

Quarterly Debt Position

1st Quarter of FY 2081/82 (FY 2024/25)

As on 30 Aswin 2081 (Oct 16, 2024)



Government of Nepal
Ministry of Finance
Public Debt Management Office
Tripureshwor, Kathmandu

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Abbreviations

ADB	:	Asian Development Bank
AIB	:	Asian Infrastructure Investment Bank
CCY	:	Commitment Currency
CNY	:	Chinese Yuan Renminbi
DKK	:	Danish Kroner
EBK	:	EXIM Bank Korea
EBLCI	:	EXIM Bank Line of Credit INDIA
EEC	:	European Economic Council
EIB	:	European Investment Bank
EIBC	:	Export-Import Bank of CHINA
EUR	:	Euro
EXIM Bank	:	Export Import Bank
GBP	:	Pound sterling (Great Britain Pound)
GDP	:	Gross Domestic Product
GoN	:	Government of Nepal
IDA	:	International Development Association
IFAD	:	International Fund for Agricultural Development
IMF	:	International Monetary Fund
JICA	:	Japan International Cooperation Agency
JPY	:	Japanese Yen
KRW	:	South Korean won
KWD	:	Kuwaiti dinar
NBF	:	Natixis Bank France
NDF	:	Nordic Development Fund
NPR	:	Nepalese Rupees
OFID	:	OPEC Fund For International Development
OPEC	:	Organization of the Petroleum Exporting Countries
SAR	:	Saudi Arabian Riyal
SDR	:	Special Drawing Rights
USD	:	US Dollar
FY	:	Fiscal Year
GDP	:	Gross Domestic Procduct

**Quarterly Debt Position of
Government of Nepal (GoN)
[1st Quarter of FY 2081/82 (FY 2024/25)]
As on 2081 Aswin 30 (Oct 16, 2024)**

1. Highlights

- After the approval of Public Debt Management Regulations on March 14, 2024, all the functions relating to domestic debt have been transferred to PDMO from Nepal Rastra Bank. Accordingly, domestic debt data has been successfully migrated to the DOMS live server, and the Investor Portal has been upgraded to support the issuance of Citizen Saving Bonds and Foreign Employment Saving Bonds with live data.
- Government securities have been dematerialized and PDMO has started to issue the international securities identification number for the new issue through DoMS.
- Annual borrowing plan and Issuance Calander 2081/82 has been approved by the Ministry of Finance.
- In this quarter, treasury bills amounting to NPR 154.23 billion have been rolled over, and an additional NPR 35 billion has been newly issued. Treasury bond amounting NPR 80 billion has been issued during the period.

2. Debt Position

The total outstanding debt of Government of Nepal has reached to NPR 2,523.03 billion at the end of the 1st quarter of F/Y 2081/82 (Oct 16, 2024). Out of total amount, external debt was NPR 1,286.73 billion (50.41%) and domestic debt was NPR 1,236.30 billion (49.59%). Total outstanding debt has increased by NPR 88.93 billion (3.65%) consisting of increase in external debt by NPR 33.53 billion (2.68%) & increase in domestic debt by NPR 55.40 (4.69%) in comparison of end of previous year as shown in the Table 1 and Figure 1.

Figure 1
Debt Position: Total Outstanding Debt
As on 2081 Aswin 30 (Oct 16, 2024)

During this quarter, disbursement and amortization of debt amounts to NPR.136.31 billion and NPR 69.03 billion respectively. Others include fluctuation in exchange rate has resulted in exchange loss of NPR 21.65 billion during this quarter.

3. External Debt

As of Oct 16, 2024 external debt amounts to NPR 1,286.73 billion, of which 11.00% belongs to bilateral creditors and 89.00% belongs to multilateral creditors. EXIM loans are also treated as bilateral.

I. External Debt Stock by Creditors

Figure 2 shows the external debt outstanding by the creditor as of Oct 16, 2024:

Figure 2
Outstanding External Debt by Creditors

The International Development Association (IDA) has the largest share of outstanding external debt (48.31%), followed by the Asian Development Bank (ADB) (32.62%), IMF (0.85%), JICA (4.28%), Exim Bank of India (3.02%), Exim Bank of China (2.81%) .

II. External Debt Stock by Currency

Figure 3 depicts the details of the outstanding external debt by currency:

Figure 3
Outstanding External Debt by Currency

As of Oct 16, 2024, 73.71% of the total external debt was held in SDR (Special Drawing Rights) followed by 17.69% USD (United States Dollar), 4.28% JPY (Japanese Yen) and 2.81% CNY (Chinese Yuan). The remaining other currencies (KRW, DKK, EUR, SAR, KWD, GBP) hold 1.51% of the total external debt outstanding.

4. Domestic Debt

Total outstanding domestic debt amounts to NPR 1,236.30 billion, which comprises of treasury bills, treasury bond (development bonds, citizen saving bonds and foreign employment saving bond) and IMF bond.

Figure 4 describes the composition of existing outstanding domestic debt of the GoN as on Oct 16, 2024.

Figure 4
Outstanding Domestic Debt by Instrument

T-bills accounts for 31.00% of the total outstanding domestic debt. Development bonds represent 68% of the outstanding domestic debt. Similarly, saving bonds & IMF bond represent 0.93% and 0.33% of total outstanding domestic debt.

5. Debt to GDP Ratio

At the end of 1st quarter of FY 2081/82, the total debt to GDP ratio was 44.23% with external debt accounting for 22.56% and domestic debt for 22.56%. Comparatively, the debt to GDP ratio was 42.67% consisting of 21.97% on external debt and 20.70% on domestic debt at the end of previous fiscal year 2080/81 (July 15, 2024).

Table 2 and Figure 5 shows comparative details of Debt to GDP ratio of this quarter and end of previous year.

Figure 5
Debt to GDP Ratio

6. Disbursement of Debt

The total disbursement of debt for the 1st quarter of Fiscal Year 2081/82 was NPR 166.31 billion. Out of which NPR 21.31 billion was received from external creditors and NPR 115 billion from domestic market. Out of receipt of external debt, 92.31 % i.e. NPR 19.67 billion was received from multilateral creditors and rest 7.69% i.e. NPR 1.63 billion was from bilateral creditors. During this quarter, NPR 35 billion was received from treasury bills & NPR 80 billion from treasury bonds. The rollover of treasury bills (domestic borrowings) has not been considered as new issuance.

Total debt disbursement is presented in Figure 6, while Figure 7 shows domestic debt disbursement by debt instruments, and Figure 8 details external debt disbursement by creditors.

Figure 6
Total Debt Disbursement

During the first quarter of the fiscal year, 84.36% of total debt disbursement was received from domestic market and remaining 15.64% from external creditors.

Figure 7
Issuance of Domestic Debt

Out of total domestic issuance of NPR 115 billion of the quarter, treasury bill represents 35 billion and treasury bonds represent 80 billion disbursements for the quarter.

Figure 8
Disbursement of External Debt

Disbursement of external debt comprises NPR 11.93 billion from multilateral creditors and NPR 2.42 billion from bilateral creditors for the third quarter of the fiscal year 2080/81.

7. Debt Service

Total debt servicing during the 1st quarter of Fiscal Year 2081/82 was NPR 83.07 billion. Out of which NPR 11.62 billion i.e., 13.99% was for external debt and remaining NPR 71.45 billion i.e. 86.01% was for domestic debt. Status of debt servicing in this 1st quarter is depicted in Table 4.

In regard to amortization, NPR 9.43 billion has been repaid to the external creditors and NPR 59.60 billion to the domestic creditors during the 1st quarter. Similarly, payment of interest amounting to NPR 2.19 billion and NPR 11.85 billion have been paid to external and domestic creditors respectively.

Percentage of debt servicing is presented in Figure 9.

Figure 9 Debt Servicing

A detailed monthly payment of interest and principal is presented in Table 5.

8. Government Guarantees

At present, there are two government-guaranteed debt in Nepal provided to the Nepal Airlines Corporation for the purchase of aircrafts. The guarantee amount was NPR 34 billion. At the end of 1st quarter, it has balance of around NPR 49.34 billion (including debt servicing).

- This report is based on the data received up to Aswin 30, 2081 (Oct 16, 2024) considering the value dates & reconciliation as required.

Annexes

Annex 1: Donor wise Outstanding External Debt (in commitment currency, NPR)

Annex 2: Currency wise Outstanding External Debt (in commitment currency, NPR)

Annex 3 : Government Securities Issued in first Quarter of FY 2080/81