

Manufacturing Production Index (MPI)

Fourth Quarter and Annual Report — Fiscal Year 2082/83 (2025/26)

Reference Period: Baisakh–Asar 2083 BS (Apr/May–Jun/Jul 2026) | Base Year: 2071/72 = 100 | Preliminary Estimates

Overall MPI — Q4 FY 2082/83 126.5 -3.69% Q-o-Q vs. 131.3 (Q3 FY 2082/83)	Year-on-Year Change -1.03% vs. Q4 FY 2081/82: 127.8 Marginal annual contraction	Annual Change +0.86% 128.4 Vs. Annual FY 2081/82: 127.3	Largest Weight Group 18.24% NSIC 241 – Iron & Steel Q4-Index: 105.7 Q-o-Q: –1.85% Ann-Index: 108.5 Ann-Change –1.63%
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1. Executive Summary

Nepal's manufacturing output, measured by the **Manufacturing Production Index (MPI)**, grew 0.86% in FY 2082/83, with the annual index rising from 127.3 to 128.4 (base 2071/72 = 100). The fourth quarter was weaker. The index fell to 126.5, down 3.69% from Q3 and 1.03% from the same quarter a year earlier. Most of the quarterly fall is seasonal, because sugar mills do not operate in Q4, and removing that effect leaves a decline of only about 0.9 index points. The year-on-year fall is more telling, as 24 of 29 industry groups produced less than in Q4 last year. It is also the first time in four years that Q4 has come in below the previous year's Q4.

The annual gain rests on one industry. Vegetable oils and fats raised the annual index by about 3.1 points, while all other groups together lowered it by about 2.1 points, and 22 of 29 groups produced less than the year before. Iron and steel, cement and mineral products, plastics, beverages and tobacco were the main drags, consistent with a construction slump, higher energy costs after the West Asia disruption, competition from imports and weak household demand. Pharmaceuticals was the notable exception, with output up about 10% year-on-year.

2. Manufacturing Output: a year of modest growth, carried by one product

Nepal's manufacturing output grew 0.86% in FY 2082/83, but the gain rests almost entirely on edible oils. Most other industries produced less than a year earlier.

Measure	Index	Change	What it compares
Q4 FY 2082/83	126.5	-3.69% (Q-o-Q)	against Q3 FY 2082/83 (131.3)
Q4 FY 2082/83	126.5	-1.03% (Y-o-Y)	against Q4 FY 2081/82 (127.8)

Measure	Index	Change	What it compares
Annual FY 2082/83	128.4	+0.86%	against FY 2081/82 (127.3)

3. Five Major Findings:

1. **The quarterly fall is mostly seasonal.** Sugar mills do not operate in Q4. That alone removes about 3.9 of the 4.8 index points lost since Q3. Without it, the quarterly decline would be only about 0.9 points.
2. **The year-on-year fall is real and broad.** 24 of the 29 industry groups produced less than in Q4 of last year.
3. **One industry carries the annual result.** Vegetable oils and fats added about 3.1 index points to the annual index. All other groups together subtracted about 2.1 points.
4. **The heavy industries are weak.** Iron and steel, cement and other mineral products, and plastics are the three biggest drags on the year-on-year result among major groups.
5. **Pharmaceuticals is the quiet success.** Output rose about 10% year-on-year and 5.7% over the year, and the Q4 index (164.9) is the highest on record in this table for the group.

4. The big picture: four years of MPI

The overall index moved within a narrow band for two years, jumped in FY 2081/82, and has since flattened.

Fiscal year	Annual index	Annual change	Q4 index	Q4 year-on-year
2079/80	122.8	- 2.28%	122.5	0.1%
2080/81	122.5	-0.24%	125.2	+2.2%
2081/82	127.3	+3.92%	127.8	+2.1%
2082/83	128.4	+0.86%	126.5	-1.0%

Over three years the annual index is up 4.6% (122.8 to 128.4), about 1.5% a year. FY 2082/83 is the first year in this series in which the fourth quarter fell below the same quarter of the previous year.

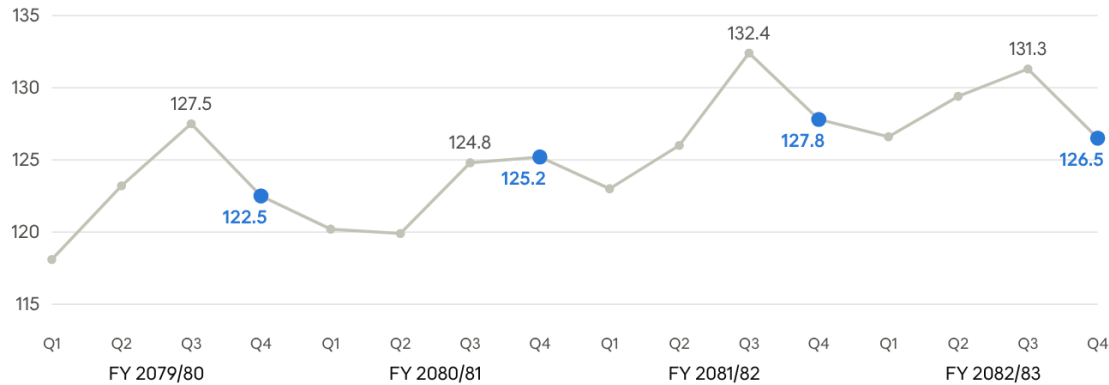
The quarterly path in FY 2082/83 was 126.6, 129.4, 131.3 and 126.5. Q3 is normally the peak because sugar and other seasonal food production is concentrated in that quarter, and Q4 normally falls back.

Chart1: quarterly overall MPI, FY 2079/80 to 2082/83

MPI fell to 126.5 in Q4 FY 2082/83, below the same quarter a year ago

Quarterly Manufacturing Production Index, base 2071/72 = 100. Q4 quarters highlighted.

Q3 peaks reflect the sugar season; compare Q4 with Q4.

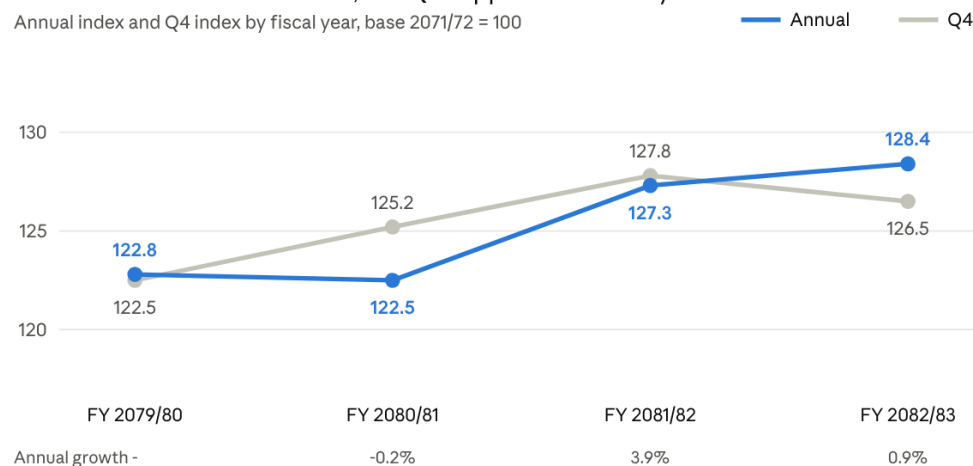


The Q3 peak is a sugar-season effect, so the highlighted Q4 points give the fairest year-on-year picture.

Chart 2: MPI, annual and Q4 indices, FY 2079/80 to FY 2082/83

Annual MPI rose 0.9% to 128.4, but Q4 slipped below last year

Annual index and Q4 index by fiscal year, base 2071/72 = 100



Growth slowed from 3.9% to 0.9%, and Q4 is now below the same quarter of last year.

5. Quarter-on-quarter: Q4 against Q3 (-3.69%)

The index fell from 131.3 to 126.5, a loss of 4.8 points. The major breaks down of the loss is as below:

Group	Weight	Contribution (index points)
Other food products (sugar, etc.)	6.16	-3.89
Basic iron and steel	18.24	-0.36
Non-metallic mineral products (cement)	12.81	-0.27
Beverages	6.95	-0.15
Plastic products	5.75	-0.14
Tobacco products	5.03	-0.13
Vegetable oils and fats	6.64	+0.33
All groups together	100	-4.8

Reading the numbers. In the other-food group the index dropped 45.2% (139.8 to 76.7). This is the sugar cycle: sugar production is zero in Q4 by design, and the group index returns to its usual low level. It is a calendar effect and says little about the health of industry. The underlying picture is a mild softening: iron and steel (-1.85%), cement (-1.52%), plastics (-2.76%), tobacco (-2.92%) and alcohol (-4.64%) all slipped, while vegetable oils rose 2.05%.

12 of the 29 groups rose in the quarter, including vegetable oils, pharmaceuticals (+2.31%), lubricating oils (+4.21%) and structural metal products (+2.21%).

6. Year-on-year: Q4 against Q4 of last year (-1.03%)

The index fell from 127.8 to 126.5, a loss of 1.3 points. Because both quarters have the same seasonal pattern, this is the cleanest reading of the underlying trend.

Group	Weight	Index Q4 2082/83	Y-o-Y change	Contribution (points)
Vegetable oils and fats	6.64	242.4	+14.97%	+2.09
Pharmaceuticals	1.52	164.9	+9.99%	+0.23
Basic iron and steel	18.24	105.7	-3.41%	-0.69
Non-metallic mineral products	12.81	134.3	-3.63%	-0.64
Plastic products	5.75	89.1	-7.92%	-0.44
Tobacco products	5.03	83.3	-9.17%	-0.42
Beverages	6.95	119.7	-4.72%	-0.42

Group	Weight	Index Q4 2082/83	Y-o-Y change	Contribution (points)
Grain mill products	11.12	182.3	-0.81%	-0.17

Vegetable oils added 2.1 points. Without them, the index would have fallen by about 3.4 points, roughly 2.7%. The weak performance of heavy industry is therefore larger than the headline suggests.

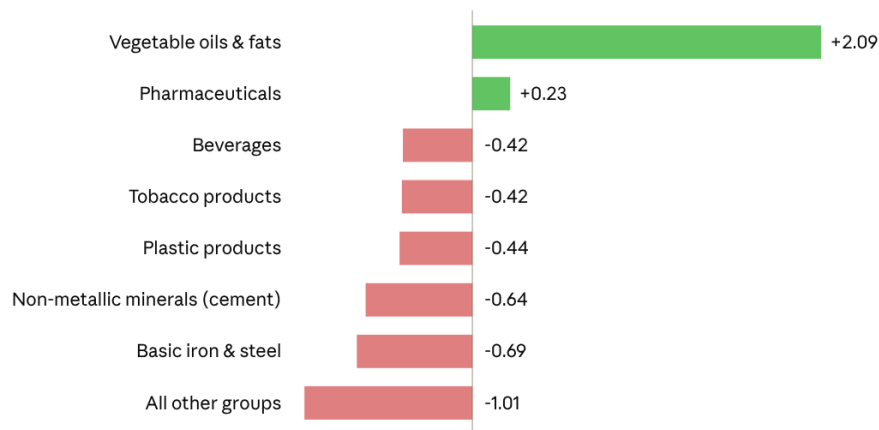
The five weakest groups (steel, cement, plastics, tobacco, beverages) together carry about 49% of the weight, so even modest declines of 3% to 9% pull the total down. Small-weight industries with sharper falls, such as wiring (-10.4%), leather (-7.5%) and electronics (-5.4%), matter much less for the change in indices.

Chart 3: contribution of major groups to the Y-o-Y change

Edible oils added 2.1 points; everything else took away 3.4

Contribution to the Q4 year-on-year change in the MPI (index points)

Green raised the index, red lowered it. Contribution = weight x index change / 100.



Net change in the Q4 index: -1.3 points (127.8 to 126.5)

The remaining 21 groups combined subtract about 1.0 point, so the weakness is wide, not confined to heavy industry.

7. Annual: FY 2082/83 against FY 2081/82 (+0.86%)

The annual index rose from 127.3 to 128.4, a gain of about 1.1 points.

Group	Annual index 2082/83	Annual change	Contribution (points)
Vegetable oils and fats	229.5	+25.68%	+3.11
Pharmaceuticals	159.6	+5.71%	+0.13

Group	Annual index 2082/83	Annual change	Contribution (points)
Lubricating oils (refined petroleum)	174.3	+4.47%	+0.03
Furniture	109.0	+5.09%	+0.04
Beverages	122.9	-3.95%	-0.35
Basic iron and steel	108.5	-1.63%	-0.33
Plastic products	92.5	-4.86%	-0.27
Non-metallic mineral products	134.3	-1.52%	-0.27
Other chemical products	149.5	-5.20%	-0.26
Tobacco products	86.4	-4.97%	-0.23

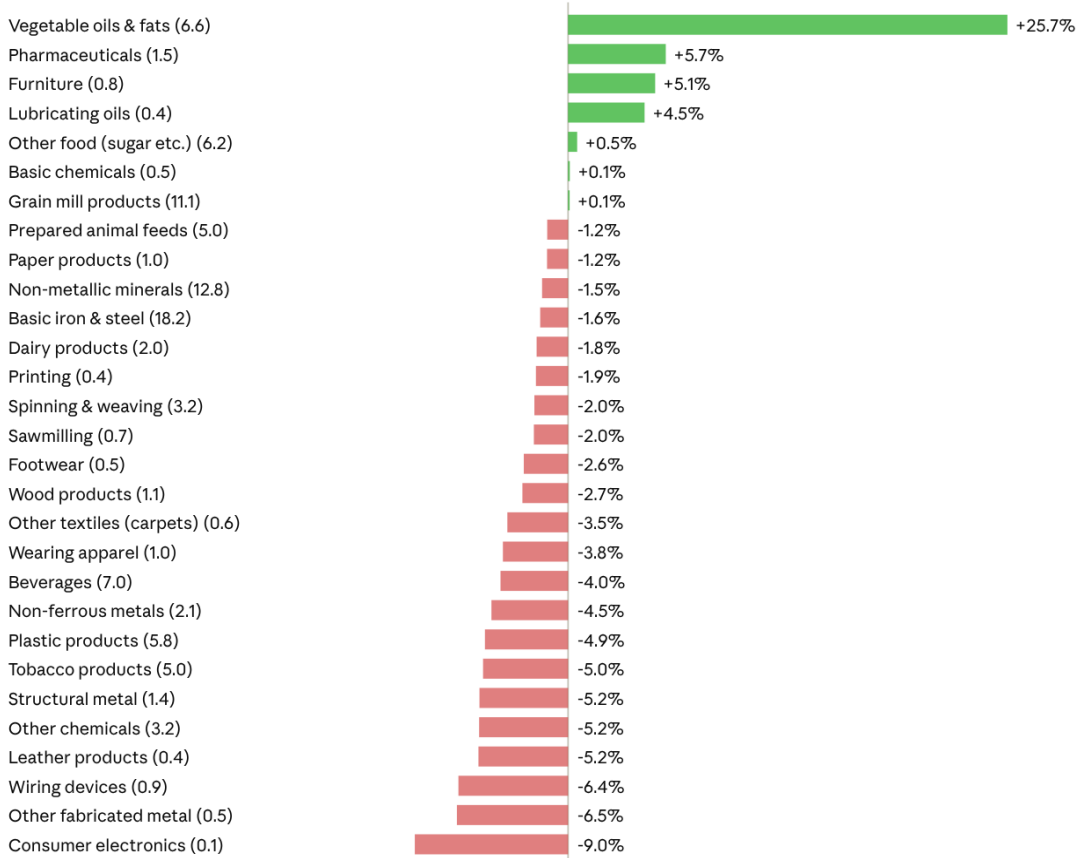
Only 7 of 29 groups produced more than the year before while 22 produced less. Vegetable oil output is now 84% above its level in FY 2080/81 as its index 133.6 rose to 229.5 over two years.

Chart 4: group-wise annual change, FY 2082/83

Only 7 of 29 groups produced more than a year earlier

Annual change in group index, FY 2082/83 vs FY 2081/82 (%); group weight in brackets

Green = higher output, red = lower output.



7 groups rose, 22 fell.

Small-weight, import-competing groups (electronics, wiring, metal goods, leather) fell fastest, but their weights are tiny.

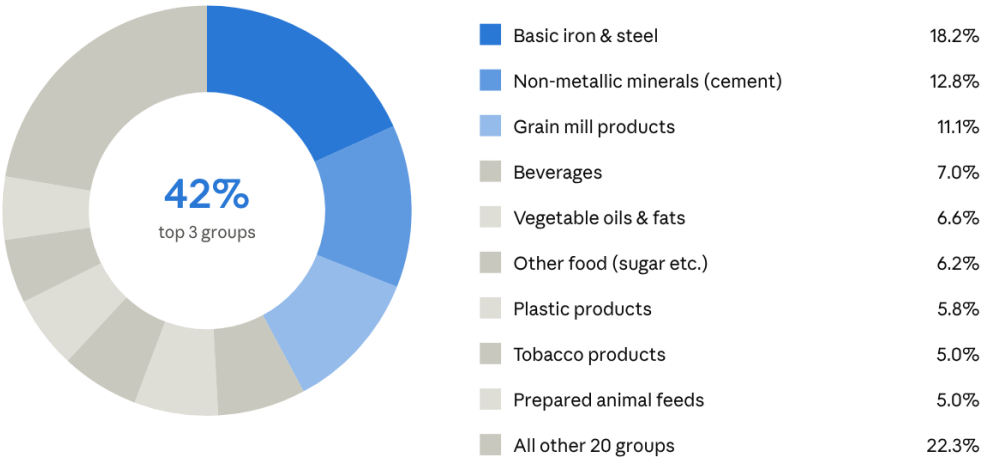
8. High weighted industrial groups

Nine industrial groups account for about 78% of the index. The three largest, steel (18.24), cement and mineral products (12.81) and grain milling (11.12), hold 42% between them. The fixed 2069 weights mean construction materials and staple foods drive the national indices.

Chart 5: weight shares of major MPI groups

Steel, cement and grain milling carry 42% of the index weight

Share of MPI weight by NSIC group (Census of Manufacturing Establishments 2069)



Annex 1: MPI by Industrial group at a glance

Group	Weight	Q4 index	Q-o-Q	Y-o-Y	Annual
Overall MPI	100	126.5	-3.69%	-1.03%	+0.86%
Basic iron and steel	18.24	105.7	-1.85%	-3.41%	-1.63%
Non-metallic minerals (cement)	12.81	134.3	-1.57%	-3.63%	-1.52%
Grain mill products	11.12	182.3	+0.10%	-0.81%	+0.08%
Beverages	6.95	119.7	-1.69%	-4.72%	-3.95%
Vegetable oils and fats	6.64	242.4	+2.05%	+14.97%	+25.68%
Other food products	6.16	76.7	-45.16%	-1.08%	+0.53%
Plastic products	5.75	89.1	-2.76%	-7.92%	-4.86%
Tobacco products	5.03	83.3	-2.92%	-9.17%	-4.97%
Prepared animal feeds	4.98	74.4	-1.77%	-1.25%	-1.22%
Other chemical products	3.19	148.9	-2.27%	-0.10%	-5.20%
Spinning, weaving of textiles	3.19	141.0	-1.39%	-3.72%	-1.97%
Pharmaceuticals	1.52	164.9	+2.31%	+9.99%	+5.71%

Annex 2: Methodology and Technical Notes

Parameter	Description
Index Formula	Laspeyres Fixed-Weight Production Volume Index
Base Year	2071/72 (2014/15 AD) = 100
Reference Period	Q3 FY 2082/83: Magh–Chaitra 2082 BS (Jan/Feb–Mar/Apr2026)
Industrial Classification	Nepal Standard Industrial Classification (NSIC), aligned to ISIC Rev. 4
Commodity Coverage	52 commodities across 30 NSIC sub-groups

Data Sources	NSO field surveys of high output manufacturing establishments
Aggregation Method	Weighted arithmetic mean of sub-group indices using fixed base-year weights
Coverage	The MPI is based on quarterly production data from high-output manufacturing establishments throughout Nepal.
Weights	Weights are based on the total output of NSIC groups from the Census of Manufacturing Establishments 2069 B.S. Base year 2071/72 = 100.
Growth Rate Computation	Q-o-Q and Y-o-Y growth computed on unrounded index values
Contributions Computation	Contributions are calculated as weight multiplied by the index point change, divided by 100, using the published (rounded) indices.
Data Status	Preliminary estimates; subject to revision upon receipt of complete factory returns
Next Release	Q4 FY 2082/83 data to be released at the end of Asoj 2083

For technical enquiries: Price Statistics Section, NSO | Email: price@nsonepal.gov.np