



# Public Debt Bulletin

A Publication of the Public Debt Management Office  
Fiscal Year 2082/83

Year 5 Volume 1

2082 Shrawan – 2082 Poush

July 17, 2025 –Jan 14,2026

## Message from PDMO Chief

I am pleased to highlight key developments and achievements of the Public Debt Management Office during the reporting period, reflecting our continued commitment to fiscal transparency, prudent debt management, and the development of the domestic debt market.

The visit of the Honorable Finance Minister and the Finance Secretary has happened during this period, which has enhanced the importance of PDMO as well as its importance in financing the government's needs. The visit has strongly encouraged further progress and reaffirmed the government's commitment to strengthening public debt governance.

At this period, the public debt of Nepal has reached NPR 2,806.39 billion, representing a 10.66 percent increase from the previous year. Out of the total public debt, external debt comprises 53 percent, while domestic debt accounts for 47 percent. The Debt-to-GDP ratio stands at 45.95 percent, reflecting the current level that remains both manageable and sustainable. This growth reflects strategic financing for national development priorities while maintaining prudent debt management practices.

In this period, 5 years of Citizens Savings Bond (CSB) worth NPR 2.5 billion at an interest rate of 6.5 percent and Foreign Employment Savings Bond(FESB) worth NPR 500 million at an interest rate of 7.5 percent were opened for public subscription from 25<sup>th</sup> Kartik to 25<sup>th</sup> Mangsir, 2082. I am encouraged to note that the CSB was fully subscribed by 4<sup>th</sup> Mangsir,2082 well in advance of the deadline. This strong response indicates a high level of public awareness and confidence in government securities. Whereas, less than one-third of the total issuance of the FESB bond was subscribed. A large proportion of potential investors (Nepalese citizens) engaged in foreign employment were still unaware of the bond. PDMO should initiate awareness and promotional programs to make them aware of investing in such bonds.

The PDMO is currently engaged in developing the necessary infrastructure for issuing "Thematic Bond" in both domestic and international markets, with the objective of securing debt at competitive interest rates and ensuring more efficient and targeted utilization of funds in productive projects and priority sectors.

PDMO has also made significant progress in strengthening institutional and regulatory frameworks as well as transparency. The key achievements including the execution of Subsidiary Loan Agreements, the approval and publication of the "Guideline for Accounting and Reporting of Contingent Liabilities of State Owned Enterprises (SOEs) 2082," the publication of the "Annual Debt Report and Share and Loan Investments Report 2082". Furthermore, a program on the "Issuance of government securities, pledge and release mechanisms, and secondary market transactions" and "Contingent liabilities related orientation and interaction program" was conducted to enhance stakeholder understanding and promote market efficiency.

Looking forward, PDMO is committed to maintaining a sound debt repayment record, expanding investor participation, and improving systems and processes in line with international standards, while strengthening coordination with development partners.

I express my sincere gratitude to the Ministry of Finance, Nepal Rastra Bank, the Financial Comptroller General Office, and development partners for their continued support. I also commend the PDMO team for their dedication and professionalism in advancing our shared goals.

Thank You.



## KEY HIGHLIGHTS

- Public Debt Position up to Poush 2082
- Status of External and Internal Debt
- Share and Debt Investment details
- Visit of Finance Minister & Finance Secretary
- Subsidiary loan Agreement
- Issuance of Citizen Saving Bonds and Foreign Employment Saving Bonds
- Interaction Program with different stakeholders
- Publication of Annual Report of Public Debt and Share & Loan Investment
- Approval & Publication of "Guideline for Accounting and Reporting of Contingent Liabilities of State Owned Enterprises, 2082"

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## Public Debt Bulletin

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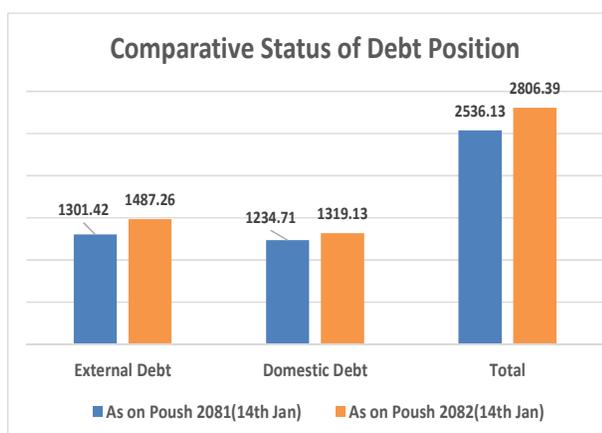
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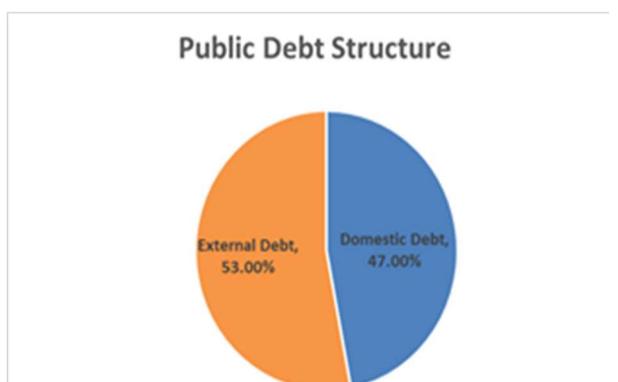
## Public Debt Position

The total outstanding debt of Government of Nepal has reached NPR 2806.39 billion at the end of Poush 2082. Total debt comprises external debt of NPR 1487.26 billion and domestic debt of NPR 1319.13 billion. Compared to the same period of previous fiscal year, the total debt has been increased by 10.66%, with an addition of NPR 270.26 billion, where the portion of fund loss is around 70 million till Poush in FY 2082/83.



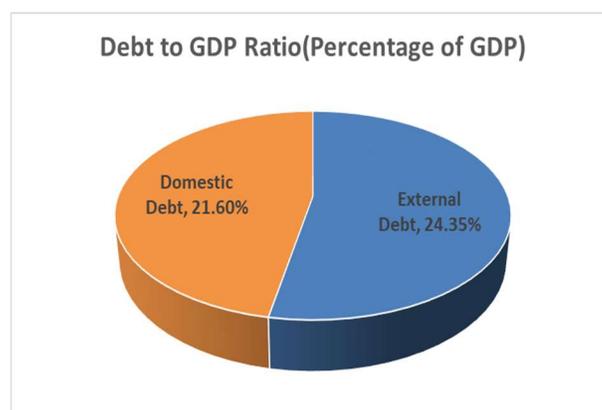
## Public Debt Structure

At the end of Poush in previous Fiscal Year, the proportion of domestic and external debt was nearly equal. However, at the end of Poush of this Fiscal Year, the proportion of external debt has increased slightly and reached up to 53% whereas domestic debt has decreased to 47% of the total public debt.



## Public Debt to GDP

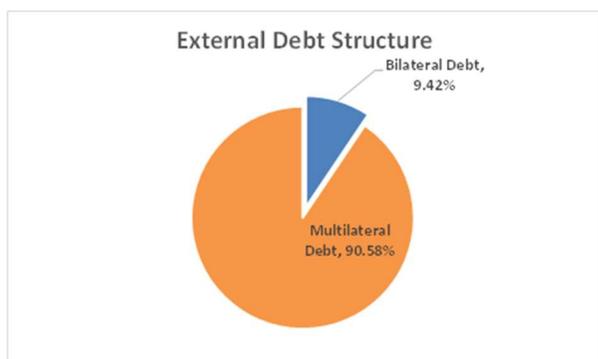
Public debt obligations reached 45.95% of the Gross Domestic Product (GDP) at the end of Poush of FY 2082/83. The external debt to GDP is 24.35%, and the domestic debt to GDP is 21.60%. The debt to GDP ratio is steadily increasing comparing to the same period of previous Fiscal Years, starting from 30.26% in FY 2075/76, 43.72% in FY 2081/82 and now it is 45.95%.



## Status of External Debt

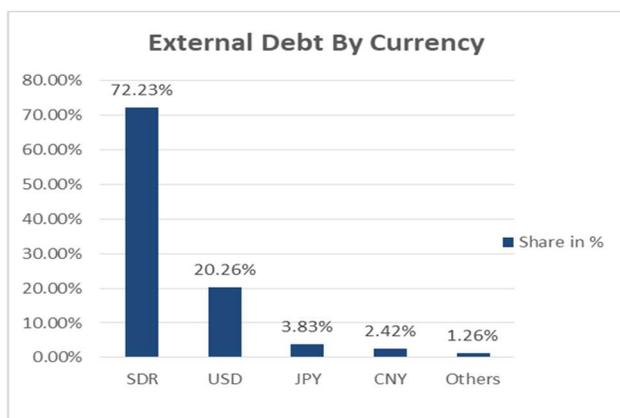
### Institution-wise External Debt Liability:

The total Foreign Debt liability has increased by 14.28% during this period compared to the same period in previous FY 2081/82, reaching NPR 1487.26 billion. As of the end of Poush 2082, the structure of foreign debt liability comprises NPR 1347.11 billion in multilateral and NPR 140.15 billion in bilateral. In the total foreign debt structure, multilateral debt accounts for 90.58% and bilateral debt accounts 9.42%.



### Currency-wise External Debt Liability:

Nepal has outstanding external debt liabilities with 17 different entities in 10 different currencies. Among these, the highest share of debt lies in Special Drawing Rights (SDR) accounting for 72.23%, followed by US Dollars (USD) at 20.26%. Similarly, Japanese Yen constitutes 3.83%, and Chinese Yuan accounts for 2.42% of the total external debt liabilities.



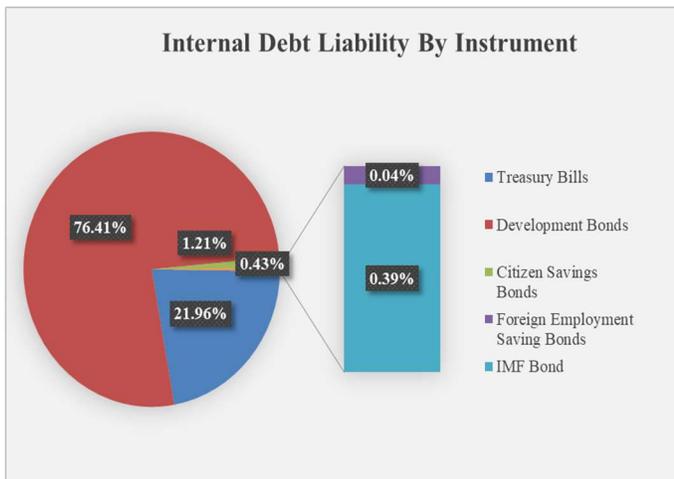
**External Debt Composition by Creditor**  
For the month of Poush 2082 (Mid-January, 2026)

(Amount in NPR Crore)

S.N.	Particulars	Currency	Outstanding Balance Upto Current Month(NPR)	In USD	Share (in %)
<b>A. Bilateral</b>					
1	BELGIUM	EUR	497,245,943.29	3,438,530.83	0.03
2	EBK	KRW	4,537,205,972.72	31,375,464.86	0.31
3	E BLCI	USD	37,180,437,488.46	257,108,343.05	2.50
4	EIBC	CNY	36,012,195,803.88	249,029,775.28	2.42
5	JICA	JPY	57,004,944,461.01	394,197,804.17	3.83
6	KUWAIT	KWD	1,795,893,099.84	12,418,872.14	0.12
7	NBF	EUR	191,852,366.06	1,326,688.10	0.01
8	SAUDI	SAR	2,929,222,651.28	20,256,017.23	0.20
<b>Total Bilateral</b>			<b>140,148,997,786.54</b>	<b>969,151,495.65</b>	<b>9.42</b>
<b>B. Multilateral</b>					
1	ADB	SDR	267,645,427,378.19	1,850,808,570.49	18.00
2	ADB	USD	231,574,832,599.74	1,601,374,957.47	15.57
3	AIIB	USD	5,728,628,537.51	39,614,331.91	0.39
4	NDF	EUR	1,785,282,511.57	12,345,498.32	0.12
5	OFID	USD	6,131,691,260.40	42,401,571.54	0.41
6	IDA	EUR	58,211,850.00	402,543.74	0.00
7	IDA	SDR	727,623,641,236.05	5,031,627,420.21	48.92
8	IDA	USD	4,015,924,692.64	27,770,726.04	0.27
9	IFAD	SDR	10,157,632,365.42	70,241,562.59	0.68
10	IFAD	USD	1,072,104,086.67	7,413,761.75	0.07
11	IMF	SDR	68,837,108,233.50	476,019,004.45	4.63
12	EEC	DKK	4,529,737.90	31,323.82	0.00
13	EEC	EUR	117,912,345.73	815,381.69	0.01
14	EEC	GBP	20,814,815.37	143,937.59	0.00
15	EIB	EUR	6,690,040,468.08	46,262,640.81	0.45
16	EIB	USD	15,649,460,051.83	108,218,380.83	1.05
<b>Total Multilateral</b>			<b>1,347,113,242,190.58</b>	<b>9,315,491,613.24</b>	<b>90.58</b>
<b>Total</b>			<b>1,487,262,239,977.12</b>	<b>10,284,643,108.89</b>	<b>100.00</b>

### Status of Domestic Debt

At the end of Poush of Fiscal Year 2082/83, domestic debt liability has increased by 6.84% as compared to the same period in the previous Fiscal Year, reaching NPR 1319.13 billion. The composite of domestic debt includes 76.41% in development bonds, 21.96% in Treasury Bills, 1.21% in Citizen Saving Bonds, 0.04% in Foreign Employment Saving Bonds, and 0.39% in IMF bonds.



## Debt Mobilization and Service Expenses in FY 2082/83

### Debt Mobilization:

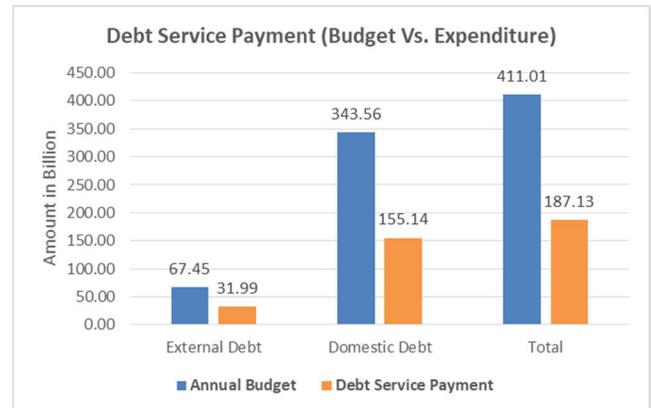
At the end of Poush of this Fiscal year, a total of NPR 214.56 billion has been received, compared to the annual target of NPR 595.66 billion for public debt mobilization. Out of the total target of NPR 595.66 billion, the external debt annual target was NPR 233.66 billion, where NPR 36.89 billion has been received, and the domestic debt annual target was NPR 362.00 billion, and NPR 177.67 billion has been received.



### Debt Service : (Budget Vs. Expenditure)

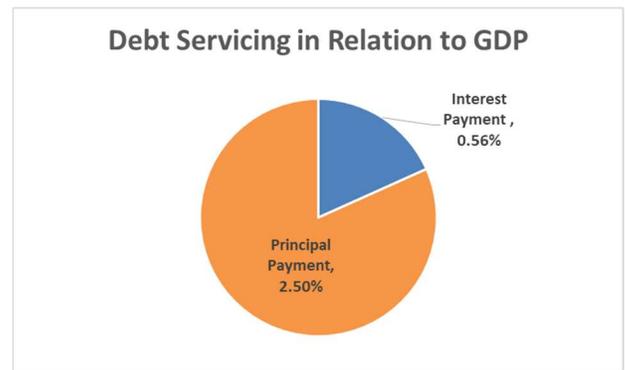
In the end of Poush of FY 2082/83, the total annual budget debt service amounts to NPR 411.01

billion, while the actual payment stands to NPR 187.13 billion. Out of this, domestic debt accounts for a budget of NPR 343.56 billion, with actual payment of NPR 155.14 billion. Whereas, external debt service accounts with a budget of NPR 67.45 billion and NPR 31.99 billion of actual payment.



### Debt Service as a Proportion of GDP:

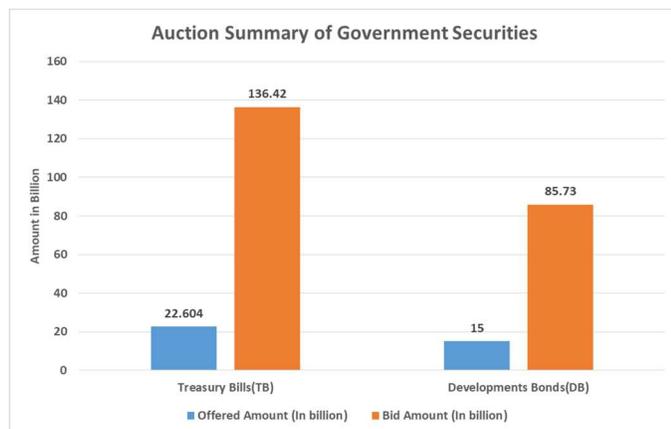
As of the end of Poush 2082, the share of total debt service expenses in relation to the total GDP is 3.06%. This includes 2.50% for principal payments and 0.56% for interest payments.



## Auction Summary of Government Securities

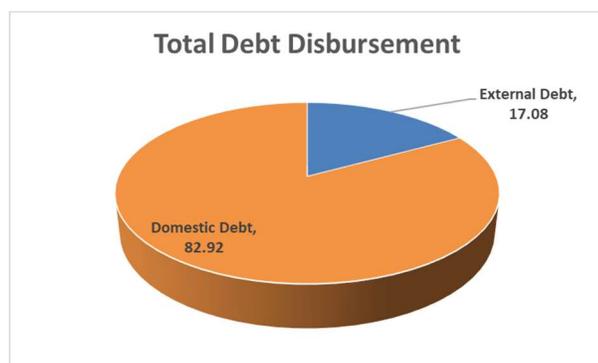
During the period of Shrawan to Poush, 2082 (Mid-July to Mid-January 2025), the auction result shows strong demand for government securities, especially in short-term instruments. Treasury bills (TB) attracted the highest bids (around NPR 136.4 billion) against an offered amount of about NPR 22.6 billion, indicating heavy oversubscription.

Development Bonds (DB) also record significant demand, with bids of NPR 85.7 billion as compared to an offered amount of NPR 15 billion.



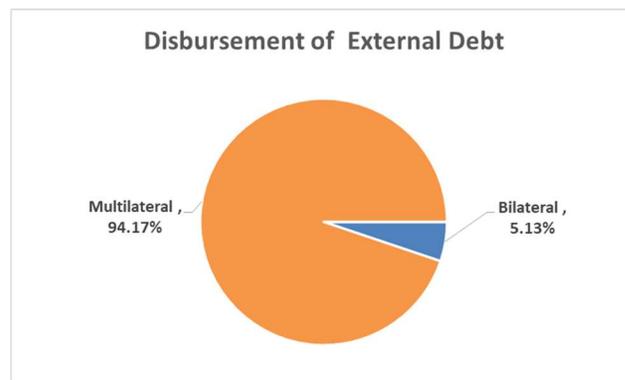
### Disbursement of the Debt

As of the end of Poush 2082, 82.80% of total debt disbursement has been received from the domestic market, and the remaining 17.08% from external creditors.



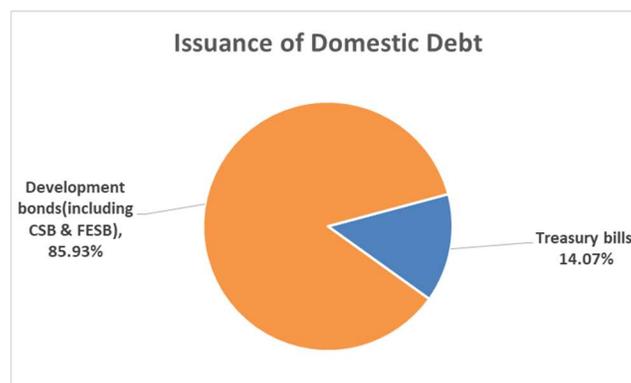
### Disbursement of External Debt

Disbursement of external debt comprises NPR 34.75 billion, which is 94.17% from multilateral creditors and NPR 2.15 billion, which is 5.13% from bilateral creditors, up to the end of Poush of the fiscal year 2082/83.



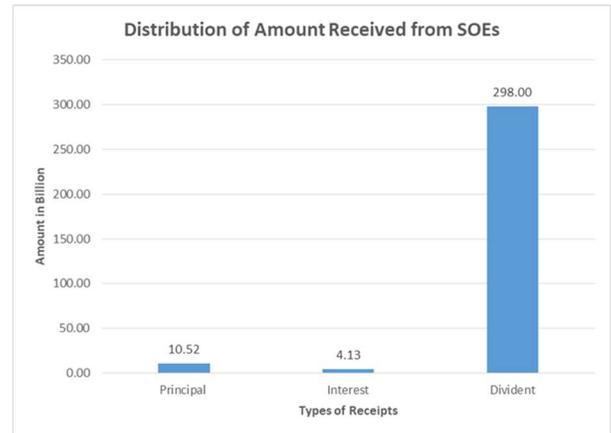
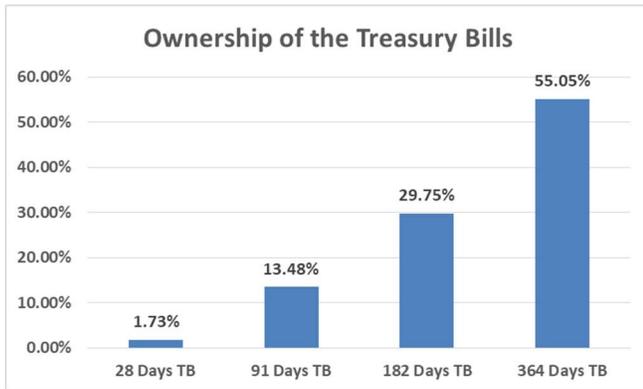
### Issuance of the Domestic Debt

Out of the total domestic issuance of NPR 177.66 billion up to the end of Poush, development bonds (including CSB & FESB) represent 152.66 billion, which is 85.93% disbursements for the quarter, whereas treasury bills represent NPR 25 billion, which is 14.07% of disbursements.



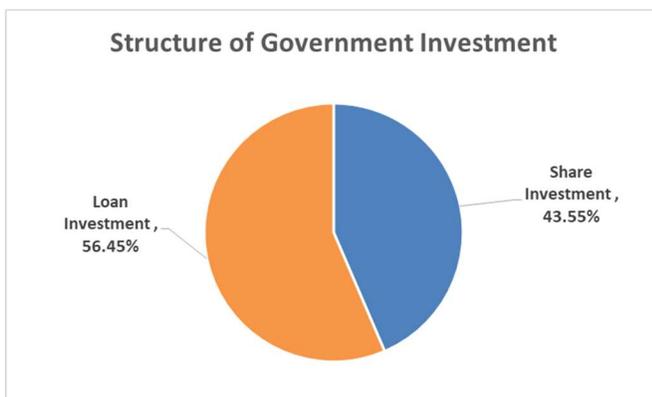
### Ownership of the Treasury Bills

As of the end of Poush 2082, the majority of the treasury bills are concentrated in longer-term maturities, particularly the 364-Days TB, indicating the ownership of 55.05%, followed by 182-Days TB by 29.75%, 91-Days TB by 13.48%, and 28-Days TB 1.73%.



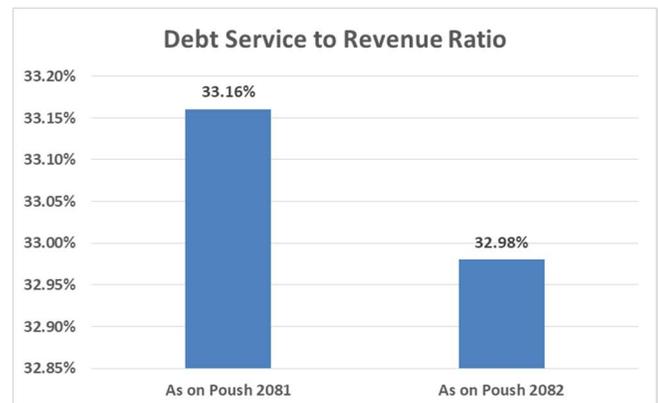
## Share & Loan Investment

As of the end of Poush 2082, the total government investment has reached NPR 930.22 billion in 145 different state-owned enterprises and public institutions. Of this, NPR 405.2 billion is in shares, and NPR 525.07 billion is in loan investments. The proportion of share and loan investment in total investment is approximately 43.55% and 56.45%. Similarly, the government has received NPR 10.52 billion as principal payments from 4 institutions, NPR 4.13 billion as interest payments from 6 institutions, and NPR 298.00 billion as cash dividends from 6 institutions, totaling NPR 312.65 billion in the first half of the fiscal year 2082/83.



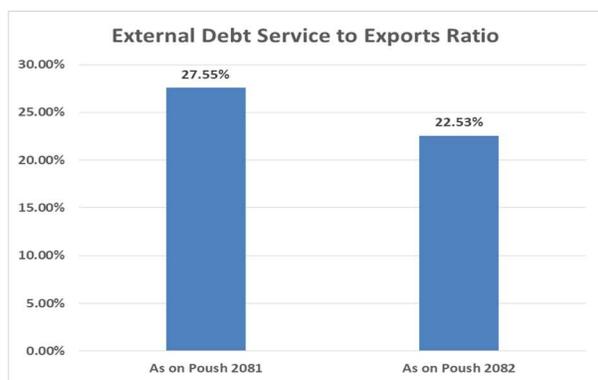
## Debt Service to Revenue Ratio

As of the end of Poush 2082, the public debt service to revenue ratio has slightly decreased from 33.16% as in the same period in the previous year to 32.18% in the current period.



## External Debt Service to Exports Ratio

As of the end of Poush 2082, the external debt service to exports ratio has decreased from 27.55% to 22.53% percentage as compared to the same period of the previous year.



## Other Major Activities

### I. Publication of Annual Report on Public Debt of GoN for FY 2081/82

The Annual Report on Public Debt of the Government of Nepal for FY 2081/82 has been published. This report includes detailed information on the receipt of external and domestic debt, the approval and issuance schedule of domestic debt, debt disbursements, overall status of public debt liability, debt mobilization principal repayments, and interest payments, as per the annual revenue and expenditure estimates of the Government of Nepal. It also analyzes trends in public debt. The report helps to maintain transparency regarding public debt and provides updated information to relevant stakeholders.

### II. Publication of Annual Report on Share and Loan Investments for FY 2081/82

According to Rule 47 of the Public Debt Management Regulations, 2080, the Annual Report on Share and Loan Investments for FY 2081/82 has been published. The report includes records of share and loan investments made in various public institutions/agencies as per government decisions, along with principal repayments, dividends received, and interest earnings

from such investments. It presents overall data on investments and analytical details in simple language consistent with transparency and accountability principles.

### III. Approval & Publication of “Guideline for Accounting and Reporting of Contingent Liabilities of State Owned Enterprises, 2082”

Nepal has 45 state-owned enterprises (SOEs) in which the government holds more than a 50% ownership stake. Collectively, these enterprises contribute approximately 11.57% to the country’s GDP. The Annual Performance Review of SOEs 2082 estimates their contingent liabilities at NPR 21 billion, representing a significant economic risk. If these enterprises fail to strengthen their financial position, such liabilities could impact the national budget and financial stability, to address this, “Guidelines for Accounting and Reporting of Contingent Liabilities of State Owned Enterprises (SOEs)2082” were issued, providing a standardized framework for the timely identification, classification, valuation, reporting, and disclosure of potential liabilities to ensure proper management and accountability. To further ensure uniformity in handling the contingent liabilities of SOEs was approved by the Government of Nepal (Honorable Minister-level decision dated 2082/06/21) and has now been implemented.

### IV. Visit of the Finance Minister

On 23rd Kartik 2082, Finance Minister Mr. Rameshwor Khanal and Finance Secretary Mr. Ghanshyam Upadhyaya, PhD. conducted on-site monitoring and inspection visit at the Office. The chief has briefly introduced the

role and present status of the Office. At the end of the visit, the following directives were given.

1. The PDMO should proceed with the process of Annual Maintenance Contract (AMC) for the DOMS system and identify necessary alternatives for the system's long-term sustainability.
2. Public debt-to-GDP ratio will be maintained around 40%, with a focus on increasing long-term debt over short-term debt.
3. The PDMO should take the lead to prepare Debt Sustainability Analysis (DSA) report.
4. A high-level committee, including representatives from the Ministry and relevant bodies, will be formed to resolve discrepancies in share calculations and government's investment records, and to advance the reconciliation process with recommendations from the committee.

#### **V. Issuance of Citizen Saving Bond(CSB) and Foreign Employment Saving Bond (FESB)**

As per the Annual government borrowing plan (Internal Debt Issuance and Auction Schedule) for F.Y. 2082/83, 5-year Citizens Savings Bond (CSB) worth Rs. 2.5 billion at an interest rate of 6.5 percent, and a 5-year Foreign Employment Savings Bond (FESB) worth Rs. 500 million at an interest rate of 7.5 percent, were opened for subscription from 25<sup>th</sup> Kartik to 25<sup>th</sup> Mangsir, 2082 . However, the issue was fully subscribed by 4<sup>th</sup> Mangsir, 2082, well ahead the deadline. This strong response indicates and a high level of public awareness and confidence in government securities. Whereas, less than one third of the total issuance of the FESB bond was subscribed .A large proportion of potential investors citizen engaged in foreign employment were still unaware of the bond.

PDMO should initiate awareness and promotional programs.

#### **VI. Subsidiary Loan Agreement**

1. PDMO signed and dated 30<sup>th</sup> Kartik, 2082, a Subsidiary Loan Agreement (SLA) with Agriculture Development Bank for an additional amount of 11,900,000 USD for "Forest for Prosperity Project" supported by International Development Association (IDA) in addition to the original SLA of 6,000,000 USD. This loan will be released to Agriculture Development Bank in NPR at the exchange rate of transaction date, and will be repaid in NPR with the interest rate of 4% and with a repayment tenure of 20 years including the grace period of 5 years.
2. PDMO signed a SLA with Nepal Electricity Authority (NEA) for Electricity Supply Reliability Improvement Project supported by the World Bank for loan amount of 91,800,000 SDR divided into two categories through escrow account:
  - a. Credit A of 25,500,000 SDR with an interest rate of 0.75 %, and a repayment period of 38 years including a grace period of 6 years.
  - b. CREDIT B of 66,300,000 SDR with no interest and a repayment period of 12 years including a grace period of 6 years. The total Loan will be provided with a commitment charge of 0.5%.
3. PDMO signed three SLAs with Nepal Electricity Authority(NEA) for SASEC Electricity Transmission and Distribution Improvement Project supported by Asian Development bank(ADB), and OPEC fund for International Development(OFID) as below through escrow account:
  - a. SLA for Loan No.4520-NEP from ADB of an amount of 311,000,000 USD with a repayment period of 32 years

including a grace period of 8 years, and with an interest rate of 1% during the grace period and 1.5% after the grace period.

b. SLA for Loan No.8485-NEP(COL) from ADB of an amount of 10,000,000 USD with a repayment period of 40 years including a grace period of 10 years, and with an interest rate of 0.7% after the grace period.

c. SLA for Loan No.16654P from OFID of an amount of 100,000,000 USD with a repayment period of 20 years including a grace period of 5 years, and with an interest rate of 2.5%, and a commitment charge of 0.25%.

#### **VII. Discussion Program on Issuance of Government Securities, Pledge/Release, and Secondary Market Transactions**

A discussion program on the issuance of government securities, pledge/release procedures, and secondary market transactions was organized with the participation of market maker companies (Banking institutions, the Social Security Fund, the Citizen Investment Trust, and others) officials involved in government securities operations. The program was held on 11<sup>th</sup> Mangsir, 2082 at the office conference hall. In this program about 35 participants were presented. Prakash Pudasaini, Under Secretary of PDMO had given the presentation regarding it. The sessions were followed by a question and answer segment and an open discussion with participants. Through the discussion, issues encountered during government securities transactions, technical matters, system usage, and related problems were addressed. Relevant information was shared, making the program effective and informative.

#### **VIII. Contingent Liabilities related Orientation and Interaction Program**

The program regarding the procedure for Recording and Reporting of Contingent Liabilities of State Owned Enterprises (SOEs), 2082, was held on 25<sup>th</sup> Mangsir, 2082. In this program, 43 representatives of different SoEs like Nepal Electricity Authority, Civil Aviation Authority of Nepal, Kathmandu Upatyaka Khanepani Limited/Board, Nepal Airlines Corporation, Sana Kisan Bikas Lagubitta Bittiya Sanstha Ltd., etc. were present. Mohan Singh Basnet, Under Secretary of PDMO had given the presentation regarding the guidance note with brief provisions related to the guidelines. The sessions were followed by a question-and-answer segment and an open discussion with participants.

#### **IX. Investment-Related Interaction Program**

In the end of Poush of the fiscal year 2082/83, the PDMO has conducted 6 meetings with 6 different institutions for the purpose of reconciling the investment-related amount which is differ between the PDMO and the institutions record. The reconciling process includes reviewing verifying with the statement, documents and GSMS records remained in the PDMO with submitted proofs by institutions. This reconciliation meetings is only the method that could help to align the records maintained by PDMO with the existing records held by the respective institutions. Through this process, discrepancies were identified and necessary updates were made to ensure the accuracy, consistency, and reliability of the records across all parties involved.

## Photo Gallery



***Signing Ceremony of SLA with Agricultural Development Bank***



***Signing Ceremony of SLA with Nepal Electricity Authority***



***Office Visit of Finance Minister and Finance Secretary***



***Discussion Program on Issuance of Government Securities, Pledge/Release, and Secondary Market Transactions***



***Orientation Program on Contingent Liability***



***Welcoming Finance Minister and Finance Secretary by Office Staff***