



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

Quarterly Debt Position of
Government of Nepal (GoN)
[4th Quarter of FY 2077/78: as on 2078/03/31(July 15, 2021)]

1. Debt Position

The total government debt has reached to NPR 1737.08 billion at the end of the 4th quarter of F/Y 2077/78 (July 15, 2021). Out of this amount, external debt is NPR 934.14 billion and internal debt consists NPR 802.94 billion. The total debt of Government of Nepal for the 4th quarter of F/Y 2077/78 has increased by 8.15%. External debt has increased by 2.86% and internal debt by 15.04%. (Table 1). This increment is due to the raise in disbursement of external debt and issuance of Development Bonds (T- bonds) and Treasury Bills in domestic market. Disbursements of policy-based lending's is also the other reason for this increment.

Table no. 1
Debt Position: Total Outstanding Debt

Debt	Previous Year Closing Balance As on 2077 Asar 31 (July 15, 2020)	Revised Closing Balance As on 2077 Asar 31 (July 15, 2020)*	Opening Balance of this Quarter as on 2078 Baisakh 01 (April 14, 2021)	Transactions during the Quarter (Net)	Closing Balance as on 2078 Asar 31 (July 15, 2021)	Change (%)
External Debt	806,140,700,000.00	819,667,058,456.88	908,195,805,789.72	25,951,279,689.81	934,147,085,479.53	2.86%
Internal Debt	613,735,428,411.91	613,735,428,411.91	697,944,616,073.30	104,996,992,612.66	802,941,608,685.95	15.04%
Total	1,419,876,128,411.91	1,433,402,486,868.79	1,606,140,421,863.02	130,948,272,302.47	1,737,088,694,165.48	8.15%

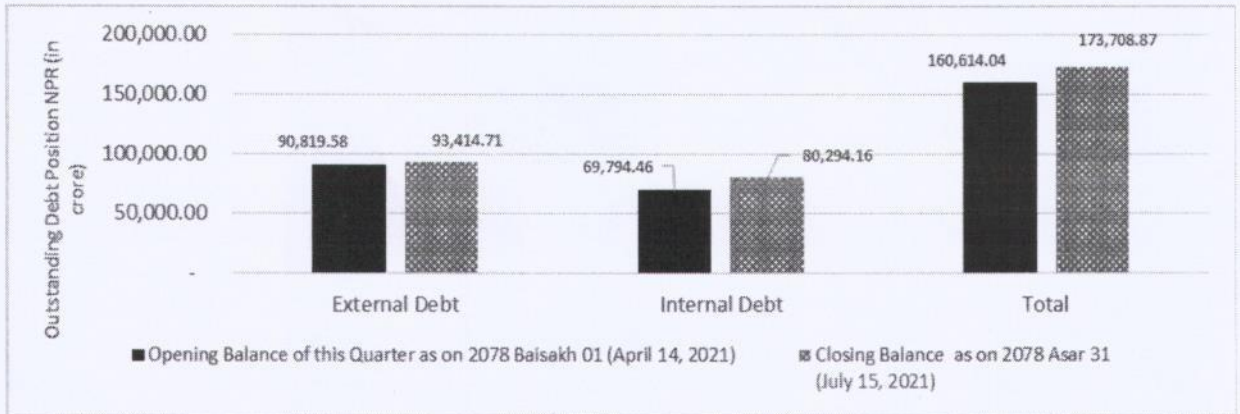
During this quarter, total increment of external debt is NPR 25.95 billion whereas increment of internal debt is NPR 104.99 billion. In external debt, NPR 846 million was adjusted in closing balance as on Asar 31,2077 (July 15, 2020) which were previously not incorporated in the closing balance due to late arrival of disbursement information. Similarly, an amount of NPR. 2.09 billion has been incorporated in internal debt in current fiscal year as the bond issued by the NRB as the value adjustment of SDR(IMF). The total outstanding debt is depicted in Chart no. 1.

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Chart no. 1

Debt Position: Total Outstanding Debt



Debt receipt of external debt during this quarter is NPR. 33.29 billion. Principal repayment consists of NPR 8.18 billion. Net transaction done for external debt during this quarter is NPR 25.95 billion.

During this quarter, internal debt receipt is NPR. 111.49 billion. Principal repayment of internal debt is NPR. 8.59 billion during the quarter. Net transaction done for internal debt during this quarter is NPR 104.99 billion. (Table No. 1.1)

**Table no. 1.1
Transactions during the Quarter**

Debt	Debt Receipt (A)	Principal Repayment (B)	Others * (C)	Net transaction D= (A-B+C)
External Debt	33,288,886,633.34	8,184,089,387.12	846,482,443.59	25,951,279,689.81
Internal Debt	111,493,790,000.00	8,594,982,994.60	2,098,185,607.26	104,996,992,612.66
Total	144,782,676,633.34	16,779,072,381.72	2,944,668,050.85	130,948,272,302.47

* An amount of NPR 846482443.58 has been adjusted in external debt as the entry of previous year's disbursements were received in this fiscal year.

*An amount of NPR.653423781.3 and NPR 1444761825.96 has been added in internal debt in current fiscal year due to the issuance of bond by NRB covering the amount of SDR (IMF) value adjustment.

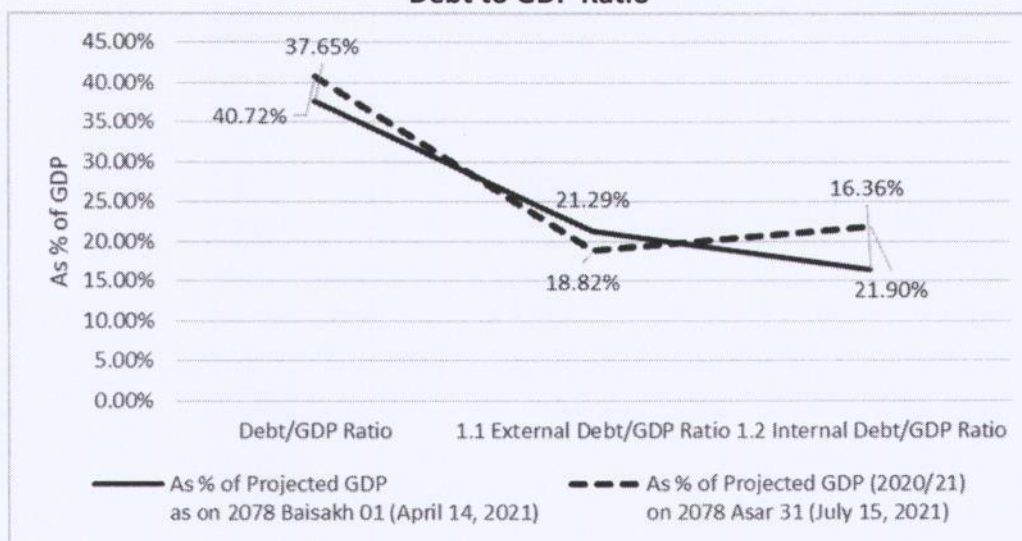
2. Debt to GDP Ratio

At the end of 4th quarter of F/Y 2076/077, the total debt to GDP ratio was 36.1%. At the end 1st quarter of F/Y 2077/078 (as on 16 October, 2020), the debt to GDP ratio estimated to 33.14% consisting of 18.47% on external debt and 14.67% on internal debt. GDP of the F/Y 2077/78 (2020/21) is projected with NPR 4266.32 billion. At the end 3rd quarter of F/Y 2077/078 (as on April 13, 2021), the debt to GDP ratio was estimated 37.07% consisting of 20.71% on external debt and 16.36% on internal debt. At the end of 4th quarter of F/Y 2077/078 (as on July 15, 2021), the debt to GDP ratio is estimated 40.72% consisting of 18.82% on external debt and 21.90% on internal debt. This ratio is calculated based on the projected GDP of NPR 4266.32 billion in FY 2077/78 based on the rebasing of the GDP by Central Bureau of Statistics.

Table 2
Debt to GDP Ratio

S.N.		As % of Projected GDP as on 2078 Baisakh 01 (April 14, 2021)	As % of Projected GDP (2020/21) on 2078 Asar 31 (July 15, 2021)
1	Debt/GDP Ratio	37.65%	40.72%
	1.1 External Debt/GDP Ratio	21.29%	18.82%
	1.2 Internal Debt/GDP Ratio	16.36%	21.90%
	* GDP of the F/Y 2077/78 (2020/21) is Projected.	4,266,320,000,000.00	4,266,320,000,000.00

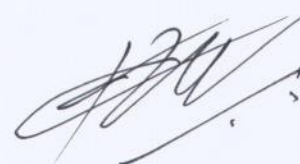
Chart No. 2
Debt to GDP Ratio



Note : To calculate Debt to GDP ratio, GDP is taken as NPR 3,767,043,000,000.00 (Economic Survey 2076/077). After the CBS has recently completed the rebasing of the GDP, it resulted an upward of 14.07% the GDP is estimated to 3943.66 billion.

GDP of the F/Y 2077/78 (2020/21) is projected (NPR 4266.32 billion).





3. Receipt of Debt

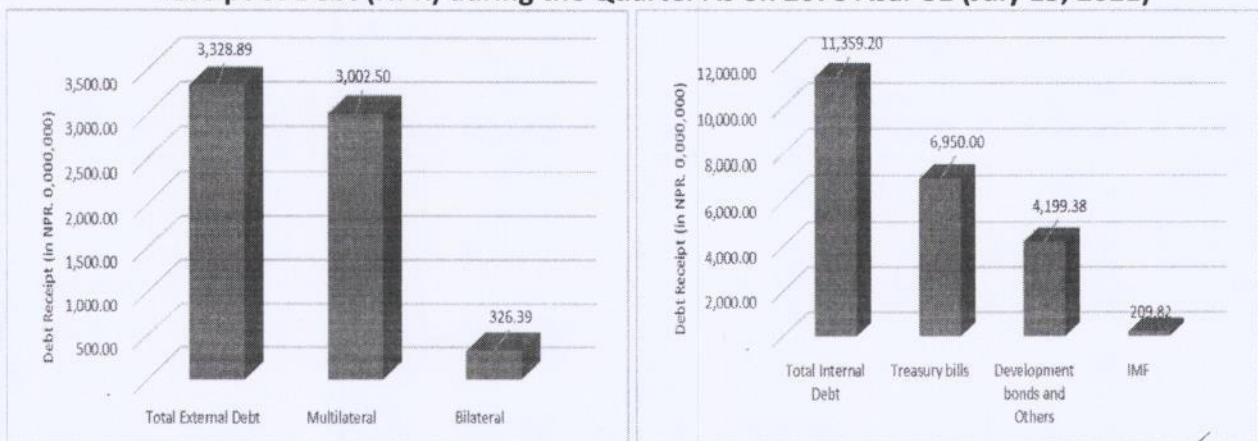
The total receipt of debt as of the 4th quarter of Fiscal Year 2077/78 is NPR 146.88 billion which is from both external and internal sources. The rollover of treasury bills (domestic borrowings) is not considered as new issue.

Table no. 3
Receipt of Debt (Rs.) during the Quarter
As on 2078 Asar 31 (July 15, 2021)

S.N.	Description	Amount	%
1	External Debt	33,288,886,633.34	22.66%
1.1	Multilateral	30,025,022,824.80	20.44%
1.2	Bilateral	3,263,863,808.54	2.22%
2	Internal Debt	113,591,975,607.26	77.34%
2.1	Treasury bills	69,500,000,000.00	47.32%
2.2	Development bonds and Others	41,993,790,000.00	28.59%
2.3	IMF	2,098,185,607.26	1.43%
	Total	146,880,862,240.60	100.00%

The receipt of external debt from multilateral sources amounts to NPR 30.02 billion which is 20.44 % of total debt receipt whereas 2.22 % has been received from bilateral sources. The new issue on internal debt is NPR 113.59 billion in this quarter. The internal debt comprises 47.32% of Treasury bills and rest 28.59% and 1.43% is from development and other bonds issued by NRB for the amount of SDR(IMF) value adjustment Adjusted Value respectively.

Chart No. 3
Receipt of Debt (NPR) during the Quarter As on 2078 Asar 31 (July 15, 2021)



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4. Debt Service

Status of Debt servicing in this quarter is depicted in the Table 4. Total Debt servicing during the 4th quarter of Fiscal Year 2077/78 is NPR 28.67 billion. Out of which NPR 18.40 billion i.e., 64.18 % is for internal debt and remaining NPR 10.27 billion i.e., 35.82 % is for external debt.

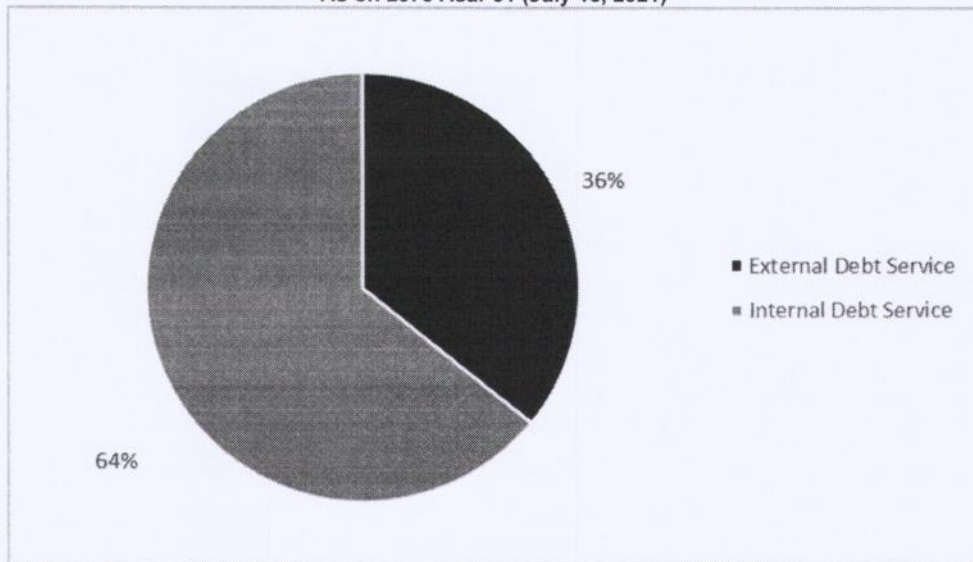
Table no. 4
Debt Servicing (Rs.) during the quarter

As on 2078 Asar 31 (July 15, 2021)

S.N.	Description	Principal Repayment	Interest Repayment	Total	%
1	External Debt	8,184,089,387.12	2,087,982,211.54	10,272,071,598.66	35.82%
2	Internal Debt	8,594,982,994.60	9,811,240,988.16	18,406,223,982.76	64.18%
	Total	16,779,072,381.72	11,899,223,199.70	28,678,295,581.42	100.00%

In regard to principal repayment, NPR 8.18 billion has been repaid to the external creditors during the 4th quarter. NPR 8.59 billion principal repayment of internal debt is made during this quarter. Hence, total repayment of principal amounts to NPR 16.77 billion. The total payment of interest is NPR 11.89 billion. Out of which NPR 2.08 billion and NPR 9.81 billion has been paid to external and internal creditors respectively.

Chart No. 4
Debt Servicing (NPR)
As on 2078 Asar 31 (July 15, 2021)



- This report is based on the data received up to Asar 31, 2021.