

Highlights of the FY2020 Budget

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The FY2020 budget targets to achieve the economic revitalization from the coronavirus through spending 7.8% of the budget in health sector, enhancing social security system, implementing economic measures to protect the SME and continuing the expenditure reform.

Provide adequate fund to tackle infection

- To enhance medical and long term care such as preventive healthcare system/ health promotion, provide adequate medicine and medical supplies the government has allocated Rs. 90.69 billion for Ministry of health and population.
 - Prevention and treatment from virus (Rs 6 billion)
 - Support health infrastructure with additional 272 hospitals (Rs 14.27 billion)
 - Free health insurance for each health worker of Rs.5 hundred thousand and provide health insurance to each citizen within 3 years (Rs7.50 billion) etc.

Develop resilient economic system

- To construct resilient economic system the government has prioritize agriculture sector, protect tourism industry and SMEs, continue to support hydro and infrastructure projects.
 - Development of agriculture and livestock sector (Rs 41.40 billion)
 - Sustainable infrastructure development project (Rs 138 billion)
 - Provide loan to protect tourism industry and SMEs affected by covid-19 (Rs 50 billion)
 - Promotion of hydro, solar energy, and bio-gas (Rs 4.13 billion)

Protecting employment and social security system

- Rs. 11.60 billion under Prime Minister employment program with the objective to provide 2 hundred thousand employment opportunities
- Rs. 1 billion to deliver skill & capabilities, trainings which will create employment for 50 thousand people
- Rs. 67.50 billion have been allocated to social security fund
- Rs. 3.76 billion to support child wellbeing etc.

The FY2020 Budget: Framework

(Unit: billion Rs.)

Headings	FY 2019 Budget (Initial)	FY 2020 Budget (Initial)	FY 2019 → FY 2020	Notes
Revenues				
Tax revenue	1,009	912	-97	
Non tax revenue	102	99	-3	
Revenue sharing	(130)	(122)	-8	
Grants	58	61	3	
Total	1,039	950	-105	
Expenditures				
Recurrent expenditures	957	949	-8	
Of which compensation of employees	145	138	-7	
Use of goods and services	74	74	0	
Interest, service fee and bank	27	32	5	
Subsidies	0.900	1.5	0.6	
Grant	512	499.9	-12	
Social security	157	189	32	
Other expenditure	41	14	-27	
Capital Expenditure	408	353	-55	
Total	1,365	1302	-63	
Finance Management				
Domestic financial assets	99	104	5	There is a budget deficit of Rs.524 billion which is financed by borrowings. In this section the amortization had been adjusted in borrowings.
Net internal loan	2	0.35	-1.65	
Domestic net borrowing	(155)	(179.72)	(24.72)	
External net borrowing	(272)	(276.42)	(4.42)	
Total	(326)	(352)	(26)	

Economic Indicators

	FY 2013 (Actual)	FY 2014 (Actual)	FY 2015 (Actual)	FY 2016 (Actual)	FY 2017 (Actual)	FY 2018 (Estimated)	FY 2019 (Projected)
Nominal GDP growth	15.9%	8.4%	5.8%	15.8%	13.8%	13.6%	8.9%
Nominal GDP (in billion Rupees)	1964.5	2130.1	2253.1	2674.5	3044.9	3458.8	3767.0
Real GDP growth	5.7%	3.0%	0.2%	7.7%	6.3%	6.8%	2.3%
Consumer Price Inflation	9.1%	7.2%	9.9%	4.5%	4.2%	4.5%	6.7%
Remittances in percentage of GDP	27.6%	28.9%	29.5%	26.0%	24.8%	25.4%	19.0%

(Note1): Figures are based on “FY2020 CBS report” and “Current Macroeconomic & Financial situation”(published by NRB on April 21,2020)

(Note 2): Figures in parentheses of nominal GDP may not be exact due to rounding's.

The Budget 2020: Major Expenditure Items (Including Financing)

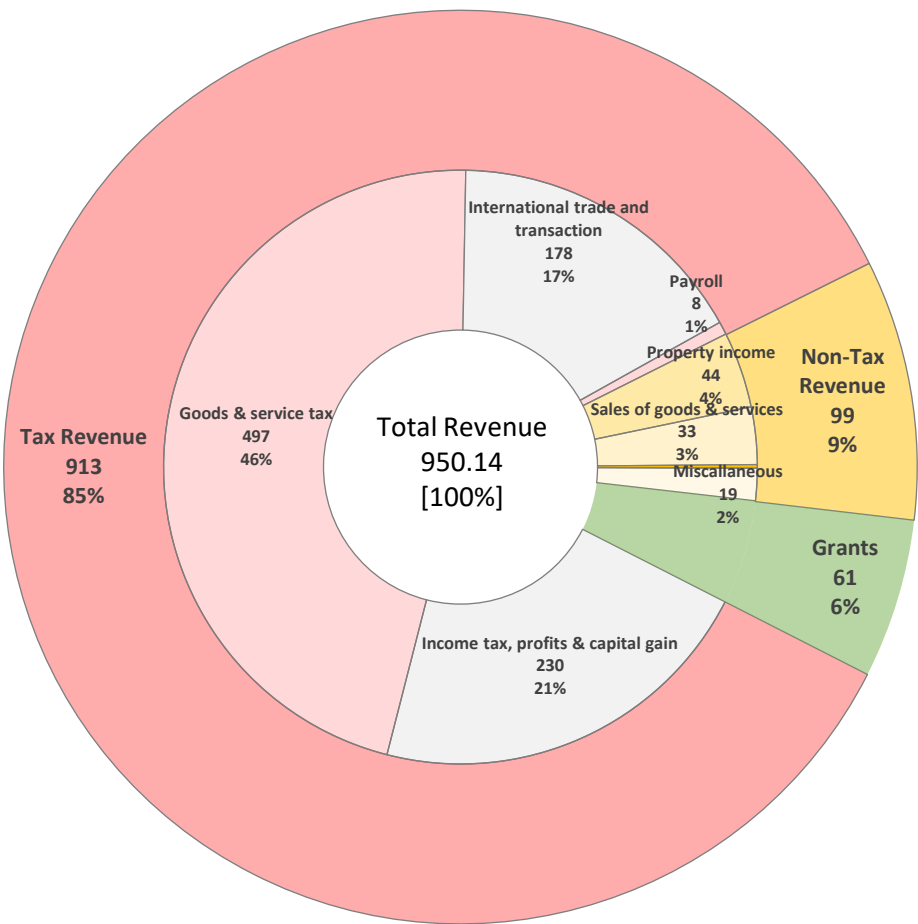
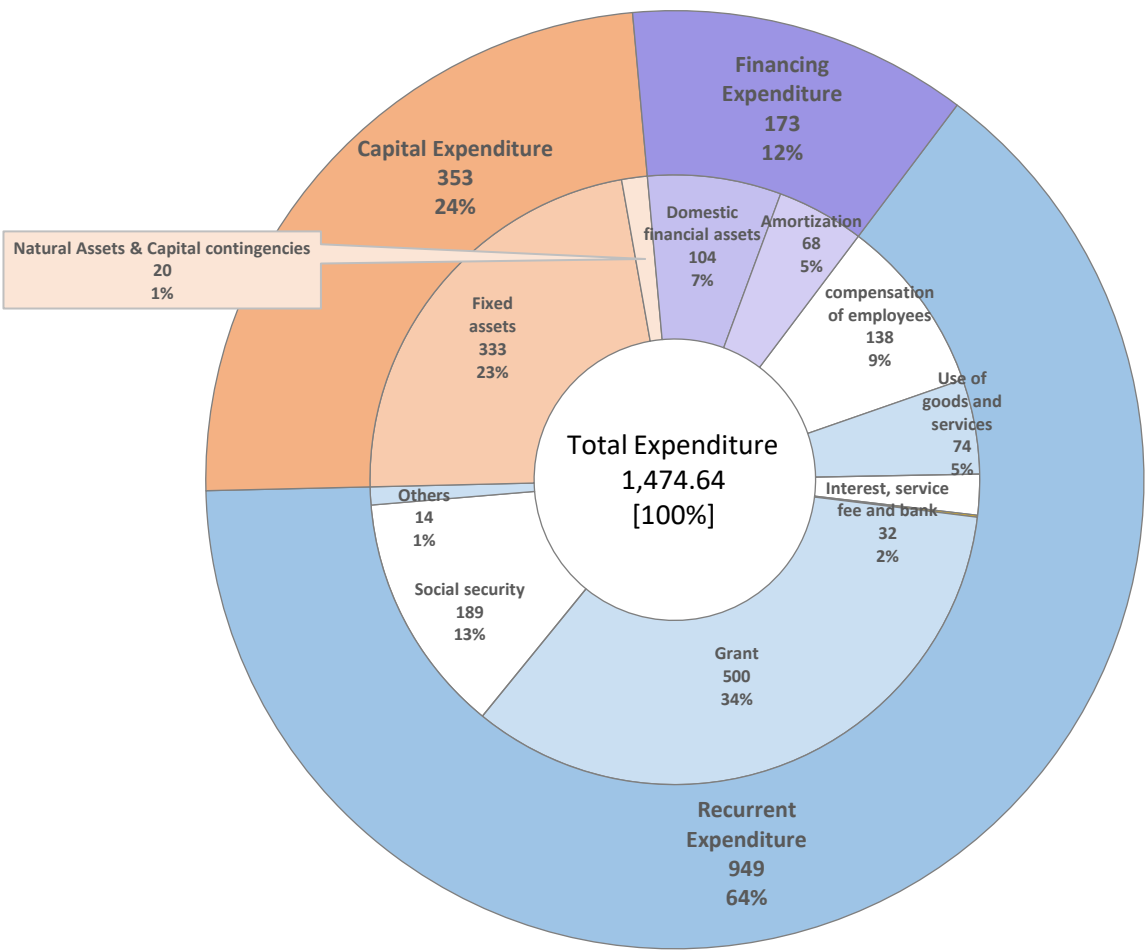
(Unit: billion Rs.)

	FY2019 Budget (Initial)	FY2020 Budget (Initial)	Change (FY2019 to FY2020)	%Change (FY2019 to FY2020)	Notes
Functional expenditure					
General functional expenditure	459.05	494.4	+35.35	+7.7%	
Health	78.4	115.06	+36.66	+46.76%	Increase in health services to cover health bills posed by virus
Of which public health services	34.1	46.1	+12	+35.19%	
Defense	50.1	49.2	-0.9	-1.79%	
Public order and safety	56.1	56.2	+0.1	+0.178%	
Economic affairs	541.3	389	-152.3	-28.13%	Reduction in general economic related expenditure to support healthcare
Environmental protection	26.7	11.6	-15.1	-56.55%	
Housing and community amenities	78.7	81.8	+3.1	+3.93%	
Recreation, culture and religion	7.2	7.2	0	0%	
Education	163.7	172.1	+8.4	+5.13%	
Social protection	71.3	97.7	+26.4	+37.02%	
Total	1533.5	1474.64	-58.86	-3.83%	

(Note 1): Figures in parentheses may not be exact due to rounding's.

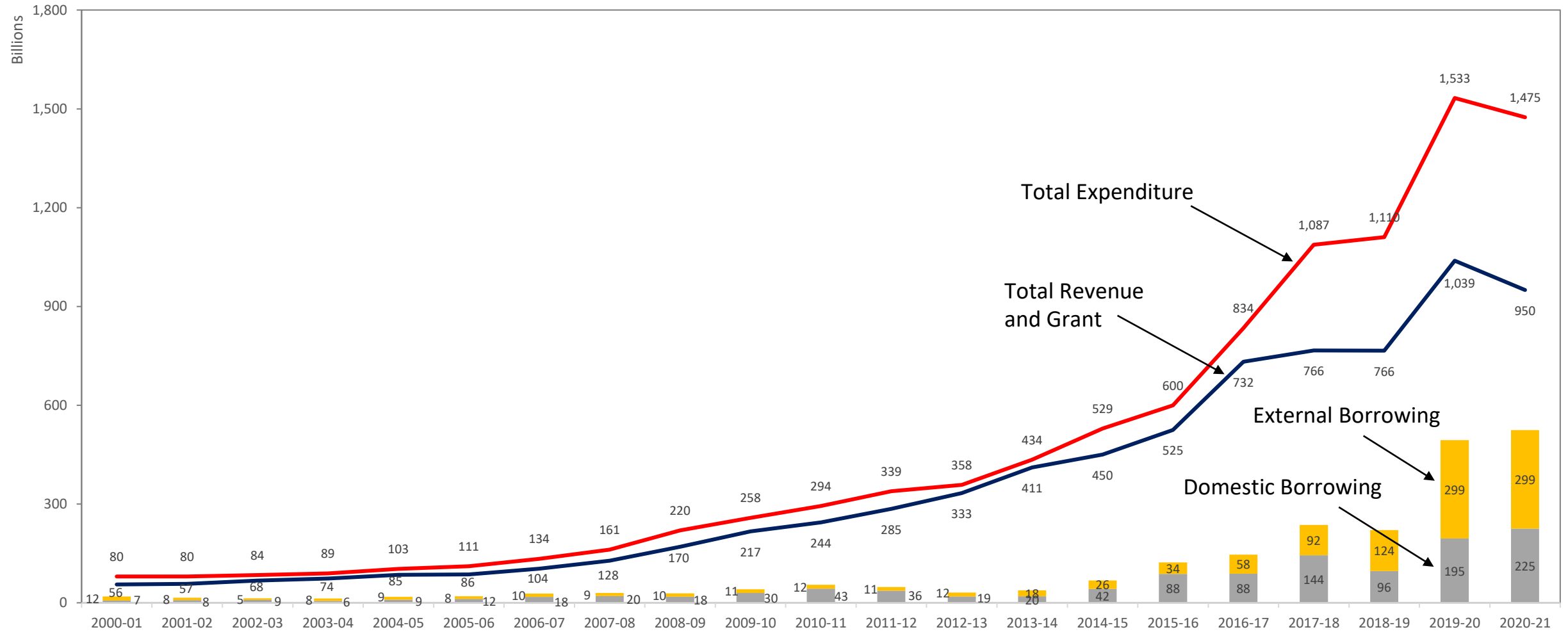
The FY2020 Budget: Expenditure and Revenue

(Unit: Billion NRs.)



(Note 1) Revenue sharing of 122.14 billion hasn't been adjusted
(Note2) Deficit budget is adjusted by borrowings
Source: MoF

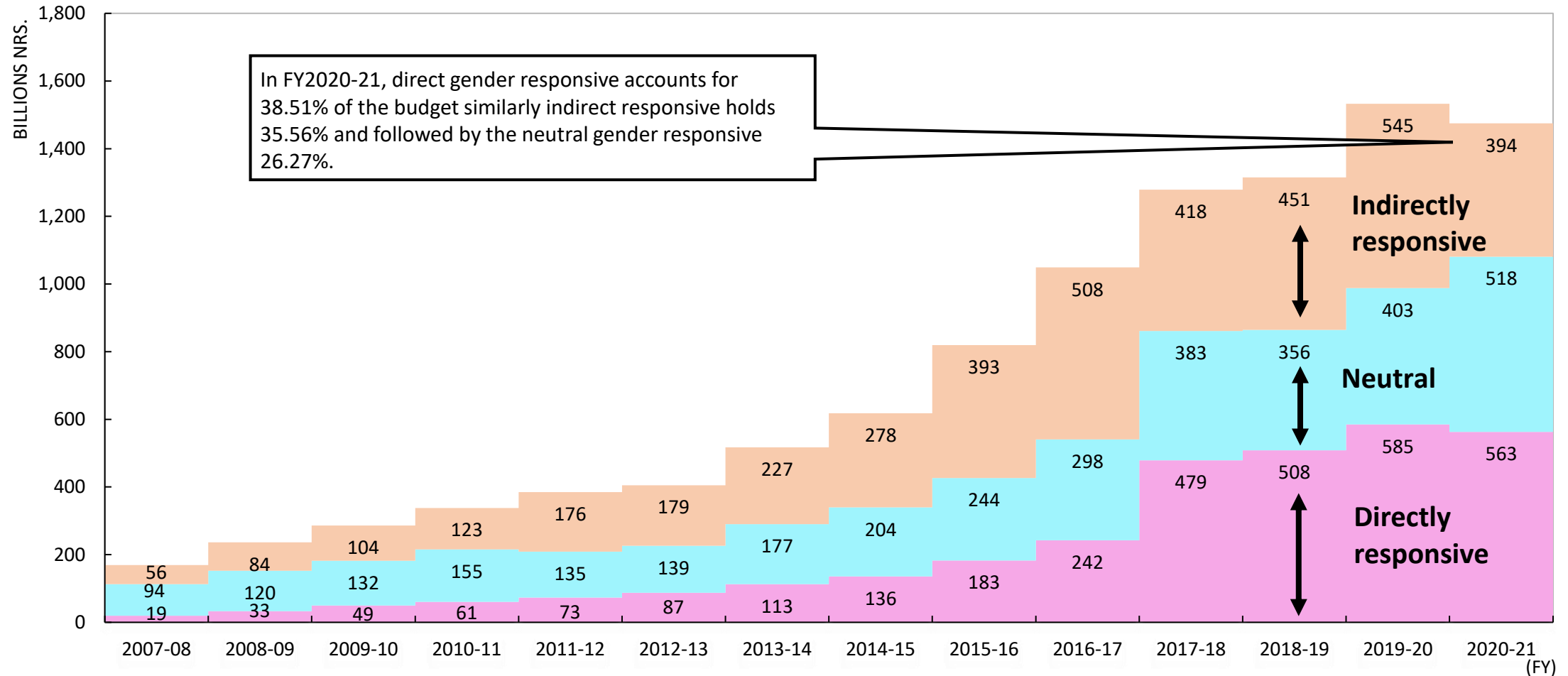
Trends in total expenditures, revenues, and borrowings



(Note 1) FY2000-FY2018: Actual settled figures; FY2019 and FY2020: Based on initial budget

Source: MoF

Trend in Gender Responsive Budget



Note: The gender responsive budget is classified under three different headings they are:

- 1) 50% or more which is directly beneficial for women — directly gender responsive
- 2) 20% or less than 50% which is directly beneficial for women — indirectly gender responsive
- 3) less than 20% of budget which is directly beneficial for women — neutral gender responsive

Key Measures adopted by major economies and their central banks in response to COVID-19

Fiscal Policy Measures in Major Economies

	Measures
United States	<ul style="list-style-type: none"> Measures worth at least 11% of GDP including: <ul style="list-style-type: none"> expansion of unemployment benefits extension of the periods that benefits are paid business tax cuts extra health system funding cash payments to individuals Support for financing such as to small and medium-sized enterprises and the aviation industry
European Union	<ul style="list-style-type: none"> Package of up to €540 billion including loans to support employment, credit lines to support healthcare spending and support for financing such as through providing guarantees with a focus on small and medium sized enterprises
China	<ul style="list-style-type: none"> Measures worth at least 2% of GDP including: <ul style="list-style-type: none"> Employment measures including incentives for small and medium-sized enterprises to promote the recruitment of college graduates Reduction of corporate burden such as through tax cuts Increase in the issuance of local government special bonds to provide funding for key projects, etc.
India	<ul style="list-style-type: none"> Short and long term measures for supporting the poor, middle income group, including migrants, street vendors, farmers and small businesses Social security scheme for gig and platform workers, gratuity for fixed term employment etc.

Monetary Policy Measures Taken by Central Banks

Central Bank	Measures
Federal Reserve	<ul style="list-style-type: none"> Lowering of the target range for the federal funds rate (twice) by 50 bps and further 100bps to 0-0.25percent Purchases of the necessary amount of Treasury securities and agency mortgage-backed securities for smooth market functioning and effective transmission of monetary policy Reserve requirement reduce to 0 percent Banks are enable to use capital and liquidity buffers for lending
European Central Bank	<ul style="list-style-type: none"> Launching Pandemic Emergency Purchase Programme of private and public sector securities to counter risks to the monetary policy transmission mechanism and the outlook for the euro area Banks are enable to use capital and liquidity buffers for lending, including pillar 2 guidance Enhancement of longer-term refinancing operations to support lending to firms and provide liquidity to the financial system
People's Bank of China	<ul style="list-style-type: none"> Loan Prime Rate lowered by 10bps to 4.05 percent and 5 bps to 4.75 percent on 1-year and 5-year LPR respectively 1.7 trillion Yuan of liquidity injected 7-day reverse repo rate lowered by 20bps to 2.2 percent
Reserve Bank of India	<ul style="list-style-type: none"> Reducing the policy repo rate by 40 basis points from 4.4 percent to 4 percent Fixed rate reverse repo rate under the liquidity adjustment facility (LAF) was reduced from 3.75 percent to 3.5 per cent The liquidity coverage ratio (LCR) requirement for scheduled commercial banks is being brought down from 100 percent to 80 percent

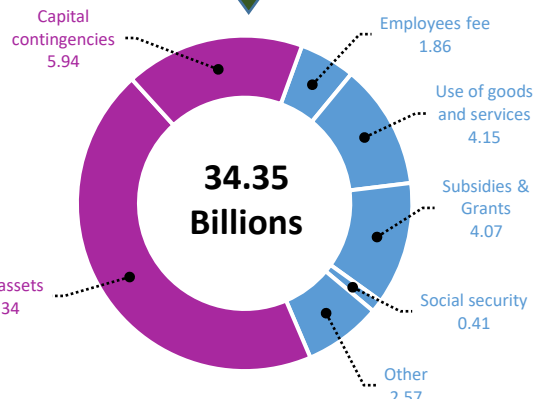
PROVINCIAL BUDGET 2019

■ Recurrent Expenditure

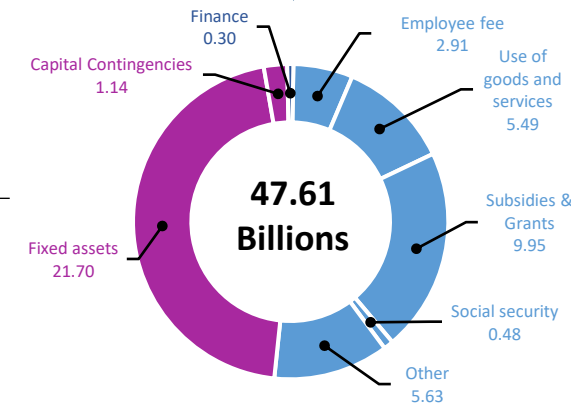
■ Capital Expenditure

■ Financing

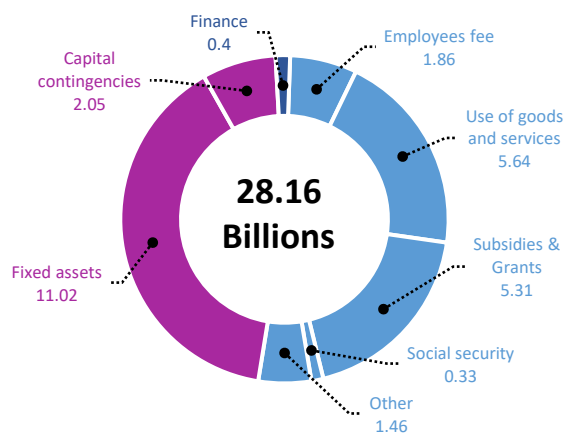
KARNALI PROVINCE



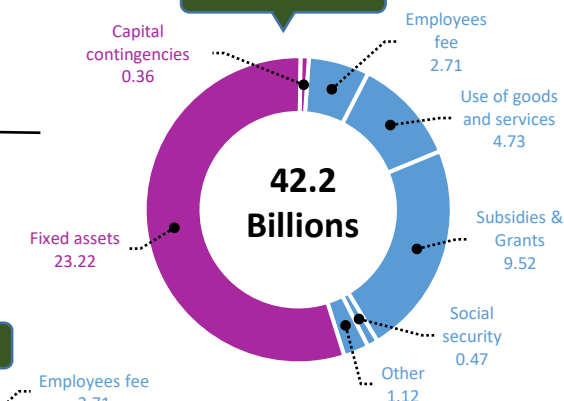
BAGMATI PROVINCE



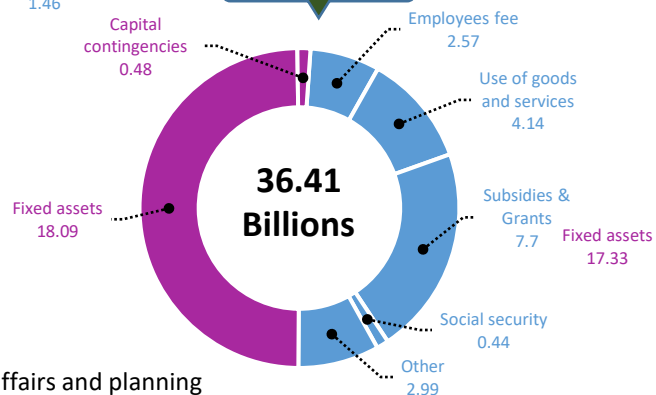
SUDURPASCHIM PROVINCE



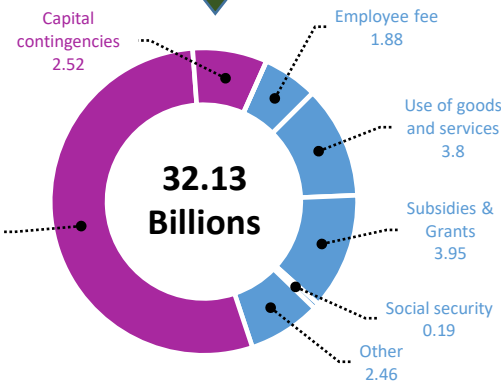
PROVINCE NO.1



PROVINCE NO.5



GANDAKI PROVINCE



PROVINCE NO.2

