well as agriculture, livestock and fishery was 15.58 percent (Rs. 8,345). Moreover, the contribution of remittance was 13.95 percent (Rs. 7,473) and the contribution of miscellaneous sources was 4.01 percent (Rs. 2,149).

CHAPTER V

HOUSEHOLD EXPENDITURE

5.1 Average Monthly Household Expenditure

The average monthly expenditure of Nepalese households was Rs. 25,928 in the year 2014/15 of which Rs. 23,883 was consumption expenditure and Rs. 2,045 was non-consumption expenditure. Consumption expenditure of the households includes the value of goods and services consumed by purchasing them from the market, received free of cost, received from exchange, home produced or received as a part of payment in kind. However, it does not include occupational expenses, the expenses made on buildings and expenses on paying debts.

The average monthly household expenditure as well as the share of consumption expenditure in total household expenditure for urban area was higher than rural area. The rural households devoted slightly larger fraction of their total expenditure on non-consumption items like marriage expenses, gifts and contributions. Out of the average monthly household expenditure of Rs. 22,928 in rural area, Rs. 20,904 (91.17 percent) was spent on consumption items and the remaining Rs. 2,024 (8.83 percent) was spent on non-consumption items. In urban area, out of the average monthly household expenditure of Rs. 28,474, Rs. 26,411 (92.75 percent) was spent on consumption items and the remaining Rs. 2,063 (7.25 percent) was spent on non-consumption items (Table 5.1).

Table 5.1
Average Monthly Household Expenditure

Analytical Domain		Consumption Expenditure (Rs.)	Share (%)	Non-consumption Expenditure (Rs.)	Share (%)	Total Household Expenditure (Rs.)	Share (%)
Rural-Urban	Rural	20,904	91.17	2,024	8.83	22,928	100
	Urban	26,411	92.75	2,063	7.25	28,474	100
Ecological Belt	Terai	22,007	91.43	2,062	8.57	24,070	100
	Hills	22,799	91.60	2,091	8.40	24,890	100
	Mountain	18,211	91.71	1,646	8.29	19,858	100
	Ktm Valley	29,748	93.66	2,013	6.34	31,761	100
Development Region	EDR	21,305	90.83	2,151	9.17	23,456	100
	CDR	26,381	92.70	2,077	7.30	28,459	100
	WDR	25,651	91.85	2,276	8.15	27,927	100
	MWDR	19,506	93.66	1,321	6.34	20,826	100
	FWDR	17,231	91.0	1,704	9.00	18,936	100
National		23,883	92.11	2,045	7.89	25,928	100

The average monthly household expenditure for different ecological belts differed significantly while the share of household consumption expenditure in total expenditure was similar to some extent (Table 5.1). The Kathmandu Valley had the highest average monthly household expenditure of Rs. 31,761 among all the analytical domains.

In terms of development regions, Central Development Region had the highest average monthly household expenditure and Far-Western Development Region had the lowest. The share of consumption expenditure in total monthly household expenditure ranged from 90.83 percent to 93.66 percent among the development regions (Table 5.1).

The average monthly household consumption expenditure increased by 57.85 percent from Rs. 15,130 to Rs. 23,883 over the past nine years. Such expenditure increased by 74.46 percent from Rs. 11,982 to Rs. 20,904 in rural area and by 47.58 percent from Rs. 17,896 to Rs. 26,411 in urban area. Despite the higher growth rate, average monthly household consumption expenditure in rural area was still less than such expenditure in urban area (Chart 5.1).
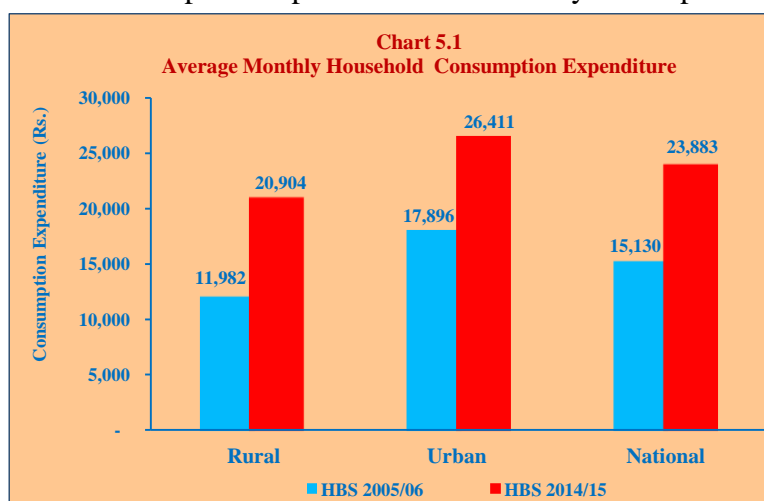
Chart 5.1
Average Monthly Household Consumption Expenditure

	Rural	Urban	National
HBS 2005/06	11,982	17,896	15,130
HBS 2014/15	20,904	26,411	23,883

5.2 Average Monthly Household Consumption Expenditure on Food and Non-food Items

The average monthly household consumption expenditure on food and beverage items was smaller than such expenditure on non-food and service items in all analytical domains except the Mountain region. Out of the monthly national household consumption expenditure of Rs. 23,883, average expenditure on food and beverage items was Rs. 10,371 (43.43 percent) and average expenditure on non-food and service items was Rs. 13,512 (56.57 percent).

In rural area, out of the total household monthly consumption expenditure of Rs. 20,904, average expenditure on food and beverage items was Rs. 9,996 and such expenditure on non-food and service items was Rs. 10,908. In urban area, average monthly household expenditure on food and beverage items was Rs. 10,690 whereas

such expenditure on non-food and service items was Rs. 15,721. In terms of ecological belts, average monthly household consumption expenditure on food and beverage items ranged from Rs. 9,624 in the Terai region to Rs. 11,759 in the Kathmandu Valley whereas such expenditure on non-food and service items ranged from Rs. 7,726 in the Mountain region to Rs. 17,989 in the Kathmandu Valley. The Kathmandu Valley had the highest average monthly household expenditure on food and beverage items as well as non-food and services items among all the analytical domains (Table 5.2).

Table 5.2
Average Monthly Household Consumption Expenditure on Food and Non-food Items

Analytical Domain		Food and Beverages (Rs.)	Share (%)	Non-Food and Services (Rs.)	Share (%)	Total (Rs.)	Share (%)
Rural-Urban	Rural	9,996	47.82	10,908	52.18	20,904	100
	Urban	10,690	40.48	15,721	59.52	26,411	100
Ecological Belt	Terai	9,624	43.73	12,384	56.27	22,008	100
	Hills	10,488	46.00	12,311	54.00	22,799	100
	Mountain	10,485	57.58	7,726	42.42	18,211	100
	Ktm Valley	11,759	39.53	17,989	60.47	29,748	100
Development Region	EDR	9,898	46.46	11,408	53.54	21,306	100
	CDR	10,963	41.56	15,418	58.44	26,381	100
	WDR	10,862	42.35	14,789	57.65	25,651	100
	MWDR	9,173	47.03	10,333	52.97	19,506	100
	FWDR	8,371	48.58	8,860	51.42	17,231	100
National		10,371	43.43	13,512	56.57	23,883	100

The expenditure share of food and beverage items in average monthly household consumption expenditure was 43.43 percent and the share of non-food and service items was 56.57 percent at national level. Expenditure share for food and beverage items was greater for rural area than urban area. Rural households allocated 47.82 percent of their consumption expenditure on food and beverage items while urban households allocated 40.48 percent of their consumption expenditure for food and beverage items. The expenditure share for food and beverage items in household consumption expenditure differed widely among the ecological

Chart 5.2
Share of Consumption Expenditure on Food and Non-food Items
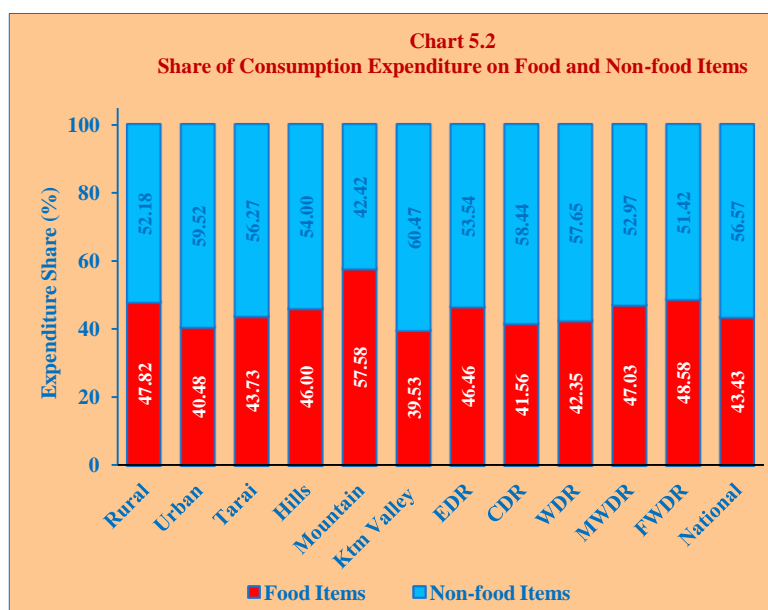
belts: such a share for food and beverage items was 39.53 percent in the Kathmandu Valley, 43.73 percent for Terai region, 46.0 percent for Hilly region and 57.58 percent for Mountain region. In terms of development regions, Far-Western Development Region constituted the highest expenditure share for food and beverage items while Central Development Region hold the lowest share of such expenditure (Table 5.2).

5.3 Household Consumption Expenditure by Source of Acquisition

The value of goods and services purchased from the market for consumption constituted the major portion of household consumption expenditure in all analytical domains. Out of the overall household consumption expenditure, the share of the value of goods and services that households bought from the market for consumption was 84.41 percent, the

Chart 5.3
Household Consumption Expenditure by Source of Acquisition
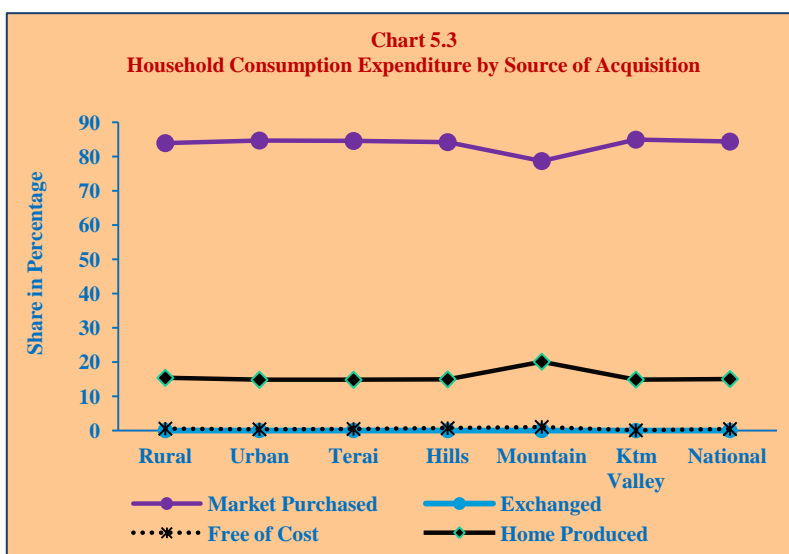
share of the value of goods and services produced at home was 15.08 percent, the share of the value of goods and services received free of cost was 0.48 percent and the share of the value of goods and services received through exchange was 0.04 percent.

In rural area, household consumption expenditure consisted of a slightly higher proportion of the value of home produced goods and services than urban area. In rural area, the share of the value of goods and services that households bought from the market for consumption was 83.96 percent, the share of the value of goods and services produced at home was 15.41 percent, the share of the value of goods and services received free of cost was 0.60 percent and the share of the value of goods and services received through exchange was 0.04 percent. In urban area, out of the household consumption expenditure, the share of the value of goods and services that households bought from the market for consumption was 84.71 percent, the share of the value of goods and services produced at home was 14.85 percent, the share of the value of goods and services received free of cost was 0.40 percent and the share of the value of goods and services received through exchange was 0.04 percent.

Table 5.3

Average Monthly Household Consumption Expenditure by Source of Acquisition

Domain	Share of Consumption Expenditure (in %)				
	Market Purchased	Exchanged	Free of Cost	Home Produced*	Total
Rural	83.96	0.04	0.60	15.41	100
Urban	84.71	0.04	0.40	14.85	100
Terai	84.59	0.05	0.50	14.86	100
Hills	84.25	0.03	0.74	14.99	100
Mountain	78.71	0.06	1.08	20.15	100
Ktm Valley	84.97	0.03	0.08	14.91	100
National	84.41	0.04	0.48	15.08	100

*It includes the imputed value of owner occupied dwellings.

Moreover, in terms of ecological belts, the proportion of the value of home produced goods and services was the lowest in the Terai region and the highest in the Mountain region (Table 5.3).

5.4 Average Monthly Household Consumption Expenditure by Expenditure Groups

The average monthly household consumption expenditure on food and non-alcoholic beverage items was the highest (Rs. 9,425) among all the expenditure groups defined by COICOP classification. Other groups having higher consumption expenditure were clothing and footwear, housing and utilities, furnishing and household equipment, transport and education. The average monthly household consumption expenditure was Rs. 4,796 on housing and utilities, Rs. 1,750 on education, Rs. 1,699 on clothing and footwear, Rs. 1,261 on transport and Rs. 1,015 on furnishing and household equipment. These five sub-groups along with food and non-alcoholic beverage items account for more than four-fifth (83.52 percent) of average monthly consumption expenditure of the households (Table 5.4).

Moreover, the average monthly household consumption expenditure was Rs. 819 on health services, Rs. 690 on restaurant and hotel items, Rs. 665 on communication services, Rs. 581 on recreation and culture and Rs. 256 for alcoholic beverages and tobacco items.

Table 5.4
Average Monthly Household Consumption Expenditure by Expenditure Groups

Expenditure Group	Fourth HBS		Fifth HBS		Percentage Change in Expenditure
	Expenditure (Rs.)	Share	Expenditure (Rs.)	Share	
Food and Beverages	**5,882**	**38.88**	**10,371**	**40.00**	**76.32**
Food and Non-Alcoholic Beverages	4,936	32.62	9,425	36.35	90.94
Alcoholic Beverages and Tobacco	326	2.15	256	0.99	-21.47
Restaurant and Hotel	620	4.10	690	2.66	11.29
Non-food and Services	**9,248**	**61.12**	**13,512**	**52.11**	**46.11**
Clothing and Footwear	771	5.10	1,699	6.55	120.36
Housing and Utilities	3,669	24.25	4,796	18.50	30.72
Furnishing and Household Equipment	495	3.27	1,015	3.91	105.05
Health	343	2.27	819	3.16	138.78
Transport	562	3.71	1,261	4.86	124.38
Communication	294	1.94	665	2.56	126.19
Recreation and Culture*	1,323	8.74	581	2.24	-56.08
Education	1,150	7.60	1,750	6.75	52.17
Miscellaneous	641	4.24	926	3.57	44.46
Consumption Expenditure	**15,130**	**100**	**23,883**	**92.11**	**57.85**
Non-consumption Expenditure#			2,045	7.89	
Total	**15,130**	**100**	**25,928**	**100**	**71.37**

*   *The average expenditure as well as expenditure share on this group is lower in Fifth HBS compared to the Fourth HBS as the expenses on marriage party, birthday party, expenses on other religious and social functions, which were included under recreation and culture in fourth HBS, have been categorized as non-consumption expenditure in fifth HBS and excluded from recreation and culture.*

\#   *Expenses categorized as non-consumption expenditure in Fifth HBS has been included while calculating the expenditure shares in order to make the shares comparable with the fourth HBS. In all other parts of this report, expenditure shares are expressed as the share of household consumption expenditure only.*

The average monthly household consumption expenditure for both food and non-food groups increased over the past nine years, except on alcoholic beverages and tobacco items. Such expenditure on food and non-alcoholic beverages increased by 90.94 percent. The average monthly household consumption expenditure for clothing and footwear, furnishing and household equipment, health, transport and communication has more than doubled whereas such expenditure for alcoholic beverages and tobacco has decreased by 21.47 percent (Table 5.4).

Chart 5.4
Average Monthly Household Consumption Expenditure by Expenditure Groups

Expenditure Group	Fourth HBS	Fifth HBS
Miscellaneous	641	926
Education	1323	1750
Recreation and Culture	1150	581
Communication	294	665
Transport	562	1261
Health	343	819
Furnishing and Household Equipment	495	1015
Housing and Utilities	3669	4796
Clothing and Footwear	771	1699
Restaurant and Hotel	620	690
Alcoholic Beverages and Tobacco	326	256
Food and Non-Alcoholic Beverages	4936	9425

Household Consumption Expenditure (Rs.)

■ Fourth HBS ■ Fifth HBS

5.5 Household Consumption Expenditure Pattern

A large proportion of consumption expenditure of the households was allocated for the consumption of food and non-alcoholic beverage items. The share of such expenditure was 39.46 percent. It was followed by the expenditure on housing and utilities (20.08 percent), followed by expenditure on education (7.33 percent). The expenditure share was 7.11 percent for clothing and footwear, 5.28 percent for transport and 4.25 percent for furnishing and household equipment. The expenditure groups having lower expenditure share were alcoholic beverages and tobacco, restaurant and hotel, health, communication, recreation and culture and miscellaneous goods and services (Table 5.5).

**Chart 5.5
Consumption Expenditure Pattern**

Category	Rural	Urban	National
Miscellaneous	4.23	3.64	3.87
Education	6.38	7.97	7.33
Recreation and Culture	2.34	2.49	2.43
Communication	2.96	2.67	2.79
Transport	4.57	5.75	5.28
Health	3.48	3.39	3.43
Furnishing and Household Equipment	4.17	4.30	4.25
Housing and Utilities	16.33	22.60	20.08
Clothing and Footwear	7.71	6.71	7.11
Restaurant and Hotel	2.85	2.92	2.89
Alcoholic Beverages and Tobacco	1.43	0.83	1.07
Food and Non-Alcoholic Beverages	43.54	36.73	39.46

Expenditure Share (%)

■ Rural ■ Urban ■ National

Rural households allocated 47.82 percent of their consumption expenditure on food and beverage items whereas urban households allocated 40.48 percent for such purpose. The expenditure shares for food and non-alcoholic beverages, clothing and footwear, health, communication and alcoholic beverages and tobacco in rural area were higher than such shares in urban area. On the other hand, the expenditure shares for housing and utilities, education, transport, furnishing and household equipment and restaurant and hotel items were higher in urban area than rural area (Table 5.5).

In terms of ecological belts, the expenditure shares for food and beverage items varied widely from 39.53 percent in the Kathmandu Valley to 57.58 percent in the Mountain region. Households in the Terai region allocated 43.73 percent of their consumption expenditure on food and beverage items whereas the households in the Hill allocated 46.0 percent for such purpose.

Table 5.5
Expenditure Shares on Food and Non-food Items by Analytical Domains

| Expenditure Group | Rural-Urban | | | | Ecological Belt | | | | | | | | National | |
| | Rural | | Urban | | Terai | | Hills | | Mountain | | Ktm Valley | | | |
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Food and Beverages	9,996	47.82	10,690	40.48	9,624	43.73	10,488	46.00	10,485	57.58	11,759	39.53	10,372	43.43
Food and Non-Alcoholic Beverages	9,102	43.54	9,700	36.73	8,832	40.13	9,535	41.82	9,560	52.50	10,499	35.29	9,425	39.46
Alcoholic Beverages and Tobacco	299	1.43	220	0.83	220	1.00	300	1.32	380	2.09	264	0.89	256	1.07
Restaurant and Hotel	595	2.85	770	2.92	571	2.60	653	2.87	545	2.99	995	3.35	690	2.89
Non-food and Services	10,908	52.18	15,721	59.52	12,384	56.27	12,311	54.00	7,726	42.42	17,989	60.47	13,512	56.57
Clothing and Footwear	1,612	7.71	1,773	6.71	1,684	7.65	1,650	7.24	1,285	7.05	1,842	6.19	1,699	7.11
Housing and Utilities	3,415	16.33	5,968	22.60	4,078	18.53	3,978	17.45	2,688	14.76	7,493	25.19	4,796	20.08
Furnishing and Household Equipment	872	4.17	1,137	4.30	1,013	4.60	947	4.16	678	3.72	1,143	3.84	1,015	4.25
Health	728	3.48	896	3.39	834	3.79	731	3.21	386	2.12	945	3.18	819	3.43
Transport	956	4.57	1,520	5.75	1,159	5.26	1,245	5.46	469	2.58	1,598	5.37	1,261	5.28
Communication	618	2.96	705	2.67	629	2.86	662	2.91	551	3.03	759	2.55	665	2.79
Recreation and Culture	490	2.34	658	2.49	533	2.42	561	2.46	349	1.92	734	2.47	581	2.43
Education	1,334	6.38	2,104	7.97	1,507	6.85	1,639	7.19	769	4.22	2,511	8.44	1,750	7.33
Miscellaneous	883	4.23	961	3.64	947	4.30	896	3.93	550	3.02	966	3.25	925	3.87
Total	20,904	100	26,411	100	22,007	100	22,799	100	18,211	100	29,748	100	23,883	100

5.6 Average Monthly Per Household Member Consumption Expenditure

The average monthly per household member consumption expenditure for urban area was higher than rural area. Urban households had an average monthly per household member consumption expenditure of Rs. 5,449 whereas such expenditure for rural area was Rs. 4,118 only. The Kathmandu Valley had the highest average monthly per

Chart 5.6
Average Monthly Per Household Member Consumption Expenditure

household member consumption expenditure of Rs. 6,421. In terms of the ecological belts, average monthly per household member consumption expenditure was Rs. 4,201 in the Terai region, Rs. 4,805 in the Hilly region, Rs. 3,807 in the Mountain region and Rs. 6,421 in the Kathmandu Valley. Moreover, Central Development Region had the highest average monthly per household member consumption expenditure (Rs. 5,427)
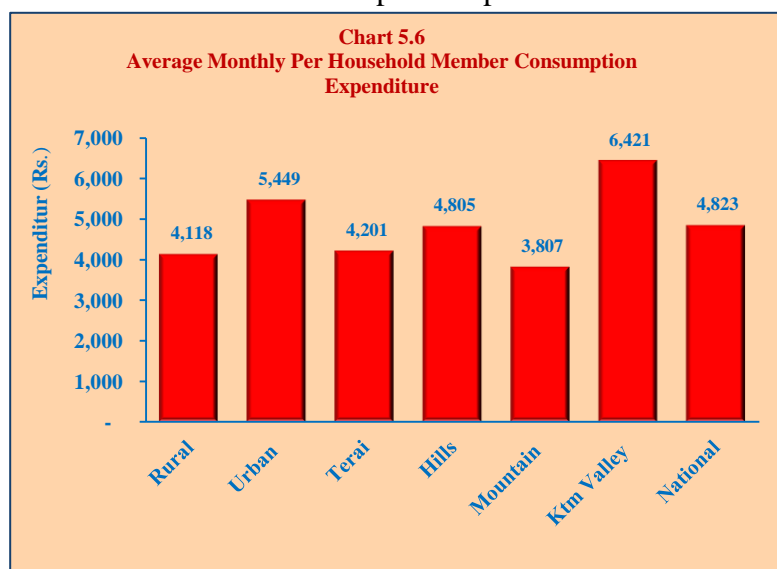
whereas Far-Western Development Region had the lowest (Rs. 3,042). Such expenditure for overall Nepal was Rs. 4,823 (Table 5.6).

The average monthly per household member consumption expenditure on food and beverage items was Rs. 2,094 and such expenditure for non-food and service items was Rs. 2,729. Average monthly per household member consumption expenditure on non-food and service items was greater than such expenditure on food and beverage items in all the analytical domains except the Mountain region. On food and beverage items, the Kathmandu Valley had the highest monthly per household member consumption expenditure (Rs. 2,538) and Far-Western Development Region had the lowest (Rs. 1,478). Similarly, on non-food and service items, the Kathmandu Valley had the highest average monthly per household member consumption expenditure (Rs. 3,883) whereas Far-Western Development Region had the lowest (Rs. 1,564) (Table 5.6).

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Table 5.6
Average Monthly Per Household Member Consumption Expenditure

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(In Rs.)

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Groups	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	EDR	CDR	WDR	MWDR	FWDR	National
Food	1,969	2,205	1,837	2,210	2,192	2,538	1,995	2,255	2,249	1,828	1,478	2,094
Non-Food	2,149	3,243	2,364	2,594	1,615	3,883	2,299	3,172	3,063	2,058	1,564	2,729
Total	4,118	5,449	4,201	4,805	3,807	6,421	4,294	5,427	5,312	3,886	3,042	4,823

5.7 Economies of Scale in Consumption Expenditure

Household with more members enjoyed economies of scale in consumption expenditure through resource pooling and sharing of the common facilities. Although the average monthly household consumption expenditure increased with household size, average monthly per household member consumption

Chart 5.7
Average Monthly Per Household Member Consumption Expenditure by Household Size
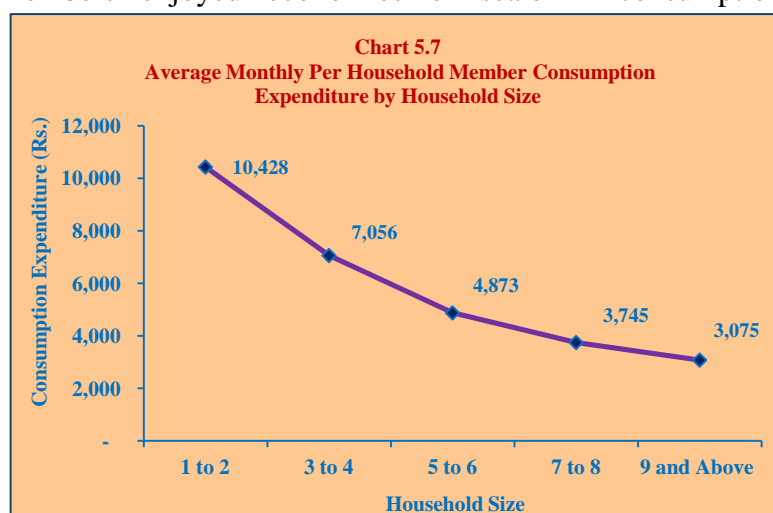
expenditure decreased steadily with household size from Rs. 10,428 for one to two member households to Rs. 3,075 for the households with nine and above members (Chart 5.7).

5.8 Household Consumption Expenditure by House Ownership

Rented households had lower average monthly household consumption expenditure than the household having their own home. The average monthly household consumption expenditure of rented households at national level was Rs. 23,686 whereas such expenditure was Rs. 26,380 for

Chart 5.8
Average Monthly Household Consumption Expenditure by House Ownership

Expenditure (Rs)

	Rural	Urban	National
Owned	22,385	30,410	26,380
On Rent	20,900	24,897	23,686
No Rent	22,691	31,566	28,122
Others	28,369	28,394	28,391
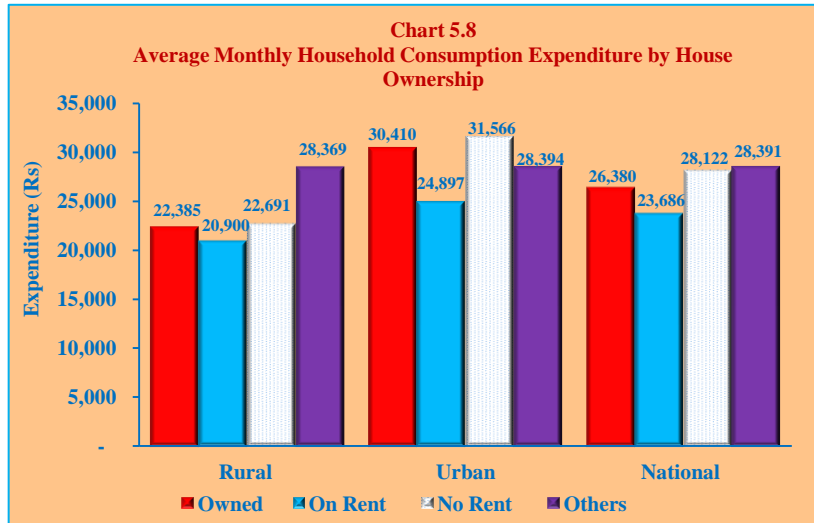
the households owning their own home. Consumption expenditure for the households having their own home was greater than the rented households due to the inclusion of imputed value of owner occupied houses. Furthermore, the average monthly consumption expenditure of rented as well as the households having their own houses was greater for urban area than rural area. Rented households in rural area spent Rs. 20,900 per month on consumption of different goods and services whereas the rented households in urban area spent Rs. 24,897. On the other hand, households owning a house in rural area spent Rs. 22,385 per month for the consumption of different goods and services whereas urban households having their own homes spent Rs. 30,410 per month for such purpose.

5.9 Household Consumption Expenditure by Quintile Groups

Average monthly household consumption expenditure for all consumption quintile groups had more than doubled over the past nine years except for the

Chart 5.9
Average Monthly Household Consumption Expenditure by Quintile Groups

Expenditure (Rs.)

	1st to 20th	21st to 40th	41st to 60th	61st to 80th	81st to 100th
HBS 2005/06	6,002	9,032	11,708	15,651	27,511
HBS 2014/15	14,514	18,721	22,960	28,573	44,499
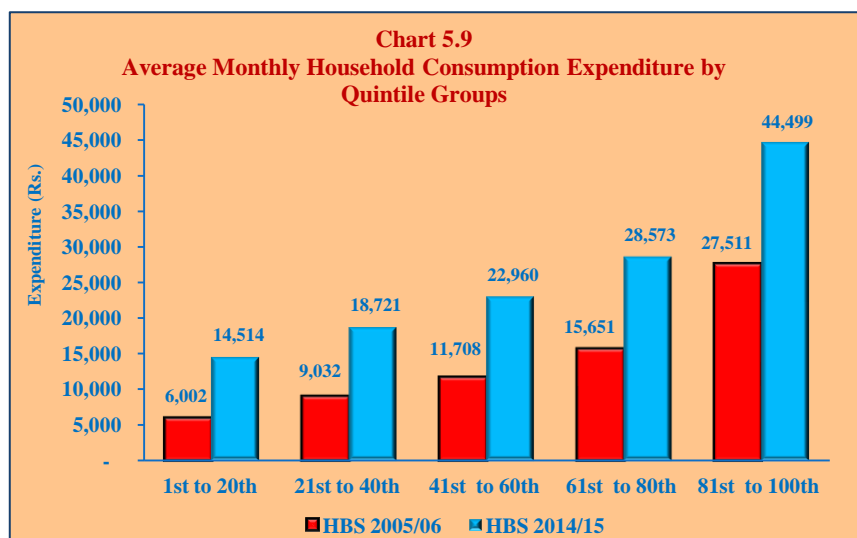
fifth quintile group. Such expenditure for the fifth quintile increased by 61.75 percent

from Rs. 27,511 to Rs. 44,499. The average monthly household consumption expenditure for the richest 20 percent households was more than 3 times the average household consumption expenditure for the poorest 20 percent households. First quintile experienced the highest percentage increase (141.82 percent) in average monthly household consumption expenditure over the last nine years (Chart 5.9).

Average monthly per household member consumption expenditure also increased for all quintile groups over the past nine years. Such expenditure for the poorest 20 percent households increased by 135.31 percent while it increased by 131.96 percent for the second quintile group, by 126.41 percent for the third quintile group, by 120.62 percent for the fourth quintile group and by 101.53 percent for the richest 20 percent

Chart 5.10
Average Per Household Member Monthly Expenditure by Quintile Groups

Quintile Group	HBS 2005/06	HBS 2014/15
1st to 20th	943	2,219
21st to 40th	1,524	3,535
41st to 60th	2,139	4,843
61st to 80th	3,031	6,687
81st to 100th	6,223	12,541
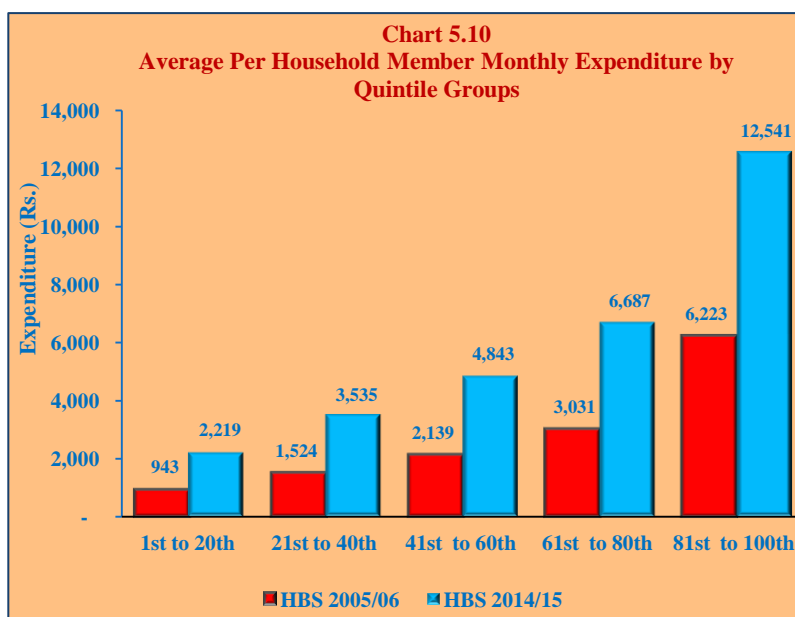
Expenditure (Rs.)

households. Average monthly per household member consumption expenditure was more than 5 times greater than such expenditure for the poorest 20 percent households.

5.10 Consumption Pattern of Quintile Groups

Consumption pattern of the consumption quintile groups shows that poorer households allocated a larger proportion of their consumption expenditure for food and beverage items than the richer households. The expenditure share for food and beverage items decreased with the consumption quintiles whereas such share for non-food and service items increased. The poorest 20 percent households allocated 56.84 percent of their consumption expenditure on food and beverage items whereas the richest 20 percent allocated only 32.86 percent for such purpose. On the other hand, the poorest 20 percent households allocated 43.16 percent of their consumption expenditure for non-food and service items whereas the richest 20 percent households allocated 67.14 percent for such purpose.

Table 5.7

Table 5.7
Consumption Pattern of Quintile Groups

Expenditure Groups	Poorest 20 Percent	21st to 40th	41st to 60th	61st to 80th	Richest 20 Percent
Food and Beverages	**56.84**	**51.51**	**47.24**	**41.83**	**32.86**
Food and Non-Alcoholic Beverages	53.05	47.98	44.03	38.15	29.20
Alcoholic Beverages and Tobacco	2.15	1.69	1.26	1.27	0.86
Restaurant and Hotel	1.63	1.84	1.95	2.42	2.80
Non-food and Services	**43.16**	**48.49**	**52.76**	**58.17**	**67.14**
Clothing and Footwear	5.73	6.72	6.91	7.03	7.22
Housing and Utilities*	20.66	19.75	19.81	19.14	16.13
Furnishing and Household Equipment	2.71	3.42	3.62	4.44	5.24
Health	2.64	3.10	3.37	3.89	4.73
Transport	1.91	2.58	3.53	4.30	8.27
Communication	1.94	2.26	2.56	2.82	3.24
Recreation and Culture	1.43	1.84	2.06	2.47	3.03
Education	2.87	4.89	6.09	7.79	10.02
Miscellaneous	3.27	3.94	4.81	6.29	9.25
Total	**100**	**100**	**100**	**100**	**100**

* It includes the imputed value of owner occupied dwelling also.

Under food and beverages group, the expenditure share of food and non-alcoholic beverages as well as alcoholic beverages and tobacco decreased for the higher quintile groups whereas the expenditure share for restaurant and hotel increased. On the other hand, under non-food and services group, the expenditure share for all the groups increased for the higher quintile groups except for housing and utilities (Table 5.7).

Chart 5.11
Consumption Pattern of Quintile Groups
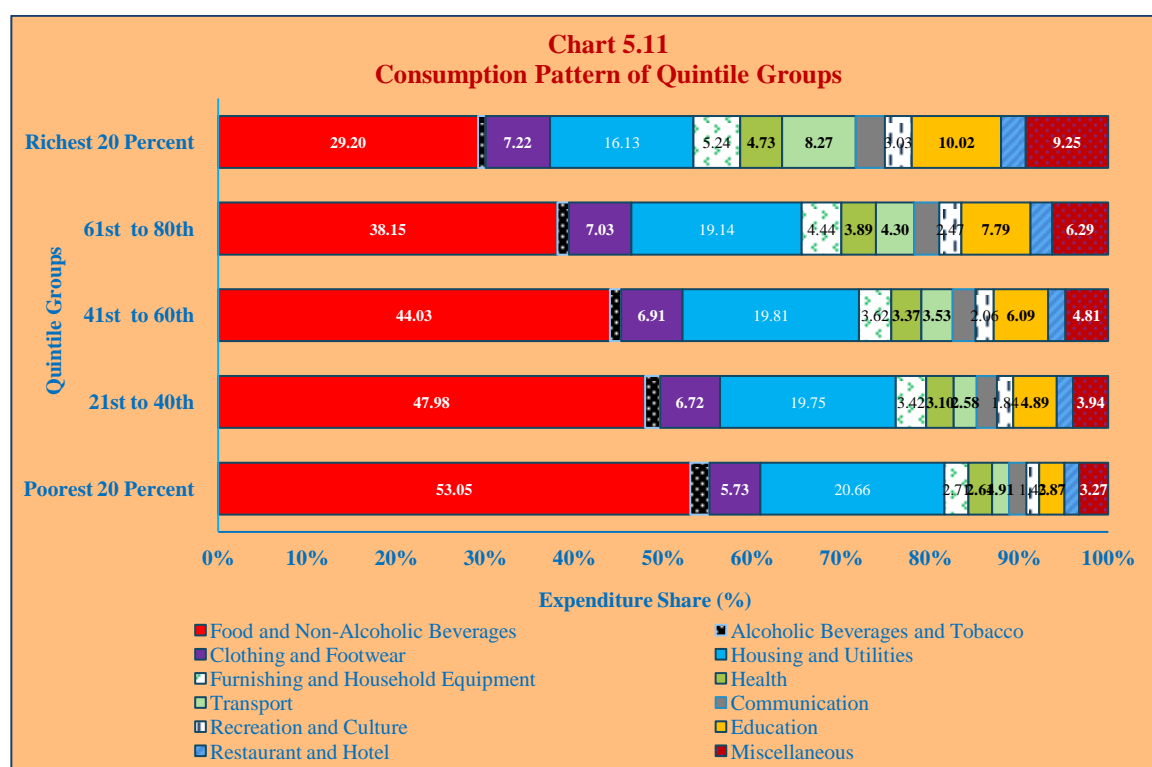
5.11 Goods and Services with the Highest Expenditure Shares

In rural area, house rent had the largest expenditure share in household consumption expenditure followed by medium quality rice and local milk. Out of the total consumption expenditure of rural households, 13.24 percent of the expenditure was allocated for house rent. The expenditure share for medium quality rice was 3.66 percent, followed by 3.01 percent for local milk. Top ten goods and services in terms of largest expenditure shares covered 36.43 percent of total consumption expenditure in rural area (Statistical Table 16).

House rent had the largest expenditure share in urban area too, followed by monthly fees at secondary school/higher secondary level education at private schools and high

Chart 5.12
Goods and Services with the Largest Expenditure Shares in Rural Area

	Expenditure Share (in %)
House Rent*	13.24
Medium Quality Rice	3.66
Local Milk	3.01
Broiler Chicken Meat	2.95
High Quality Rice	2.80

Chart 5.13
Goods and Services with the Largest Expenditure Shares in Urban Area

	Expenditure Share (in %)
House Rent*	18.64
Monthly Fees#	2.81
High Quality Rice	2.74
Medium Quality Rice	2.60
Broiler Chicken Meat	2.44

* Includes the imputed rent of owner occupied houses also.
\# Refers to monthly fees for secondary/higher secondary level education at private schools.

quality rice. The expenditure share for house rent was 18.64 percent, followed by 2.81 percent for the secondary school fees at private schools. High quality rice had an expenditure share of 2.74 percent. Top ten goods and services in terms of highest expenditure shares covered 39.38 percent of total consumption expenditure in urban area (Statistical Table 16).

At national level, house rent had the largest expenditure share followed by medium quality rice and high quality rice. The expenditure share of house rent was 16.47 percent, followed by 3.03 percent for medium quality rice. The expenditure share of high
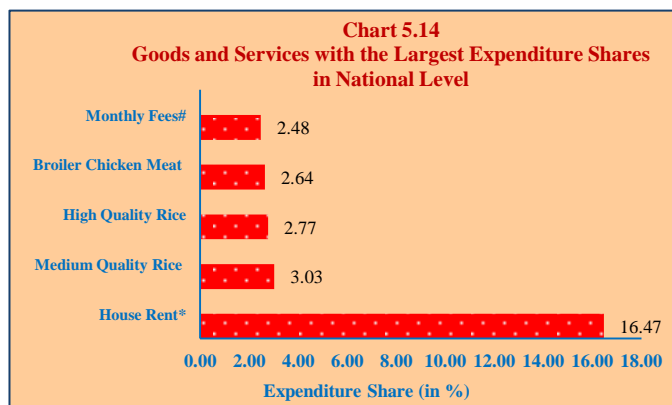
Chart 5.14
Goods and Services with the Largest Expenditure Shares in National Level

	Expenditure Share (in %)
House Rent*	16.47
Medium Quality Rice	3.03
High Quality Rice	2.77
Broiler Chicken Meat	2.64
Monthly Fees#	2.48

* Includes the imputed rent of owner occupied houses also.
\# Refers to monthly fees for secondary/higher secondary level education at private schools.

quality rice was 2.77 percent. Top ten goods and services in terms of highest expenditure shares covered 37.59 percent of total consumption expenditure at national level (Statistical Table 16).

In terms of ecological belts, the Terai region had the highest expenditure share for house rent (15.07 percent) followed by local milk (3.41 percent) and medium quality rice (3.20 percent). The Hilly retgion had highest expenditure share for house rent (14.40 percent) followed by high quality rice (3.63 percent) and medium quality rice (3.29 percent). Likewise, the Mountain region had the highest expenditure share for house rent (10.41 percent) followed by local milk (4.65 percent) and high quality rice (4.39 percent). In the Kathmandu Valley also, house rent had the highest expenditure share (20.85 percent) followed by high quality rice (2.96 percent) and milk from dairy (2.95 percent) (Statistical Table 17).

5.12 Inequality in Consumption Expenditure

Inequality in consumption expenditure as depicted by the Lorenz curve in chart 5.15 shows that urban area had slightly higher degree of inequality in consumption expenditure than rural area. Higher inequality in urban area had been also reflected in a higher value of Gini coefficient. The Gini coefficient for rural area was 0.28 whereas it was 0.30 for urban area. Gini coefficient for overall Nepal was 0.30. Furthermore, in terms of ecological

Chart 5.15
Lorenz Curve for Consumption Expenditure
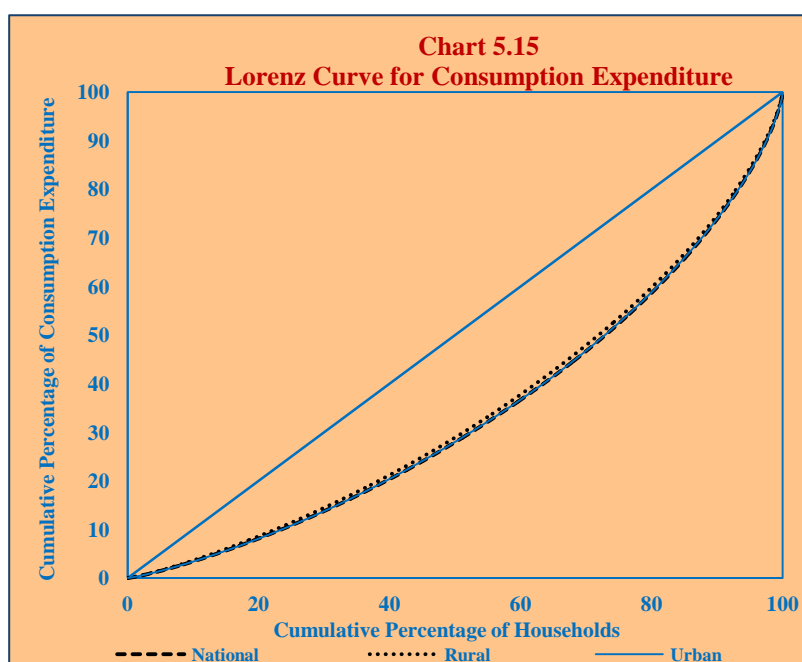
belts, mountain region had the lowest degree of inequality in consumption expenditure with a Gini coefficient of 0.26; the Gini coefficient for Terai was 0.28 and for Hills was 0.31. The Kathmandu Valley had a Gini coefficient of 0.31. In terms of development regions, Mid-Western Development Region and Far-Western Development Region had the lowest Gini coefficient (0.26) while Western Development Region had the highest Gini coefficient (0.31). The Gini coefficient was 0.27 for Eastern Development Region, 0.30 for Central Development Region.

STATISTICAL TABLES

Table 1

Average Household Size and Percentage Distribution of Households by Size

HH Size	Rural-Urban			Ecological Belt			Development Region					National
	Rural	Urban	Terai	Hills	Mountain	Ktm Val*	EDR	CDR	WDR	MWDR	FWDR	
1 to 2	6.99	8.07	6.78	8.33	11.82	7.53	7.08	7.82	8.57	8.65	3.82	**7.57**
3 to 4	39.4	43.84	36.64	43.70	39.86	50.25	40.61	44.11	43.90	36.80	30.90	**41.64**
5 to 6	34.71	32.15	35.07	33.52	30.07	29.75	35.23	31.74	32.02	35.19	37.71	**33.32**
7 to 8	12.35	10.39	13.44	10.31	12.50	7.65	11.64	10.53	9.76	13.20	16.28	**11.29**
9 and Above	6.90	5.54	8.08	4.14	5.74	4.81	5.44	5.79	5.75	6.16	11.30	**6.17**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
Average HH Size	**5.08**	**4.85**	**5.24**	**4.74**	**4.78**	**4.63**	**4.96**	**4.86**	**4.83**	**5.02**	**5.66**	**4.95**

*Refers to Kathmandu Valley

Table 2

Distribution of Household Members by Gender

Gender of HH Member	Rural-Urban		Ecological Belt				Development Region					National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	EDR	CDR	WDR	MWDR	FWDR	
Male	49.17	49.42	48.37	50.01	48.38	49.63	49.75	49.92	48.48	48.76	48.34	**49.31**
Female	50.79	50.55	51.61	49.95	51.62	50.34	50.19	50.04	51.52	51.24	51.66	**50.66**
Others	0.04	0.03	0.03	0.04	0.00	0.04	0.06	0.04	0.00	0.00	0.00	**0.03**
Total	100	100	100	100	100	100	100	100	100	100	100	100

Table 3

Distribution of Households by Age of Household Head

Age of House-hold Head	Rural-Urban			Ecological Belt			Development Region					National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	EDR	CDR	WDR	MWDR	FWDR	
15 to 24	3.30	3.67	2.65	5.07	3.72	3.15	2.69	3.52	4.00	4.69	2.99	**3.50**
25 to 59	79.26	76.16	78.68	77.18	74.66	76.23	77.24	77.23	78.30	79.03	76.91	**77.58**
60 and Above	17.44	20.17	18.67	17.75	21.62	20.62	20.07	19.25	17.70	16.28	20.10	**18.92**
Total	100	100	100	100	100	100	100	100	100	100	100	100
Average Age	45.30	46.36	45.94	44.98	48.46	46.51	47.19	46.13	44.64	44.15	46.0	45.87

Table 4

Female Headed Households

Gender of HH Head	Rural-Urban		Ecological Belt				Development Region					National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	EDR	CDR	WDR	MWDR	FWDR	
Male	85.02	84.23	87.47	79.34	90.54	84.44	88.12	84.92	75.78	88.27	92.03	**84.59**
Female	14.98	15.77	12.53	20.66	9.46	15.56	11.88	15.08	24.22	11.73	7.97	**15.41**
Total	100	100	100	100	100	100	100	100	100	100	100	100

Table 5

Distribution of Household Heads by Profession

Profession	Rural-Urban		Ecological Belt				Development Region					National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	EDR	CDR	WDR	MWDR	FWDR	
Businessman	19.06	21.38	21.07	14.36	17.57	27.47	24.63	21.50	19.14	17.16	8.47	**20.32**
Doctor	0.03	0.12	0.11	0.00	0.00	0.12	0.00	0.19	0.00	0.00	0.00	**0.08**
Engineer	0.03	0.26	0.08	0.04	0.00	0.49	0.00	0.34	0.00	0.15	0.00	**0.15**
Farmer	40.94	18.35	30.03	39.52	47.30	7.22	26.10	20.19	30.08	38.71	66.61	**28.71**
Housewife	7.55	10.87	6.47	12.91	7.09	11.17	6.90	10.16	14.63	5.87	1.83	**9.34**
Industrialist	2.29	2.34	2.32	1.67	0.68	3.52	2.81	2.59	1.69	1.61	1.99	**2.32**
Service	14.03	22.47	17.64	14.89	14.19	26.73	18.02	22.77	13.63	17.01	12.96	**18.60**
Student	0.03	0.07	0.08	0.00	0.34	0.00	0.00	0.00	0.00	0.59	0.00	**0.05**
Teacher	2.85	3.67	3.24	3.83	4.73	2.41	3.28	2.90	3.88	3.67	3.49	**3.29**
Unemployed	2.13	5.21	3.35	3.39	1.35	5.81	1.87	4.76	4.69	4.84	0.50	**3.80**
Others	11.07	15.27	15.60	9.38	6.76	15.06	16.38	14.61	12.26	10.41	4.15	**13.34**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Table 6

Distribution of Households by Type of House

Type of House	Rural-Urban		Ecological Belt			Development Region						National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	EDR	CDR	WDR	MWDR	FWDR	
Bricked	53.05	78.36	67.70	53.26	44.26	87.65	53.31	77.51	70.67	57.04	48.17	**66.75**
Non-bricked	46.95	21.64	32.30	46.74	55.74	12.35	46.69	22.49	29.33	42.96	51.83	**33.25**
Total	100	100	100	100	100	100	100	100	100	100	100	100

Table 7

Distribution of Households by House Ownership

Ownership Status	Rural-Urban			Ecological Belt			Development Region					National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	EDR	CDR	WDR	MWDR	FWDR	
Owned	84.82	71.21	83.52	78.02	87.84	61.23	82.62	70.56	74.80	85.78	97.18	77.45
On Rent	13.69	26.68	15.02	19.96	9.80	36.54	15.21	27.79	23.89	10.70	1.66	20.73
No Rent	1.45	1.94	1.41	1.94	2.36	1.98	2.17	1.43	1.31	3.37	1.16	1.72
Others	0.03	0.17	0.06	0.09	0.00	0.25	0.00	0.22	0.00	0.15	0.00	0.10
Total	100	100	100	100	100	100	100	100	100	100	100	100

Table 8

Average Monthly Household Income by Source

Analytical Domain	Rural		Urban		National	
	Amount (Rs.)	Share (%)	Amount (Rs.)	Share (%)	Amount (Rs.)	Share (%)
Agriculture, Livestock and Fishery	3,125	11.36	1,311	4.05	2,144	7.12
Salary, Wages, Allowance and Pension	7,269	26.42	10,681	33.03	9,115	30.26
Business Income	6,240	22.68	8,309	25.70	7,360	24.43
Remittance	6,514	23.68	4,277	13.23	5,304	17.61
Rent and Imputed Rent	3,502	12.73	6,633	20.51	5,196	17.25
Miscellaneous	861	3.13	1,124	3.48	1,003	3.33
Total	27,511	100	32,336	100	30,121	100

Table 9

Average Monthly Household Income by Quintile Groups

Sources of Household Income	Poorest		Second		Third		Fourth		Richest	
	Rs.	(%)	Rs.	(%)	Rs.	(%)	Rs.	(%)	Rs.	(%)
Agriculture, Livestock and Fishery	2,203	12.01	3,647	15.36	2,124	8.66	5,338	16.66	8,345	15.58
Salary, Wages, Allowance and Pension	5,920	32.28	6,784	28.58	7,427	30.29	9,721	30.34	14,445	26.96
Business Income	3,493	19.05	4,857	20.46	5,453	22.24	5,947	18.56	12,821	23.93
Remittance	3,597	19.61	4,263	17.96	4,576	18.67	4,656	14.53	7,473	13.95
Rent and Imputed Rent	2,722	14.84	3,647	15.36	4,200	17.13	5,338	16.66	8,345	15.58
Miscellaneous	403	2.20	542	2.28	736	3.00	1,042	3.25	2,149	4.01
Total	18,338	100	23,739	100	24,516	100	32,042	100	53,578	100

Table 10
Average Monthly Household Consumption Expenditure by Food and Non-food Items

Analytical Domain		Food and Beverages (Rs.)	Share (%)	Non-food and Services (Rs.)	Share (%)	Total (Rs.)	Share (%)
Rural-Urban	Rural	9,996	47.82	10,908	52.18	20,904	100
	Urban	10,690	40.48	15,721	59.52	26,411	100
Ecological Belt	Terai	9,624	43.73	12,384	56.27	22,008	100
	Hills	10,488	46.00	12,311	54.00	22,799	100
	Mountain	10,485	57.58	7,726	42.42	18,211	100
	Ktm Valley	11,759	39.53	17,989	60.47	29,748	100
Development Region	EDR	9,898	46.46	11,408	53.54	21,306	100
	CDR	10,963	41.56	15,418	58.44	26,381	100
	WDR	10,862	42.35	14,789	57.65	25,651	100
	MWDR	9,173	47.03	10,333	52.97	19,506	100
	FWDR	8,371	48.58	8,860	51.42	17,231	100
National		10,371	43.43	13,512	56.57	23,883	100

Table 11

Average Monthly Household Consumption Expenditure by House Ownership

Ownership Status	Rural-Urban		Ecological Belt				National
	Rural	Urban	Terai	Hills	Mountain	Ktm Valley	
Owned	22,385	30,410	24,111	24,573	21,526	37,782	26,380
On Rent	20,900	24,897	22,087	23,561	19,235	25,465	23,686
No Rent	22,691	31,566	18,852	25,705	26,594	46,553	28,122
Others	28,369	28,394	40,242	15,971	-	28,675	28,391

Table 12

Average Monthly Household Consumption Expenditure by Source of Acquisition

Domain	Share of Consumption Expenditure (in %)				
	Market Purchased	Exchanged	Free of Cost	Home Produced	Total
Rural	83.96	0.04	0.60	15.41	100
Urban	84.71	0.04	0.40	14.85	100
Terai	84.59	0.05	0.50	14.86	100
Hills	84.25	0.03	0.74	14.99	100
Mountain	78.71	0.06	1.08	20.15	100
Ktm Valley	84.97	0.03	0.08	14.91	100
EDR	86.09	0.02	0.41	13.48	100
CDR	85.55	0.05	0.19	14.21	100
WDR	85.05	0.02	0.48	14.45	100
MWDR	82.85	0.05	0.68	16.42	100
FWDR	84.41	0.04	0.48	15.08	100
National	84.41	0.04	0.48	15.08	100

Table 13

Expenditure Shares on Food and Non-food Items by Rural-Urban Areas and Ecological Belts

| Expenditure Groups | Rural-Urban | | | | Ecological Belt | | | | | | | | | | National | |
| | Rural | | Urban | | Terai | | Hills | | Mountain | | Ktm Valley | | | | | |
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Food and Beverages	**9,996**	**47.82**	**10,690**	**40.48**	**9,624**	**43.73**	**10,488**	**46.00**	**10,485**	**57.58**	**11,759**	**39.53**	**10,371**	**43.43**
Food and Non-Alcoholic Beverages	9,102	43.54	9,700	36.73	8,832	40.13	9,535	41.82	9,560	52.50	10,499	35.29	9,425	39.46
Alcoholic Beverages and Tobacco	299	1.43	220	0.83	220	1.00	300	1.32	380	2.09	264	0.89	256	1.07
Restaurant and Hotel	595	2.85	770	2.92	571	2.60	653	2.87	545	2.99	995	3.35	690	2.89
Non-food and Services	**10,908**	**52.18**	**15,721**	**59.52**	**12,384**	**56.27**	**12,311**	**54.00**	**7,726**	**42.42**	**17,989**	**60.47**	**13,512**	**56.57**
Clothing and Footwear	1,612	7.71	1,773	6.71	1,684	7.65	1,650	7.24	1,285	7.05	1,842	6.19	1,699	7.11
Housing and Utilities	3,415	16.33	5,968	22.60	4,078	18.53	3,978	17.45	2,688	14.76	7,493	25.19	4,796	20.08
Furnishing and Household Equipment	872	4.17	1,137	4.30	1,013	4.60	947	4.16	678	3.72	1,143	3.84	1,015	4.25
Health	728	3.48	896	3.39	834	3.79	731	3.21	386	2.12	945	3.18	819	3.43
Transport	956	4.57	1,520	5.75	1,159	5.26	1,245	5.46	469	2.58	1,598	5.37	1,261	5.28
Communication	618	2.96	705	2.67	629	2.86	662	2.91	551	3.03	759	2.55	665	2.79
Recreation and Culture	490	2.34	658	2.49	533	2.42	561	2.46	349	1.92	734	2.47	581	2.43
Education	1,334	6.38	2,104	7.97	1,507	6.85	1,639	7.19	769	4.22	2,511	8.44	1,750	7.33
Miscellaneous	883	4.23	961	3.64	947	4.30	896	3.93	550	3.02	966	3.25	925	3.87
Total	**20,904**	**100**	**26,411**	**100**	**22,007**	**100**	**22,799**	**100**	**18,211**	**100**	**29,748**	**100**	**23,883**	**100**

Table 14

Expenditure Shares on Food and Non-food Items by Development Regions

Expenditure Groups	Development Region									
	EDR		CDR		WDR		MWDR		FWDR	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Food and Beverages	**9,898**	**46.46**	**10,963**	**41.56**	**10,862**	**42.34**	**9,173**	**47.03**	**8,371**	**48.58**
Food and Non-Alcoholic Beverages	9,113	42.77	9,867	37.40	9,925	38.69	8,330	42.70	7,657	44.44
Alcoholic Beverages and Tobacco	222	1.04	256	0.97	245	0.96	361	1.85	275	1.59
Restaurant and Hotel	563	2.64	840	3.19	692	2.70	482	2.47	439	2.55
Non-food and Services	**11,408**	**53.54**	**15,418**	**58.44**	**14,789**	**57.66**	**10,333**	**52.97**	**8,860**	**51.42**
Clothing and Footwear	1,573	7.38	1,759	6.67	1,821	7.10	1,813	9.30	1,263	7.33
Housing and Utilities	3,612	16.95	5,980	22.67	4,866	18.97	3,150	16.15	3,210	18.63
Furnishing and Household Equipment	994	4.66	1,081	4.10	1,084	4.23	882	4.52	661	3.84
Health	819	3.84	858	3.25	852	3.32	663	3.40	669	3.88
Transport	1,117	5.24	1,357	5.14	1,561	6.09	785	4.03	825	4.79
Communication	571	2.68	711	2.70	751	2.93	613	3.14	502	2.92
Recreation and Culture	474	2.23	667	2.53	638	2.49	477	2.44	367	2.13
Education	1,393	6.54	2,067	7.83	2,045	7.97	1,133	5.81	869	5.04
Miscellaneous	855	4.01	938	3.55	1,171	4.56	818	4.19	493	2.86
Total	**21,305**	**100**	**26,381**	**100**	**25,651**	**100**	**19,506**	**100**	**17,231**	**100**

Table 15

Consumption Pattern of Quintile Groups

Expenditure Groups	Poorest 20 Percent	21st to 40th	41st to 60th	61st to 80th	Richest 20 Percent
Food and Beverages	**56.84**	**51.51**	**47.24**	**41.83**	**32.86**
Food and Non-Alcoholic Beverages	53.05	47.98	44.03	38.15	29.20
Alcoholic Beverages and Tobacco	2.15	1.69	1.26	1.27	0.86
Restaurant and Hotel	1.63	1.84	1.95	2.42	2.80
Non-food and Services	**43.16**	**48.49**	**52.76**	**58.17**	**67.14**
Clothing and Footwear	5.73	6.72	6.91	7.03	7.22
Housing and Utilities	20.66	19.75	19.81	19.14	16.13
Furnishing and Household Equipment	2.71	3.42	3.62	4.44	5.24
Health	2.64	3.10	3.37	3.89	4.73
Transport	1.91	2.58	3.53	4.30	8.27
Communication	1.94	2.26	2.56	2.82	3.24
Recreation and Culture	1.43	1.84	2.06	2.47	3.03
Education	2.87	4.89	6.09	7.79	10.02
Miscellaneous	3.27	3.94	4.81	6.29	9.25
Total	**100**	**100**	**100**	**100**	**100**

Table 16

Top Ten Goods and Services by the Highest Expenditure Shares in Rural-Urban Areas

Rural Area			Urban Area			National		
SN	Goods and Services	Share (%)	SN	Goods and Services	Share (%)	SN	Goods and Services	Share (%)
1.	House Rent	13.24	1.	House Rent	18.64	1.	House Rent	16.47
2.	Medium Quality Rice	3.66	2.	Monthly Fees (Private Schools Secondary Level)	2.81	2.	Medium Quality Rice	3.03
3.	Local Milk	3.01	3.	High Quality Rice	2.74	3.	High Quality Rice	2.77
4.	Broiler Chicken Meat	2.95	4.	Medium Quality Rice	2.60	4.	Broiler Chicken Meat	2.64
5.	High Quality Rice	2.80	5.	Broiler Chicken Meat	2.44	5.	Monthly Fees (Private Schools Secondary Level)	2.48
6.	Mutton	2.63	6.	LPG Gas	2.14	6.	Local Milk	2.42
7.	Low Quality Rice	2.26	7.	Milk from Dairy	2.09	7.	Mutton	2.27
8.	Medicines	1.99	8.	Mutton	2.04	8.	Medicines	1.91
9.	Monthly Fees (Private Schools Secondary Level)	1.98	9.	Local Milk	2.03	9.	LPG Gas	1.88
10.	Mustard Oil	1.91	10.	Medicines	1.85	10.	Monthly Fees (Private Schools Primary Level)	1.72

Table 17

Top Ten Goods and Services by the Highest Expenditure Shares in Ecological Belts

Terai			Hills			Mountain			Ktm Valley		
SN	Goods and Services	Share (%)	SN	Goods and Services	Share (%)	SN	Goods and Services	Share (%)	SN	Goods and Services	Share (%)
1.	House Rent	15.07	1.	House Rent	14.40	1.	House Rent	10.41	1.	House Rent	20.85
2.	Local Milk	3.41	2.	High Quality Rice	3.63	2.	Local Milk	4.65	2.	High Quality Rice	2.96
3.	Medium Quality Rice	3.20	3.	Medium Quality Rice	3.29	3.	High -Quality Rice	4.39	3.	Milk from Dairy	2.95
4.	Broiler Chicken Meat	2.43	4.	Broiler Chicken Meat	3.00	4.	Medium Quality Rice	4.02	4.	Monthly Fees (Private Schools Secondary Level)	2.87
5.	Monthly Fees (Private Schools Secondary Level)	2.31	5.	Mutton	2.62	5.	Mutton	3.82	5.	Broiler Chicken Meat	2.67
6.	Mutton	2.30	6.	Local Milk	2.50	6.	Low Quality Rice	3.31	6.	LPG Gas	2.50
7.	Medicines	2.24	7.	Monthly Fees (Private Schools Secondary Level)	2.43	7.	Broiler Chicken Meat	2.30	7.	Medium Quality Rice	2.45
8.	High Quality Rice	2.05	8.	Monthly Fees (Private Schools Primary Level)	1.75	8.	Buff Meat	1.93	8.	Fees for College Education	1.95
9.	Low Quality Rice	1.97	9.	Medicines	1.74	9.	Firewood	1.67	9.	Mutton	1.81
10.	Mustard Oil	1.86	10.	LPG Gas	1.59	10.	Potato	1.65	10.	Monthly Fees (Private Schools Primary Level)	1.80

Fifth Household Budget Survey Committee

Coordinator
Mr. Gopal Prasad Kaphle
Deputy Governor
Nepal Rastra Bank

Member	**Member**
Mr. Maha Prasad Adhikari	Mr. Nara Bahadur Thapa[1]
Deputy Governor	Executive Director
Nepal Rastra Bank	Nepal Rastra Bank
Member	**Member**
Prof. Dr. Ajay Bikram Sthapit	Mr. Bikas Bista
Central Department of Statistics	Director General
Tribhuvan University	Central Bureau of Statistics
	Government of Nepal
Member	**Member-Secretary**
Mr. Chiranjibi Chapagain[2]	Mr. Buddha Raj Sharma[3]
Acting Director/Project Chief	Deputy Director/Member-Secretary
Fifth Household Budget Survey Project	Fifth Household Budget Survey Project

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[1] Mr. Nara Bahadur Thapa replaced Dr. Min Bahadur Shrestha.
[2] Mr. Chiranjibi Chapagain replaced Mr. Upendra Kumar Poudel who had replaced Dr. Shankar Prasad Acharya.
[3] Mr. Buddha Raj Sharma replaced Mr. Satyendra Timilsina who had replaced Mr. Chiranjibi Chapagain.

Annex B

List of Staff at Fifth Household Budget Survey Offices

HBS Project Office, Kathmandu	HBS Regional Office, Kathmandu	HBS Regional Office, Biratnagar
1. Mr. Chiranjibi Chapagain Acting Director	1. Mr. Buddha Raj Sharma Deputy Director	1. Mrs. Sushma Regmi Deputy Director
2. Mr. Satyendra Timilsina Deputy Director	2. Mr. Purna Bahadur Maharjan Assistant Director	2. Mr. Ram Sharan Sharma Assistant Director
3. Mr. Dibas Neupane Deputy Director	3. Mr. Bhubaneshwor Bhattarai Assistant Director	3. Mr. Yek Rak Subedi Assistant Director
4. Mr. Juddhaman Shrestha Assistant Director	4. Mr. Rajendra Prasad Mainali Assistant Director	4. Mr. Jishnu Prasad Baral Assistant Director
5. Mrs. Kalpana Khapung Assistant Director	5. Mr. Nava Raj Tiwari Assistant Director	5. Mr. Shankar Basti Assistant Director
6. Mr. Kishor Kumar Bhattarai Assistant Director	6. Mr. Kamal Bahadur Tamang Assistant Director	
7. Mr. Ram Kumar Karki Assistant Director	7. Mr. Bishnu Prasad Phuyal Assistant Director	
8. Mr. Sushil Poudel Assistant Director		
9. Mr. Ishwor Pant Assistant Director		
10. Mr. Sundar Khadka Assistant Director		
11. Mr. Siddha Raj Bhatta Assistant Director		
12. Mrs. Anita Nepali Office Assistant		

	HBS Regional Office, Janakpur		HBS Regional Office, Birgunj		HBS Regional Office, Siddharthanagar
1.	Mr. Nirmal Kumar Karki Deputy Director	**1.**	Mr. Ram Prasad Phuyal Deputy Director	**1.**	Mr. Sharan Kumar Adhikari Deputy Director
2.	Mr. Rambilash Mahato Assistant Director	**2.**	Mr. Shyam Sundar Chaudhary Assistant Director	**2.**	Mr. Jeevan Prakash Pandey Assistant Director
3.	Mr. Deepak Adhikari Assistant Director	3.	Mr. Hari Ram Rimal Assistant Director	**3.**	Mr. Shiv Kumar Bishwokarma Assistant Director

	HBS Regional Office, Pokhara		HBS Regional Office, Nepalgunj		HBS Regional Office, Dhangadhi
1.	Mr. Matrikaraj Ghimire Deputy Director	1.	Mr. Ashok Ghimire Deputy Director	1.	Mr. Binod Raj Lekhak Deputy Director
2.	Mr. Gyaj Sharma Assistant Director	2.	Mr. Bhimarjuna Shah Assistant Director	2.	Mr. Laxman Singh Bohara Assistant Director
3.	Mr. Pratap Raj Parajuli Assistant Director	3.	Mrs. Binti Shrestha Assistant Director	3.	Mr. Ghanshyam Phulara Assistant Director

ANNEX C
List of Pool Staff at Fifth Household Budget Survey Offices

HBS Regional Office, Biratnagar	HBS Regional Office, Janakpur	HBS Regional Office, Birgunj	HBS Regional Office, Siddharthanagar
1. Mr. Pramod Shrestha Assistant Director	1. Mr. Kedar Prasad Pokharel Assistant Director	1. Mr. Bhola Nath Premi Assistant Director	1. Mr. Khem Bahadur Pun Assistant Director
2. Mrs. Renuka Won Assistant Director	2. Mr. Ram Pramod Shah Assistant Director	2. Mr. Sagar Chandra Gautam Assistant Director	2. Mr. Shanti Prasad Pandey Assistant Director
3. Mrs. Kalpana Devi Bhattarai Assistant Director	3. Mr. Arun Kumar Shah Assistant Director	3. Mr. Sharad Raj Gautam Assistant Director	3. Mr. Bhakti Ram Gyanwali Assistant Director
4. Mrs. Rajani Shrestha Assistant Director	4. Mr. Keshav Timilsina Assistant Director		4. Mr. Chhavi Lal Ghimire Assistant Director
5. Mr. Binod Pokharel Assistant Director	5. Mr. Chandra Mani Niraula Assistant Director		

HBS Regional Office, Pokhara	HBS Regional Office, Nepalgunj	HBS Regional Office, Dhangadhi
1. Mr. Milan Rai Assistant Director	1. Mr. Bhupendra Malla Assistant Director	1. Mr. Khadak Bahadur Chaudhary Assistant Director
2. Mr. Khim Bahadur Thapa Assistant Director	2. Mr. Ramesh Malla Assistant Director	2. Mr. Tirth Raj Ojha Assistant Director
3. Mr. Gyaj Sharma Assistant Director	3. Mr. Indra Tribikram Pahari Assistant Director	3. Mr. Janak Bahadur Singh Assistant Director
	4. Mr. Satyendra Tripathi Assistant Director	4. Mr. Bishnu Datta Pandey Assistant Director
	5. Mr. Dhananjaya Parajuli Assistant Director	
	6. Mr. Niraj Adhikari Assistant Director	

HBS Regional Offices and Allotted Market Centers

Biratnagar	Bhojpur	Rural
	Biratnagar Sub-Metro City	Urban
	Birtamod	Rural
	Chainpur	Rural
	Damak Municipality	Urban
	Dhankuta Municipality	Urban
	Diktel	Rural
	Duhabi-Bhaluwa	Rural
	Ilam Municipality	Urban
	Itahari Municipality	Urban
	Khandbari Municipality	Urban
	Myanglung	Rural
	Phidim	Rural
	Urlabari	Rural
Birgunj	Bharatpur Municipality	Urban
	Birgunj Sub-Metro City	Urban
	Chandranigahapur	Rural
	Hetauda Municipality	Urban
	Pipra Simra-Bhawanipur Jitpur	Rural
Janakpur	Dhalkebar	Rural
	Hanumannagar	Rural
	Hariyon	Rural
	Janakpur Municipality	Urban
	Kamalamai Municipality	Urban
	Katari	Rural
	Lahan Municipality	Urban
	Malangawa Municipality	Urban
	Mohanpur-Kalyanpur	Rural
	Ramnagar Mirchaiya	Rural
Kathmandu	Banepa Municipality	Urban
	Barhabise	Rural
	Bhaktapur Municipality	Urban
	Bhimeswor Municipality	Urban
	Bidur Municipality	Urban
	Champapur (Chapagaun)	Rural
	Changunarayan-Nagarkot	Rural
	Chautara	Rural
	Daman-Palung	Rural
	Kathmandu Metro City-I	Urban
	Kathmandu Metro City-II	Urban
	Kathmandu Metro City-III-Kirtipur	Urban

	Laitpur Sub-Metro City	Urban
	Madhyapur Municipality	Urban
	Naubise	Rural
	Nilkantha	Rural
	Panchkhal	Rural
	Sitapaila-Thankot	Rural
Pokhara	Beni (Arthunge-Ghatan-Jamrukkot)	Rural
	Lamjung (Besishahar-Gaunshahar-Udipur)	Rural
	Parbat (Khurkot-Shivalaya-Durlung)	Rural
	Pokhara Sub-Metro City	Urban
	Waling Municipality	Urban
Siddharthanagar	Butwal Municipality	Urban
	Devdaha	Rural
	Gaidakot	Rural
	Kapilbastu Municipality	Urban
	Krishnanagar	Rural
	Sandhikharka	Rural
	Siddharthanagar Municipality	Urban
	Sunawal	Rural
	Tamghas	Rural
	Tansen Municipality	Urban
Nepalgunj	Chandannath	Rural
	Chhinchu	Rural
	Dullu	Rural
	Ghorahi Municipality	Urban
	Gulariya Municipality	Urban
	Kohalpur	Rural
	Lamahi (Chaulahi VDC)	Rural
	Liwang	Rural
	Narayan Municipality	Urban
	Nepalgunj Municipality	Urban
	Salyan-Khalanga	Rural
	Surkhet Nagar Municipality	Urban
Dhangadhi	Amargadhi Municipality	Urban
	Bhajani	Rural
	Bhim Datta Municipality	Urban
	Darchula-Khalanga	Rural
	Dhangadhi Municipality	Urban
	Dipayal Silgadhi Municipality	Urban
	Jogbudha	Rural
	Mangalsen	Rural
	Patan	Rural
	Shreepur	Rural
Total	84	

ANNEX E
Concepts and Definitions

Household

A household is a group of persons occupying the whole or part of a housing unit who make common provisions for meals and other essentials or living. They may be related by blood, marriage or adoption or even may be unrelated.

Household Head

A household head is the main person in the household who is responsible for decision making regarding the general and financial affairs of the home.

Household Members

Household members are all such persons who normally live and eat together and consider the living space occupied by them as their usual place of residence. However, the members who are not living in the residence for more than six months are not included in the household members.

Type of House

Houses made of bricks/stone and cement are bricked houses whereas all other houses are non-bricked houses.

Principal Occupation

Principal occupation refers to the work usually undertaken by an individual. When a person is involved in more than one job, then principal occupation refers to the job that yields higher income.

Household Income

Household income includes individual salary, wages, allowance and pension amount of all usual members of the households, income from business enterprises run by the household members, income from rent, interest and dividend, imputed rent of owner occupied houses, transfer income, income from remittance and others. It also includes the value of goods and services produced by households for their own consumption.

Household Consumption Expenditure

Household consumption expenditure includes the total value of goods and services purchased from market, home produced, received free of cost, received from exchange and received as a part of pay or wages that are acquired for consumption purpose. It also includes the imputed value of owner occupied dwellings.

Non-consumption Expenditure

Expenses incurred on direct taxes, gifts and contributions, insurance premium and expenditure on social ceremonies like wedding, thread-wearing ceremony and litigation expenses are included in non-consumption expenditure.

Total Household Expenditure

It includes all expenses incurred by the households, except the expenses made on building construction, occupational expenses, expenses for paying consumer debts and money losses.

Market Center

Market center refers to the primary sampling unit (PSU) in the survey. It consists of a municipality, a combination of municipalities or a combination of village development committees.

Urban/Rural Area

The 58 old municipalities of the country at the time of sampling frame design have been treated as urban area and the rest new municipalities and other market centers have been treated as rural area for the purpose of this survey.

Acquisition Approach to Consumption

The acquisition approach relates to the recording of consumption expenditure when the goods and/or services are acquired irrespective of the time they are actually consumed. In this approach, the total value of all goods and services acquired during a given period, whether or not they were wholly paid for or consumed during the period is recorded under consumption expenditure.

Consumption Quintile Groups

Consumption quintile groups have been formed on the basis of per household member consumption expenditure i.e. households have been ranked in terms of per household member consumption and divided into five groups with equal number of households. Thus, the first quintile refers the poorest 20 percent households in terms of per household member consumption expenditure whereas the fifth consumption quintile refers to the richest 20 percentage households in terms of per household member consumption expenditure.

ANNEX F

List of Market Centers Included in the Sampling Frame

Development Region	District	Type of Market Centers			
		A	**B**	**C**	**D**
Eastern	**Bhojpur**		**Bhojpur**	Hutauwagadi	
				Shadananda	
	Dhankuta	**Dhankuta Municipality**			Chhintang
	Ilam	**Ilam Municipality**		Kabung dewumai	Pashupatinagar
				Suryadaya	
	Jhapa	Bhadrapur Municipality	**Birtamod**	Budhabare	
		Damak Municipality		Gauradaha	
		Mechinagar Municipality		Kankai	
				Rajgadh	
				Sani-arjun	
				Shivasatashidham	
				Topgachhi	
	Khotang		**Diktel**		
	Morang	Biratnagar Sub Metropolitan City	**Urlabari**	Belbari	
				Dulari	
				Katahari	
				Koshiharicha	
				Letang	
				Pathari Sanichare	
				Rangeli	
				Tankisinuwari	
	Okhaldhunga			Shidhicharan	
	Panchthar		**Phidim**		
	Sankhuwasabha	**Khandbari Municipality**		**Chainpur**	
	Saptari	Rajbiraj Municipality	Kanchanpur Roopnagar	Phateepul Ohdaha	**Hanumannagar**
			Mohanpur Kalyanpur		
	Siraha	**Lahan Municipality**	**Ramnagar Mirchaiya**	Golbazar	
		Siraha Municipality			
	Solukhumbu				Salleri
	Sunsari	Dharan Municipality		**Duhawi Bhaluwa**	
		Inaruwa Municipality			
		Itahari Municipality			
	Taplejung		Taplejung		
	Terhathum		**Myanglung**		Basantapur
	Udayapur	Triyuga Municipality	**Katari**	Chaudaigadi	
Central (The Kathmandu Valley)	**Bhaktapur**	**Bhaktapur Municipality**			**Changu-Nagarkot**
		Madhyapur Thimi Municipality			
	Kathmandu	**Kathmandu Metro City I**	Sankharapur	**Sitapaila-Thankot**	Daxinkali
		Kathmandu Metro City II			Gonggabu
		Kathmandu Metro City III+ Kirtipur Municipality			Jorpati Sundarijal
	Lalitpur	**Lalitpur Sub Metropolitan City**	**Champapur**		Lele
			Karyabinayak		Lubhu

Region	District				
Central	**Bara**	Kalaiya Municipality	**Jitpur Simra**	Nijgad	Amlekhgunj
	Chitawan	**Bharatpur Municipality**		Kharini	Meghauli
		Ratnanagar Municipality		Rampur	
	Dhading		**Nilkantha**	**Naubise**	Benighat
				Salyantar	Gajuri
	Dhanusha	**Janakpur Municipality**	Dhanushadham		**Dhalkebar**
			Sakhuwa Mahendranagar		
	Dolakha	**Bhimeswor Municipality**		Jiri	
	Kavrepalanchok	**Banepa Municipality**	**Panchkhal**	Mahadevsthan Ma	Dolalghat
		Dhulikhel Municipality		Bhukundebasi	
		Panauti Municipality			
	Mahottari	Jaleshwor Municipality	Nigaul Gaushala	Bardibas	
	Makwanpur	**Hetauda Municipality**		**Daman-Palung**	Bhimfedi
					Kulekhani
	Nuwakot	**Bidur Municipality**			Kakani
	Parsa	**Birgunj Municipality**			Pokhariya
	Ramechhap		Manthali		
	Rasuwa				Dhunche
	Rautahat	Gaur Municipality	**Chandranigaha pur**	Garuda	
	Sarlahi	**Malangawa Municipality**	**Hariyon**	Bagmati	
				Ishworpur	
				Lalbandi	
	Sindhuli	**Kamalamai Municipality**		Dhuholi	
				Kapilakot	
				Tinpatan	
	Sindhupalchowk		**Chautara**	**Barhabise**	Tatopani
				Melamchi	
Western	**Arghakhanchi**		**Sandhikharka**		
	Baglung	Baglung Municipality		Balewa	
				Burtiwang	
				Galkot	
	Gorkha	Gorkha Municipality		Arughat	
				Palungtar	
	Gulmi		**Tamghas**		Ruru, Ridi
	Kapilbastu	**Kapilbastu Municipality**		**Krishnanagar**	
				Shivaraj	
	Kaski	Lekhnath Municipality			Hemja
		Pokhara Sub Metropolitan City			
	Lamjung		**Lamjung**	Sundarbazar	Kunchha
	Manang				Chame
	Mustang				Jomsom
	Myagdi		**Beni**		
	Nawalparasi	Ramgram Municipality	**Gaidakot**	Bardaghat	
			Sunawal	Devachuli	
				Kawaswoti	
				Sarawal	
	Palpa	**Tansen Municipality**		Rampur	
	Parbat		**Kushma**	Falebas	
				Huwas	
	Rupandehi	**Butawal Municipality**		Adarsha	
		Siddharthanagar Municipality		**Devdaha**	
				Gautam Buddha	
				Lumbini Sanskritik	
				Parroha	
				Tilotama	

Region	District					
	Syangja	Putalibazar Municipality				
		Waling Municipality				
	Tanahu	Byas Municipality	Bandipur	Anbukhaireni		
			Khairenitar	Bhanu		
				Bhimad		
Mid-Western	**Banke**	**Nepalgunj Municipality**	**Kohalpur**			
	Bardiya	**Gulariya Municipality**	Rajapur	Bansgadhi		
				Sanotara		
	Dailekh	**Narayan Municipality**		**Dullu**		
	Dang	**Ghorai Municipality**		**Lamahi**		
		Tulsipur Municipality				
	Dolpa				Dunai	
	Humla			Simikot		
	Jajarkot			Khalanga		
	Jumla		**Chandannath**			
	Kalikot			Khandachkra		
				Raskot		
	Mugu				Mugu	
	Pyuthan		Pyuthan	Swargadwari		
	Rolpa				**Liwang**	
	Rukum				Khalanga	
	Salyan		**Khalanga**			
	Surkhet	**Birendra Nagar Municipality**			**Chhinchu**	
Far-Western	**Bajura**				Martadi	
	Darchula				**Khalanga**	
	Achham		**Mangalsen**			
			Saphebagar			
	Baitadi	Dasharathchand Municipality		**Patan**		
	Bajhang		Bajhang Chainpur			
	Dadeldhura	**Amargadhi Municipality**		**Jogbuda**		
	Doti	**Dipayal Silgadhi Municipality**				
	Kailali	**Dhangadhi Municipality**		Atariya	**Bhajani**	
		Tikapur Municipality		Lamki		
	Kanchanpur	**Bhim Datta Municipality**		**Belauri**		
				Punarbas		
Total	**75**	**58**	**41**	**84**	**37**	
Selected	**55**	**37**	**27**	**13**	**7**	

(Market centers in the **bold faced** letters are the selected market centers)

ANNEX G

Selected Market Centers, Wards and Households Outside the Kathmandu Valley

Strata	SN	District	MC-Type	Selected MC	Total HHs	No. of Wards	Total HHs	Ward No.	Ward Wise HHs	Ward Wise HHs for Frame	Final HHs
1	1	Panchthar	MC-B	Phidim	53	2	2741	4	817	260	26
								1	1924	270	27
	2	Terhathum	MC-B	Myanglung	35	1	74	5	74	74	35
	3	Bhojpur	MC-B	Bhojpur	38	1	324	5	324	324	38
	4	Khotang	MC-B	Diktel	35	1	303	2	303	303	35
	5	Udayapur	MC-B	Katari	53	2	572	1	293	293	27
								6	279	279	26
		Sub-Total			**214**	**7**	**4014**		**4014**	**1803**	**214**
2	6	Ilam	MC-A	Ilam Municipality	52	1	531	9	531	520	52
	7	Dhankuta	MC-A	Dhankuta Municipality	79	2	1267	3	539	330	39
								6	728	330	40
		Sub-Total			**131**	**3**	**1798**		**1798**	**1180**	**131**
3	8	Jhapa	MC-B	Anarmani (Birtamod)	120	4	8344	1	1246	300	30
								3	4642	300	30
								4	1519	300	30
								2	937	300	30
				Charpane (Birtamod)	90	3	3111	1	2085	300	30
								3	778	300	30
								7	248	300	30
	9	Morang	MC-B	Urlabari	122	4	3708	6	1422	310	31
								8	351	300	30
								3	1080	310	31
								2	855	300	30
	10	Sunsari	MC-C	Duhabi	87	2	332	8	191	440	44
				Bhaluwa				5	141	430	43
	11	Saptari	MC-B	Mohanpur	120	4	583	1	134	134	30
								9	113	113	30
				Kalyanpur				3	156	95	30
								7	180	60	30
	12	Siraha	MC-B	Ramnagar Mirchaiya	130	4	1130	2	380	330	33
								5	247	247	32
								7	155	155	32
								4	348	330	33
	13	Saptari	MC-D	Hanumannagar	35	1	91	7	91	91	35
		Sub-Total			**704**	**22**	**17299**		**17299**	**5745**	**704**

4	14	Morang	MC-A	Biratnagar Sub Metro-politan City	316	6	10657	3	1203	530	53
								21	1040	520	52
								14	563	520	52
								17	1662	530	53
								19	1644	530	53
								4	4545	530	53
	15	Sunsari	MC-A	Itahari Municipality	124	3	7505	2	2502	410	41
								4	4226	420	42
								6	777	410	41
	16	Siraha	MC-A	Lahan Municipality	46	1	934	5	934	460	46
	17	Jhapa	MC-A	Damak Municipality	122	3	2370	9	812	410	41
								3	573	400	40
								14	985	410	41
		Sub-Total			**608**	**13**	**21466**		**21466**	**6080**	**608**
5	18	Kavrepalanchowk	MC-B	Panchkhal	68	2	646	7	328	328	34
								2	318	318	34
	19	Dhading	MC-B	Nilkantha	110	4	4348	8	169	169	27
								2	453	270	27
								5	3482	290	29
								6	244	244	27
	20	Dhading	MC-C	Naubise	75	2	707	4	348	348	38
								8	359	359	37
	21	Makwanpur	MC-C	Daman-Palung	44	1	192	3	192	192	44
		Sub-Total			**297**	**9**	**5893**		**5893**	**2518**	**297**
6	22	Sindhuli	MC-A	Kamalamai Municipality	45	1	1296	7	1296	450	45
	23	Kavrepalanchowk	MC-A	Banepa Municipality	45	1	906	4	906	450	45
	24	Nuwakot	MC-A	Bidur Municipality	45	1	955	9	955	450	45
	25	Makawanpur	MC-A	Hetauda Municipality	98	2	5328	2	2145	490	49
								5	3183	490	49
		Sub-Total			**233**	**5**	**8485**		**8485**	**2330**	**233**

Group	S.No	District	MC	Municipality	Col6	Col7	Col8	Ward	Pop	Val1	Val2
7	26	Sarlahi	MC-B	Hariyon	112	4	2845	6	1123	280	28
								5	223	223	28
								9	1046	280	28
								2	453	280	28
	27	Rautahat	MC-B	Chandranigahapur	160	5	3377	1	1528	320	32
								3	835	320	32
								4	503	320	32
								7	354	320	32
								8	157	320	32
	28	Bara	MC-B	Pipra Simra	150	3	2643	2	744	300	30
								3	1332	300	30
								9	567	300	30
				Bhawanipur Jitpur		2	2677	4	341	300	30
								3	2336	300	30
	29	Dhanusa	MC-D	Dhalkebar	35	1	197	1	197	197	35
		Sub-Total			**457**	**15**	**11739**		**11739**	**4360**	**457**
8	30	Dhanusa	MC-A	Janakpur Municipality	111	2	4386	15	612	612	55
								4	3774	560	56
	31	Sarlahi	MC-A	Malangawa Municipality	45	1	713	10	713	450	45
	32	Parsa	MC-A	Birgunj Sub-Metro City	152	3	6767	3	1076	203	50
								18	1593	520	52
								16	4098	500	50
	33	Chitwan	MC-A	Bharatpur Municipality	181	4	9870	12	2865	460	46
								6	1819	450	45
								2	4278	450	45
								13	908	450	45
		Sub-Total			**489**	**10**	**21736**		**21736**	**4655**	**489**
9	34	Lamjung	MC-B	Besishahar (Lamjung)	107	3	734	3	545	350	35
				Gaunshahar (Lamjung)				5	110	110	36
				Udipur (Lamjung)				6	79	79	36
	35	Myagdi	MC-B	Arthunge (Beni)	85	3	1904	1	1671	280	28
				Ghatan (Beni)				2	117	117	28
				Jyamrukkot (Beni)				7	116	116	29
	36	Parbat	MC-B	Khurkot	87	3	204	6	95	95	29
				Shankar Pokhari				2	57	57	29
				Durlung				1	52	52	29
	37	Gulmi	MC-B	Tamghas	58	2	740	2	339	290	29
								6	401	290	29
	38	Arghakhanchi	MC-B	Sandhikharka	84	3	513	5	350	280	28
								9	73	280	28
								1	90	90	28
		Sub-Total			**421**	**14**	**4095**		**4095**	**2486**	**421**

10	39	Syangja	MC-A	Waling Municipality	50	1	226	11	226	226	50
	40	Kaski	MC-A	Pokhara Sub-Metro City	417	8	33050	2	2450	520	52
								12	2965	520	52
								5	4105	520	52
								17	6518	530	53
								11	4762	520	52
								16	4628	520	52
								10	5054	520	52
								4	2568	520	52
	41	Palpa	MC-A	Tansen Municipality	65	2	1009	11	800	330	33
								13	209	209	32
		Sub-Total			**532**	**11**	**34285**		**34285**	**4935**	**532**
11	42	Nawalparasi	MC-B	Gaidakot	115	4	4125	9	376	280	28
								1	1234	290	29
								3	476	290	29
								2	2039	290	29
	43			Sarawal	125	4	450	6	172	172	32
								4	56	56	31
								8	60	60	31
								7	162	162	31
	44	Kapilbastu	MC-C	Krishnanagar	43	2	356	1	247	247	22
								3	109	109	21
	45	Rupandehi	MC-C	Devdaha	138	5	2449	7	476	476	28
								6	870	870	28
								4	373	373	27
								8	407	407	27
								1	323	323	28
		Sub-Total			**421**	**15**	**7380**		**7380**	**4405**	**421**
12	46	Rupandehi	MC-A	Butwal Municipality	132	3	8962	10	3512	440	44
								5	3484	440	44
								8	1966	440	44
	47	Rupandehi	MC-A	Siddharthanagar Municipality	56	1	1408	3	1408	560	56
	48	Kapilbastu	MC-A	Kapilbastu Municipality	45	1	302	13	302	302	45
		Sub-Total			**233**	**5**	**10672**		**10672**	**2182**	**233**

13	49	Rolpa	MC-D	Liwang	35	1	237	4	237	237	35
	50	Salyan	MC-B	Salyan-Khalanga	35	1	57	7	57	57	35
	51	Dailekh	MC-C	Dullu	55	2	167	4	77	77	27
								9	90	90	28
	52	Surkhet	MC-D	Chhinchu	35	1	225	5	225	225	35
		Sub-Total			**160**	**5**	**686**		**686**	**686**	**160**
14	53	Dailekh	MC-A	Narayan Municipality	45	1	498	2	498	450	45
	54	Surkhet	MC-A	Surkhet Nagar Municipality	45	1	867	1	867	450	45
		Sub-Total			**90**	**2**	**1365**		**1365**	**900**	**90**
15	55	Dang	MC-C	Lamahi (Chaulahi VDC)	57	2	767	8	275	275	29
								2	492	492	28
	56	Banke	MC-B	Kohalpur	111	4	4763	4	1537	280	28
								6	154	154	27
								7	273	273	28
								3	2799	280	28
		Sub-Total			**168**	**6**	**5530**		**5530**	**1754**	**168**
16	57	Dang	MC-A	Ghorahi Municipality	86	2	1611	8	1007	430	43
								3	604	430	43
	58	Banke	MC-A	Nepalgunj Municipality	79	2	4258	1	1925	390	39
								13	2333	400	40
	59	Bardiya	MC-A	Gulariya Municipality	59	1	1140	8	1140	590	59
		Sub-Total			**224**	**5**	**7009**		**7009**	**2240**	**224**
17	60	Achham	MC-B	Mangalsen	35	1	184	8	184	184	35
	61	Baitadi	MC-C	Patan	35	1	120	1	120	120	35
	62	Dadeldhura	MC-C	Jogbudha	37	1	511	9	511	511	37
		Sub-Total			**107**	**3**	**815**		**815**	**815**	**107**
18	63	Doti	MC-A	Dipayal Silgadhi Municipality	45	1	444	12	444	444	45
	64	Dadeldhura	MC-A	Amargadhi Municipality	45	1	283	10	283	283	45
		Sub-Total			**90**	**2**	**727**		**727**	**727**	**90**

								5	435	435	29
19	65	Kanchanpur	MC-C	Shreepur	86	3	1093	3	223	223	29
								6	435	435	28
	66	Kailali	MC-C	Bhajani	84	3	812	9	326	326	28
								7	289	289	28
								8	197	197	28
		Sub-Total			**170**	**6**	**1905**		**1905**	**1905**	**170**
20	67	Kailali	MC-A	Dhangadhi Municipality	103	2	1516	14	281	281	51
								12	1235	520	52
	68	Kanchanpur	MC-A	Bhim Datta Municipality	97	2	4639	1	660	480	48
								18	3979	490	49
		Sub-Total			**200**	**4**	**6155**		**6155**	**1771**	**200**
21	68	Sankhuwasabha	MC-A	Khandbari Municipality	45	1	258	8	258	258	45
	69	Sankhuwasabha	MC-C	Chainpur	47	1	116	4	116	116	47
	70	Dolakha	MC-A	Bhimeswor Municipality	45	1	476	2	476	450	45
	71	Sindhupalchowk	MC-B	Chautara	35	1	77	2	77	77	35
	72	Sindhupalchowk	MC-C	Barhabise	47	1	284	1	284	284	47
	73	Jumla	MC-B	Chandannath	43	1	297	3	297	297	43
	74	Darchaula	MC-D	Khalanga	35	1	100	8	100	100	35
		Sub-Total			**297**	**7**	**1608**		**1608**	**1582**	**297**
		Total			**6,246**	**169**	**1,74,662**		**1,74,662**	**55,059**	**6,246**

Selected Market Centers, Wards and Households Inside the Kathmandu Valley

Strata	SN	District	MC-Type	Selected							
				MC	Total HHs	No. of Wards	Total HHs	Ward No.	Ward Wise HHs	Ward Wise HHs for Frame	Final HHs
22	1	Kathmandu	KV-MC-A	Kathmandu Metro City-I	297	6	12728	28	1374	653	49
								30	1964	634	50
								22	1252	597	49
								21	3452	772	50
								27	1888	638	49
								18	2798	694	50
		Sub-Total			**297**	**6**	**12728**		**12728**	**3988**	**297**
23	2	Kathmandu	KV-MC-A	Kathmandu Metro City-II	297	6	62840	34	19857	609	50
								2	3636	565	49
								13	10986	685	50
								31	5007	591	49
								10	12521	652	50
								32	10833	740	49
		Sub-Total			**297**	**6**	**62840**		**62840**	**3842**	**297**
24	3	Kathmandu	KV-MC-A	Kathmandu Metro-City-III	224	4	53521	8	3067	804	56
								16	24469	781	56
								14	16398	601	56
								3	9587	689	56
	4	Kathmandu	KV-MC-A	Kirtipur Municipality -III	73	2	2862	2	1935	370	37
								12	927	360	36
		Sub-Total			**297**	**6**	**56383**		**56383**	**3605**	**297**

								12	1443	> 490	49
								14	5439	> 500	50
25	5	Lalitpur	KV-MC-A	Laitpur Sub-Metro City	297	6	20295	19	1782	> 490	49
								4	4141	> 500	50
								2	5022	> 500	50
								22	2468	> 490	49
		Sub-Total			**297**	**6**	**20295**		**20295**	**> 2970**	**297**
26	6	Bhaktapur	KV-MC-A	Bhaktapur Municipality	140	3	4104	5	1158	460	46
								2	1568	470	47
								15	1378	470	47
	7	Bhaktapur	KV-MC-A	Madhyapur Municipality	157	3	9865	16	3966	520	52
								10	402	402	52
								15	5497	530	53
		Sub-Total			**297**	**6**	**13969**		**13969**	**2852**	**297**
27	8	Kathmandu	KV-MC-C	Sitapaila	197	4	834	2	480	480	50
								4	354	354	49
				Thankot			727	1	390	390	49
								7	337	337	49
	9	Lalitpur	KV-MC-B	Champapur (Chapagaun)	55	2	1165	5	495	270	27
								6	670	280	28
	10	Bhaktapur	KV-MC-D	Changunarayan	45	2	302	2	144	144	
				Nagarkot				8	158	158	22
											23
		Sub-Total			**297**	**8**	**3028**		**3028**	**2413**	**297**
		Total			**1,782**	**38**	**1,69,243**		**1,69,243**	**> 19670**	**1,782**

ANNEX I
Estimation Scheme

A. Ward Level Estimates

Let, x be the characteristic in consideration. The ward level mean is the simple un-weighted mean of the characteristic x given by:

$$\overline{x}_{hij} = \frac{1}{n_{hij}} \sum_{k}^{n_{hij}} x_{hijk}$$

Where, n_{hij} is the number of households selected from j^{th} ward of the ith market center of hth stratum and x_{hijk} is the value of the characteristic x associated with k^{th} selected household of jth ward of ith market center of hth stratum.

B. Market Center Level Estimates

Market center level mean is given by the weighted average of the ward level means:

$$\overline{x}_{hi} = \frac{\sum_{j=1}^{wd_{hi}} N_{hij} * \overline{x}_{hij}}{N_{hi}}$$

Where, wd_{hi} is the number of wards selected in the ith market center of the hth stratum.

C. Strata Level Estimates

Strata level mean is given by the weighted average of the market center level means within the given stratum:

$$\overline{x}_h = \frac{\sum_{i=1}^{mc_h} N_{hi} * \overline{x}_{hi}}{\sum_{i=1}^{mc_h} N_{hi}}$$

Where, mc_h is the number of market centers selected in the hth stratum.

D. Analytical Domain Level Estimates

Analytical domain level mean is given by the weighted average of the strata level means within the given analytical domain:

$$\overline{x}_{ad} = \frac{\sum_{h=1}^{ad_h} N_h * \overline{x}_h}{\sum_{h=1}^{ad_h} N_h};$$

Where, ad_h is the number of strata in the particular analytical domain.

E.   National Level Estimate

National level estimate is given by the weighted average of the strata level means:

$$\overline{x} = \frac{\sum_{h=1}^{27} N_h * \overline{x}_h}{\sum_{h=1}^{27} N_h};$$

The same scheme was used to estimate population proportions at ward level, market center level, strata level, analytical domain level and national level.