

GOVERNMENT OF NEPAL
National Statistics Office — Price Statistics Section

Input Price Index of Construction Sector (IPICS)

Fourth Quarter (Baishakh–Ashad) and Annual Review — FY 2082/83 (2025/26)

Preliminary results · Final release of the fiscal year ·

Construction costs in Nepal picked up pace in the year's final quarter. The Input Price Index of Construction Sector (IPICS) rose to 160.4 in the fourth quarter of FY 2082/83, its fastest quarterly rise in over a year which pulled up chiefly by costlier bricks and copper-linked electrical wire, even as cement held flat and steel eased back.

Q-o-Q CHANGE (Q3 → Q4, 2082/83)	Y-o-Y CHANGE (Q4 2081/82 → Q4 2082/83)	ANNUAL CHANGE (FY 2081/82 → FY 2082/83)
+1.78%	+3.86%	+1.94%
157.6 → 160.4	154.4 → 160.4	152.6 → 155.6

1. Overall Trend

The Overall IPICS which tracks the combined cost of construction materials (70.5 percent weight) and the wage rate of human resources (29.5 percent weight), stood at 160.4 in the fourth quarter of FY 2082/83, provisionally the highest quarterly reading recorded in the five years shown below. Growth had been comparatively subdued through most of FY 2081/82 and the first half of FY 2082/83, before steepening sharply from Q3 to Q4.

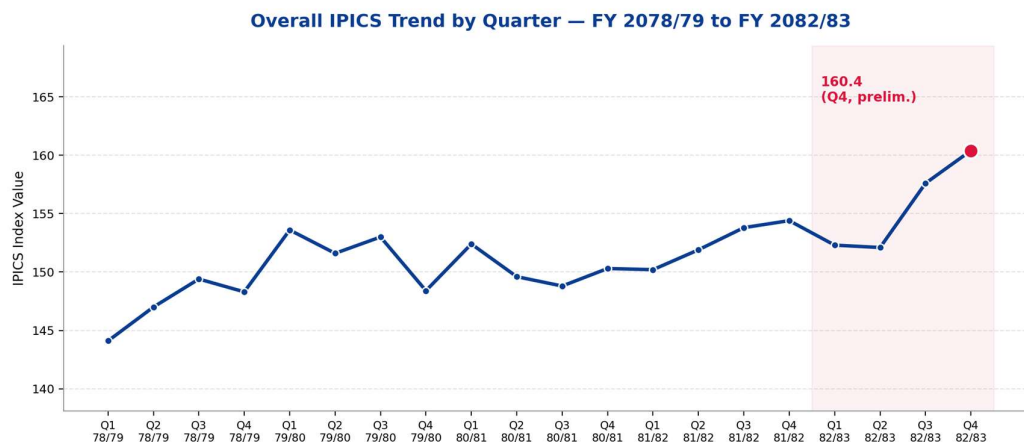


Figure 1: Overall IPICS by quarter, FY 2078/79–FY 2082/83 (Q4 2082/83 is a preliminary figure).

2. Materials vs. Wages: Which Moved More?

Splitting the index into its two components tells an important story. In the fourth quarter alone, construction material costs (weight 70.5) rose faster than wages (weight 29.5) on both a quarterly and yearly basis which is a reversal of the full-year pattern, where wages had actually outpaced material costs (+2.92 percent annually versus +1.34 percent). In short: materials were the calmer half of the index for most of the year, then overtook wages in the final quarter.

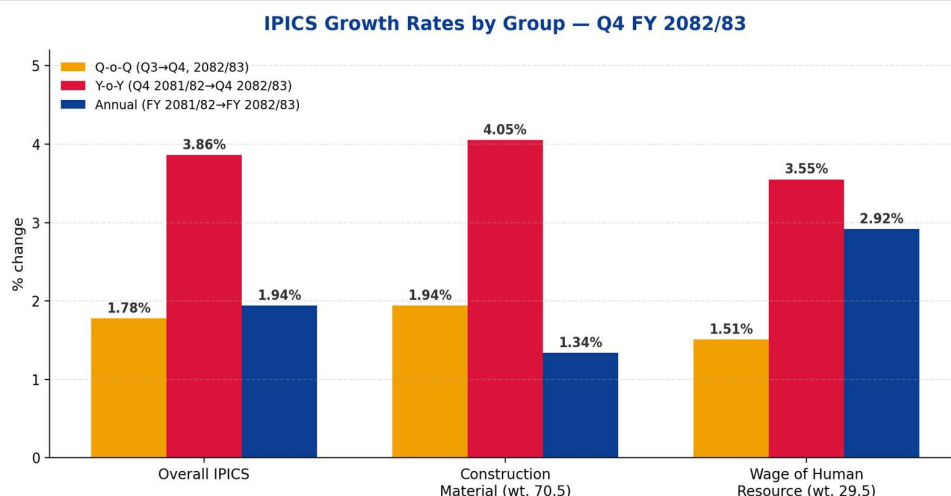


Figure 2: Percentage change in the Overall Index, Construction Material sub-index, and Wage sub-index.

3. What Actually Moved the Index?

A change in a heavily weighted item moves the overall index far more than the same percentage change in a lightly weighted one. Cement, for instance, carries the single largest weight among materials (19.31 within the material group), yet it was essentially flat this year (−0.43 percent Y-o-Y), acting as a brake rather than a driver. Iron rod and billets (11.61 weight) actually pulled the index down, easing 2.19 percent. The real push came from elsewhere:

- Bricks (part of the 21.78-weight Bricks/Stones/Concrete group, the single largest material sub-group) surged 17.94 percent Y-o-Y which is by far the single biggest driver of the quarter's increase.
- Electrical wire jumped a striking 34.36 percent Y-o-Y. Its weight is small (3.21), but the movement was so large that it still ranks as the second-biggest contributor.
- Labour and mason wages, though slow-moving individually, contributed meaningfully simply because wages carry roughly three-tenths of the total index weight.

The chart below estimates each item's approximate contribution to the 3.86 percent year-on-year rise in the Overall Index, combining each item's weight with its own price movement.

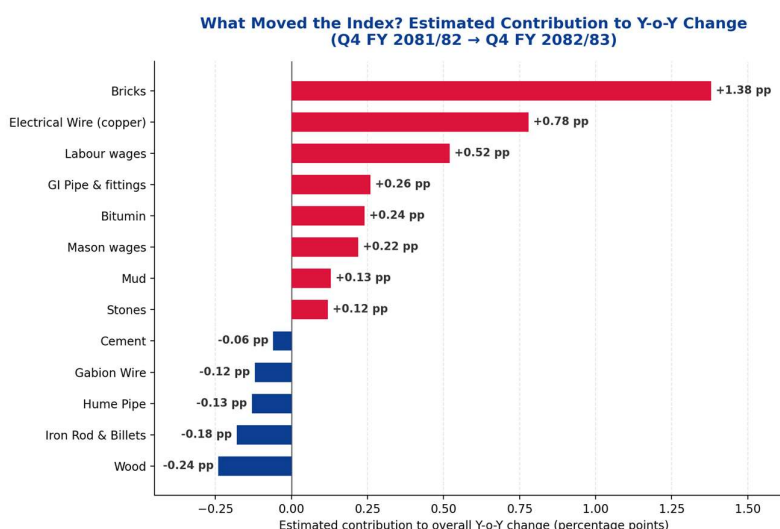


Figure 3: Estimated contribution to the Y-o-Y change in the Overall Index (percentage points). Figures are indicative, derived by combining item weights with item-level Y-o-Y movement.

4. Detailed Movement of Major Items — Q4 FY 2082/83

Figures in red denote an increase and figures in blue denote a decrease. “Wt.” is the item's weight relative to its own group (Construction Material or Wage = 100).

SN	Item (Weight)	Wt.	Q4 2081/82	Q4 2082/83	Q-o-Q %	Y-o-Y %	Annual %
	Overall Index – IPICS	100.00	154.4	160.4	1.78	3.86	1.94
A	Construction Material	70.50	135.8	141.3	1.94	4.05	1.34
1	Cement	19.31	106.5	106.0	0.51	-0.43	4.60
2	Bricks/Stones/Concrete	21.78	134.9	148.1	4.25	9.79	3.99
2.1	– Bricks	10.89	130.3	153.7	4.37	17.94	9.20
3	Iron Rod & Billets	11.61	127.4	124.6	-0.96	-2.19	-2.25
4	Wood	5.26	91.8	85.8	-0.46	-6.49	-6.93
6	Sand	7.76	181.3	186.6	2.45	2.92	-1.15
8	GI Pipe & fittings	5.21	129.6	138.6	-0.43	7.00	5.76
9	Bitumin	2.94	105.6	117.6	3.65	11.43	-4.23
10	Gabion Wire	5.76	148.7	144.2	-3.89	-3.00	-1.76
13	Polythene Pipe & fittings	2.41	229.1	242.5	4.59	5.86	0.79
15	Electrical Wire	3.21	138.0	185.4	8.93	34.36	21.65
16	Hume Pipe	1.49	166.9	146.9	-2.18	-12.00	-12.29
17	Mud	4.50	176.0	183.2	4.84	4.04	-3.02
B	Wage of Human Resource	29.50	199.0	206.0	1.51	3.55	2.92
4	Mason (wt. 21.69 of wage)	21.69	201.7	208.8	1.25	3.51	2.50
6	Labour (wt. 47.16 of wage)	47.16	199.1	206.4	1.59	3.70	3.12

5. Behind the Numbers: What May Be Driving These Movements?

The reasons below are contextual factors drawn from national and international developments during Baishakh–Ashad 2083 (mid-April to mid-July 2026) that plausibly relate to construction-input prices. They are offered as background for interpretation and are not causal attributions from NSO's price-collection exercise.

5.1 International: A Global Copper Squeeze

Global copper prices climbed to record or near-record levels through the first half of 2026, driven by a widening supply deficit, mine-supply disruptions, and surging demand from data-centre, grid-modernisation and electric-vehicle build-out, compounded by US tariff-driven stockpiling that pulled physical metal away from other markets. Since copper is the core input for electrical wire, this global squeeze lines up closely with the 34.36 percent Y-o-Y jump recorded for Electrical Wire which is the sharpest movement of any item in the basket, and Nepal, which imports the bulk of its copper wire, is a price-taker in this market.

5.2 Currency and Import Costs

The Nepali rupee weakened further against major currencies during the year, with the US dollar reported crossing roughly NPR 136. Because cement clinker, steel billets, fittings, and copper are largely imported or import-linked, a weaker rupee raises landed cost even where global dollar prices are stable which is a plausible contributor to the broad-based firmness seen across GI pipe, polythene pipe, and electrical items.

5.3 Record Fuel Prices and Transport Costs

Domestic petroleum prices reportedly reached record highs during the quarter. Because bricks, sand, aggregate, and iron are bulky and transport-intensive, rising fuel costs feed directly into their delivered price which is consistent with Nepal Rastra Bank's own observation that transportation cost was a key driver behind an acceleration in the wholesale and consumer inflation reading for Baishakh 2083, which crossed 5 percent for the first time this fiscal year.

5.4 Brick Kilns: Coal Costs and Monsoon Timing

Brick production is coal-intensive and Nepal imports most kiln coal. Industry commentary through the year pointed to elevated coal and diesel costs, and to the risk of monsoon-related production disruption as kilns wind down firing ahead of the rains (Baishakh–Ashad is the pre-monsoon-to-monsoon transition). This combination is consistent with the sharp 17.94 percent Y-o-Y rise in brick prices, the single largest driver of this quarter's index.

5.5 Steel and Timber: A Seasonal Pause

Iron rod, billets, and wood eased back over the year (Y-o-Y –2.19 percent and –6.49 percent respectively). Steel-market commentary through the year noted that Nepal's rod prices typically soften in the monsoon window as site-level construction activity slows which is a seasonal pattern that would show up precisely in a Q4 reading, even against a backdrop of firmer global steel and raw-material costs earlier in the year.

5.6 Wages: Steady, Broad-Based Growth

Wage rates for mason, labour, and other trades rose steadily rather than sharply (Y-o-Y in the 3–5 percent range across categories), consistent with continued tightness in the domestic construction labour market amid ongoing outward labour migration, and with general consumer-price inflation gradually firming through the second half of the fiscal year.

6. The Year in Review: Annual FY 2082/83 vs. FY 2081/82

On an annual-average basis, the Overall IPICS rose 1.94 percent in FY 2082/83, a moderate pace of increase. Two points stand out for policymakers and analysts:

- Wages rose faster than materials over the full year (+2.92 percent versus +1.34 percent), even though the reverse was true in the final quarter alone. Material costs accelerated late in the year while wage growth stayed comparatively steady.
- Some items show a large gap between their annual and Q4 figures. Cement's annual index rose 4.60 percent even though its Q4 Y-o-Y change was slightly negative, meaning cement was markedly costlier earlier in the year and eased back by Q4. Electrical wire shows the opposite pattern intensifying that is up 21.65 percent for the year as a whole but accelerating further to 34.36 percent by Q4, suggesting the copper-driven pressure is still building rather than fading.

7. Outlook

Two external risks bear watching into FY 2083/84: continued strength in international copper prices, which would keep pressure on electrical wire and wiring-dependent works; and further rupee depreciation or fuel-price increases, which would raise the landed cost of imported cement inputs, steel billets, and fittings. On the domestic side, brick and aggregate prices typically firm up again after the monsoon as construction activity resumes in earnest, which is worth monitoring in the first quarter of the new fiscal year. Cement and steel, having eased into Q4, remain the two components most likely to offset further increases if global raw-material costs stay contained.

8. Technical Note

- IPICS measures quarter-on-quarter change in the price of construction materials and the wage rate of human resources engaged in the construction sector; it is compiled and published by the Price Statistics Section, National Statistics Office.
- Q-o-Q change compares Q4 FY 2082/83 with Q3 FY 2082/83. Y-o-Y change compares Q4 FY 2082/83 with Q4 FY 2081/82. Annual change compares the FY 2082/83 annual average with the FY 2081/82 annual average.
- Figures for Q4 and the annual average of FY 2082/83 are preliminary (marked * in the source table) and may be revised in subsequent publications.
- Item weights are expressed relative to their own group total (Construction Material = 100; Wage of Human Resource = 100); each group's share of the Overall Index is 70.50 and 29.50 respectively.
- Contribution estimates in Figure 3 are indicative approximations combining item weights with item-level Y-o-Y price change.

For other queries and methodologies, please contact the Price Statistics Section, National Statistics Office, Ramshahpath, Kathmandu, or visit the official website.