CHAPTER I
INTRODUCTION

1.1 Background of the Study

The approach of the 21st century brings great promise to changes and reason for hope. In a world of dazzling change in markets, civil society, global forces and changing role of government, the state is under pressure to become more effective but effectiveness and capability are not the same things. Capability as applied to states is the ability to promote collective action efficiently in case of law and order, public health, basic infrastructure. Effectiveness is the result of using that capability to meet society demand for those goods. In 21st century government is the path way for any state to be a more capable and more effective for the economic stability and reduction of massive poverty.

Government expenditure is one of the central instruments to influence most of the economic activities. However, government needs sufficient revenue to carry out its activities such as to maintain law and order, peace and security, run daily administration, etc besides its development activities. A government has to invest a lot of money on development activities such as education, health, drinking water, sanitation, hydropower, irrigation, road, transportation and so on. It has to invest on these development activities in order to achieve the national development objectives of high and sustained economic growth, reduction of poverty and inequality, regional and sectoral balanced development, empowerment of back warded and marginalized group of people.

Government spending or government expenditure is classified by economists into three main categories. Government purchases of goods and services for current use are classed as “government consumption”. Government purchases of goods and services intended to create future benefits, such as infrastructure investment or research spending, are classed as “government investment”. Government expenditures that are not purchases of goods and services, and instead just represent transfers of money, such as social security payments, are called “transfer payments”. Government spending can be financed by seigniorage, taxes, or government borrowing. The first two types of government

spending, namely government consumption and government investment, together constitute one of the major components of gross domestic product.

John Maynard Keynes was one of the first economists to advocate government deficit spending as of the fiscal part policy response to an economic contraction. In Keynesian economics, increased government spending is thought to raise aggregate demand and increase income. Classical economists and Austrian economists, however, believe that increased government spending exacerbates an economic contraction by shifting resources from the productive private sector to the unproductive public sector. According to Austrian economists, the reason of the Great Depression lasted as long as it did was because of significant government spending and government regulation of the economy.

Public expenditure can be classified according to the macro function at which it is directed. i.e. Justice and peace order; infrastructure (road, railways……); military system; education system; health care; support for the poor, the old, disadvantaged; support for firms, export & production in general and special policy expenditure (foreign aid, integrated fight against drugs,…..). In different places and over time, those macro-functions have largely changed their level of priority and even the social acceptance of the idea that it is the state that must care of them. In particular, as a much sketched framework, one may distinguish at least three general models of state to which public expenditure correspond;

1. The minimal state, where only justice, public order, foreign policy and some other basic functions should be carried out by the state, relying on private initiative for the others;
2. The welfare state, where the state cares about the people's well-being directly, also through expenditure in schooling, health, support for the poor, the old, the disadvantages;
3. The development state, where the state takes the responsibility of fostering economic development also through expenditure in infrastructure, support for firms, export and production in general.

Both the welfare and development state include the items of the minimal state. Military expenditure and special policies are common traits of the three models, may be in different proportions. Comparing macro function shares in public expenditure, one can get in sights in the kind of the state undertakings. Needless to say, the state does not exists its influence on economy and society through public expenditure only, but also for example through laws.

Public expenditure is determined by political will of the leading forces in the state: their priorities, their desired state model, and their interpretation of current economic and political phase. Past choices have relevant impacts on public expenditure because of inertia and incrementalism. Bureaucracy may play an important decision role for the actual expenditure. Sometimes considered as a completely exogenous variable, the public expenditure would thus be fully in the hand of political decision-makers without dependency from the economic context. Yet, policymakers may turn out to follow an anti-cyclical broad control of public expenditure. Automatic stabilizers may be at work, as with the case of support schemes for unemployment: in this case higher unemployment and disappointing GDP growth would lead to higher public expenditure through unemployment benefits and financial support to firms. In a different political institutional context, public expenditure may, instead, positively respond to state revenues. Higher revenues (and maybe even a public surplus) may lead to higher public expenditure. Symmetrically, if there is an upper limit to public deficit and because of a recession, tax revenue fall, the state may be forced to cut public expenditure. In this context public expenditure would turn out to be pro-cyclical.

A GDP component as it is public expenditure has an immediate impact on GDP. An increase of public expenditure raises GDP by the same amount; other things equal. Moreover, since income is an important determinant of consumption, that increase of income will be followed by a rise in consumption, that increase of income will be followed by a rise in consumption: a positive feedback loop has been triggered between consumption and income, exactly as in the case of shocks in export, investment or autonomous consumption. The full extent of this mechanism will depend, however, by the reactions of the other economic agents. Firms have to decide whether to increase

production or prices in response to demand. Moreover, if consumers interpret the increase in public expenditure as a fall in their disposable income (i.e. after-tax income), consumption may fall accordingly. Public expenditure is also told to crowd-out investment, possibly through an interest rate increase, further leading in a floating exchange rate regime to a currency appreciation. Export would then be displaced as well.

In more micro economic terms, public expenditure may be directed to consumer goods, and thus substitute families' expenditure, as with the case of health drugs. By contrast, in other cases, as with education, public expenditure may trigger further consumption (booths and all other goods whose consumption depend on culture levels).

In developed countries, it has always grown whatever the political orientation of the government. Just the tempo can change. With a few exceptions, only under extremely strong constraints has public expenditure been cut in absolute terms. Wars are episodes of extremely high public expenditure, followed usually by a return to normality.

Public expenditure may turn out to be pro-cyclical or anti-cyclical depending on the political and institutional attitude towards public deficit, as we said. Still, real world data show after little reaction of public expenditure to the cycle. Most cycles show public expenditure as a stabilizing tool just keeping the same dynamics when the rest "goes wrong".

In Nepal, the planning system was started in 1956. Since then we have completed tenth plans and now we are in the interim plan. Government sector outlay has increased every five year plan. The actual growth of expenditure does not show in the real term because inflation over the same period has increased very quickly. Regular expenditure as well as development expenditure is increasing every year. The growth rate of development expenditure is much higher than the growth rate in regular expenditure.

We see that the government is spending a lot of money under the five year plans on schemes of capital formation. It has spent millions of rupees on irrigation, power, roads, and rural development project and so on. This has substantially added to the

volume of employment and productive capacity in the country. These are important steps towards removing unemployment and poverty in the country.

Thus, the government of developing countries like Nepal, by increasing their expenditure as economic development and capital formation, are making valuable contribution towards increasing income and opportunities of employment in the country. Therefore, government expenditure in the developing countries plays a crucial role is raising the level of income and employment.

Transport sector is the one of the major sector of government expenditure. Transportation is the movement of persons or commodities from one place to another. It is the function of carriage which is equally vital to primitive and civilized man. The economic and social progress of any group mostly depends on the reduction of transport cost.

Through the improved transportation, man ever seeks to accomplish movement from one place to another with the least possible expenditure of time and cost. Now-a-days, distance tends to be measured in time rather than in miles. Due to this reason, the movement of goods and persons tends to follow a straight-line route as the shortest distance. The significance of distance is only the time and cost that must be expended in overcoming it. Time and costs are the true dimensions of transportation improvement: actual distance is incidental.

Transportation is considered as part of production in economic because it creates place utility. It is essential to move goods from that place where it is available to that place where it is wanted. Improved transportation creates place utility at the lowest possible cost and within shortest period of time.

Improvement of transportation- The improvement of transportation has been favored by the people of all ages and specially the people of this present industrial age. The king of transportation comes into existence by the invention of a practical vehicle which accommodates a useful source of power. For example, the invention of the

locomotive began with steam railroad transportation and the invention of the motor vehicle began with highway transportation.

The rate of improvement of transportation in any country depends not only on what advance in technology is available to the inventor and designer, but also on the economic, social and political conditions which prevail. Both sets of conditions are important but these are changeable according to time. Economic conditions are usually foremost in calling the transportation improvement, but political purposes rather than economic may be the controlling factor in shaping a nation's transportation development during a particular period.

Everybody knows the importance of transport in the country. Without the help of transport the country cannot develop in every field. This transport problem is the most important problem. In every country the first preference will be given to the transport. It is a major problem to all underdeveloped countries. If transport system is not well in the country there cannot be equal distribution of the product. Like the problems to all the countries the transport problem is also an important in Nepal. The serious difficulties to enhance the economic development lack of transport facility.

Nepal is a landlocked country with China to the North and India to the South. Because of its mainly mountainous terrain and difficult weather conditions, roads and aviation are the major modes of transportation in the country. The presence of railways is negligible, and urban transport services are few. The country uses India's eastern port of Kolkata as its gateway to the sea.

In Nepal, public expenditures in the transport sector have averaged about 10% of the total government's expenditure (Nepal: Expenditures in the Road Sector. Report No. 10988-NEP. January 12, 1993). The large sector allocations reflect the fact that the development of the transport sector has been recognized as a key component in the government's development plans for promoting broad-based economic growth and poverty reduction. As one of the poorest countries in the world, Nepal has limited resources to develop and maintain its transport infrastructure. The resource constraint is

becoming tighter in recent years because of the worsening fiscal situation in the country. Improving the effectiveness of Nepal's public investment program in the transport sector thus has very important implications for the development of the sector and for the country as a whole.

Nepal's total road network and density are low and only 43 percent of the population has access to all-weather roads. More than 60 percent of the network is concentrated in the lowland (Terai) areas of the country. In 2007, the network consisted of 17,282 km of roads. The road network was expanded by 5%, on an average within a year, over the last decade, with faster growth until 2002. Over the 2003-05 period an additional 575 kms of roads (equivalent to 3.5 percent of the existing length) were built, focusing on connecting district headquarters with the national network and improving access between rural areas and market centers. Nepal's road network annually increased by 6.7% between FY95/96 and FY03/04, with the largest expansion occurring in roads classified as "district or rural roads", which grew annually by 11% during this period.

The poor condition of the road network hampers the delivery of social services in the remote hill and mountainous districts and affects the country's economic development. High transport costs and the lack of connectivity are major impediments to Nepal's development. This pro-poor expansion, as well as improved modes of transportation increased access to shops, markets, schools and hospitals. Improvements in rural connectivity helped raise non-agricultural employment and incomes.

Air transportation With 42 domestic and one international airport, civil aviation plays a vital role in linking the hilly and mountainous parts of the Kingdom. Most of them are green field without modern navigation systems. Domestic Airports are crucial to the growth of trade and tourism in the country as villages in hills and mountains are inaccessible by roads. The international airport at Kathmandu connects Nepal with the countries of Europe, and South and East Asia.

The country has the total physical railway line of the 57 km. Nepal Railways Company (NRC), a government agency owns the 53-kilometer narrow-gauge rail line,

which is composed of two sections - 32-kilometer section between Jaynagar in India to Janakpur in Nepal, and a 21-kilometer portion from Janakpur to Bijalpura. Janakpur to Bijalpura network is not operational at present. The Indian Railways manages the six-kilometer railway line (of which four-kilometers fall in Nepal) that connects Inland Clearance Deport (ICD) in Birgunj to Raxaul, India.

The importance of roads, including the rural roads, has been recognized and highlighted in several key national plans and strategies. The Government of Nepal's (GoN) Interim Three Year Plan (2007-2010) has emphasized the role of roads, civil aviation, and tourism in achieving the country's overarching objective of reducing poverty in the country. The Plan aims to connect 5 unconnected district head quarters through roads; establish an enabling environment for public private partnerships; operate a Roads Board for financing road maintenance and efficient road management in a sustainable manner; and an institutional reform of the Department of Roads (DoR) based on the Government's reform policy.

In 2001, GoN established a Road Transport Policy and developed a 20-year road master plan. Recently, DoR has completed on an integrated 10-year sector-wide plan and a Priority Investment Plan (2007-2016) for the development and management of strategic roads, including institutional development requirements. The PIP is based on the GoN's accessibility targets, namely to bring the entire hill population within a four hour walk to an all season road and the Terai population within two hours. This objective has been formulated in the 2004 Local Infrastructure Development (LID) policy, itself based on the National Strategy of Rural Infrastructure Development (1997). The policy also commits GoN to a decentralized governance system for rural roads development and operation in districts. GoN's policies also recognize the significant returns of rural road maintenance. The Roads Board Nepal (RBN) was established in late 2003, and has been operationalized with the objective to create a stable fund through the collection of road user charges, channel it to the road sector to implement the integrated annual plan [IAP] and other road development and research activities. However, RBN still requires improvement for adequate resource generation and efficiency to be able to fulfill its mandate.

The World Bank is supporting two projects in the roads sector in Nepal. The Road Sector Development Project (RSDP) supports the Country Assistance Strategy objective to reduce poverty in rural areas, by improving rural access, and, prompting higher agricultural output, as well as non-farm income, in remote hill areas of the country. The project was effective as of February 21, 2008.

The Rural Access Improvement and Decentralization Project (RAIDP) is ongoing, which was designed for the residents of participating districts to enable them utilize improved rural transport infrastructure, and services, and also benefit from enhanced access to social services, and economic opportunities. The closing date for this project is December 31, 2010.

1.2 Statement of the Problem

Insufficient infrastructures, inaccurate and incomprehensive planning, underdeveloped institutions, traditional technology, unexploited natural resources, dearth of skilled human resources, brain drain, weak government policies, low productivity, slow economic growth, low per capita income, unscientific distribution of resources and income, chronic state of poverty, low rate of saving, low rate of investment, high population pressure, back-warded agriculture, low living standard, illiteracy, malnutrition, higher unemployment, high infant and maternal mortality, are some well-known characteristics of Nepal. These are the prime reasons for the vicious circle of poverty. The vicious circle of poverty runs in a circular flow, keeping a poor country always in the state of poverty.

To break the vicious circle of poverty government should invest a huge amount of capital on infrastructures. Among the key infrastructures transport is one. Government of Nepal has been giving priority for the transport sectors through its planned development. It has been devoting huge amount of money with the coordination of donor agencies and countries. Now, it is the time to examine the contribution of transport on the economy. Therefore, the study put-forwards the single question; is there sufficient public expenditure on transports?

1.3 Objectives of the Study

The basic objectives of the study are:

1. To find out the trend, pattern and growth of public expenditure in Nepal.
2. To examine the trend, pattern and growth of public expenditure on transport in Nepal.

1.4 Significance of the Study

There are many theses for the study of trend and structure of public expenditure with different heads but the study of effects of government expenditure on ransport sectors has not done yet. So, this study mainly deals about the effects of government expenditure on transports sectors. The private sector needs to be encouraged to concentrate their investment in those sectors where they have competitive advantages. For this, the government should implement sound policies in its expenditure to enhance the output. This study analysis the trend and structure of government expenditure on transports of last 34 years. Hence, this study will helpful to the policy makers, planners, researchers, university students etc for further study.

Various studies have been conducted regarding to public expenditure in Nepal and different reports, articles publication about the public expenditure are also available. But more of the M.A. thesis has not been done in relationship between government expenditure and transport in recent year. So, this is the main reason to undertake this study.

There are very few studies covering this issue and empirical work is needed for updated information. So, this study will bridge up this gap.

The country has about three-fourth of its land covered by mountains and hills. Provision of irrigation, transportation, communication, electricity, safe drinking water is inadequate. There are imbalances between different regions. There is extreme inequality of distribution of income and wealth. For solving all these problems, the government

should implement sound polices in its expenditure. Therefore, in this study government expenditure will show how effective it has been. The return from the government expenditure is satisfactory or not?

1.5 Limitations of the Study

The study is subject to the following limitations

1. This study is based on the published secondary data and information which have not examined the reliability of this data.
2. This study will cover only the periods 1974/75 to 2007/08. It is due to availability of data.
3. The study mainly deals with growth, pattern and trends of government expenditure on transport in Nepal.
4. Table and graphical analysis has been done in interpret data and to reach at conclusion.

1.6 Organization of the Study

This study will be divided into following six different chapters for the easy presentation.

Chapter One gives a brief introduction to the topic of Nepalese public expenditure on transport. It discusses the problem, definition and its justification. It introduces what are the problem and prospects of development of transport. It lists the research objectives, sub-objectives, and significance of the study. It finalizes by discussing the limitations of the study, and the organization of the study.

Chapter Two discusses the literature reviewed. It defines the necessary public expenditure terminology relevant to the thesis topic. It discusses the expenditure factors that will be considered in the development of the Economic (transport) sector based on the development issues that have not been covered in previous research studies. Where a brief description has been given about the idea of public expenditure provided by the

different school of thought and empirical analysis of the subject matter done in the international level and Nepal has also been included.

Chapter Three gives the definition of the basic elements of the transport, which are needed for the right understanding of the methodology proposed. It describes the solution approach for solving the transportation problem. It defines the decision variable used in the public expenditure on transport. Where, the methods of presentation and data analysis tools are mentioned.

Chapter Four is devoted to trends, pattern, growth and problem of public expenditure in Nepal. It introduces the regular and development expenditure. This chapter also outline about the analysis of trend, pattern and growth of public expenditure on transports sector.

Chapter five discusses the summary, findings and recommendation drawn from the proposed research study and finalizes with recommendations and prospects given by the author to be considered in future research studies.

CHAPTER II
REVIEW OF LITERATURE

2.1 Theoretical Literature Review

2.1.1 Classical View on Public Expenditure

About the different schools of public expenditure, Tyagi in his book *"Public Finance"* writes: "As far as the importance of public expenditure is concerned. He can roughly divide the main schools of thought into two classes. One school restricts the function of government, isn't entirely, to the primary functions of defense, law and order and civil administration. The other school generally sees the importance of public expenditure into a broad spectrum." (Tyagi, 2001)

The classical economists had a firm belief in the policy of laissez faire. They intend to the size of the public sector by reducing the functions of the government to the minimum possible so that the operation of market mechanism is not hindered. Johansen, coded in his book that, "The market mechanisms was considered a barter method where by the working of economy could be guided and allocation of resources could be decided" (Johansen, 1971).

Classical economists favored minimum role of government. They were against the heavy role of government because they believed on the full employment. Classical writings are based on the Say's law of market, which ruled out possibility of disequilibrium in the economy in the long run. According to classicists there always exists full employment in the economy and thus resources are fully employed and when resources are fully employed. There is no need of government intervention. Government intervention creates nothing but disturbance on automatic mechanism of market in the economy. The automatic mechanism Adam Smith called 'invisible hands', would lead to the efficient allocation of resources. If any resources are unemployed or over utilized then producers shifts it to another sector by giving higher utility because they are guided by their desire to maximize profits with the possible least cost method of production.

Consumers are also wants to maximize their utility subject to their budget by equating marginal rates of substitution with their price ratio. So, in a smoothly going economy automatic mechanism plays vital role for the efficient use of resources. Classical economists ruled out the importance of both fiscal as well as monetary policy. Money for them is only medium of exchange (Classical ideas about role of money is represented by fisher's equation, MV = PT, where change in M causes change in P) and output and employment is determined by real sector. So, monetary policy is ineffective to expand output and employment. In classical model, economy is always in full employment, thus there is no need of change in fiscal policy so they favored minimum government expenditure and emphasized on 'less governance'.

About the role of the government, Adam Smith, in his famous book "*Wealth of Nations*" wrote: "The Sovereign has only three duties to attend to: first, the duty of protecting the society from violence and invasion of other independent societies. Secondly, the duty of protecting as far as possible, every member of it or the duty of exerting are maintaining exact administration of justice; and thirdly erecting and maintaining certain public work and institution …" (Smith, 1776).

In brief, classical economists' arguments were designed to restrain government interference in the private sector, because public sector was viewed with apprehension and fear, hence were suspected of corruption. The position of classical economists can be epitomized, as "That government is the best, which governs less."

Keeping the balanced budget is another important point of classical economists. In the situation of full employment, if the government increases its expenditure without increasing its revenue, this will lead to inflationary rise in prices. This follows from the assumption of full employment. So, that there are no ideal resources willing to be employed. The budget deficit system signifies an increase in the demand for resources on the point of government without private sector being willing to releases resources. Thus, the classical theory point out every budget deficit is inflationary. The classical thought that the borrowed expenditure is only for the productivity purpose. It is necessary for the state to borrow, then this borrowing must be confined to the financing to productive

enterprises otherwise borrowing will mean individual resources from their productive use by government.

A debt of government generally represents an opportunity that has been wasted. Hence the government should try to repay its debt as early as possible.

Khanal, in his book remarked, that “interest in public expenditure followed a desirable downward trend from golden age of political economy till the event of Keynesians. This trend was outcome of highly normative orientation of public finance which concerned itself mostly with the elusive concept of equity in taxation based on the voluntary exchange theory rather than with the development of substantial positive hypothesis. Besides, it was general opinion that the level and structure of public expenditure is determined politically and thus it is bounded the economists proper orbit of the study” (Khanal, 1988).

In the short, classical economists had no faith in the government activities. The classical economist can be optimized as the less government. The better English economist have express most government expenditure were as unless an unproductive in public finance tradition. The British economists like Pigou and Dalton had advocated a notion of equalizing the marginal social benefits and marginal social cost. According to this view the main terms of public finance was simply to make the best the bad lot and allocate the burden of taxes fairly as possible among the members of community.

In early 1950’s Samuelson gave higher status to this concept of public expenditure through his article. In his article he tried to give concept of pure public goods as something which people desired but which could not be provided through the normal market mechanism. Because the way, the goods and services are provided ensures that they will be equally consumed by all citizens. That is no one can be exclude from enjoying the services provided whether he pays for it or not.

Bhatia, in his book, described the classical theory public expenditure deals with three separate problems.

a) The requirement for the optional of public goods.
b) The demonstration that the private market will fail to provided the optimal amount of such goods.
c) The problem of whether political mechanism which performs this task properly can be devised (Bhatia, 1970).

2.1.2 Keynesian View on Public Expenditure

Classicist has great faith on full employment in the economy, so they argued that there should be balanced budget in the economy. According to them deficit budget signifies an increase in the demand for resources in the economy which ultimately leads economy to the inflationary situation.

The classical concept of full employment of capitalist economy was dismantling in 1930s when western world felt an unprecedented depression. At the time of depression balanced budget, the concept of classicists failed to work, so Keynes came with a new concept of expansion of public expenditure programs to revive the economy from depression. It was John Maynard Keynes who brought the field of public expenditure in the mainstream of economics from the small periphery of classical economists.

Keynes didn't accept the classical notion of free enterprises economy, which is self-equilibrating at the full employment level. He advanced the concept of under employment equilibrium and challenged the classical view that private enterprise economy automatically ensures full employment. Similarly, he said that employment depends upon effective demand and there is no guarantee that there will always be adequate effective demand to generate full employment. Unemployment arises due to deficiency of demand.

If there are unemployed resources, there is no special virtue in keeping the budget small and balanced. When resources are unemployed, it is the duty of state to increase effective demand by increasing its expenditure. In the time of depression, deficit financing helps is raising the level of employment and output. Similarly, during the

period of demand deficiency, it is unjustified to tax on consumption, it is essential to raise the level of demand.

Shepu, during the period of depression, appropriate fiscal policy should be adopted to increase demand. In this time, the government can increase it expenditure and spend more on public works so that additional resources can be employed even if it is not a productive process. In the same way, government can give subsidy to producers of mass consumption in order to increase consumption, Thus, the evil word 'deficit' can to time of depression be only remedy in lifting the economy upwards (Shepu, 1969).

On the other hand, the demand is high during inflation. Hence, government should reduce its own expenditure and also should impose heavy tax to cut the level of consumption. Thus in periods of inflation it is better to have surplus budget. According to Keynes, the main function of public expenditure if to rise of the level of income and employment in the economy. Keynes also developed the theory of expansionary and concretionary effect. In almost all the developing countries the percent of budget deficit is high. Shout, explained this high budget defect rate lead to the paid expansion of government expenditure, which will have expansionary effect. In order to lessen the budget deficit the government is compelled to raise the tax rate affecting the welfare of poor people. If the government lowers the tax rate then it will not be in a position to meet the growing expenditure so the government will have to think about meeting the expenditure through foreign sources or by reducing expenditure. The better action will lead to concretionary effect. In this way, he brought public finance from periphery to the mainstream 'nonetheless' Keynes did not try to the theory of public expenditure growth as such (Shout, 1969).

To show the positive effect of public spending, Keynes uses the concept of government expenditure multiplier. The model is:

$Y = C + I + G$ …… (1)

Where, Y = aggregate national income in three sector economy

C = Consumption Expenditure

I = Investment Expenditure

G = Government Expenditure

$C = Ca + bY$ …… (2)

Where, Ca = autonomous consumption

b = marginal propensity to consume and $0 \leq b \leq 1$.

$I = \bar{I}$ …… (3)

$G = G$ …… (4)

From equations 1, 2, 3 and 4:

$Y = Ca + bY + \bar{I} + G$

$(1 - b)\, Y = Ca + \bar{I} + G$

$$Y = \frac{1}{1-b}\,[Ca + \bar{I} + G]$$

$$\therefore \Delta Y = \frac{1}{1-b}\,\Delta G$$

and $\frac{\Delta Y}{\Delta G} = \frac{1}{1-b}$ which is government expenditure multiplier.

Here, value of b lies between 0 and 1, thus, increase in government expenditure results higher increase in income than increase in spending.

For example, suppose $b = 0.75$ and $\Delta G = 10$.

$$\therefore \Delta Y = \frac{1}{1-0.75} \times 10 = 40$$

i.e. $\Delta Y = 40$

When, government expenditure is increased by 10 national income increases by 40. Thus, at the time of depression, Keynes favors higher public expenditure through deficit financing, which can increase effective demand. On the other hand at the time of inflation, demand is high. Hence it is better to reduce public expenditure by the government and also impose heavy tax to cut the level of consumption. Thus, in the period of inflation it is better to have a surplus budget. (Source: Karki, Lokendra. An Unpublished Thesis, Central Department of Economics)

2.1.3 Pure Theories on Public Expenditure

Public expenditure analysis is a key in all the economy where working of the market doesn't guarantee the efficient allocation of resources. The original proponent of public expenditure analysis primarily pay their attention about how to reach a Pareto optimality condition when economy is characterized by the existence of both private goods and public goods.

Pigou (1947) writing on welfare economics gave sight into the ability to pay theory in the determination of optimum level of public expenditure on the economy. Pigou observed goods and services which are provided by the government departments and can be sold for fees so arranged as to cover cost of production pose no problem. The amount of resources, which should be devoted to these purposes, is determined automatically by public demand. But fees can cover neither bulk of non-transfer expenditure of government such as defense, civil administration and so forth nor transfer expenditure. So, this is no automatic machinery to determine how expenditure shall be carried and some other method has to be employed. He opined that bulk of current transfer expenditure debt services as pensions old age pensions are regulated by practically irrevocable contracts but large parts of non-transfer expenditure are optional. The optional parts of public outlay need to be regulated with some reference to the

burden involved in raising the funds to finance them. Following the marginality rule, he propounds that government expenditure is determined at the point at which the satisfaction obtained from the last dollar is equal to the satisfaction lots in respect of last dollar. Pigou proposed some condition where government expenditure could be large. First is due to the increase in the aggregate income of the community that causes for the growth secondly, under the circumstance where new opportunities for expenditure through government are opened up with no corresponding opportunities for private expenditure, balance between marginal benefit of expenditure and marginal disutility of revenue will be struck at a higher point and thirdly, given the aggregate income and population greater the concentration of income in higher income levels, the higher the optimum level of government expenditure.

Samuelson (1955) propounded a pure theory of public expenditure which aimed for the optimal resources allocation in an economy in which there are two types of goods private and public. This theory takes into account both the allocation and distribution facets of the problem and thus presents a unified system of general equilibrium analysis of the theory of public expenditure. Samuelson starts with the proposition of two-man (say A and B) two-goods economy (say X and G). (This assumption however can be related and theory can be extended to all individuals). Two goods are defined by the private and public with their unique feature, which can be represented by equations. For the private goods total quantity consumed is equal to the sum of the quantities consumed by the individuals so that,

$X=X_A+X_B$----------(1)

Where, A, B are individuals and X is the private good. For the public goods the corresponding relationship is an of equality between individual and total consumption, namely

$G_A=G_B=G$----------(2)

Individual preferences, represented by utility functions are then defined over the quantities consumed of private and public good. So that utility function of individual can be defined as,

$V_A=V_A(X_A, G)$----------(3)

$V_B=V_B(X_B, G)$----------(4)

Johansen (1965) made a review of Samuelson (1947) pure theory of public expenditure. His formulation meets the test of theoretical rigor and sweeping elegance and ranks among the great contribution to the theory of welfare economics as applied to public finance (Musgrave, 1967). Johansen's analysis starts with the proposition that the initial distribution of income is a desirable one. He also assumes that a fraction of total cost of producing the public good G which is borne by one taxpayer and the remaining by another.

He takes the help of budget line and indifference curve that shows the combinations of private and public goods to reveal the best preference for taxpayer. The best point is the point of tangency between budget line and indifference curve. The best point after redrawing on Lindhal (1919) Vein; indifference curve are again reproduced to show the combinations of public good output and cost share contributed by each taxpayer. The point of tangency of such indifference curve is the only optimal solutions for Johansen, (Singh, 1982). Musgrave (1976) is of opinion that Johansen's formulation may be considered as a special case of Samuelson's (1947) theory.

The pure theory of public expenditure thus relates to those principles, which govern the optimal provision of public goods. As we saw, two principles are generally considered in this context namely the benefit principle and ability-to-pay principle. They are of worth value with regard to principle of taxation. Even though they are far from the facts that the world experienced with respect to pattern, trend on public expenditure still they have their relevancy with respect to their theoretical justification for the optimal provision goods in the economy consisting both private and public goods (Source: Adhikari, Nabin. An Unpublished Thesis, Central Department of Economics).

2.1.4 General Theories on Public Expenditure

General theories have their empirical based and hence enrich the theory of public expenditure dealings its practical aspects. These theories generally explain the various trends as well as the impact of government expenditure on the economy.

2.1.4.1 Wagner's Hypothesis

Wagner (1967), a German economist made an attempt to explain the growth of public expenditure. He evolved a law of increasing state activity that government expenditure at least in the industrialized countries must increase at a faster rate than output the law was based primarily on empirical observation of Western Europe. This law seeks to establish that there is kind of functional relationship between the rate of growth of economy and the relative growth of its public expenditure. The law is explained and justified by the pressure of social progress and the resulting change in the relative share of private and public economy. Wagner argued that social progress brought increasing state activity which in turn meant more government activity.

According to Lekhey, in his book 'Lag of increasing state activities' Wagner write comprehensive comparison of different countries and different time shows that among the progressive people, with which along we are concerned, an increasing regularly takes place in the activities of the central and local government. These increases both intensive and extensive activity, the central and local government constantly undertaken new function while they perform both old and new function of more efficiently, completely (Lekhey, 2000).

According to Wagner "relative growth of the government sector was an inherent characteristic industrializing economics" (Wagner, 1980).

He pointed out the growing importance of the government activities and expenditure as an inevitable future of progressive state. His law was based on historical facts Wagner concentrates on demand side of public expenditure and play down the importance of the revenue as constraint of public expending.

Wagner has divided public expenditure into two parts (a) expenditure on internal and external security (b) culture and welfare which implies health, transport education, banking, and like. Expenditure for external security, increase in the growth economy as a nature of use of “Force” by the state from simple aggression to prevention of attack and used sophisticated weapons. Similarly, the expenditure for internal security would increase due to greater function between economic units and urban people.

Musgrave and peacock, in their book, attempts to lay down absolute figures of expenditure or to defined on upper limit of its proportion to national income, have always miscarried (Musgrave and Peacock, 1958).

Wagner study was based upon the historical trend of public expenditure. He gives his ideas on the basis of experiences of long time series and cross-sectional comparison greater in the part by him and any other economists. He explained both demand and supply side of public sector activities and explained how they interest changing production and marketing arrangements affect and are affected by social organization in two ways. (A) Organization with economic system change to accommodate new production and marketing arrangement and (B) social and political organization change to accommodate a new social relationship among person. One requirement of first are gory of change is that the public sector doesn’t certain function, which facilitate implementation of the production and marketing techniques. As the mentioned, those functions may include relation or public production a certain material goods. Industries such as basic fuels and metals, transportation and communication and banking exhibit those category organizational and expenditure requirement arise from new social patterns, including urbanization, specialization of labor and centralization of administration in both private and public activities. Similarly, the net effect of those growing interdependencies is higher relative resources allocation of public sector. Those changes in the infrastructure of social organizational requirements, thus enabling even higher relates of economic change.

There are various factors responsible for increasing public expenditure according to Singh. They are as follows:

1. Increasing Activities in State

In a modern era, the role of government has been increasing. The government is known as welfare government instead of police government. Education, public health, housing and medicine facilities and the public recreation are the common example for the government involvement. In the developing is another importance responsibility of government. To utilize unemployed resources and labor for faster economic growth is also the duties of welfare governments. Hence more and more public expenditures are restored to perform those activities (Singh, 2004).

2. Technical Change

Technological change is a factor that plays to increase the government expenditure. Technical change may be such as to increase the relative importance of goods whose benefits are largely or internal. Government must therefore provide such goods. The invention of internal combination engine resulted in the rise of automobile industry, this lead to an increasing demand for travel and so for highway (Singh, 2004).

3. Growth of Population and Urbanization

The growth of population and urbanization is responsible for the rise in government activities. The process of urbanization activities should maintain by government and government should provide the security and protection for the people and properly of the new city. This put the additional responsibilities upon the government. The increased population and population of the new urban areas demand food, other essential commodities, public health, education and sanitation and other. So to maintain and fulfillment of the demand of the people government needs huge amount, which in turn, increases the government expenditure.

4. Rising of the Prices

Public expenditure has been increasing in countries of the world due to rising trend of prices. The continuous rise in prices has two effects. Firstly, the government has

to pay higher price for goods and services which it has to buy. Secondly, it has to find larger financial resources to meet its growing expenditure.

5. War and Preparation of War

War is the most important factor for increasing government expenditure in this country. In the most of countries, expenditure for national defense accounts is half of total expenditure. The invention and development of new and new war weapon technology is also the cause of public expenditure growth.

These are major factors responsible for growth of public expenditure. Besides, other various factors may play in the important role in the public expenditure growth. They are evolution of democracy, economic development, and change in attitude of government, world depression and role of economic planning.

Some economist like Musgrave (1967) has tried to explain the public expenditure as a ratio of public expenditure to country's Gross Domestic Product (GDP). Other similar efforts have been made to analyze public expenditure in relation to country's Per Capita Income (PI), Gross National Product (GNP), and National Income (NI) etc.

2.1.4.2 Peacock-Wiseman Hypothesis

Peacock and Jack Wiseman, in their book entitled *"The Growth of Public Expenditure in the United Kingdom"* emphasized the time pattern of public expenditure trends rather than striving for a genuine positive theory of public sector growth. In their analysis, they have taken war and other social crisis as a cause of increasing public expenditure and concluded that during the period of social crisis and war public expenditure is displaced from the old level and never returns to the pre-war level. From an empirical analysis of the data on public expenditure of British economy during the period of 1890-1955, they were able to establish that the relative growth of public sector expenditure in that country had occurred on a step like pattern rather than a continuous growth pattern. This hypothesis is generally known as "displacement effect".

Khanal, in his book, this is probably one of the best-known analyses of time pattern of public expenditure. They found their analysis upon the political theory of public expenditure determination, namely that, governments like to spend more money, that citizens do not like to pay more taxes and that governments need to pay some addition to the wishes of citizens. The advanced, the nation that during the period of social upheavals like war the public expenditure is displaced from the old level and never returns to the pre-war level (Khanal, 1988).

The approach of this hypothesis is made of three separate concepts. They are:

1. Displacement Effect

Their research was carried out during the periods of emergency or during social disturbances, such as war and depression that most of the upward steps in public expenditure has occurred. These emergency situations created a displacement effect by which the previous lower expenditure and tax levels were displaced by new and higher levels of expenditure. And these new levels of expenditure attained during the period of emergency were not reversed once the emergency had ended.

Brown and Jackson, according to the displacement effect, public expenditure is displaced upwards and for the periods of the crisis displace private expenditure for public expenditure. The process represents an upward shift in trend line of public expenditure. Following the period of crisis public expenditure doesn't, however fall to its ordinal level. A war is hot fully paid for from taxation, no nation has such a large taxable capacity. Countries, therefore borrow debt changes have to be met after the event (Brown and Jackson, 1988).

2. Inspection Effect

Peacock and Wiseman explained this displacement effect with two separate but like effect inspection effect and contraction effect. The first is the inspection effect, which as they argued, helps to perpetuate the higher levels of public expenditure, forced on the public sector institutions at times of emergency. The inspection effect is the

phenomenon whereby as a direct consequence of the social emergency. Public expenditure comes to encompass within with purview economic and social activities, which might have been the province of allocation history. Furthermore, war and other social disturbance frequently force the people and the government to inspect the adequacy of the measures hitter to undertakes to meet problems which would have been considered as trivial but which assume importance and urgency owing to the disturbances, and continue to enjoy priority attention even after the period of disturbance.

The inspection effect, in the opinion of Peacock and Wiseman model arises from voter's keener awareness of social problems during the period of upheavals. The government, therefore, expands its scope of services to improve those social conditions, and because the electorate's perception of tolerable level of taxation doesn't return to its former level of government is able to finance these higher levels of expenditure originating in the expanded scope of government and debt charges.

Lekhi, in his book, Peacock and Wiseman also described a concentrated effect which refers to the apparent tendency for central government economic activities to grow faster than the state and local governments when a society is experiencing economic growth (Lekhi, 2000).

3. Concentration Effect

In the secular growth of public expenditure in Great Britain, Peacock and Wiseman also discovered the influence of another factor, which they term concentration effect. This refers to the evolution of public expenditure undertaken at different levels of government and their tendency to be concentrated in the central government.

When the crisis or disturbance is over, the central government enters into many new economic activities and expands previous activities. This causes the increasing role of public sector. In this process, the role of central government's activities enlarges in proportion to the total public sector activities. This effect has termed as inspection effect, which indicates the trend of declining role of local level within the public sector (Peacock and Wiseman, 1961).

In summary, peacock-Wiseman hypothesis of public expenditure trend is more convincing then Wagner's spending state activities hypothesis. Khanal, founded, "It does not claim to be an immutable economic law or principle but tries to point out some private characteristics of the growth pattern in the industrial setup. Here it must be remembered that there is natural sources of advancement and structural changes in the economy which in turn leads to constant and systematic expansion in the public expenditure. Similarly, Urbanization, population expansion and awareness of the civil rights coupled with an awareness of state government towards duties leads to an upward movement of public expenditure" (Khanal,1998). In this way, the hypothesis of Peacock and Wiseman is still relevance in the context of developing countries economics and does not isolate all the relevant causes at work.

Peacock and Wiseman hypothesis indicate that in the absence of major disturbances government outlay would increase only gradually, hence they cannot explain the explosion in the spending that took place in late 1960s. This indicates that these hypotheses are only suggestive (Singh, 1982).

2.1.4.3 Productivity Lag Hypothesis

W.J. Baumol, analyzing the time series data of US economy in 1967, propounded the 'productivity lag hypothesis' of public expenditure. This hypothesis is based on productivity differentials of private and public sector. To stabilize the economy when economy is not automatically stabilized, expansion in public sector is necessary. Distinguishing between progressive and non-progressive sectors in economy, Baumol says, to keep same output level in the non-productive public sector labor input has to be increased tremendously. As a result, public sector expansion takes place at the cost of private sector. 'Productivity lag' hypothesis is sometimes called "Baumol's disease", because productivity gains are less inherently grater labor intensity in the public sector compared with private sector.

Baumol has given two causes that create 'productivity lag'.

1. Technical barriers opposing innovation in the public sector are higher.
2. Institutional barriers are greater in public sector in comparison to the private sector.

2.1.4.4 Critical Limit Hypothesis

Colin Clark (1945) sets the ceiling on public expenditure level on the basis of taxable capacity of the people. He argues that when public expenditure reaches 25 percent of total economic activity or the aggregate activity in the country, tax payer's ability to pay more tax is exhausted. Any further increase in public expenditure, therefore, means disincentive to producers and fall in production. Disincentive is due to taxation beyond tolerance level. Since increase in government expenditure constitutes rising demand but output declines due to higher tax level, the result would be necessarily inflationary. In his words:

1. When the government's share of aggregate economic activity reaches the critical limit of 25 percent the community behaviors pattern changes and people produce less since incentives are harmed by the fact that increasing proportions of additional income must be paid in taxes under a progressive tax system.
2. People become less resistance to various inflationary means of financing government expenditure, which in turn reduces the 'aggregate supply'. On the other hand, increased purchasing power tends to expand aggregate effective demand. Inflation results from maladjustment between demand and supply under condition of high employment of resources.

2.1.4.5 Stanley Please Hypothesis

Stanley Please hypothesis deals the cause and sources of increasing government expenditure in LDCs with its effectiveness and overall impact in economy.

In his study, he found that most of the developed countries fulfill the resource gap created by growing pressure on public sector in developing countries for development works through external assistance. But for him sustainable development of a development country largely based on external assistance is only a mirage. This hypothesis states that

for sustainable development of a developing country proportion of domestic resources in public expenditure should be high. Even, lending agencies, including World Bank looks closely at country's efforts to overcome the internal obstacles in development before they do business with it. In part this stems from moral judgment that only those who help themselves deserve to be helped.

Mobilization of domestic resources in public finance is necessary but very different task for developing country. Due to higher MPC higher resource mobilization through voluntary savings is impossible. To overcome this many economists have argued that domestic savings for national development can be increased only by government compulsory reducing (by taxes) the personal consumption of citizens. Saving capacity of the people is also restrained by low income of large proportion of population, attempt to attain the level of consumption of people in the highly developed countries, fear of price increase which undermines the real value of savings, political misgivings etc. In this case, Please advocates a development strategy aiming at raising the level of domestic saving through combination of budgetary policy and public expenditure management. That is reducing personal consumption by increasing taxation while ensuring that this increased revenue is not used to increase government consumption or defense, civil service etc. For this Stanley Please suggests some policies in public expenditure management.

1. Government should be more rational and more self-disciplined in determining public expenditure policy.
2. Expenditure on current activities and alternative uses of revenue should be calculated. Spending on education, health which is generally taken as current expenditure are capital expenditure as it provides benefit to the country after a lag of many years.
3. Assigning the public fund for financing development expenditure through earmarking can be applied.
4. In case of foreign loan, the productivity that it yields and the ability that the country has to pay later should be calculated and has to use in beneficial projects.

2.2 Past Empirical Studies

The substantial growth of the size of government expenditures in both the developed and developing nations since world war II, and its effect(s) on long-run economic growth (or vice versa), has spawned a vast literature that offers diverse attempts to explain the observed phenomenon.

On the one hand, public finance studies have been directed towards identifying the principal causes of public sector growth. Wagner's Law of public expenditure is one of the earliest attempts that emphasize economic growth as the fundamental determinant of public sector growth and economic growth only for developing nations but not for developed countries. Others even report a negative relationship between government spending and GNP.

On the other hand, macroeconomics, especially the Keynesian school of thought puts the emphasis on a different place. The analysis bears upon the question of the role of government in economic growth. A considerable amount of attention has been directed towards assessing the effect of the general flow of government services on economic growth.

During the last twenty years or so, studying the underlying causal process between government spending and GDP, or their close variants, has made parallel efforts. The principle reason that led researchers to this field of analysis was the difficulty of a possible feedback in macro relations, which tend to obscure both the direction and the nature of causality.

It is clear that knowledge of the nature of the causative process between government spending and GDP will help determine the robustness of the estimated relationship. Should the causality be Wagnerian, the estimates derived from macro-economic models would evidently suffer from simultaneity bias. On the other hand, if the causality were Keynesian, the estimates reported in public finance studies would similarly be biased. Nevertheless, knowledge of the precise causative process has important policy implications. For example, if the causality were Wagnerian, public

expenditure is relegated to a passive role, if Keynesian, it acquires the status of an important policy variable.

In this regard, it is worthwhile to review some relevant literature both by the national and international researchers.

2.2.1 International Context

Phillip E. Taylor (1961), in his study "*The Economic of Public Finance"*, discussed the significance of public expenditure. He stressed that the expansion of government had often been characterized a movement in the direction of socialism that government obviously tended to socialize through public expenditure. He conclude public expenditure has a positive impact on the economy, because it corrects disorder that had created by cyclical fluctuation, which mostly appeared during the depression "public works projects and landing functions during the depression were instituted to cushion the effects of the worst feature of capitalism-its recurrent tendency to break-down". "Pump-priming"- the injection of public expenditures to fill a void left by deficient private expenditures in recession has its goal the prevention of serious break-down. He opined that with the expansion of government activities the objectives of strengthening capitalism has been far more evident that the intent to socialize the economy.

Many international institutions especially world Bank, Asian Development Bank, International Monetary Fund, United Nations have been regularly publishing research papers and finding explaining different aspects related to public finance of the world economy in country-wise and region-wise form.

World Bank (1980) studies the trend of public expenditure of various countries and found that the pervasive growth was occurred in public expenditure in the past half century causing a fundamental structural change comparable with such other basic transformation as industrialization and liberalization. The long-term evaluation of public finance in the industrial countries provided a reference point for the experience of the developing world. World Bank found that the scale of public finance has increased drastically in the industrial countries during the past century. The study shows trend in

government spending for six countries. In 1880 (un-weighted) average of their expenditure as a share of GDP was about 10 percent. By 1985 the average share had reached 47 percent. Much of the increase occurred after World War II. Although the overall trend had been common some of the differences were significant for example, Japan's share tripled during the century, while that of the Germany and UK had increased five folds.

Rifaat K. Basanti (1990), analyzed in some detail *"The Role of Public Expenditure Management in Structural Adjustment Programmes"* and the slow progress in achieving institutional and systematic improvements. The objective of this study was to discuss some of the public expenditure management measures that were included in fund supported structural adjustment programs. It had briefly outlined that the central role of fiscal programs and their interaction with structural policies, the key areas were measures were taken to strengthen public expenditure management in SAP programs; and the paper addressed the question of the degree of effectiveness on such system and process reforms in an attempt to highlight problem areas that may need to be taken into account in the design and implementation of PEM measures. He concluded that during program implementation, managing scarce resources in the public sector has often been the critical test to make or break a program. Public expenditure management issues have usually been most pressing either because domestic resources have been slow to improve or because growth has not yet materialized, in which case accommodating political pressure for expenditures may be financially destabilizing and constituting a serious setback to the adjustment effort.

Van De Walle and Nead (1995), in their study "*Public Spending and the Poor; Theory and Evidence"*, were concerned with the objective, public spending should promote equity by improving the distribution of economic welfare. It has asked: is the redistributive aim being met by current spending practices? What room is there for improvement? The study aimed to bring together some of the best recent research on these questions. Approaches to measuring public spending impacts have used regression analysis on micro data sets to measures to consumer's willingness to pay for services or to quantify impacts on other measures of individual well being. This study brought

together recent policy-oriented research on public spending and poverty in developing and transition economics. The focus is primarily on the distribution of benefits from those categories of spending that have traditionally been perceived to be actually or potentially pro-poor. Studies have examined the distributional impacts of various infrastructural services-such as the provision of electricity or safe water. But in general, this has been a relatively neglected area of research and there is little new analysis to draw on. The case for public spending as a redistributive instrument will depend at least partly on what other instruments are available for this purpose. Although developing countries tend to have quite limited opportunities for redistributive role for public spending.

United Nations (1996) has studied the trend of public expenditure on social services in the central Asian region. The empirical study found that most of central Asian regions (with the possible exception of Kazakhstan) spend much higher proportion of their GDP on public expenditure on social services than other developing countries. This resulted in the high volume of investment in human resources devoted to social services.

The study found that in Pakistan public expenditure on education as a proportion of total public sector expenditure increase from 5.9 percent in 1975 to 7.4 percent in 1993, while in China this proportion increased from 13.8 percent in 1985 to 14.9 percent in 1993. Nepal, in education recurrent expenditure account was for nearly 70 percent of total sectoral expenditure (NPC, 2002). But in few other countries there has been a decline in the share of government budgetary funds devoted to education. In the Philippines this share declined from 20.1 percent in 1988 to 15.9 percent in 1991.

Expenditure on health services accounts was the second largest share within the social services sector, constituting less than 10 percent of the total government expenditure in all countries around 1990. In Philippines this share decline from 4.1 to 3.3 percent between 1986 and 1988. In Bangladesh expenditure on health and family planning as a percentage of revenue budgets declined from 6.3 percent in 1980-1981 to 5.4 percent in 1989-90.

Many countries checked the increasing ration of public expenditure after 1980s. IMF (2002) studies the trend of both developed and developing countries.

The data clearly indicates that share of government spending to GDP took anti-clockwise turn in some developed countries. As the ideas of liberalization spread in 1980s, western world's faith on private sector was revived causing significant decreases in public finance. Share of Public spending to GDP was decreased in UK, USA and Japan where also its growth was slowed in Germany and France. In South Asian countries despite the worldwide wave of liberalization increase in public finance in relation to GDP has continued.

The study shows that in all South Asian countries, except Srilanka, which was characterized by internal conflict, the common trend was increasing public expenditure in relation to GDP. This shows reverse trend in developing countries than developed countries.

Jurgon Von Haggen (2005), made a study on "*Budgeting Institutions and Public Spending"*, concerned with the political economy of the budgeting processes and discussed the implications of incomplete contracts of voters with politicians. In view of these incomplete contracts of politicians can used targeted public policies to ensure their confirmation in office. Because there was a disconnect between those who bear the burden of financing and those who benefit from such policies, such as environment has generated the potential for excessive level of spending, taxation and borrowings – as is commonly observed in developed countries.

This study provides perspectives on institutional reform to strengthen the budgetary institutions as a safeguard against the preserve incentives forced by politicians and bureaucrats. In this context, it discussed two approaches to the centralization of the budgeting process: delegation and contracts. With delegation the budgeting process was lends special authority to the finance minister, whose function it is to set the broad parameters of the budget and to ensure conformity with these constraints by all participants. The contract approach emphasized the negotiation of binding agreements

among all participants. It started with negotiations among cabinet members, fixing spending limits for each department.

Nancy Vogh (2005), in his study *"Decentralization of Transportation and Poverty Reduction"* seeks to evaluate the relationship between the decentralization of roads and transportation and the reduction of poverty. In this study Vogh found that decentralization imporves the efficiency of government investment in transportation, because the local government are better able to understand and meet the transportation demands of their constituents. Similarly, studies have shown that investments in transportation have been shown to contribute to reduction of poverty by providing the poor with better access to basic needs, employment and serveices such as health and education. This relationship is supported by evaluations of trends in poverty and decentraliazation across forty-eight countries. These trends show that higher levels of decentralization are associated with lower levels of poverty. Although this research does not conclusively prove that fiscal decentralization causes a reduction in poverty, nor does it establish caustion between the two, it does further support the theory that there is a relationship between decentralization and poverty that further research might identify.

Joes Cayford (2006), in his study *"Economic Development and Auckland Transport Investment"* discussed the measurement of the relative economic development benefits of transport proposals. This study is in threee parts. The first considers a current approach to assessing economic development benefits of transport investment. The second part presents aspects of an example of this approach applied to a rail project in the United States. And because there is a widespread view that: "Aucklanders are already paying for transport, it's just that the Government is syphoning it off for other projects", the author felt part three of this paper needed to consider what the true costs of road transport in Auckland are.

He concludes that Auckland's transport planners and policy makers need to measure all economic impacts of transport projects, and more effectively integrate local economic considerations with transport investment decisions. This is especially the case where regional or national transport infrastructure passes through a local area or town

centre. Government has taken a positive step in 100% funding both rail and state highway infrastructure. However when assessing relative benefits and costs between modes, and when developing a multi-modal corridor, it is helpful to be comparing "apples with apples". This approach requires a "true cost" assessment of all modes. It is essential that the hidden subsidies associated with both road and rail transports are brought to the surface. This work should also include research into health and environmental costs. Such data will be necessary as fuel costs increase, and as the requirement to reduce emissions becomes an imperative.

2.2.2 Nepalese Context

The budgetary system was introduced since 1951 in Nepalese economy. In the literature of Nepal, public expenditure is only found after 1951. Some past studies had been reviewed which is concern with public expenditure.

S.K. Singh (1977), in his book on "*The Fiscal System of Nepal"*, analyzed the consistency between fiscal policy of Nepal and targeted growth rate from the time series data over the period of 1954/55 to 1974/75. In the period, he found that the expenditure/GDP ratio was increased substantially. In 1954/55, total government outlay/GDP ratio was only 2.44 percent and increased to 10.57 percent in 1974/75. On the revenue side, Nepal took a giant leap. In 1950s tax revenue to GDP ratio was 1.27 percent of GDP, which stood up 6 percent of GDP in 1974/75.

Nepal had targeted high growth rate. For this large development expenditure was needed huge amount of revenue. But GoN revenue wasn't sufficient to meet even regular expenditure. Thus deficit budget came into existence. Foreign aid hadn't been adequate to wipe out deficit; result is growing account of dept. amidst such situation, 2.4 percent of annual growth rate was achieved which was less than targeted growth rate.

D.R. Khanal (1988), in his Ph. D. dissertation, examined and analyzed the growth, pattern and impact of public expenditure on the basis of time series data of Nepal, over the period of FY 1965 to 1981. He has studied public expenditure growth through both supply and demand oriented factors such as targeted income, internal revenue and foreign

aid in order to reveal the likely impact on country's long term development. His study on the real public expenditure growth in Nepal had taken place rapidly than the increase in resource gap of the country. During the study period, the public expenditure increased by 8.42 percent per annum on the average whereas the gross domestic product was increased by 2.04 percent. Regular, development, public consumption and public investment expenditure have increased by 8.66, 8.59, 8.88 and 9.08 percent respectively. Thus, those trends highlight the fact that consumption type of expenditure has also expanded at a factor rate.

In this study, Khanal found increasing rate of public expenditure's share in GDP. Public expenditure share was 5.5 percent in the year 1966, whereas it rose 15 percent in year 1981 public expenditure share increased about three times, in that study period. But the pattern of major expansion of expenditure took place only after 1970s as a result of rapid expansion of transportation, communication and electricity in relation to GDP.

Upreti (1996), in his unpublished M.A. thesis entitled "*Trend, Pattern and Impact of Public Expenditure in Nepal"*, found increasing trend in total expenditure, development expenditure and regular expenditure. He noticed an increase in the total expenditure as a percentage of GDP from 9.1 percent in FY 1974/75 to as much as of 18.2 percent in 1991/92 whereas the same for regular and development expenditure were 3.3percent and 5.8percent in the FY 1974/75 which reached to 6.8 percent and 11.4 percent in FY 1991/92. He also pointed out the growing resource gap within the economy. Analyzing the impact of public expenditure on the employment sector, he observed that the expenditure elasticity of the employment on the agriculture sector being -0.3 while the same for transport and communication was 1.41 during the period of 1975-1992.

Sharma (1999), in his article entitled "*Problems and Prospects of GoN Forthcoming Budget",* published in economic journal of Nepal (1999 June), observed that during the period of about 45 years (1954-1999), there has not been much change in the concepts used to distinguish regular and development budget though both regular and developmental expenditure of the government are increasing every year in absolute term.

He concluded, on the one hand the average annual growth rate of development budget is less in percentage term compared to the regular budget during the past two decades, on the other, due to not being clear in the concepts of regular and development expenditure, large amount of money is being spent in regular expenses such construction of project office and quarter for staffs, salary and allowances to the administrative staffs and so on. On his article, he suggested that government should do away altogether with the distinction between a current and a development budget and should as in expenditure.

World Bank (2000), on a study under the title *"Nepal: Public Expenditure Review"*, concluded that Nepal is not facing a fiscal collapse; rather the fiscal situation is quite stable. This study however showed inefficiency and mismanagement on public spending. Deficiencies in the budget planning resource allocation and expenditure management process have been found a major factor contributing to low productivity. This study pointed out the institutional weakness for the ineffectiveness of public spending in Nepal. The report concluded that institutional weakness remain probably the most critical set of factors affecting the projective implementation and the effectiveness of public spending across sector in Nepal. This reports present number of suggestions to improve the effectiveness of public spending among which more realistic resource allocation practice, medium term expenditure projections, good governance and transparency, decisive action to formulate an anti corruption agenda, greater local ownership of the public expenditure program, build a partnership between local and central, and public and private etc. are major suggestion.

World Bank (2000), on a study under the title *"Nepal: Public Expenditure Review, Volume IV: Transport Sector"*, concluded that institutional coordianation is needed to improve the operation and delivery of government services the different sectors in Nepal. This reports present number of suggestion to improve the transportation sector among which coordination between the airport and road sector, transport infrastructure for Nepal's remote region, improve donor coordination, resource mobilization (road sector), resource mobilization (airport sector), public corporations, local resource mobilization, institutionalal strengthening etc. are major suggestion.

Khadka (2002), in his unpublished M.A. thesis entitled "*Public Expenditure and Economic Development in Nepal"*, concluded that the public expenditure has increased primarily due to increasing role of government. He found that the share of total expenditure in GDP was 9.1 percent in FY 1975/76, which increased to nearly 21 percent in FY 1994/95. He noticed the pattern that the regular expenditure covers 34.8 percent of the total expenditure and the remaining 65.2 percent in development expenditure on average of study period. On the empirical basis, there was found a strong relationship between total expenditure and country's GDP. In the same way, regular expenditure was quite strong with regard to total revenue while the development expenditure was found to be associated with foreign aid. He strongly suggested reducing the consumption type of expenditure to increase the amount of investment expenditure.

Pyakural (2004), under the study titled *"Nepal's Conflict Economy: Cost, Consequences and Alternatives"*, asserted that the Nepalese economy has lost its productive capacity to respond to sustained growth following the government expenditure and revenue pattern. He found the ratio of regular expenditure to GDP in FY 1996/97 was 8.6 but increased to 11.5 percent in 2001/02. The revenue during the same period decreased from 7.3 in 1996/97 to 7.0 in 2001/02. Development expenditure also declined from 9.5 to 7.5 during the same period. Analyzing this pattern, he recommend for contraction of fiscal policy rather the expansionary one during the war period.

Basyal (2007), in his article *"Social Spending in Nepal: A Trend and Impact Analysis"*, highlight the trend and pattern of government expenditure in the social service sectors and impact on social indicators in Nepal covering the time period from 1990 to 2004). In this period he found that, the total expenditure in Nepal increased significantly from Rs. 23549.8 million in 1990/91 to Rs. 102560.4 million in 2004/05 with annual growth rate of 10.95 percent. Total expenditure as a percentage of GDP, however, fluctuates around 19 percent during that period. The sectoral pattern of spending revealed that economic and social services sector received the higher share which is in average 33.2 and 28.14 percent of total expenditure respectively during the review period. The average growth rate of expenditure on social service sector during those 15 years remains

13.93 percent. The share of SE on TE also increased considerably during the review period.

He concludes that education and health has a positive effect on a number of social and economic outcomes that improve the well being of society. But "Increase in expenditure on social sector, Decentralization in education, restructuring of funding, prioritization of expenditure, and role of government" are the central policy to meet the conclusion is recommended by him.

Karna (2007), in his article *"Trend and Pattern of Public Expenditure in Nepal"*, aims at assessing the impact of public expenditure on overall economy and offers the opportunity for effective utilization of limited public resources and improvement of the ruined condition of the economy.

He found that the growth of public expenditure is mounting very fast. On the average, it stands at the range of 11.2 percent in between 1990/91 and 2004/05. Total government expenditure in 1990/91, was Rs. 23549.8 million, which reached Rs. 102560 million in 2004/05. Growth rate of public expenditure surpassed the growth rate of real and nominal GDP, which were 4.0 percent and 14.1 percent respectively. But the massive inflow of external capital of 40 percent in an annual average and high growth of public expenditure are not seen as related to the growth of per capita income. Similarly, he found that the growth rate of regular expenditure is positive every year but growth rate of development expenditure is found to be negative in some years particularly, 1994/95, 1998/99, 2001/02, and 2002/03.

He suggests following that recommendation made by Public Expenditure Review Commission, 2001 to create conducive fiscal environment for sustainable growth of the economy. For example, streaming and rationalizing the role of the government, ministries and departments, delegating and eliminating function to increase public focus on key public goods and services should be followed. Prioritizing development programs through: a) establishing of more rigorous criteria for project selection and funding; b) identification of project to be cut, merged or given greater resource allocation; and c) use

of project implementation performance system to allocate resources should be encouraged.

B.M. Sherchan (2009), in his article entitled "*The relevance of Electric Transportation in Nepal"* suggests the short term and long term measures that government could adopt. The short term measures are : a. Devise policies whereby clean transport based on electricity is given top priority and protected by providing incentive in excise duty and customs exemptions and reduced electricity tariff for night time charging of electric vehicles; b. Adopt policies whereby the approximately 700 polluting LPG operated vehicles plying in Kathmandu are converted into battery run electric vehicles; c. Adopt policies whereby vehicles over 15 years are given due incentives for converting into electric vehicles; d. Create zones in tourist destinations such as Chitwan, Lumbini and Pokhara and historically important places such as Kathmandu Durbar Square, Patan Durbar Square, Bhaktapur Durbar Square are accessible only to electric vehicles; e. Allot priority to electric vehicles while issuing route permits for passenger vehicles. The long term measures are: a. Revive and operate trolley buses for transportation to the maximum extent possible. The defunct Kathmandu – Bhaktapur trolley bus should be reinstated once the widening of the Arniko Highway is completed. Extend trolley bus operation along the Kathmandu Ringroad, along the Bishnumati Corridor and operate radial trolley bus routes to Godavari, Kirtipur, Kalanki and Budanilkantha. Implement trolley buses in the Terai along feasible sectors such as Jogbani – Dharan, Birgunj – Pathlaiya, Sunauli – Butwal and Nepalgunj – Kohalpur; b. Implement electric train services as mass transport system on feasible routes such as East West Highway, Fast Track Road Corridor, Kathmandu – Pokhara and Kathmandu – Khasa corridors; c. Implement ropeway transport in hill areas which do not have road access; d. Encourage the private sector by providing correct incentives for implementation of cable cars; e. Support the creation of a research and development institute to promote the EV industry.

2.3 Conclusion

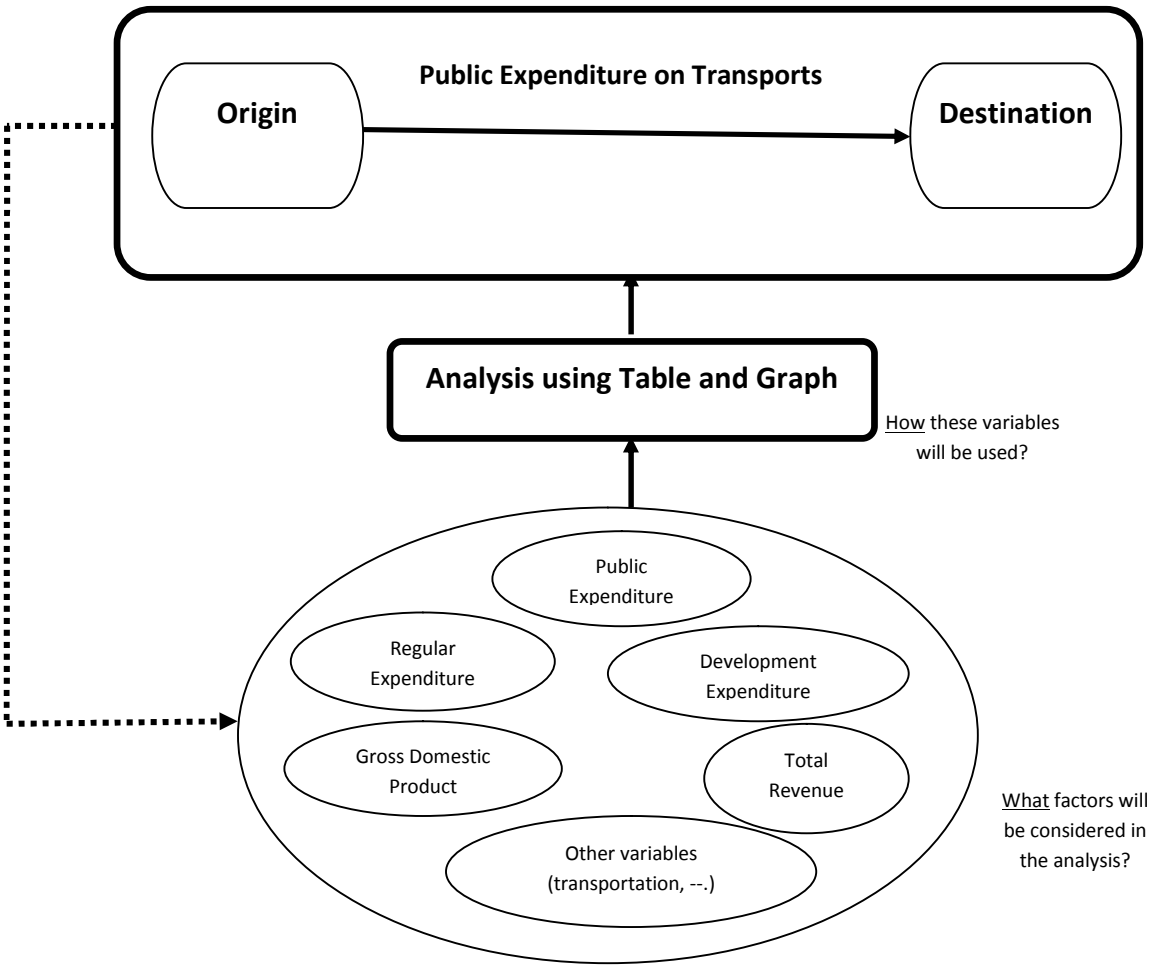
In the last decades, several article, books, journals, survey, report, thesis and dissertation have been done for the study of public expenditure and also public expenditure on transports, but is there still a scope for doing more research on this topic? After reviewing all possible literature in the restricted time for this research study, I can conclude that there certainly is in fact a scope for research in this topic. The methodology that is proposed in this research will be shaped in such a way, as to deal with the issue of different public expenditure phenomena. For this reason it is important that the reader can create and evaluate scenarios in the public expenditure on transports in order to get a better understanding of the problem, thus making better decisions.

CHAPTER III
METHODOLOGY

In order to answer the questions that will in fact enable the achievement of the every objective proposed in this document. The starting point of the methodology is to determine the factor related to the phenomenon of public expenditure on transports and that can be considered for the development of this research. Once these factors have been determined, the process for doing research for the public expenditure on transports in Nepal will take place. The literature review chapter will provide with useful insight about the findings of previous research studies on public expenditure on transports and will help to set the horizon for the research study presented in this thesis.

Figure 3.1

Basic Conceptual Model of the Research Study



The process of doing research for public expenditure on transport will take place in a phase-wise manner. Prior to doing research, the tools needed to show the relationship among various factor was stated, e.g. Software (Ms-Excel) was used to calculate the various statistical (average, growth rate, percentage) phenomenon.

Figure 3.1 simplifies the methodology for the study presented in this thesis. The dashed arrow indicates that the variables to be considered in the public expenditure on transports can be directly or indirectly related to the phenomenon of public expenditure. The solid arrows indicate the sequence followed be the proposed methodology. First defining what variables was considered in the analysis, and the how the variables were in fact used.

3.1 Research Design

It is an overall frame-work of planned study for the collection and analysis of data. This research was mainly based on the secondary data. After the collection of past data and experiences, this study was analyzed and described as its own procedures. Thus, this study will also follow an analytical as well as descriptive research design. It presents the descriptive analysis of trend, pattern, growth and problems of public expenditure with its source of financing in Nepal.

The presentation of trend, pattern and growth of public expenditure and public expenditure on transports are the starting point of this study. Trend, pattern and growth are presented using simple statistical tool like average and percentage. The available data have been reclassified, regrouped and analyzed in order to make them useful in examining the objectives of the study. To make the information easily understandable and visible, there is use of tabulation of data and its graphical presentation, where necessary.

3.2 Sources of Data

The present study attempts to get various empirical results using only secondary data, which have been calculated by various bulletins, publications and official records.

The available data have been reclassified, regrouped and analyzed in order to make them useful in examining the objectives specified above.

The sources from where the required data are obtained; are as follow:

i) Budget speeches of various years (MOF,G/N)
ii) Economic Survey on various issues (MOF,G/N)
iii) Statistical abstracts of Ministry of Finance (MOF,G/N)
iv) Various plan documents (NPC,G/N)
v) Various publication of ministry of labor and transports
vi) Various publication of ministry of physical planning and works
vii) Other national publications related to expenditure on transports in Nepal
viii) Various Publication of NRB

3.3 Period of the Study

The budgetary contents today are not the same as they were in the initial year of 1952. It has changed its heading and sub-headings during different time periods. The changing context has brought more complicated problems in the analysis of public expenditure. The data of gross domestic savings, gross national savings and total investment are not available. Due to the unavailability of some data and changing budgetary classification, the fiscal year 1974/75 was the starting year of the study. On the other hand, 2007/08 was taken as the last year of the study mainly on the grounds of the availability of actual data on gross domestic product, expenditures, and revenues and so on.

3.4 Variables Analysis

In the study, some statistical models are used. The variables used in different models are as follows:

3.4.1 Public Expenditure

Public expenditure figures (PE) have been taken from the budgetary sources. While preparing budget public expenditure categories are divided into two broad groups, viz, regular and development expenditure. Actually, these two expenditure categories are non-plan and plan expenditure, respectively. Total PE comprises both regular and development expenditure.

3.4.2 Regular Expenditure

The regular expenditure is recurring types of expenditure. It is a government consumption expenditure which is denoted by RE.

3.4.3 Development Expenditure

The development expenditure is investment expenditure. It is plan expenditure system, which is denoted by DE.

3.4.4 Total Revenue

Total government revenue is sum of the government income of different sectors. Total government revenue is the internal sources of the government expenditure. This is denoted by TR.

3.4.5 Gross Domestic Products

Gross domestic product at 1994/95 and 2000/01 prices have been used in the study. Gross domestic product at factor cost (at current price) has been used in the study. This is denoted by GDP.

3.4.6 Foreign Aid

Foreign aid consists of utilized grants and loans. The study has been mainly based on utilization aspect. Loans and grants have been combined. But it ignores different impact on the future economy. This is denoted by FA.

3.4.7 Other Variables

Some other variables are also taken into account in the study. For the analysis of public expenditure planning and administration, defense, police, social services, education, health, drinking water, local development, economic services, agriculture, irrigation, land reform and survey, forest, industry and mining, communication, transportation, electricity, loan repayment and interest and miscellaneous expenditure are taken.

CHAPTER IV

ANALYSIS OF PUBLIC EXPENDITURE ON TRANSPORT

4.1 Introduction

The macroeconomic impact of growing government expenditure on transports has been analyzed by descriptive analysis. In descriptive analysis, the available data are classified, regrouped and analyzed in order to make them useful in examining the objective of the study. Trend and growth are presented using simple statistical tool like average and percentage. To make the information easily understandable and visible, there is use of tabulation of data and its graphical presentation, where necessary.

The reviewing of structure, trends, pattern, growth and problem of public expenditure in Nepalese economy can help to develop further policies and to reform the weakness. In this chapter, an effort is given to examine the trend and pattern of Nepalese public expenditure over the period FY 1974/75 to FY 2007/08.

4.2 Trend

4.2.1 Trends of Public Expenditure

In Nepal, Budget is formulated under the tradition budgetary approach when total expenditure is divided under the two headings viz. regular expenditure, which is also termed as Regular expenditure, and development expenditure which is termed as capital expenditure. The former does not increases the stock of capital but the later is considered to add to the stock of capital.

Public expenditure is increasing with the expanding public sector activities in the economy. The growing public expenditure indicates both short term and long term effects

in the economy. An increase in public expenditure, which is irrespective of public consumption and public investment, creates additional demand for goods and services in the economy through multiplier effect and thereby induces a rise in aggregate output.

Both supply-factor and demand-factor are equally responsible for the expansion of public sector expenditure in such a large scale. “The increasing demand pressure for public services is due to increasing level at money income and population growth, and its subsequent impact on the density of population and urbanization. As the population growth rate in Nepal is very high this has increased the problem of providing education, health and other services. Public sector is compelled to make larger investment in infrastructural and other industrial development opportunities. Similarly, supply factor also affected to increase in government expenditure. The massive investment in the social and economic overheads has been made continuously to increase productive capacity of the economy. The economy is influenced either by increasing the skills in organizational capacity or by increasing the capital stock in the economy.

In a developing country like Nepal, government expenditure is predominantly financed by external sources along with substantial portion is finance through internal borrowings. Government expenditure is influenced by both demand oriented and supply related factors. On the other hand, government expenditure cannot be increased at a substantially higher rate due to resource and supply constraints. In this context a balance approach is needed.

In Appendix I, trend of government expenditure as a percentage of nominal GDP at factor cost is presented. There are some fluctuating tendencies. For instance, the total expenditure in FY 1974/75 was only about Rs. 1513.70 million, which reached about Rs. 161349.99 million in FY 2007/08. The total share of government expenditure in Gross Domestic Product (nominal GDP at factor cost) was only 9.48 percent in FY 1974/75; its share has reached 20.65 percent in FY 2007/08.

Appendix I show that total expenditure has not changed in relation to nominal GDP at factor cost from the early 1974/75 to early millennium. It has remained consistent

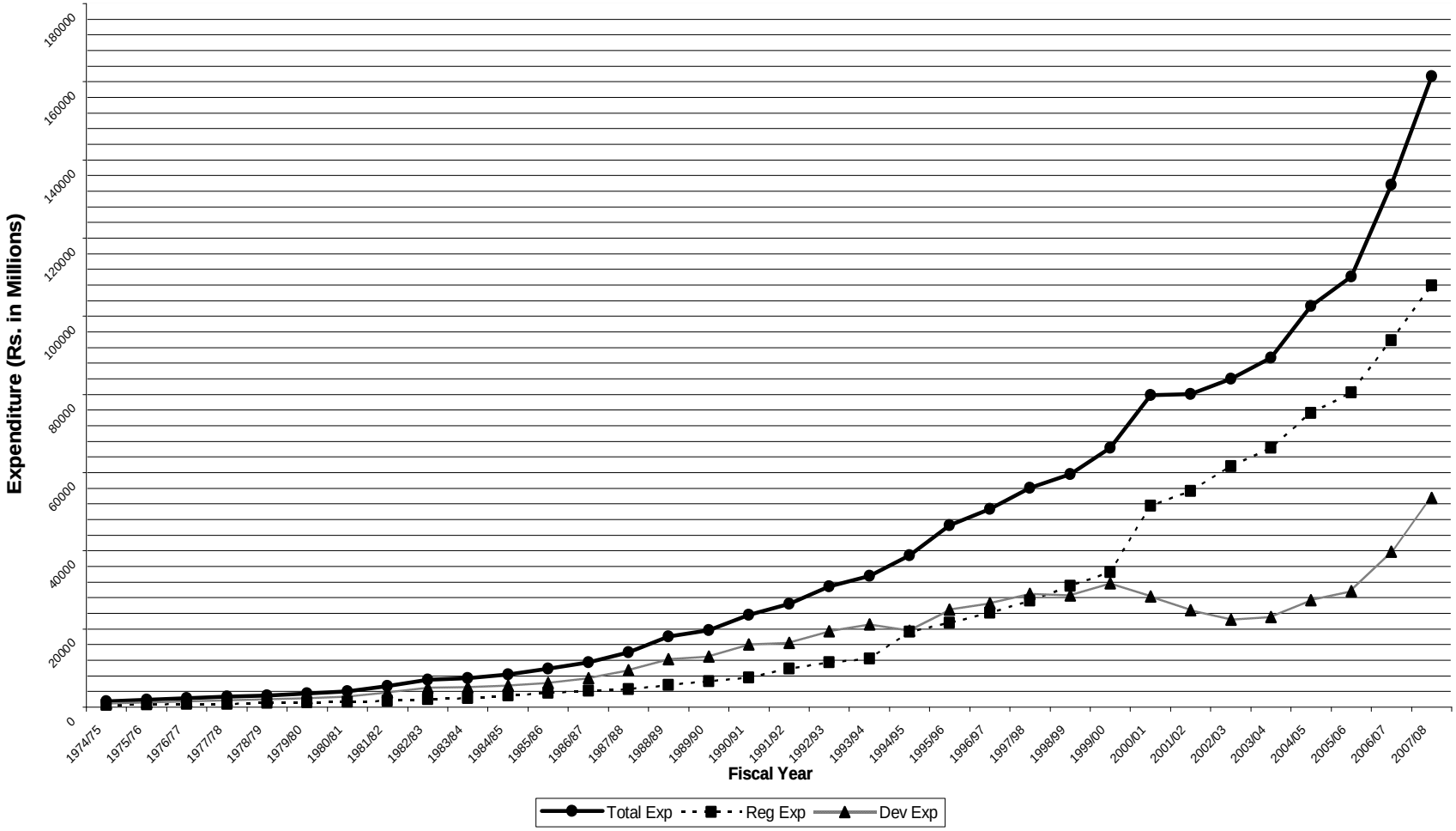
instead around the average of 17.79 percent during the period under review. Still there is a positive and negative change from the first year to last year of period FY 1974/75 - FY 2007/08. In FY 1974/75 the share was 9.48 percent while it goes up to 22.06 percent in FY 1982/83. However, remarkable changes are in case of regular expenditure and development expenditure. In FY 1974/75, regular expenditure as percent of nominal GDP at factor cost was just 3.42 percent, which reached to 13.80 percent, nearly fourfold higher, in the FY 2007/08. Development expenditure as percent of nominal GDP at factor cost was 6.06 percent; in the FY 1974/75 which came to the figure of 6.85 percent in FY 2007/08.

The Appendix I give the idea about regular and development expenditure under two heads. This shows that both kinds of expenditure are increases in each year. Moreover the regular expenditure has suppressed the development expenditure which is against the fiscal norms. In FY 1974/75, total expenditure was 1513.70 million, which reached to 161349.99 million in the FY 2007/08. Regular expenditure has also increased from Rs. 546.50 million in the FY 1974/75 to 107833.80 million in the FY 2007/08. Development Expenditure has also increased from Rs. 967.20 Million in the FY 1974/75 to 53516.19 million in the FY 2007/08

The percentage distribution in Appendix I give more precise idea about the structure of public expenditure. The overall trend of regular expenditure is increasing during the study period. This is the clear indication that more resources have been allocated towards Regular type of expenditure then development expenditure i.e. budgetary classification is not supporting for accumulation of capital.

In FY 1974/75 regular expenditure was 36.10 percent which was reached to 74.18 percent the highest percentage in the study period in FY 2003/04 and reduced to 66.83 percent in the FY 2007/08 the last FY of the study period. Whereas the development expenditure is decreased from 63.90 percent in FY 1974/75 to 25.82 percent, the lowest percentage distribution in FY 2003/04 and reached 33.17 percent in FY 2007/08. Regular expenditure has overlapped development expenditure in FY 1998/99. A trend of government expenditure is graphically represented as:

Figure 4.1
Trends of Total, Regular and Development Expenditure



Source: APPENDIX I

Appendix I lead to several important aspects of Nepalese public expenditure structure. First that government's goal to meet major social objectives poverty alleviation are overshadowed by the increasing share of regular expenditure. The bulky resources have been devoted to unproductive Regular expenditure with very little scope of contribution for acceleration of economic growth. No doubt, government expenditure should contribute to economic growth of the country when private sector is at infant. However the government has failed to maintain this ascertain. Accordingly, government's willingness to fulfill the major social objective specified by periodic plan; and parallels the government's commitment to maintain fiscal discipline is questionable against the background of the current public expenditure pattern. These trends have some importance consequences of institutional weakness and the political commitment. The urgency is felt for the political commitment of reforms in public expenditure management as well as on resource allocation practices.

4.2.2 Trends of Public Expenditure on Transports

In appendix II trends of public expenditure on transports is presented. There are some fluctuating tendencies. For instance, the total government expenditure on transports, total regular and development expenditure on transports were Rs. 379.00, Rs. 19.50 and 359.50 million in FY 1974/75 and which reached about Rs. 7577.47, Rs. 398.55 and Rs. 7188.92 in FY 2007/08 and the average were Rs. 2877.19, Rs. 157.53 and Rs. 2714.66 during the study period respectively.

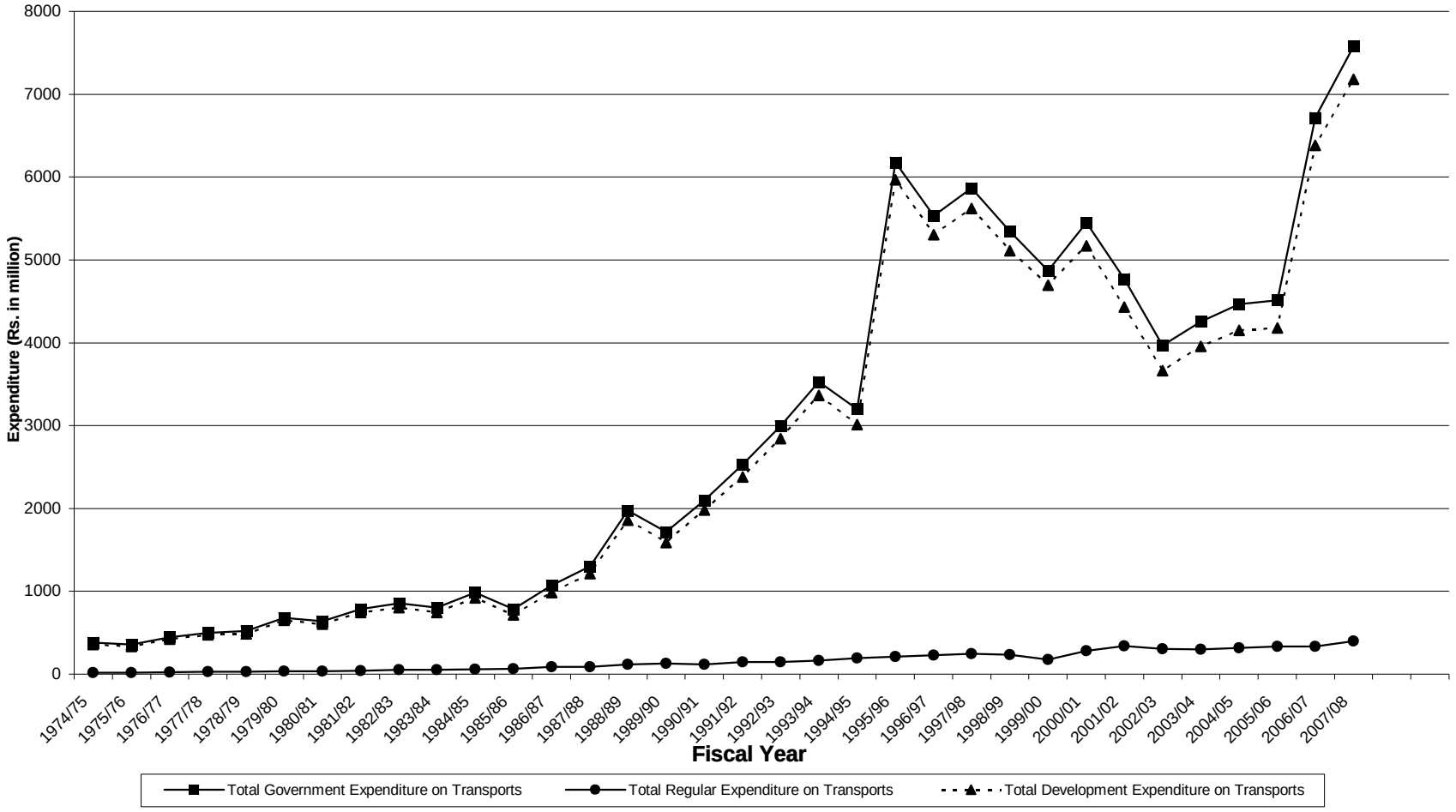
The total share of total government expenditure, total regular expenditure and total development expenditure on transports as a percentage of nominal GDP at factor cost were 2.37, 0.12 and 2.25 percent in FY 1974/75; its share were reduced at 0.97, 0.05 and 0.92 percent in FY 2007/08 respectively. The higher total share of total government expenditure, total regular expenditure and development expenditure on transports as a percentage of nominal GDP at factor cost were 3.12, 0.16 and 2.96 percent in FY 1979/80, lower share were 0.72, 0.05 and 0.66 percent in FY 2005/06 and average share were 1.83, 0.10 and 1.73 percent during the study period respectively.

Appendix II gives the idea about total government expenditure, total regular expenditure and total development expenditure on transports as a percentage of total government expenditure. The share of total government expenditure, total regular expenditure and total development expenditure on transports as a percentage of total government expenditure were 25.04, 1.29 and 23.75 percent in FY 1974/75 which was highest share in the study period, its share reduced at 4.70, 0.25 and 4.45 percent in FY 2007/08 and the lowest share were 4.10, 0.30 and 3.80 in FY 2005/06 respectively. Similarly, the average shares were 10.82, 0.61 and 10.21 during the study period.

The percentage distribution of total regular expenditure on transports and total development expenditure on transports as a percentage of total government expenditure on transports gives more precise idea about the structure of public expenditure on transports. Appendix shows similar trend between regular and development expenditure on transports during the study period. This shows that there is no any change in government policy for the allocation of expenditure on transports as a regular and development expenditure. The average percentage distribution of regular and development expenditure on transports were 5.81 and 94.19 percentage respectively.

The trend of public expenditure on transports from FY 19754/75 to FY 2007/08 is graphically presented as:

Figure 4.2
Trends of Total, Regular and Development Expenditure on Transports



Source: APPENDIX II

4.3 Pattern

Government expenditure comprises current expenditure and capital expenditure. The classification of public expenditure is generally known as budgetary classification. As economic classification, it is normally said to be consumption and capital expenditure of the government. This is budgetary classification. In every FY, total public expenditure is divided into these two headings. After that, both the expenditures are again divided into various sub-headings at general administrations expenditure, social services expenditure, economic service expenditure, defense etc.

The Appendix III, IV and V justify that fact of increasing share of regular expenditure comparison with development expenditure. The expansion of private sector and limiting the government activities from the production of commercial goods will certainly reduce the share of public expenditure simply because contribution of public enterprises who are supposed to add to nominal GDP at factor cost decline. However, the increasing share of regular expenditure and decreasing that of development expenditure is really alarming sign for developing economies like Nepal. Against the background of low growth rate of the revenue than government expenditure, this is leading to widening resources gap. Accordingly, the increasing share of foreign aid, especially foreign loan, in development expenditure for bridging resource gap affects the economy adversely in the long run by forcing repayments of large amounts as principal and interest payment. Government, thus, needs to restructure its expenditure pattern and need to revise its policy regarding government expenditure. Development expenditure must be raised immediately in order to meet the goal set by periodic plan. Only then rationale of government expenditure was justified with welfare prospective.

4.3.1 Government Expenditure

The pattern of total government expenditure is examined hereunder the study period. Increasing trends of government consumption and government investment reflect the government expenditure gives clear cut idea for expenditure decision making. Its functional classification is one of the criteria of budgetary management. In the context of

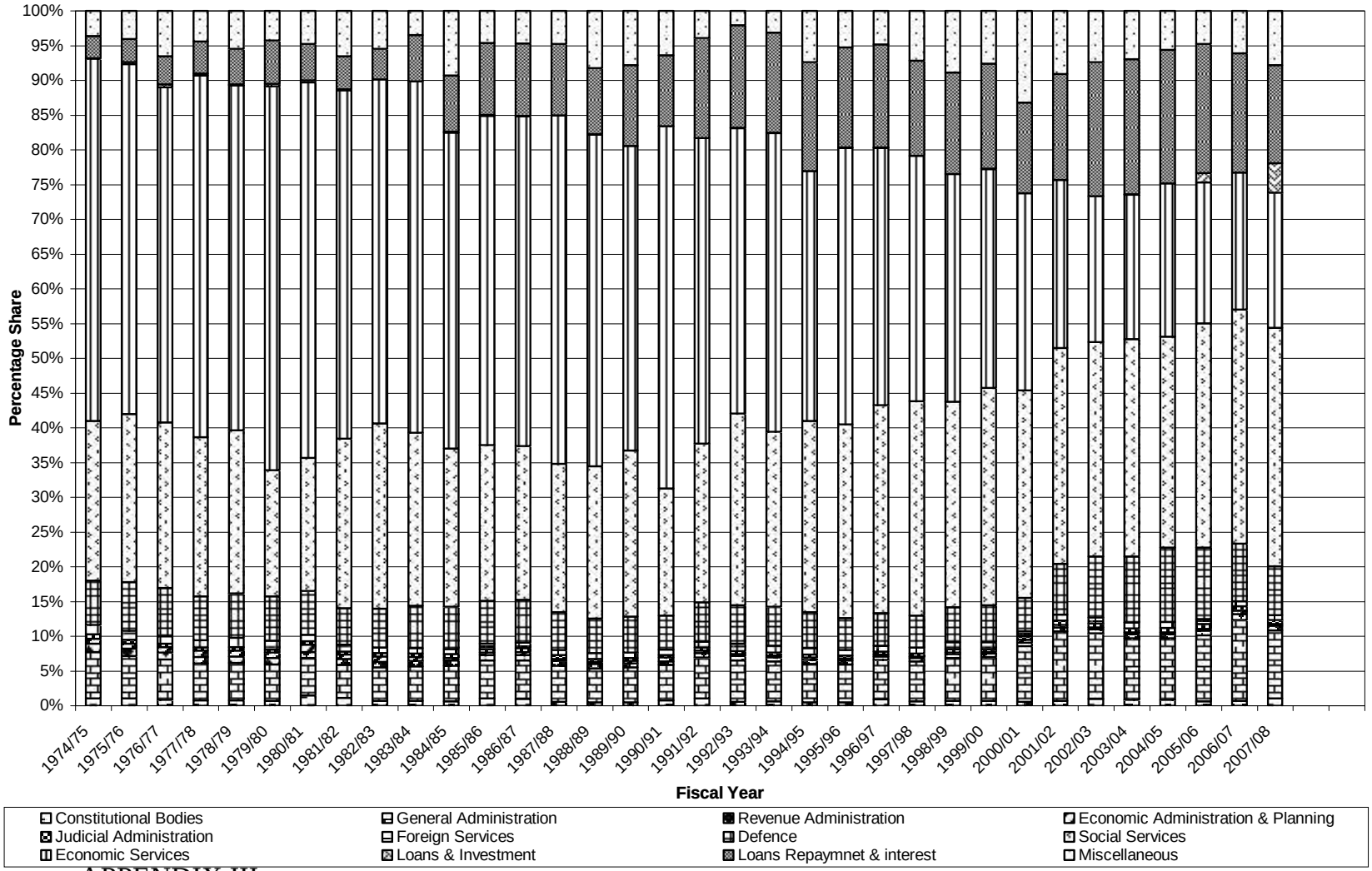
Nepal , major government expenditure categories are planning and administration, defense, police, social services, loan and investment, loan repayment and interest and miscellaneous.

In Appendix III, the pattern of total government expenditure s presented. The share of each component in total expenditure is given in the table. There are some usual phenomenon's that can be clearly observed. From the table the share of social services which was 22.96 percent in FY 1974/75. Then its share was slowly increased to 34.31 percent in FY 2007/08. The cause of increased share in social services is the increases in expenditure in education and drinking water. In the same way, the share of economic services which was 52.12 percent in FY 1974/75 has decreased to 19.43 percent in FY 2007/08. The remarkable decrease can be witnessed in the share of other sub sectors. This has happened due to decrease in foreign aid in this sector in recent years. During the study period much emphasis was given to transportation sector so its share was highest among the other sub headed. The share of loan repayment and interest was 3.17 percent in FY 1974/75. It has increased to 19.39 percent in FY 2003/04. Its share was 14.11 percent in FY 2007/08. The component of major government expenditure can be shown in figure. On the other hand, the miscellaneous categories which consists of pensions and gratuity have increased at a faster than others.

The percentage Share of main components of total government expenditure from FY 19754/75 to FY 2007/08 is graphically presented as:

Figure 4.3

Pattern of Government Expenditure as a Percentage Share



Source: APPENDIX III

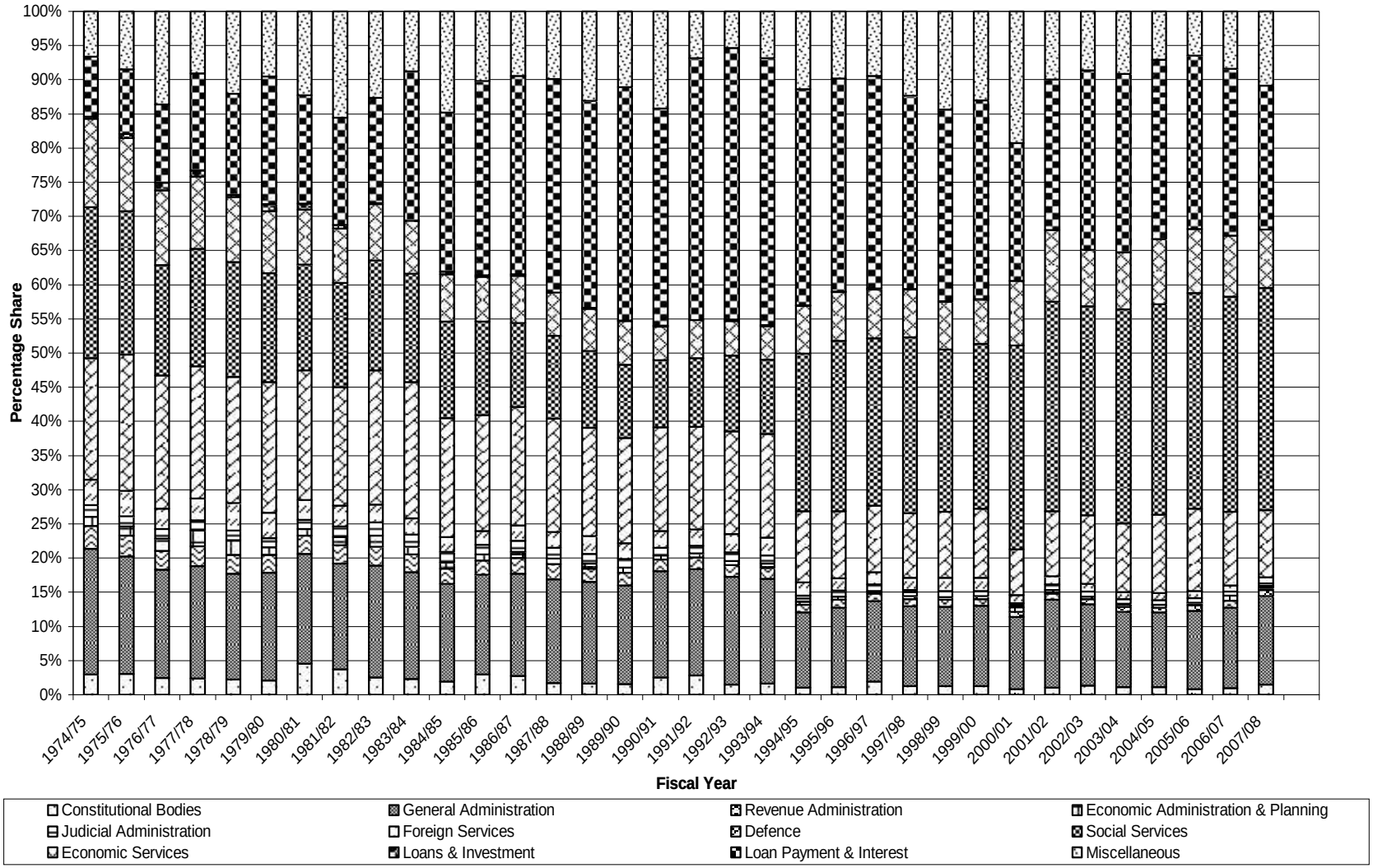
As a result of fast growth in borrowing, both internal and external, the debt servicing liability of the government has risen at a faster rate. Also in order to give the impression that regular expenditure has been raised at a management way, government has deliberately adjusted most of the current budget. Besides, increasing the magnitude of resources are allocated to the miscellaneous activities in which contingency fund is predominant. This practice raises unproductive expenses considerably.

4.3.2 Regular Expenditure

In Appendix IV, in FY 1974/75 regular expenditure was Rs. 546.50 million which reached about Rs. 107833.80 million in FY 2007/08. The share of regular expenditure is about 59.65 percent on the average. There is increasing pattern from FY 1974/75 to FY 2007/08. In the same way, the share of economic major head, social services was 22.14 percent in FY 1974/75. Its share has reached to 32.53 percent in FY 2007/08. This is partly due to the tendency of transforming current type of expenses from regular budget to the development budget and also due to faster growth in interest and principal payments. There has been a phenomenal rise in interest and principal payment in recent years. Its share was just 8.78 percent in FY 1974/75 but increased to 21.11 percent in FY 2007/08. The share of interest and principal payment could upswings in coming years due to the rise in both internal and external borrowing.

The percentage Share of main components of total regular expenditure from FY 19754/75 to FY 2007/08 is graphically presented as:

Figure 4.4
Pattern of Regular expenditure as a Percentage Share



Source: APPENDIX IV

4.3.3 Development Expenditure

In Appendix V, in FY 1974/75 development expenditure was only Rs. 967.2 million, it has reached Rs. 53516.19 million in FY 2007/08. The share of development expenditure was around 33.17 percent of total expenditure in FY 1974/75. In the same way, the share of development expenditure is about 40.35 percent on the average.

The share of Social services was 23.42 percent in FY 1974/75. It increased to 39.08 percent in FY 1999/00. Its share had 37.90 percent in FY 2007/08. The increase in education, drinking water and local development leads to increase in the social services expenses.

Since democracy system the educational system was change from time to time the changing education system lead increased Burden of Government. 10+2 schools were established in the village with small grants by the government to provide free education at the secondary level from 1995. It has pushed up the educational expenses in a big way from year by year.

Government helps local development both village development, committee, district development committee through Small Project Programs (SPP) and Medium Project Programme (MPP) to mobilize local resources in local places.

The resources advocated within the economic services category has fluctuated from one year to another. The allocation on the sub categories has not been uniform. The share of economic service was 74.28 percent in FY 1974/75 and it was decrease in 41.38 percent in FY 2007/08.

The share of transportation sector was high up in the FY 1974/75. In that period various projects related to road construction were undertaken by the bilateral agency. In that time the share of transport was 37.17 percent in study period.

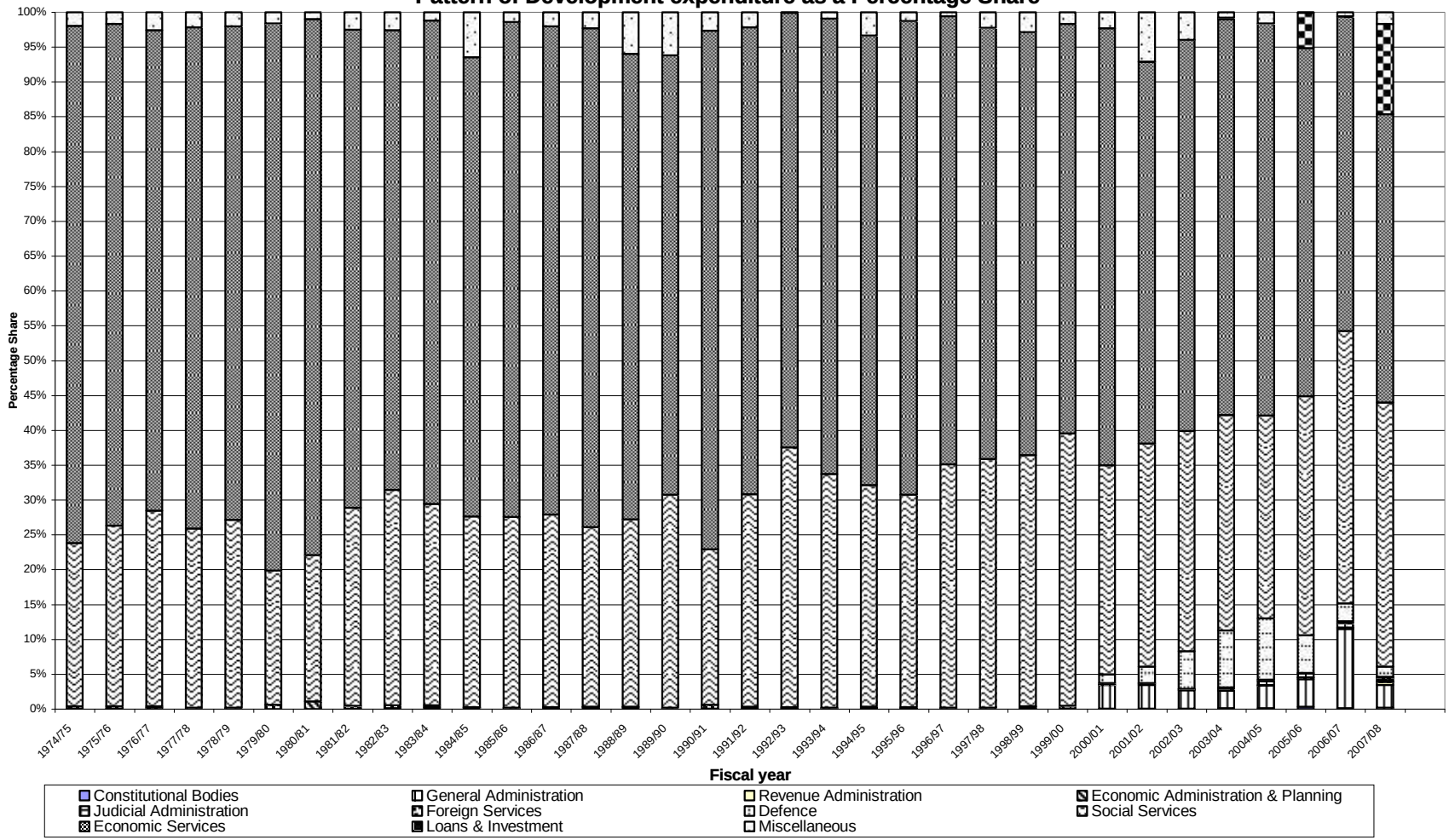
From the above analysis most of the development variable are dealing share of funds to the economic services indicated that the activities which help raising productive

capacity have received loss and less priority in recent years. The tendencies of current number of problems are related efficiency and budgetary management.

The percentage Share of main components of total development expenditure from FY 19754/75 to FY 2007/08 is graphically presented as:

Figure 4.5

Pattern of Development expenditure as a Percentage Share



Source: APPENDIX V

4.4 Growth

4.4.1 Growth Rates of Total, Regular and Development Expenditure

The Growth rates derived from the total government expenditure, development expenditure, regular expenditure and gross domestic product of the country clearly verify the proposition of expanding state activity. The government expenditure programme are equally influenced by the non-economic factors like demographic, social, historical, cultural, religious and political but simple trends reveal the closer relationship between national income and government expenditure.

The growth rates of Total, Regular and Development Expenditure during the study period are presented in the Appendix VI.

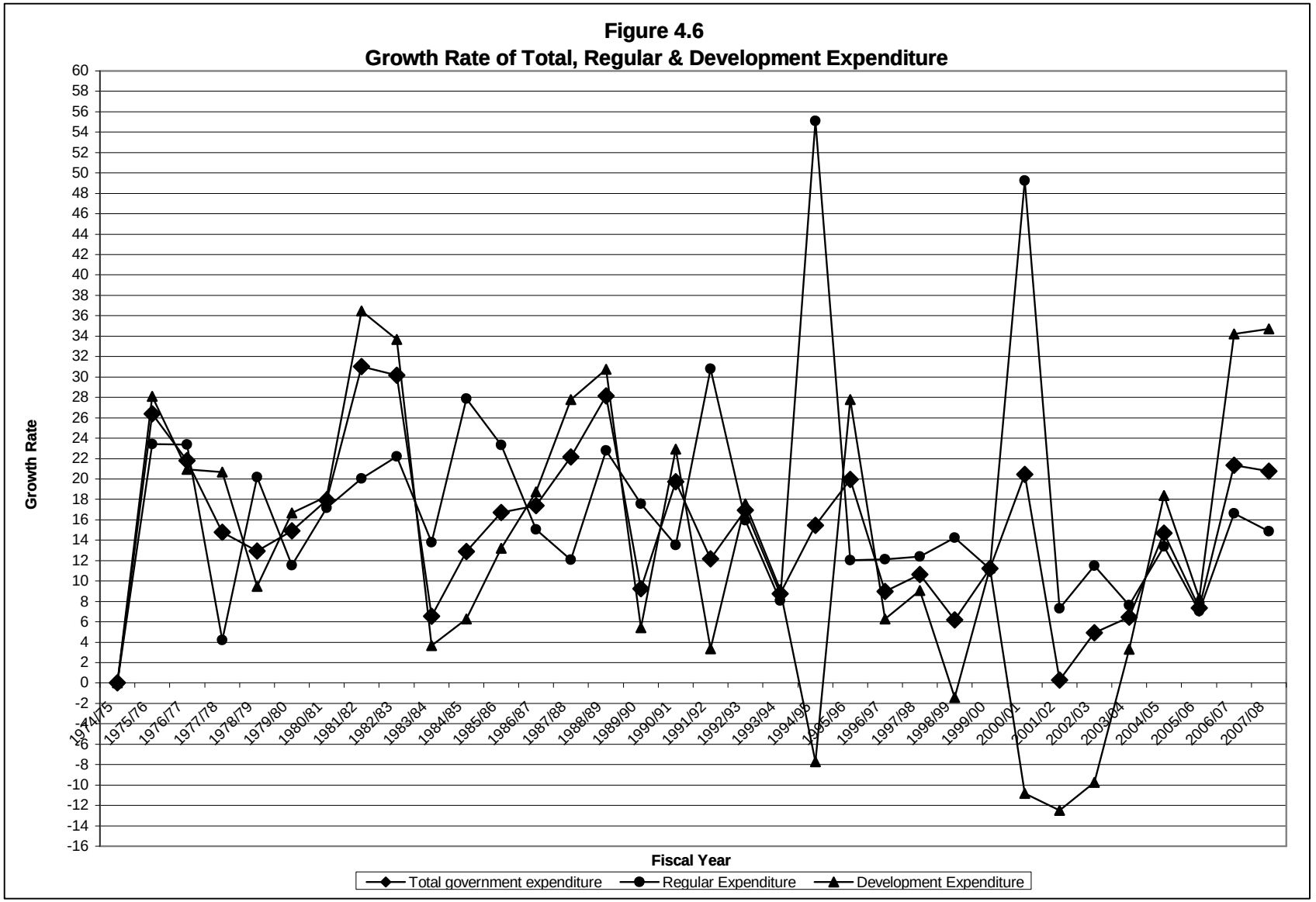
Appendix V suggests that there is no specific pattern of the growth rates of total, regular and development expenditure, rather they consist of random attributes. It depicts that there are significant up swings and downswings in all categories in some fiscal years. For instance, total expenditure has achieved 20.46 percent of growth rate on the FY 2000/01 where as there is just 0.30 percent growth rate in the following FY. Similarly, regular expenditure achieved ever-highest growth rate in FY 1994/95 of 55.09 percent, which is substantially higher than the study period's average of 17.28 percent. Distinguishing feature of both total and regular expenditure from that of development expenditure is that they never achieved negative growth rate during the study period. But there are negatives growth rate in the development expenditure in FY 1994/95, FY 1998/99, FY 2000/01, FY 2001/02, and FY 2002/03. In FY 1995/96, a year later the negative growth rate experienced, 27.78 percent of growth rate in development expenditure was occurred, which is one of the highest growth rate achieved during the period of analysis. Similarly, there was a growth rate of 11.28 percent in the FY 1999/00, which drastically come down to negative growth of 10.84 percent in the following FY.

Thus it can be seen that there are random fluctuations in the all categories discussed so far (irrespective of nominal GDP at factor cost growth rate, foreign aid, revenue collection etc). These fluctuations are of great importance in knowing the major

determinants of the government expenditure in Nepal for the period specified. The trend, as we saw, falls beyond the established norms of public expenditure management.

The growth rate of total, regular and development government Expenditure from FY 19754/75 to FY 2007/08 is graphically presented as:

Figure 4.6
Growth Rate of Total, Regular & Development Expenditure



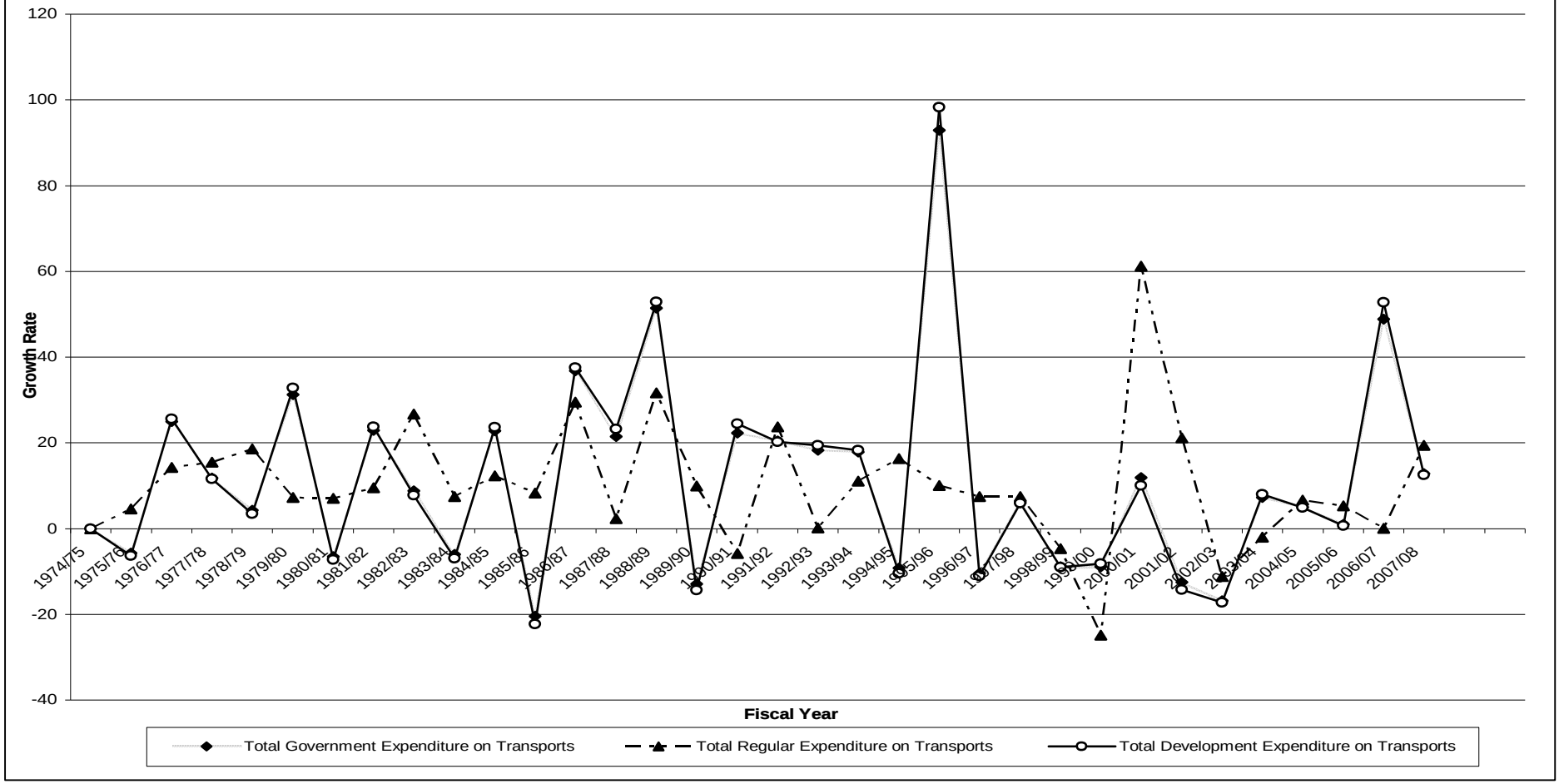
Source: APPENDIX VI

4.4.2 Growth of Public Expenditure on Transports

Appendix VII show that there is no specific pattern of the growth rate of total, regular and development expenditure on transports, rather they consists of uneven attributes. It depicts that there was significant upswings and downswings in all categories in some fiscal years. There was negative growth rate in FY 1998/99, FY 1999/00 and FY 2002/03 in all categories of Public expenditure on transports i.e. Total government expenditure, regular expenditure and development expenditure on transports. Total government expenditure, regular expenditure and development expenditure on transports were achieved 11, 5 and 11 times negative growth during the 34 fiscal years of study period respectively. The highest positive growth rate of total government expenditure, regular expenditure and development expenditure were 92.96, 61.18 and 98.26 in FY 1995/96, FY 2000/01 and FY 1995/96 respectively. In FY 1995/96 both total expenditure on transports and development expenditure on transports is increase by double fold because of current eighth plan's objective to achieve sustainable economic development, poverty reduction and reduction of regional imbalance by extension of development expenditure like expenditure on transport sector. Similarly, the highest negative growth rate of total government expenditure, regular expenditure and development expenditure were -20.40, -24.87 and -22.31 in FY 1985/86, FY 1999/00 and FY 1985/86 respectively. This negative growth rate of total government expenditure and development expenditure on transports in FY 1985/86 was achieved due to political instability.

The growth rate of public expenditure on transports from FY 19754/75 to FY 2007/08 is graphically presented as:

Figure 4.7
Growth Rate of Total, Regular and Development Expenditure on Transports



Source: APPENDIX VII

CHAPTER V

SUMMARY, FINDINGDS AND RECOMMENDATION

5.1 Summary

The present study focuses on important theories of public expenditure with some relevant and interesting facts of the trend, pattern, structure and growth of public expenditure and assessment of an analysis of public expenditure on transports in the economy.

It is evident from the analysis that public expenditure in Nepal has been growing substantially with the averate annual growth rate of 14.98 during the period of FY 1974/75 to FY 2007/08. Growth of public expenditure is reflected in higher share of GE in nominal GDP at factor cost. The analysis shows the share of GE in nominal GDP at factor cost, which was 9.48 percent in FY 1974/75 that goes up to 20.65 percent in FY 2007/08.

Under functional classification public expenditure is divided into two headings, regular and development expenditure. Regular expenditure is mainly consumption type of expenditure and investment type of expenditure falls under development expenditure. In Nepalese public expenditure structure, growth rate of regular expenditure was higher than development expenditure. Share of RE and DE in total GE was 36.10 and 63.90 percent in FY 1974/75 respectively. The composition has changed in such a way that share of RE reached 66.83 percent and DE contracted 33.17 percent in FY 2007/08. The average annual growth rate of RE and DE was 17.28 and 13.36 percent in study period FY 1974/75 to FY 2007/08 respectively.

Loan repayment and interest expenditure have been growing very fast during the study period. Likewise, the economic services, and social services have been the most priority components of governmnet spending for regular expenditure. During the study period, percnetage distribution of toal development expenditure to the functional categories has been increasing except general admininstration expenditure, economic administration and planning expenditure and miscellaneous services. economic services to the development expenditure have been decreasing and it fall to

19.43 percent in FY 2007/08. Contribution of nominal GDP at factor cost to regular expendiutre has been increasing, but the contribution of nominal GDP at factor cost to development expenditure has been increasing 1988/89 and then it started to decrease druring the study period.

The amount and growth rate of total government expenditure is increasing year by year during the study period. But the growth rate of total government expenditure on transport is decrease eleven times in case of amount and growth rate, which does not support the economic growth and development.

5.2 Findings

The following are the findings made after detailed study and analysis:

1. The trend of public expenditure is continuously increasing in Nepal. During 34 years, average growth rate of public expenditure is 14.98 percent. It is rising faster due to both demand side factor and supply side factor in the economy. Total government expenditure was Rs. 1513.70 million in FY 1974/75 and it reached Rs. 161349.99 million in FY 2007/08.
2. The total share of public expenditure in nominal GDP at factor cost was 9.48 percent in FY 1974/75 that increase to 19.17 percent in FY 2007/08.
3. On an average, 45.31 and 59.61 percent of total expenditure were allocated under the heading of regular and development expenditure respectively.
4. The share of regular and development expenditure were 36.10 and 63.90 percent respectively and in the same time regular expenditure on nominal GDP at factor cost was 3.42 percent and development expenditure on nominal GDP at factor cost was 6.06 percent in the first year of the study period.
5. During the last year of the study period regular expenditure reached to the maximum of 66.83 percent and development expenditure reached its minimum of 33.17 percent of the total government expenditure.
6. The average growth rate of regular expenditure has surpassed the growth rate of development expenditure. The average growth rate of regular expenditure and development expenditure were 17.28 and 13.36 percent during the study period.

7. Total expenditure on social services grew every year since it is an important component of regular expenditure. In the beginning of the study period Rs. 121.00 million was allocated in this heading, whereas it was raised to Rs. 35073.23 million in the last year of the study period.
8. Substantial increase in economic services expenditure occurred in the study period. In FY 1974/75, it was Rs. 70.60 million and it reached to Rs. 9200.36 million in FY 2007/08.
9. Social services expenditure for development is increasing in amount and percentage. It was Rs. 226.50 million i.e. 23.42 percent of development expenditure in FY 1974/75 that increased to Rs. 20283.64 million i.e. 37.90 percent of development expenditure in FY 2007/08.
10. The largest share of development expenditure falls in the heading of economic services. Its share was 74.28 percent and Rs. 718.40 million in FY 1974/75, and it covered 31.68 percent of total development expenditure that was Rs. 22142.70 million in FY 2007/08 respectively.
11. The share of total government expenditure on transports as a percentage of nominal GDP at factor cost was 2.37 percent in FY 1974/75, its share reduced at 0.97 percent in FY 2007/08 and the highest and lowest share were 3.12 percent in FY 2005/06 and 0.72 percent in FY 2005/06 respectively. Similarly, the average share was 1.83, during the study period.
12. The share of total government expenditure on transports as a percentage of total government expenditure was 25.04 percent in FY 1974/75 which is highest share in the study period, its share reduced at 4.70 percent in FY 2007/08 and the lowest share was 4.10 in FY 2005/06. Similarly, the average share was 10.82, during the study period.
13. The government expenditure on transports sector is in increasing trend but not in percentage share of total government expenditure during the study period. Its share was 25.04 percent and Rs. 379.00 million in FY 1974/75, and it covered only 4.70 percent of total government expenditure that was Rs. 7577.47 million in FY 2007/08 respectively.
14. There are negative growth rate in FY 1998/99, FY 1999/00 and FY 2002/03 in all categories of Public expenditure on transports i.e. Total government expenditure, regular expenditure and development expenditure on transports. Total government expenditure, regular expenditure and development

expenditure on transports were achieved 11, 5 and 11 times negative growth during the 34 fiscal years of study period respectively.

5.3 Recommendations

On the basis of the findings, following recommendations are made.

1. Government should adopt appropriate measures to increase the proportion of productive investment and allocate it among various sectors efficiently, a major reform in planning.
2. For the proper utilization of resources to curb rapid growth of regular expenditure (unproductive expenditure) must be directed towards productive areas.
3. Government should choose major priority sector that generate income and should spend on those sectors on planned basis.
4. In Nepal, the sectoral planning and programming is weak due to unscientific project selection. It is necessary to adopt financial tools and techniques such as cost benefit analysis during selections of projects.
5. The following recommendation made by Public Expenditure Review Commission(2001) should be implemented to create conductive fiscal environment for sustainable growth of the economy:

    a. Streamlining and rationalizing the role of the government, ministries and department, delegating and eliminating functions to increase public focus on key public goods and services;
    b. Prioritizing development programs through: i) establishing of more rigorous criteria for project selection and funding; ii) identification of project to be cut, merged or given greater resource allocations; ii) use of project implementation performances system to allocate resources;
    c. Identifying a five year expenditure prioritization framework that seeks to increase public savings, provide for debt servicing, contain the wage bill and rationalize defense and police expenditure;
    d. Strengthening administrative cost control systems through setting up of clear expenditure norms;
    e. Improving financial management and internal auditing system.

6. The amount of total expenditure is increasing year by year. But the share of total government expenditure on transport as a percentage of nominal GDP at factor cost and total government expenditure is decreasing, which does not support the economic growth and development. So, government should adopt the appropriate policy to increase share of total government expenditure on transports because the transportation sector is most important sector of economic services.

APPENDIXES
APPENDIX I
Trends of Government Expenditure

(Rs. in Millions)

Fiscal Year	GDP at Factor Cost (at Current Price)	Nominal Distribution			TE, RE and DE as a Percentage of GDP			Percentage Distribution (RE and DE as a % of TE)	
		TE	RE	DE	TE	RE	DE	RE	DE
1974/75	15966.00	1513.70	546.50	967.20	9.48	3.42	6.06	36.10	63.90
1975/76	16589.00	1913.30	674.50	1238.80	11.53	4.07	7.47	35.25	64.75
1976/77	16255.30	2330.50	832.10	1498.40	14.34	5.12	9.22	35.70	64.30
1977/78	18421.00	2674.80	866.90	1807.90	14.52	4.71	9.81	32.41	67.59
1978/79	24692.00	3020.50	1041.70	1978.80	12.23	4.22	8.01	34.49	65.51
1979/80	21886.00	3470.60	1162.00	2308.60	15.86	5.31	10.55	33.48	66.52
1980/81	25466.00	4092.30	1361.20	2731.10	16.07	5.35	10.72	33.26	66.74
1981/82	29037.00	5361.20	1634.30	3726.90	18.46	5.63	12.84	30.48	69.52
1982/83	31644.00	6979.20	1997.10	4982.10	22.06	6.31	15.74	28.62	71.38
1983/84	37004.00	7436.60	2272.80	5163.80	20.10	6.14	13.95	30.56	69.44
1984/85	44441.10	8394.80	2906.20	5488.60	18.89	6.54	12.35	34.62	65.38
1985/86	53214.50	9797.20	3583.90	6213.30	18.41	6.73	11.68	36.58	63.42
1986/87	61140.50	11501.60	4123.60	7378.00	18.81	6.74	12.07	35.85	64.15
1987/88	73170.10	14050.20	4622.10	9428.10	19.20	6.32	12.89	32.90	67.10
1988/89	85830.60	18004.20	5675.50	12328.70	20.98	6.61	14.36	31.52	68.48
1989/90	99701.80	19669.70	6672.20	12997.50	19.73	6.69	13.04	33.92	66.08
1990/91	116127.30	23553.60	7574.10	15979.50	20.28	6.52	13.76	32.16	67.84
1991/92	144933.10	26418.20	9905.40	16512.80	18.23	6.83	11.39	37.49	62.51
1992/93	165349.90	30897.70	11484.10	19413.60	18.69	6.95	11.74	37.17	62.83
1993/94	191596.00	33597.40	12409.20	21188.20	17.54	6.48	11.06	36.94	63.06
1994/95	209974.00	38795.40	19245.40	19550.00	18.48	9.17	9.31	49.61	50.39
1995/96	239388.00	46544.30	21563.80	24980.50	19.44	9.01	10.44	46.33	53.67
1996/97	269570.00	50723.70	24181.10	26542.60	18.82	8.97	9.85	47.67	52.33
1997/98	289798.00	56118.30	27174.40	28943.90	19.36	9.38	9.99	48.42	51.58
1998/99	330018.00	59579.00	31047.70	28531.30	18.05	9.41	8.65	52.11	47.89
1999/00	366251.00	66272.50	34523.30	31749.20	18.09	9.43	8.67	52.09	47.91
2000/01*	425454.00	79835.10	51527.90	28307.20	18.76	12.11	6.65	64.54	35.46
2001/02	444052.00	80072.20	55298.80	24773.40	18.03	12.45	5.58	69.06	30.94
2002/03	473546.00	84006.10	61650.00	22356.10	17.74	13.02	4.72	73.39	26.61
2003/04	517993.00	89442.60	66347.00	23095.60	17.27	12.81	4.46	74.18	25.82
2004/05	566579.00	102560.40	75219.70	27340.70	18.10	13.28	4.83	73.34	26.66
2005/06	630301.00	110105.60	80499.60	29606.00	17.47	12.77	4.70	73.11	26.89
2006/07	696989.00	133604.50	93874.60	39729.90	19.17	13.47	5.70	70.26	29.74
2007/08	781262.00[R]	161349.99	107833.80	53516.19	20.65	13.80	6.85	66.83	33.17
Average	**220989.42**	40990.79	24450.96	16539.84	17.79	8.11	9.68	45.31	54.69

*New GDP Base of 2000/01
R = Revised Estimates
TE = Total Expenditure
RE = Regular Expenditure
DE = Development Expenditure
Source: Economic Survey of Various Years, MOF, 1993/94, 2000/01, 2005/06-2008/09.

APPENDIX II
Trends of Government Expenditure on Transports

(Rs. in Millions)

Fiscal Year	GDP at Factor Cost (at Current Price)	Total Government Expenditure (TGE)	Nominal Distribution			T_{GE}, T_{RE} and T_{DE} as a Percentage of GDP			T_{GE}, T_{RE} and T_{DE} as a Percentage of TGE			Percentage Distribution (T_{RE} and T_{DE} as a % of T_{GE})	
			T_{GE}	T_{RE}	T_{DE}	T_{GE}	T_{RE}	T_{DE}	T_{GE}	T_{RE}	T_{DE}	T_{RE}	T_{DE}
1974/75	15966.00	1513.70	379.00	19.50	359.50	2.37	0.12	2.25	25.04	1.29	23.75	5.15	94.85
1975/76	16589.00	1913.30	357.30	20.40	336.90	2.15	0.12	2.03	18.67	1.07	17.61	5.71	94.29
1976/77	16255.30	2330.50	446.40	23.30	423.10	2.75	0.14	2.60	19.15	1.00	18.15	5.22	94.78
1977/78	18421.00	2674.80	498.80	26.90	471.90	2.71	0.15	2.56	18.65	1.01	17.64	5.39	94.61
1978/79	24692.00	3020.50	520.10	31.90	488.20	2.11	0.13	1.98	17.22	1.06	16.16	6.13	93.87
1979/80	21886.00	3470.60	682.50	34.20	648.30	3.12	0.16	2.96	19.67	0.99	18.68	5.01	94.99
1980/81	25466.00	4092.30	637.90	36.60	601.30	2.50	0.14	2.36	15.59	0.89	14.69	5.74	94.26
1981/82	29037.00	5361.20	784.10	40.10	744.00	2.70	0.14	2.56	14.63	0.75	13.88	5.11	94.89
1982/83	31644.00	6979.20	853.00	50.80	802.20	2.70	0.16	2.54	12.22	0.73	11.49	5.96	94.04
1983/84	37004.00	7436.60	801.40	54.60	746.80	2.17	0.15	2.02	10.78	0.73	10.04	6.81	93.19
1984/85	44441.10	8394.80	984.30	61.30	923.00	2.21	0.14	2.08	11.73	0.73	10.99	6.23	93.77
1985/86	53214.50	9797.20	783.50	66.40	717.10	1.47	0.12	1.35	8.00	0.68	7.32	8.47	91.53
1986/87	61140.50	11501.60	1072.00	86.00	986.00	1.75	0.14	1.61	9.32	0.75	8.57	8.02	91.98
1987/88	73170.10	14050.20	1302.60	88.00	1214.60	1.78	0.12	1.66	9.27	0.63	8.64	6.76	93.24
1988/89	85830.60	18004.20	1973.10	115.90	1857.20	2.30	0.14	2.16	10.96	0.64	10.32	5.87	94.13
1989/90	99701.80	19669.70	1717.50	127.40	1590.10	1.72	0.13	1.59	8.73	0.65	8.08	7.42	92.58
1990/91	116127.30	23553.60	2099.50	120.00	1979.50	1.81	0.10	1.70	8.91	0.51	8.40	5.72	94.28
1991/92	144933.10	26418.20	2529.50	148.50	2381.00	1.75	0.10	1.64	9.57	0.56	9.01	5.87	94.13
1992/93	165349.90	30897.70	2992.80	148.80	2844.00	1.81	0.09	1.72	9.69	0.48	9.20	4.97	95.03
1993/94	191596.00	33597.40	3528.50	165.30	3363.20	1.84	0.09	1.76	10.50	0.49	10.01	4.68	95.32
1994/95	209974.00	38795.40	3202.80	192.30	3010.50	1.53	0.09	1.43	8.26	0.50	7.76	6.00	94.00
1995/96	239388.00	46544.30	6180.20	211.70	5968.50	2.58	0.09	2.49	13.28	0.45	12.82	3.43	96.57
1996/97	269570.00	50723.70	5532.60	227.40	5305.20	2.05	0.08	1.97	10.91	0.45	10.46	4.11	95.89
1997/98	289798.00	56118.30	5864.20	244.30	5619.90	2.02	0.08	1.94	10.45	0.44	10.01	4.17	95.83
1998/99	330018.00	59579.00	5344.10	232.80	5111.30	1.62	0.07	1.55	8.97	0.39	8.58	4.36	95.64
1999/00	366251.00	66272.50	4870.30	174.90	4695.40	1.33	0.05	1.28	7.35	0.26	7.08	3.59	96.41
2000/01*	425454.00	79835.10	5450.50	281.90	5168.60	1.28	0.07	1.21	6.83	0.35	6.47	5.17	94.83
2001/02	444052.00	80072.20	4771.10	341.50	4429.60	1.07	0.08	1.00	5.96	0.43	5.53	7.16	92.84
2002/03	473546.00	84006.10	3968.20	303.30	3664.90	0.84	0.06	0.77	4.72	0.36	4.36	7.64	92.36
2003/04	517993.00	89442.60	4255.10	297.10	3958.00	0.82	0.06	0.76	4.76	0.33	4.43	6.98	93.02
2004/05	566579.00	102560.40	4466.50	316.90	4149.60	0.79	0.06	0.73	4.35	0.31	4.05	7.10	92.90
2005/06	630301.00	110105.60	4511.80	333.70	4178.10	0.72	0.05	0.66	4.10	0.30	3.79	7.40	92.60
2006/07	696989.00	133604.60	6715.90	333.80	6382.10	0.96	0.05	0.92	5.03	0.25	4.78	4.97	95.03
2007/08	781262.00[R]	161349.99	7577.47	398.55	7178.92	0.97	0.05	0.92	4.70	0.25	4.45	5.26	94.74
Average	**220989.42**	**40990.82**	**2872.19**	**157.53**	**2714.66**	**1.83**	**0.10**	**1.73**	**10.82**	**0.61**	**10.21**	**5.81**	**94.19**

*New GDP Base of 2000/01
R = Revised Estimates
TGE = Total Government Expenditure
T_{GE} = Total Government Expenditure on Transports
T_{RE} = Total Regular Expenditure on Transports
T_{DE} = Total Development Expenditure on Transports
Source: Economic Survey of Various Years, MOF, 1993/94, 2000/01, 2005/06-2008/09.

APPENDIX III
Pattern of Government Expenditure

(Rs. in Millions)

S. N.	Heading	Fiscal Year 1974/75	75/76	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91
1.	**Constitutional Bodies**	**16.10**	**20.70**	**20.60**	**20.80**	**23.40**	**24.00**	**61.90**	**60.30**	**49.90**	**52.50**	**55.50**	**106.50**	**113.50**	**80.60**	**91.20**	**103.60**	**191.10**
	Head of the State	6.80	7.80	7.80	7.90	7.60	9.90	9.70	12.30	15.90	17.20	17.30	25.50	25.50	28.20	29.60	42.30	42.30
	State Council	0.30	0.30	0.40	0.40	0.40	0.50	0.60	0.90	1.20	1.60	2.00	1.90	2.60	2.40	2.50	2.40	2.10
	Parliamentary Secretariat	3.00	2.70	3.30	3.50	4.10	4.60	4.20	5.30	6.70	7.90	7.70	9.50	11.80	11.20	15.00	13.30	10.10
	Supreme Court	0.90	0.90	1.00	1.20	1.30	1.40	1.50	2.50	3.90	3.60	3.40	3.70	5.10	5.10	6.30	6.00	5.90
	Commission for Investigation on	0.00	0.00	0.00	0.00	0.80	0.20	0.70	0.90	0.90	1.40	1.10	1.10	1.80	1.80	2.00	2.20	1.90
	Office of the Auditor General	1.90	2.10	2.20	2.40	2.50	2.90	4.30	4.70	6.50	7.10	8.90	8.10	10.10	11.00	13.60	13.90	14.00
	Public Service Commission	2.10	2.20	3.00	2.50	3.20	3.20	3.50	4.70	7.60	8.50	8.80	8.90	12.50	15.40	13.60	14.30	12.80
	Election Commission	0.70	4.30	2.50	2.40	3.00	0.80	36.80	28.30	4.20	3.70	4.80	46.30	41.90	3.20	6.00	6.50	99.30
	Office of the Autonomy General	0.40	0.40	0.40	0.50	0.50	0.50	0.60	0.70	3.00	1.50	1.50	1.50	2.20	2.30	2.60	2.70	2.70
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	**General Administration**	**100.90**	**116.50**	**134.80**	**143.00**	**162.10**	**183.90**	**219.50**	**256.00**	**336.00**	**368.80**	**428.60**	**532.90**	**633.80**	**725.70**	**880.10**	**977.70**	**1191.70**
	Council of Minister	1.70	1.50	1.80	2.50	2.30	2.50	2.60	3.80	4.70	3.60	4.00	4.20	4.10	5.20	7.80	7.60	6.70
	Nepal Government Secretariat	14.90	14.50	22.00	25.60	30.00	23.40	25.90	31.20	43.60	46.20	48.70	58.20	91.80	104.10	135.70	136.90	117.20
	District Administration	13.70	15.20	18.00	21.10	22.80	23.90	24.00	28.80	37.40	34.70	40.50	43.80	49.90	56.70	63.60	66.10	51.70
	Polices	54.70	65.40	70.70	75.70	83.90	111.40	145.70	162.90	210.30	237.40	288.00	377.50	409.00	462.30	543.40	655.00	892.20
	Jail	7.80	8.40	9.00	9.60	10.50	13.90	14.30	17.70	21.90	23.50	25.00	26.00	25.80	32.00	39.60	37.30	55.20
	Administration Reform	7.50	10.40	11.60	6.70	10.60	8.80	6.90	11.20	18.10	23.20	22.20	22.70	52.80	63.90	87.60	72.40	66.30
	Miscellaneous	0.60	1.10	1.70	1.80	2.00	0.00	0.10	0.40	0.00	0.20	0.20	0.50	0.40	1.50	2.40	2.40	2.40
3.	**Revenue Administration**	**18.40**	**20.70**	**23.20**	**24.80**	**28.50**	**30.50**	**35.80**	**43.90**	**54.70**	**58.70**	**63.00**	**75.40**	**95.60**	**101.10**	**111.20**	**124.40**	**124.80**
	Land Revenue	7.70	8.00	9.30	10.20	11.30	13.10	16.60	21.10	26.00	26.80	29.10	34.00	42.20	42.50	50.10	55.70	57.30
	Customs	5.00	6.50	6.60	6.80	8.20	9.10	9.90	11.40	15.40	17.10	18.30	23.40	29.50	31.80	30.60	35.10	35.60
	Inland Revenue*	5.30	5.80	7.20	7.70	8.90	8.10	9.10	11.20	13.10	14.50	15.30	17.60	23.50	26.30	30.00	33.10	31.40
	Revenue Tribunal	0.40	0.40	0.10	0.10	0.10	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.40	0.50	0.50	0.50	0.50
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Administration Training	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	**Economic Administration &**	**10.70**	**13.20**	**18.10**	**23.40**	**25.80**	**27.50**	**43.70**	**33.60**	**52.30**	**40.40**	**33.20**	**35.50**	**42.30**	**44.10**	**51.80**	**58.60**	**131.70**
	Planning	2.90	1.20	1.80	2.60	3.20	10.40	9.50	7.00	10.50	11.90	3.90	3.30	3.20	3.70	6.50	6.10	7.60
	Statistics	2.50	5.20	4.10	2.10	1.40	5.20	21.90	8.90	11.50	5.60	3.60	3.60	4.60	6.40	8.70	10.50	81.00
	Financial Comptroller General Office	1.70	2.50	2.90	3.10	3.40	4.10	4.20	8.80	20.40	20.90	23.60	26.20	31.50	34.00	36.60	42.00	43.10
	Metric Measurement	3.60	4.30	9.30	15.60	17.80	7.80	8.10	8.90	9.90	2.00	2.10	2.40	3.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**9.40**	**10.20**	**11.70**	**12.60**	**14.40**	**15.20**	**18.50**	**25.80**	**38.50**	**39.90**	**43.90**	**51.60**	**66.30**	**71.00**	**79.50**	**88.00**	**84.10**
	Court	9.40	10.20	11.70	12.60	14.40	15.20	18.30	25.60	38.20	39.60	43.60	51.30	65.90	70.60	79.10	87.60	83.90
	Court for Prevention of Misuse of	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.20	0.30	0.30	0.30	0.30	0.40	0.40	0.40	0.40	0.20
6.	**Foreign Services**	**20.20**	**24.80**	**25.10**	**27.70**	**41.90**	**42.80**	**38.80**	**50.10**	**52.40**	**54.80**	**62.30**	**71.60**	**93.70**	**106.90**	**150.80**	**152.10**	**183.40**
	Foreign services	15.60	18.50	20.10	23.10	36.80	38.10	33.20	44.20	44.20	45.50	53.00	61.00	77.00	88.90	130.90	133.30	161.30
	Miscellaneous	4.60	6.30	5.00	4.60	5.10	4.70	5.60	5.90	8.20	9.30	9.30	10.60	16.70	18.00	19.90	18.80	22.10
7.	**Defense**	**97.10**	**134.60**	**162.30**	**167.90**	**192.20**	**223.00**	**258.90**	**282.80**	**392.40**	**453.60**	**507.90**	**606.20**	**712.40**	**768.30**	**898.70**	**1027.20**	**1151.40**
	Defense	97.10	134.60	162.30	167.90	155.80	185.00	211.00	233.30	337.30	388.80	435.40	514.50	602.10	638.00	760.80	822.30	1145.80
	Miscellaneous	0.00	0.00	0.00	0.00	36.40	38.00	47.90	49.50	55.10	64.80	72.50	91.70	110.30	130.30	137.90	204.90	5.60
8.	**Social Services**	**347.50**	**462.40**	**554.20**	**613.40**	**709.00**	**628.80**	**782.70**	**1309.20**	**1860.70**	**1854.00**	**1911.80**	**2193.00**	**2544.50**	**2995.40**	**3944.10**	**4689.30**	**4311.90**
	Education	154.20	229.40	253.50	270.30	315.30	330.60	384.20	519.10	734.00	815.80	805.60	1087.00	1278.80	1489.30	1741.70	1799.40	2082.30
	Health	87.90	126.50	125.10	137.80	150.70	129.90	162.90	233.30	318.60	317.60	394.20	405.90	491.70	589.30	867.10	690.40	660.60
	Drinking water	26.40	30.30	62.30	48.30	65.90	61.30	76.30	111.40	248.30	226.90	210.40	238.50	286.50	250.90	485.80	620.00	540.80
	Local Development	37.00	45.90	71.60	112.80	119.00	60.90	112.50	301.90	387.00	399.50	408.80	370.40	342.00	471.40	488.70	462.60	328.10
	Other Social Services	42.00	30.30	41.70	44.20	58.10	46.10	46.80	143.50	172.80	94.20	92.80	91.20	145.50	194.50	360.80	1116.90	700.10
9.	**Economic Services**	**789.00**	**964.20**	**1124.70**	**1392.10**	**1500.40**	**1919.00**	**2211.10**	**2686.60**	**3452.70**	**3757.10**	**3816.40**	**4646.90**	**5454.60**	**7041.40**	**8593.10**	**8624.30**	**12268.10**
	Agriculture	97.90	212.60	188.10	196.20	203.90	161.10	260.40	471.70	673.10	552.30	709.90	862.80	690.00	937.90	1046.00	1215.20	1567.60
	Irrigation	75.80	99.80	129.60	146.40	230.20	235.10	291.40	363.20	492.10	550.40	658.00	852.90	853.70	862.50	1631.90	1214.90	1123.40
	Land Reform	13.90	19.90	22.40	23.00	21.60	23.30	25.10	32.00	38.70	40.60	35.40	42.50	54.10	49.20	40.80	50.70	54.30
	Survey	14.20	15.20	22.80	26.40	39.10	29.60	34.40	43.00	52.40	53.30	49.00	56.20	79.30	84.80	95.70	79.40	86.60
	Forest	28.70	42.40	53.60	79.90	70.80	98.50	93.90	190.80	235.40	242.50	299.10	375.00	401.70	464.20	572.40	564.50	477.50
	Industry & Mining	88.10	115.60	151.80	118.30	74.10	116.00	126.10	269.90	377.10	655.70	352.20	404.30	385.20	618.50	569.90	1065.10	1766.60
	Communication	28.20	28.60	38.00	39.30	43.70	58.40	66.40	94.40	132.70	157.00	165.20	187.90	258.90	626.90	506.40	313.90	201.00
	Transportation	379.00	357.30	446.40	498.80	520.10	682.50	637.90	784.10	853.00	801.40	984.30	783.50	1072.00	1302.60	1973.10	1717.50	2099.50
	Electricity	42.10	53.70	57.00	248.80	267.00	498.20	657.80	387.70	451.00	660.50	513.20	1036.30	1239.20	1924.70	2003.40	2087.60	1363.10
	Other Economic Services	21.10	19.10	15.00	15.00	29.90	16.30	17.70	49.80	147.20	43.40	50.10	45.50	420.50	170.10	153.50	315.50	3528.50
10.	**Loans & Investment**	**1.70**	**4.20**	**8.80**	**7.60**	**3.00**	**11.70**	**11.30**	**7.90**	**3.30**	**0.00**	**11.10**	**9.00**	**8.60**	**2.60**	**8.90**	**6.70**	**10.00**
	Loans & investment	1.70	4.20	8.80	7.60	3.00	11.70	11.30	7.90	3.30	0.00	11.10	9.00	8.60	2.60	8.90	6.70	10.00
11.	**Loan Payment & Interest**	**48.00**	**63.70**	**95.50**	**123.70**	**154.90**	**217.00**	**216.30**	**256.60**	**307.00**	**497.60**	**678.20**	**1019.30**	**1196.60**	**1441.60**	**1720.70**	**2279.20**	**2407.40**
	Payment of Principal	14.50	16.10	39.20	44.30	56.60	94.90	86.30	103.70	93.60	166.50	174.70	342.80	350.60	397.50	534.10	802.30	739.00
	Payment Of interest	33.50	47.60	56.30	79.40	98.30	122.10	130.00	152.90	213.40	331.10	503.50	676.50	846.00	1044.10	1186.60	1476.90	1668.40
12.	**Miscellaneous**	**54.70**	**78.00**	**151.50**	**117.80**	**164.90**	**147.20**	**193.80**	**348.40**	**379.30**	**259.20**	**782.90**	**449.30**	**539.70**	**671.50**	**1475.10**	**1538.60**	**1498.00**
	Traveling Expenses of Dignities &	2.90	6.40	6.00	6.60	7.00	6.70	8.30	10.00	12.40	26.30	13.10	33.00	40.10	25.20	35.50	51.00	7.90
	Pension, Allowances & Gratuity	8.70	12.50	13.80	15.80	15.70	17.60	21.80	21.70	42.50	44.70	59.30	98.10	119.70	102.30	113.00	144.60	190.20
	Hospitality	0.20	0.30	0.20	0.30	0.10	0.10	0.10	0.20	0.00	0.20	0.30	0.50	0.80	1.10	0.80	0.50	0.30
	Emergency Help, Donation & Prizes	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.60	0.70	1.10	0.20	0.70	0.30	0.40	0.90	0.70	0.40	0.30	0.30	1.20	1.00	0.60	5.50	0.00
	Miscellaneous	19.30	39.00	85.20	68.60	70.00	75.10	46.30	123.10	171.50	99.00	153.70	161.00	230.70	291.50	363.20	919.00	153.00
	Contingency	22.70	19.10	45.20	26.30	71.40	47.40	116.90	192.50	152.20	88.50	556.10	156.40	147.20	250.40	962.00	418.00	1146.60
	Total	**1513.70**	**1913.20**	**2330.50**	**2674.80**	**3020.50**	**3470.60**	**4092.30**	**5361.20**	**6979.20**	**7436.60**	**8394.80**	**9797.20**	**11501.6**	**14050.2**	**18005.2**	**19669.7**	**23553.60**
	Share in Total (in Percent)																	
1.	**Constitutional Bodies**	**1.06**	**1.08**	**0.88**	**0.78**	**0.77**	**0.69**	**1.51**	**1.12**	**0.71**	**0.71**	**0.66**	**1.09**	**0.99**	**0.57**	**0.51**	**0.53**	**0.81**
	Head of the State	0.45	0.41	0.33	0.30	0.25	0.29	0.24	0.23	0.23	0.23	0.21	0.26	0.22	0.20	0.16	0.22	0.18
	State Council	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01
	Parliamentary Secretariat	0.20	0.14	0.14	0.13	0.14	0.13	0.10	0.10	0.10	0.11	0.09	0.10	0.10	0.08	0.08	0.07	0.04
	Supreme Court	0.06	0.05	0.04	0.04	0.04	0.04	0.04	0.05	0.06	0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.03
	Commission for Investigation on	0.00	0.00	0.00	0.00	0.03	0.01	0.02	0.02	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.01	0.01
	Office of the Auditor General	0.13	0.11	0.09	0.09	0.08	0.08	0.11	0.09	0.09	0.10	0.11	0.08	0.09	0.08	0.08	0.07	0.06
	Public Service Commission	0.14	0.11	0.13	0.09	0.11	0.09	0.09	0.09	0.11	0.11	0.10	0.09	0.11	0.11	0.08	0.07	0.05
	Election Commission	0.05	0.22	0.11	0.09	0.10	0.02	0.90	0.53	0.06	0.05	0.06	0.47	0.36	0.02	0.03	0.03	0.42
	Office of the Autonomy General	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.04	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	**General Administration**	**6.67**	**6.09**	**5.78**	**5.35**	**5.37**	**5.30**	**5.36**	**4.78**	**4.81**	**4.96**	**5.11**	**5.44**	**5.51**	**5.17**	**4.89**	**4.97**	**5.06**
	Council of Minister	0.11	0.08	0.08	0.09	0.08	0.07	0.06	0.07	0.07	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.03
	Nepal Government Secretariat	0.98	0.76	0.94	0.96	0.99	0.67	0.63	0.58	0.62	0.62	0.58	0.59	0.80	0.74	0.75	0.70	0.50
	District Administration	0.91	0.79	0.77	0.79	0.75	0.69	0.59	0.54	0.54	0.47	0.48	0.45	0.43	0.40	0.35	0.34	0.22
	Polices	3.61	3.42	3.03	2.83	2.78	3.21	3.56	3.04	3.01	3.19	3.43	3.85	3.56	3.29	3.02	3.33	3.79
	Jail	0.52	0.44	0.39	0.36	0.35	0.40	0.35	0.33	0.31	0.32	0.30	0.27	0.22	0.23	0.22	0.19	0.23
	Administration Reform	0.50	0.54	0.50	0.25	0.35	0.25	0.17	0.21	0.26	0.31	0.26	0.23	0.46	0.45	0.49	0.37	0.28
	Miscellaneous	0.04	0.06	0.07	0.07	0.07	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.01	0.01	0.01	0.01
3.	**Revenue Administration**	**1.22**	**1.08**	**1.00**	**0.93**	**0.94**	**0.88**	**0.87**	**0.82**	**0.78**	**0.79**	**0.75**	**0.77**	**0.83**	**0.72**	**0.62**	**0.63**	**0.53**
	Land Revenue	0.51	0.42	0.40	0.38	0.37	0.38	0.41	0.39	0.37	0.36	0.35	0.35	0.37	0.30	0.28	0.28	0.24
	Customs	0.33	0.34	0.28	0.25	0.27	0.26	0.24	0.21	0.22	0.23	0.22	0.24	0.26	0.23	0.17	0.18	0.15
	Inland Revenue*	0.35	0.30	0.31	0.29	0.29	0.23	0.22	0.21	0.19	0.19	0.18	0.18	0.20	0.19	0.17	0.17	0.13
	Revenue Tribunal	0.03	0.02	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Administration Training	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	**Economic Administration &**	**0.71**	**0.69**	**0.78**	**0.87**	**0.85**	**0.79**	**1.07**	**0.63**	**0.75**	**0.54**	**0.40**	**0.36**	**0.37**	**0.31**	**0.29**	**0.30**	**0.56**
	Planning	0.19	0.06	0.08	0.10	0.11	0.30	0.23	0.13	0.15	0.16	0.05	0.03	0.03	0.03	0.04	0.03	0.03
	Statistics	0.17	0.27	0.18	0.08	0.05	0.15	0.54	0.17	0.16	0.08	0.04	0.04	0.04	0.05	0.05	0.05	0.34
	Financial Comptroller General Office	0.11	0.13	0.12	0.12	0.11	0.12	0.10	0.16	0.29	0.28	0.28	0.27	0.27	0.24	0.20	0.21	0.18
	Metric Measurement	0.24	0.22	0.40	0.58	0.59	0.22	0.20	0.17	0.14	0.03	0.03	0.02	0.03	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**0.62**	**0.53**	**0.50**	**0.47**	**0.48**	**0.44**	**0.45**	**0.48**	**0.55**	**0.54**	**0.52**	**0.53**	**0.58**	**0.51**	**0.44**	**0.45**	**0.36**
	Court	0.62	0.53	0.50	0.47	0.48	0.44	0.45	0.48	0.55	0.53	0.52	0.52	0.57	0.50	0.44	0.45	0.36
	Court for Prevention of Misuse of	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Foreign Services**	**1.33**	**1.30**	**1.08**	**1.04**	**1.39**	**1.23**	**0.95**	**0.93**	**0.75**	**0.74**	**0.74**	**0.73**	**0.81**	**0.76**	**0.84**	**0.77**	**0.78**
	Foreign services	1.03	0.97	0.86	0.86	1.22	1.10	0.81	0.82	0.63	0.61	0.63	0.62	0.67	0.63	0.73	0.68	0.68
	Miscellaneous	0.30	0.33	0.21	0.17	0.17	0.14	0.14	0.11	0.12	0.13	0.11	0.11	0.15	0.13	0.11	0.10	0.09
7.	**Defense**	**6.41**	**7.04**	**6.96**	**6.28**	**6.36**	**6.43**	**6.33**	**5.27**	**5.62**	**6.10**	**6.05**	**6.19**	**6.19**	**5.47**	**4.99**	**5.22**	**4.89**
	Defense	6.41	7.04	6.96	6.28	5.16	5.33	5.16	4.35	4.83	5.23	5.19	5.25	5.23	4.54	4.23	4.18	4.86
	Miscellaneous	0.00	0.00	0.00	0.00	1.21	1.09	1.17	0.92	0.79	0.87	0.86	0.94	0.96	0.93	0.77	1.04	0.02
8.	**Social Services**	**22.96**	**24.17**	**23.78**	**22.93**	**23.47**	**18.12**	**19.13**	**24.42**	**26.66**	**24.93**	**22.77**	**22.38**	**22.12**	**21.32**	**21.91**	**23.84**	**18.31**
	Education	10.19	11.99	10.88	10.11	10.44	9.53	9.39	9.68	10.52	10.97	9.60	11.10	11.12	10.60	9.67	9.15	8.84
	Health	5.81	6.61	5.37	5.15	4.99	3.74	3.98	4.35	4.56	4.27	4.70	4.14	4.28	4.19	4.82	3.51	2.80
	Drinking water	1.74	1.58	2.67	1.81	2.18	1.77	1.86	2.08	3.56	3.05	2.51	2.43	2.49	1.79	2.70	3.15	2.30
	Local Development	2.44	2.40	3.07	4.22	3.94	1.75	2.75	5.63	5.55	5.37	4.87	3.78	2.97	3.36	2.71	2.35	1.39
	Other Social Services	2.77	1.58	1.79	1.65	1.92	1.33	1.14	2.68	2.48	1.27	1.11	0.93	1.27	1.38	2.00	5.68	2.97
9.	**Economic Services**	**52.12**	**50.40**	**48.26**	**52.05**	**49.67**	**55.29**	**54.03**	**50.11**	**49.47**	**50.52**	**45.46**	**47.43**	**47.42**	**50.12**	**47.73**	**43.85**	**52.09**
	Agriculture	6.47	11.11	8.07	7.34	6.75	4.64	6.36	8.80	9.64	7.43	8.46	8.81	6.00	6.68	5.81	6.18	6.66
	Irrigation	5.01	5.22	5.56	5.47	7.62	6.77	7.12	6.77	7.05	7.40	7.84	8.71	7.42	6.14	9.06	6.18	4.77
	Land Reform	0.92	1.04	0.96	0.86	0.72	0.67	0.61	0.60	0.55	0.55	0.42	0.43	0.47	0.35	0.23	0.26	0.23
	Survey	0.94	0.79	0.98	0.99	1.29	0.85	0.84	0.80	0.75	0.72	0.58	0.57	0.69	0.60	0.53	0.40	0.37
	Forest	1.90	2.22	2.30	2.99	2.34	2.84	2.29	3.56	3.37	3.26	3.56	3.83	3.49	3.30	3.18	2.87	2.03
	Industry & Mining	5.82	6.04	6.51	4.42	2.45	3.34	3.08	5.03	5.40	8.82	4.20	4.13	3.35	4.40	3.17	5.41	7.50
	Communication	1.86	1.49	1.63	1.47	1.45	1.68	1.62	1.76	1.90	2.11	1.97	1.92	2.25	4.46	2.81	1.60	0.85
	Transportation	25.04	18.68	19.15	18.65	17.22	19.67	15.59	14.63	12.22	10.78	11.73	8.00	9.32	9.27	10.96	8.73	8.91
	Electricity	2.78	2.81	2.45	9.30	8.84	14.35	16.07	7.23	6.46	8.88	6.11	10.58	10.77	13.70	11.13	10.61	5.79
	Other Economic Services	1.39	1.00	0.64	0.56	0.99	0.47	0.43	0.93	2.11	0.58	0.60	0.46	3.66	1.21	0.85	1.60	14.98
10.	**Loans & Investment**	**0.11**	**0.22**	**0.38**	**0.28**	**0.10**	**0.34**	**0.28**	**0.15**	**0.05**	**0.00**	**0.13**	**0.09**	**0.07**	**0.02**	**0.05**	**0.03**	**0.04**
	Loans & investment	0.11	0.22	0.38	0.28	0.10	0.34	0.28	0.15	0.05	0.00	0.13	0.09	0.07	0.02	0.05	0.03	0.04
11.	**Loan Payment & Interest**	**3.17**	**3.33**	**4.10**	**4.62**	**5.13**	**6.25**	**5.29**	**4.79**	**4.40**	**6.69**	**8.08**	**10.40**	**10.40**	**10.26**	**9.56**	**11.59**	**10.22**
	Payment of Principal	0.96	0.84	1.68	1.66	1.87	2.73	2.11	1.93	1.34	2.24	2.08	3.50	3.05	2.83	2.97	4.08	3.14
	Payment Of interest	2.21	2.49	2.42	2.97	3.25	3.52	3.18	2.85	3.06	4.45	6.00	6.91	7.36	7.43	6.59	7.51	7.08
12.	**Miscellaneous**	**3.61**	**4.08**	**6.50**	**4.40**	**5.46**	**4.24**	**4.74**	**6.50**	**5.43**	**3.49**	**9.33**	**4.59**	**4.69**	**4.78**	**8.19**	**7.82**	**6.36**
	Traveling Expenses of Dignities &	0.19	0.33	0.26	0.25	0.23	0.19	0.20	0.19	0.18	0.35	0.16	0.34	0.35	0.18	0.20	0.26	0.03
	Pension, Allowances & Gratuity	0.57	0.65	0.59	0.59	0.52	0.51	0.53	0.40	0.61	0.60	0.71	1.00	1.04	0.73	0.63	0.74	0.81
	Hospitality	0.01	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00
	Emergency Help, Donation & Prizes	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.04	0.04	0.05	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.00	0.00	0.01	0.01	0.00	0.03	0.00
	Miscellaneous	1.28	2.04	3.66	2.56	2.32	2.16	1.13	2.30	2.46	1.33	1.83	1.64	2.01	2.07	2.02	4.67	0.65
	Contingency	1.50	1.00	1.94	0.98	2.36	1.37	2.86	3.59	2.18	1.19	6.62	1.60	1.28	1.78	5.34	2.13	4.87
	Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

APPENDIX III (Continued)

S.N.	Heading	Fiscal Year																
		1991/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	2000/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
1.	**Constitutional Bodies**	**282.70**	**169.7**	**204.4**	**196.0**	**235.0**	**471.0**	**357.1**	**412.7**	**458.1**	**450.10**	**582.9**	**836.0**	**774.1**	**851.90**	**730.80**	**921.40**	**1738.89**
	Head of the State	48.60	53.90	58.20	60.50	64.20	69.60	73.40	83.40	87.80	92.90	116.2	387.9	329.1	336.30	0.00	0.00	0.00
	State Council	2.70	3.30	3.60	3.90	4.50	4.70	5.50	5.10	6.10	5.90	8.20	9.20	10.50	12.50	0.00	0.00	0.00
	Parliamentary Secretariat	44.70	48.30	66.30	59.90	71.00	100.3	117.7	128.3	144.0	150.70	182.4	73.70	62.40	61.80	92.50	261.10	384.03
	Supreme Court	8.90	12.60	14.20	16.20	30.20	34.40	31.00	49.50	25.90	31.60	43.90	48.40	65.40	77.20	84.00	96.80	104.96
	Commission for Investigation on Abuse of Authority	2.10	3.10	3.40	3.80	4.90	5.20	6.50	6.40	8.90	10.00	16.40	20.50	36.80	57.10	128.10	53.30	65.05
	Office of the Auditor General	19.70	20.30	20.10	20.10	24.00	26.60	32.70	48.70	50.00	44.40	59.40	56.90	73.00	77.40	93.20	90.30	103.47
	Public Service Commission	17.10	16.70	18.20	24.90	23.10	37.10	41.20	49.60	55.00	34.10	48.30	63.70	64.80	69.40	77.70	59.00	95.90
	Election Commission	135.50	7.40	15.30	2.10	6.80	185.9	41.30	33.40	70.80	56.80	86.50	154.6	104.7	129.80	226.00	323.10	894.85
	Office of the Autonomy General	3.40	3.40	4.30	3.70	5.20	5.90	6.40	6.70	7.90	14.70	17.40	16.10	22.10	26.00	24.50	32.90	56.03
	Judicial Council	0.00	0.70	0.80	0.90	1.10	1.30	1.40	1.60	1.70	9.00	4.20	5.00	5.30	4.40	4.80	4.90	6.58
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.02
2.	**General Administration**	**1548.10**	**1845.**	**1931.**	**2153.**	**2551.**	**2876.**	**3205.**	**3694.**	**4178.**	**6385.60**	**7978.**	**7917.**	**7903.**	**9109.90**	**10451.2**	**15591.0**	**15715.1**
	Council of Minister	9.00	8.80	9.20	9.30	17.30	21.50	27.40	23.20	26.50	33.50	46.30	38.30	26.10	75.50	80.60	93.10	211.95
	Nepal Government Secretariat	166.10	232.8	181.3	241.7	215.0	253.1	259.7	293.9	345.3	527.00	974.9	936.9	806.3	708.40	1353.90	4926.20	1616.97
	District Administration	67.60	80.40	78.60	95.40	95.10	108.2	107.5	123.4	128.9	133.50	194.1	179.4	184.7	196.50	256.80	335.80	396.12
	Polices	1151.90	1331.	1474.	1584.	1926.	2195.	2487.	2897.	3267.	5195.30	6127.	6236.	6346.	7403.50	8163.10	9571.40	12681.5
	Jail	59.50	71.80	72.40	80.80	88.70	100.6	105.8	110.6	121.4	127.50	143.7	157.5	186.9	213.70	246.60	231.40	304.79
	Administration Reform	94.00	120.5	115.7	48.80	193.7	181.3	200.5	229.2	269.6	131.60	182.6	97.90	115.4	217.00	31.10	41.10	38.56
	Miscellaneous	0.00	0.00	0.00	93.10	14.80	16.30	17.10	16.70	19.00	237.20	309.0	270.4	237.5	295.30	319.10	392.00	465.22
3.	**Revenue Administration**	**173.50**	**191.4**	**194.9**	**222.5**	**252.5**	**261.7**	**288.9**	**314.9**	**339.2**	**384.10**	**477.2**	**472.1**	**503.9**	**550.20**	**661.70**	**1080.50**	**1107.82**
	Land Revenue	81.90	90.10	94.00	104.0	121.3	122.1	124.6	140.7	152.6	162.50	195.5	197.4	203.6	224.20	254.50	271.20	312.52
	Customs	52.70	55.60	56.60	59.40	67.60	72.30	78.00	82.10	87.30	102.60	131.5	130.3	143.9	143.90	168.70	213.70	351.48
	Inland Revenue*	38.30	45.00	43.40	46.70	51.20	53.80	69.40	74.70	80.20	96.60	124.5	118.6	125.8	140.10	193.30	540.70	363.19
	Revenue Tribunal	0.60	0.70	0.90	1.40	1.80	2.50	2.80	3.00	3.40	4.70	5.60	5.60	6.00	6.40	6.60	7.30	10.60
	Revenue Investigation	0.00	0.00	0.00	11.00	10.60	11.00	14.10	14.40	15.70	11.70	14.20	14.30	17.40	22.80	29.90	37.20	55.83
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	5.90	5.90	7.20	12.80	8.70	10.40	14.20
4.	**Economic Administration & Planning**	**98.70**	**87.10**	**97.90**	**118.0**	**130.6**	**119.0**	**131.8**	**142.5**	**159.3**	**381.40**	**296.7**	**239.4**	**278.5**	**352.70**	**351.00**	**689.50**	**441.49**
	Planning	9.00	10.00	11.20	23.90	24.50	12.10	14.00	15.00	19.90	24.80	22.40	18.10	21.00	48.50	38.60	29.80	37.73
	Statistics	37.10	16.50	28.90	30.00	36.60	34.70	39.30	41.10	46.40	215.10	128.4	69.60	83.30	91.00	82.00	84.30	113.15
	Financial Comptroller General Office	52.60	60.60	57.80	64.10	69.50	72.20	78.50	86.40	93.00	141.50	145.9	151.7	174.2	213.20	230.40	575.40	290.61
	Metric Measurement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**112.00**	**146.4**	**149.5**	**163.7**	**191.4**	**222.7**	**247.6**	**275.7**	**276.0**	**365.70**	**499.2**	**474.5**	**495.8**	**646.10**	**738.90**	**820.70**	**950.30**
	Court	112.00	146.4	149.5	163.7	191.4	222.7	247.6	275.7	276.0	365.70	499.2	474.5	495.8	646.10	738.90	820.70	950.30
	Court for Prevention of Misuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Foreign Services**	**230.00**	**310.1**	**329.6**	**376.7**	**385.0**	**440.4**	**482.1**	**607.4**	**672.6**	**600.30**	**672.4**	**722.8**	**746.2**	**855.20**	**840.80**	**961.50**	**1074.20**
	Foreign services	200.40	237.1	261.1	311.9	319.4	362.8	308.1	339.9	440.5	396.10	407.7	459.5	483.0	528.60	549.80	656.90	764.80
	Miscellaneous	29.60	73.00	68.50	64.80	65.60	77.60	174.0	267.5	232.1	204.20	264.7	263.3	263.2	326.60	291.00	304.60	309.40
7.	**Defense**	**1489.00**	**1723.**	**1877.**	**2001.**	**2126.**	**2357.**	**2582.**	**2994.**	**3482.**	**3813.40**	**5859.**	**7381.**	**8520.**	**10992.9**	**11312.2**	**11129.7**	**11374.0**
	Defense	1482.60	1717.	1871.	1994.	2118.	2348.	2573.	2985.	3469.	3802.20	5847.	7294.	8507.	10963.7	11280.5	11099.7	11338.9
	Miscellaneous	6.40	6.30	6.30	6.50	7.60	9.20	9.40	9.80	12.20	11.20	12.50	87.40	12.40	29.20	31.70	30.00	35.07
8.	**Social Services**	**6039.30**	**8514**	**8456**	**10666**	**12987**	**15190**	**17316**	**17642**	**20734**	**23855.3**	**24880**	**25937**	**27943**	**31149.5**	**35533.8**	**45026.9**	**55356.8**
	Education	2867.80	4150.	4564.	5065.	6150.	7203.	7803.	7681.	9328.	11044.7	13050	13241	14382	17220.6	19338.8	21580.9	27061.0
	Health	918.10	1061.	1065.	1495.	1714.	2506.	3125.	2814.	3451.	3519.70	3856.	3652.	3968.	4682.30	5799.50	7404.00	9870.58
	Drinking water	1338.10	1825.	1077.	1111.	1217.	1338.	1681.	1879.	2436.	2185.10	1757.	2024.	2417.	1836.10	2357.70	3645.70	4138.41
	Local Development	415.70	666.2	1016.	2429.	3356.	3634.	3691.	3986.	4154.	5048.70	4175.	5296.	5226.	5977.70	6224.90	9576.40	10022.7
	Other Social Services	499.60	811.6	733.7	564.1	549.3	507.8	1014.	1280.	1363.	2057.10	2040.	1723.	1948.	1432.80	1812.90	2819.90	4264.10
9.	**Economic Services**	**11612.00**	**12697**	**14446**	**13961**	**18516**	**18792**	**19790**	**19492**	**20873**	**22645.0**	**19357**	**17639**	**18641**	**22562.7**	**22326.9**	**26323.4**	**31343.0**
	Agriculture	1316.40	2122.	2337.	2702.	2292.	1964.	2225.	2014.	2189.	2433.60	2696.	1971.	2016.	2334.70	2702.90	4140.40	6269.65
	Irrigation	2221.10	2026.	3240.	2649.	2988.	2826.	2542.	3051.	3161.	4085.00	3184.	2344.	2472.	2332.40	2866.40	3463.90	4089.06
	Land Reform	46.00	37.80	34.10	31.70	61.60	56.80	84.00	97.30	102.9	136.30	152.9	86.60	92.00	141.20	137.80	104.60	113.37
	Survey	109.80	134.3	217.6	244.2	277.5	290.5	230.0	296.0	260.7	323.40	337.2	260.5	296.7	302.30	331.40	355.80	450.09
	Forest	906.90	950.1	989.9	790.3	860.1	976.7	950.0	1212.	1309.	1303.60	1638.	1645.	1783.	1992.80	1823.20	1865.10	2160.10
	Industry & Mining	2448.20	1109.	670.5	210.4	492.0	494.9	708.3	523.2	1065.	523.60	820.3	790.0	538.5	515.30	443.60	590.60	653.71
	Communication	374.00	739.7	715.8	1846.	1525.	1572.	1752.	1096.	941.2	277.40	298.8	1749.	443.2	1597.00	1406.90	1440.30	1655.80
	Transportation	2529.50	2992.	3528.	3202.	6180.	5532.	5864.	5344.	4870.	5450.50	4771.	3968.	4255.	4466.50	4511.80	6715.90	7577.47
	Electricity	1414.40	2229.	2312.	1764.	3210.	4456.	4714.	4821.	5547.	6821.80	4405.	3913.	4780.	7304.30	6361.70	5552.80	5948.90
	Other Economic Services	245.70	354.6	400.4	518.8	628.5	622.6	719.5	1034.	1424.	1289.80	1052.	910.7	1964.	1576.20	1741.20	2094.00	2424.91
10.	**Loans & Investment**	**3.00**	**24.00**	**16.00**	**5.20**	**17.40**	**31.70**	**24.90**	**15.10**	**39.20**	**10.00**	**12.60**	**2.00**	**55.00**	**0.00**	**1497.20**	**20.00**	**6903.32**
	Loans & investment	3.00	24.00	16.00	5.20	17.40	31.70	24.90	15.10	39.20	10.00	12.60	2.00	55.00	0.00	1497.20	20.00	6903.32
11.	**Loan Payment & Interest**	**3797.10**	**4560.**	**4855.**	**6083.**	**6715.**	**7527.**	**7682.**	**8723.**	**10032**	**10388.4**	**12205**	**16181**	**17338**	**19751.3**	**20423.5**	**22916.3**	**22760.5**
	Payment of Principal	1207.00	1597.	1898.	2653.	2847.	3453.	3931.	4642.	5212.	5690.60	6434.	9559.	10794	13533.3	14264.8	16752.3	16386.9
	Payment Of interest	2590.10	2962.	2956.	3430.	3867.	4073.	3751.	4080.	4820.	4697.80	5770.	6621.	6543.	6218.00	6158.70	6164.00	6373.68
12.	**Miscellaneous**	**1032.80**	**627.0**	**1037.**	**2847.**	**2435.**	**2432.**	**4008.**	**5263.**	**5027.**	**10555.8**	**7250.**	**6202.**	**6241.**	**5738.00**	**5237.60**	**8123.60**	**12584.2**
	Traveling Expenses of Dignities & Government Delegation	9.10	27.30	37.70	62.20	76.10	68.90	66.20	90.70	79.10	91.10	103.8	88.80	102.9	152.70	174.00	55.60	57.16
	Pension, Allowances & Gratuity	326.90	219.2	466.8	589.0	584.7	728.6	1028.	1261.	1372.	1572.60	2985.	3325.	3567.	3477.00	3514.00	4075.00	6302.38
	Hospitality	0.90	0.50	1.20	1.20	2.80	3.30	1.70	1.00	0.50	3.10	0.20	0.00	1.50	0.00	0.50	0.00	2.53
	Emergency Help, Donation & Prizes	0.00	0.10	0.00	0.00	2.00	1.10	0.00	0.20	0.20	2.20	0.30	0.00	0.00	14.20	9.30	71.70	131.94
	Compensation	5.50	2.50	3.00	1.30	37.00	22.10	24.50	26.40	39.90	22.50	22.20	8.20	13.30	19.50	0.10	0.00	4.66
	Miscellaneous	188.70	299.6	197.9	301.4	728.9	1001.	1944.	1402.	1220.	1208.90	1319.	1557.	1757.	1975.10	1482.90	3547.80	5707.89
	Contingency	501.70	77.80	330.6	1892.	1003.	607.3	942.5	2481.	2315.	7654.90	2819.	1222.	799.3	99.50	56.80	373.50	377.66
	Total	**26418.20**	**30897**	**33597**	**38795**	**46544**	**50723**	**56118**	**59579**	**66272**	**79835.1**	**80072**	**84006**	**89442**	**102560**	**110105**	**133604**	**161349**
	Share in Total (in Percent)																	
1.	**Constitutional Bodies**	**1.07**	**0.55**	**0.61**	**0.51**	**0.50**	**0.93**	**0.64**	**0.69**	**0.69**	**0.56**	**0.73**	**1.00**	**0.87**	**0.83**	**0.66**	**0.69**	**1.08**
	Head of the State	0.18	0.17	0.17	0.16	0.14	0.14	0.13	0.14	0.13	0.12	0.15	0.46	0.37	0.33	0.00	0.00	0.00
	State Council	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00
	Parliamentary Secretariat	0.17	0.16	0.20	0.15	0.15	0.20	0.21	0.22	0.22	0.19	0.23	0.09	0.07	0.06	0.08	0.20	0.24
	Supreme Court	0.03	0.04	0.04	0.04	0.06	0.07	0.06	0.08	0.04	0.04	0.05	0.06	0.07	0.08	0.08	0.07	0.07
	Commission for Investigation on Abuse of Authority	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.04	0.06	0.12	0.04	0.04
	Office of the Auditor General	0.07	0.07	0.06	0.05	0.05	0.05	0.06	0.08	0.08	0.06	0.07	0.07	0.08	0.08	0.08	0.07	0.06
	Public Service Commission	0.06	0.05	0.05	0.06	0.05	0.07	0.07	0.08	0.08	0.04	0.06	0.08	0.07	0.07	0.07	0.04	0.06
	Election Commission	0.51	0.02	0.05	0.01	0.01	0.37	0.07	0.06	0.11	0.07	0.11	0.18	0.12	0.13	0.21	0.24	0.55
	Office of the Autonomy General	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.03	0.02	0.02	0.03
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
2.	**General Administration**	**5.86**	**5.97**	**5.75**	**5.55**	**5.48**	**5.67**	**5.71**	**6.20**	**6.31**	**8.00**	**9.96**	**9.42**	**8.84**	**8.88**	**9.49**	**11.67**	**9.74**
	Council of Minister	0.03	0.03	0.03	0.02	0.04	0.04	0.05	0.04	0.04	0.04	0.06	0.05	0.03	0.07	0.07	0.07	0.13
	Nepal Government Secretariat	0.63	0.75	0.54	0.62	0.46	0.50	0.46	0.49	0.52	0.66	1.22	1.12	0.90	0.69	1.23	3.69	1.00
	District Administration	0.26	0.26	0.23	0.25	0.20	0.21	0.19	0.21	0.19	0.17	0.24	0.21	0.21	0.19	0.23	0.25	0.25
	Polices	4.36	4.31	4.39	4.08	4.14	4.33	4.43	4.86	4.93	6.51	7.65	7.42	7.10	7.22	7.41	7.16	7.86
	Jail	0.23	0.23	0.22	0.21	0.19	0.20	0.19	0.19	0.18	0.16	0.18	0.19	0.21	0.21	0.22	0.17	0.19
	Administration Reform	0.36	0.39	0.34	0.13	0.42	0.36	0.36	0.38	0.41	0.16	0.23	0.12	0.13	0.21	0.03	0.03	0.02
	Miscellaneous	0.00	0.00	0.00	0.24	0.03	0.03	0.03	0.03	0.03	0.30	0.39	0.32	0.27	0.29	0.29	0.29	0.29
3.	**Revenue Administration**	**0.66**	**0.62**	**0.58**	**0.57**	**0.54**	**0.52**	**0.51**	**0.53**	**0.51**	**0.48**	**0.60**	**0.56**	**0.56**	**0.54**	**0.60**	**0.81**	**0.69**
	Land Revenue	0.31	0.29	0.28	0.27	0.26	0.24	0.22	0.24	0.23	0.20	0.24	0.23	0.23	0.22	0.23	0.20	0.19
	Customs	0.20	0.18	0.17	0.15	0.15	0.14	0.14	0.14	0.13	0.13	0.16	0.16	0.16	0.14	0.15	0.16	0.22
	Inland Revenue*	0.14	0.15	0.13	0.12	0.11	0.11	0.12	0.13	0.12	0.12	0.16	0.14	0.14	0.14	0.18	0.40	0.23
	Revenue Tribunal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	Revenue Investigation	0.00	0.00	0.00	0.03	0.02	0.02	0.03	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.03	0.03	0.03
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
4.	**Economic Administration & Planning**	**0.37**	**0.28**	**0.29**	**0.30**	**0.28**	**0.23**	**0.23**	**0.24**	**0.24**	**0.48**	**0.37**	**0.28**	**0.31**	**0.34**	**0.32**	**0.52**	**0.27**
	Planning	0.03	0.03	0.03	0.06	0.05	0.02	0.02	0.03	0.03	0.03	0.03	0.02	0.02	0.05	0.04	0.02	0.02
	Statistics	0.14	0.05	0.09	0.08	0.08	0.07	0.07	0.07	0.07	0.27	0.16	0.08	0.09	0.09	0.07	0.06	0.07
	Financial Comptroller General Office	0.20	0.20	0.17	0.17	0.15	0.14	0.14	0.15	0.14	0.18	0.18	0.18	0.19	0.21	0.21	0.43	0.18
	Metric Measurement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**0.42**	**0.47**	**0.44**	**0.42**	**0.41**	**0.44**	**0.44**	**0.46**	**0.42**	**0.46**	**0.62**	**0.56**	**0.55**	**0.63**	**0.67**	**0.61**	**0.59**
	Court	0.42	0.47	0.44	0.42	0.41	0.44	0.44	0.46	0.42	0.46	0.62	0.56	0.55	0.63	0.67	0.61	0.59
	Court for Prevention of Misuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Foreign Services**	**0.87**	**1.00**	**0.98**	**0.97**	**0.83**	**0.87**	**0.86**	**1.02**	**1.01**	**0.75**	**0.84**	**0.86**	**0.83**	**0.83**	**0.76**	**0.72**	**0.67**
	Foreign services	0.76	0.77	0.78	0.80	0.69	0.72	0.55	0.57	0.66	0.50	0.51	0.55	0.54	0.52	0.50	0.49	0.47
	Miscellaneous	0.11	0.24	0.20	0.17	0.14	0.15	0.31	0.45	0.35	0.26	0.33	0.31	0.29	0.32	0.26	0.23	0.19
7.	**Defense**	**5.64**	**5.58**	**5.59**	**5.16**	**4.57**	**4.65**	**4.60**	**5.03**	**5.25**	**4.78**	**7.32**	**8.79**	**9.53**	**10.72**	**10.27**	**8.33**	**7.05**
	Defense	5.61	5.56	5.57	5.14	4.55	4.63	4.59	5.01	5.24	4.76	7.30	8.68	9.51	10.69	10.25	8.31	7.03
	Miscellaneous	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.02	0.10	0.01	0.03	0.03	0.02	0.02
8.	**Social Services**	**22.86**	**27.56**	**25.17**	**27.49**	**27.90**	**29.95**	**30.86**	**29.61**	**31.29**	**29.88**	**31.07**	**30.88**	**31.24**	**30.37**	**32.27**	**33.70**	**34.31**
	Education	10.86	13.43	13.58	13.06	13.21	14.20	13.91	12.89	14.08	13.83	16.30	15.76	16.08	16.79	17.56	16.15	16.77
	Health	3.48	3.43	3.17	3.86	3.68	4.94	5.57	4.72	5.21	4.41	4.82	4.35	4.44	4.57	5.27	5.54	6.12
	Drinking water	5.07	5.91	3.21	2.87	2.61	2.64	3.00	3.15	3.68	2.74	2.20	2.41	2.70	1.79	2.14	2.73	2.56
	Local Development	1.57	2.16	3.03	6.26	7.21	7.17	6.58	6.69	6.27	6.32	5.21	6.30	5.84	5.83	5.65	7.17	6.21
	Other Social Services	1.89	2.63	2.18	1.45	1.18	1.00	1.81	2.15	2.06	2.58	2.55	2.05	2.18	1.40	1.65	2.11	2.64
9.	**Economic Services**	**43.95**	**41.10**	**43.00**	**35.99**	**39.78**	**37.05**	**35.26**	**32.72**	**31.50**	**28.36**	**24.17**	**21.00**	**20.84**	**22.00**	**20.28**	**19.70**	**19.43**
	Agriculture	4.98	6.87	6.96	6.97	4.92	3.87	3.97	3.38	3.30	3.05	3.37	2.35	2.25	2.28	2.45	3.10	3.89
	Irrigation	8.41	6.56	9.65	6.83	6.42	5.57	4.53	5.12	4.77	5.12	3.98	2.79	2.76	2.27	2.60	2.59	2.53
	Land Reform	0.17	0.12	0.10	0.08	0.13	0.11	0.15	0.16	0.16	0.17	0.19	0.10	0.10	0.14	0.13	0.08	0.07
	Survey	0.42	0.43	0.65	0.63	0.60	0.57	0.41	0.50	0.39	0.41	0.42	0.31	0.33	0.29	0.30	0.27	0.28
	Forest	3.43	3.07	2.95	2.04	1.85	1.93	1.69	2.03	1.98	1.63	2.05	1.96	1.99	1.94	1.66	1.40	1.34
	Industry & Mining	9.27	3.59	2.00	0.54	1.06	0.98	1.26	0.88	1.61	0.66	1.02	0.94	0.60	0.50	0.40	0.44	0.41
	Communication	1.42	2.39	2.13	4.76	3.28	3.10	3.12	1.84	1.42	0.35	0.37	2.08	0.50	1.56	1.28	1.08	1.03
	Transportation	9.57	9.69	10.50	8.26	13.28	10.91	10.45	8.97	7.35	6.83	5.96	4.72	4.76	4.35	4.10	5.03	4.70
	Electricity	5.35	7.21	6.88	4.55	6.90	8.78	8.40	8.09	8.37	8.54	5.50	4.66	5.34	7.12	5.78	4.16	3.69
	Other Economic Services	0.93	1.15	1.19	1.34	1.35	1.23	1.28	1.74	2.15	1.62	1.31	1.08	2.20	1.54	1.58	1.57	1.50
10.	**Loans & Investment**	**0.01**	**0.08**	**0.05**	**0.01**	**0.04**	**0.06**	**0.04**	**0.03**	**0.06**	**0.01**	**0.02**	**0.00**	**0.06**	**0.00**	**1.36**	**0.01**	**4.28**
	Loans & investment	0.01	0.08	0.05	0.01	0.04	0.06	0.04	0.03	0.06	0.01	0.02	0.00	0.06	0.00	1.36	0.01	4.28
11.	**Loan Payment & Interest**	**14.37**	**14.76**	**14.45**	**15.68**	**14.43**	**14.84**	**13.69**	**14.64**	**15.14**	**13.01**	**15.24**	**19.26**	**19.39**	**19.26**	**18.55**	**17.15**	**14.11**
	Payment of Principal	4.57	5.17	5.65	6.84	6.12	6.81	7.01	7.79	7.87	7.13	8.04	11.38	12.07	13.20	12.96	12.54	10.16
	Payment Of interest	9.80	9.59	8.80	8.84	8.31	8.03	6.69	6.85	7.27	5.88	7.21	7.88	7.32	6.06	5.59	4.61	3.95
12.	**Miscellaneous**	**3.91**	**2.03**	**3.09**	**7.34**	**5.23**	**4.80**	**7.14**	**8.83**	**7.59**	**13.22**	**9.05**	**7.38**	**6.98**	**5.59**	**4.76**	**6.08**	**7.80**
	Traveling Expenses of Dignities & Government Delegation	0.03	0.09	0.11	0.16	0.16	0.14	0.12	0.15	0.12	0.11	0.13	0.11	0.12	0.15	0.16	0.04	0.04
	Pension, Allowances & Gratuity	1.24	0.71	1.39	1.52	1.26	1.44	1.83	2.12	2.07	1.97	3.73	3.96	3.99	3.39	3.19	3.05	3.91
	Hospitality	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Emergency Help, Donation & Prizes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.05	0.08
	Compensation	0.02	0.01	0.01	0.00	0.08	0.04	0.04	0.04	0.06	0.03	0.03	0.01	0.01	0.02	0.00	0.00	0.00
	Miscellaneous	0.71	0.97	0.59	0.78	1.57	1.97	3.47	2.35	1.84	1.51	1.65	1.85	1.96	1.93	1.35	2.66	3.54
	Contingency	1.90	0.25	0.98	4.88	2.16	1.20	1.68	4.16	3.49	9.59	3.52	1.45	0.89	0.10	0.05	0.28	0.23
	Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

* Inland Revenue Includes the Expenses of VAT, Excise and Income Tax

Source: Economic Survey of Various Years, MOF, 1993/94, 2000/01, 2005/06-2008/09.

APPENDIX IV
Pattern of Regular expenditure

(Rs. in Millions)

S.N.	Heading	Fiscal Year																
		1974/75	75/76	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91
1.	**Constitutional Bodies**	**16.10**	**20.70**	**20.60**	**20.80**	**23.40**	**24.00**	**61.90**	**60.30**	**49.90**	**52.50**	**55.50**	**106.5**	**113.5**	**80.60**	**91.20**	**103.6**	**191.1**
	Head of the State	6.80	7.80	7.80	7.90	7.60	9.90	9.70	12.30	15.90	17.20	17.30	25.50	25.50	28.20	29.60	42.30	42.30
	State Council	0.30	0.30	0.40	0.40	0.40	0.50	0.60	0.90	1.20	1.60	2.00	1.90	2.60	2.40	2.50	2.40	2.10
	Parliamentary Secretariat	3.00	2.70	3.30	3.50	4.10	4.60	4.20	5.30	6.70	7.90	7.70	9.50	11.80	11.20	15.00	13.30	10.10
	Supreme Court	0.90	0.90	1.00	1.20	1.30	1.40	1.50	2.50	3.90	3.60	3.40	3.70	5.10	5.10	6.30	6.00	5.90
	Commission for Investigation on Abuse of Authority	0.00	0.00	0.00	0.00	0.80	0.20	0.70	0.90	0.90	1.40	1.10	1.10	1.80	1.80	2.00	2.20	1.90
	Office of the Auditor General	1.90	2.10	2.20	2.40	2.50	2.90	4.30	4.70	6.50	7.10	8.90	8.10	10.10	11.00	13.60	13.90	14.00
	Public Service Commission	2.10	2.20	3.00	2.50	3.20	3.20	3.50	4.70	7.60	8.50	8.80	8.90	12.50	15.40	13.60	14.30	12.80
	Election Commission	0.70	4.30	2.50	2.40	3.00	0.80	36.80	28.30	4.20	3.70	4.80	46.30	41.90	3.20	6.00	6.50	99.30
	Office of the Autonomy General	0.40	0.40	0.40	0.50	0.50	0.50	0.60	0.70	3.00	1.50	1.50	1.50	2.20	2.30	2.60	2.70	2.70
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	**General Administration**	**100.50**	**115.90**	**131.7**	**142.5**	**161.2**	**183.4**	**218.8**	**253.1**	**328.1**	**355.8**	**416.7**	**522.6**	**615.4**	**701.3**	**845.1**	**963.4**	**1180.**
	Council of Minister	1.70	1.50	1.80	2.50	2.30	2.50	2.60	3.80	4.70	3.60	4.00	4.20	4.10	5.20	7.80	7.60	6.70
	Nepal Government Secretariat	14.90	14.50	22.00	25.60	30.00	23.40	25.90	31.20	43.60	46.20	48.70	58.20	91.80	104.1	135.7	136.9	117.2
	District Administration	13.70	15.20	18.00	21.10	22.80	23.90	24.00	28.80	37.40	34.70	40.50	43.80	49.90	56.70	63.60	66.10	51.70
	Polices	54.70	65.40	70.70	75.70	83.90	111.4	145.7	162.9	210.3	237.4	288.0	377.5	409.0	462.3	543.4	655.0	892.2
	Jail	7.80	8.40	9.00	9.60	10.50	13.90	14.30	17.70	21.90	23.50	25.00	26.00	25.80	32.00	39.60	37.30	55.20
	Administration Reform	7.10	9.80	8.50	6.20	9.70	8.30	6.20	8.30	10.20	10.20	10.30	12.40	34.40	39.50	52.60	58.10	55.00
	Miscellaneous	0.60	1.10	1.70	1.80	2.00	0.00	0.10	0.40	0.00	0.20	0.20	0.50	0.40	1.50	2.40	2.40	2.40
3.	**Revenue Administration**	**18.40**	**20.70**	**23.20**	**24.80**	**28.50**	**30.50**	**35.80**	**43.90**	**54.70**	**58.70**	**63.00**	**75.40**	**95.60**	**101.1**	**111.2**	**124.4**	**124.8**
	Land Revenue	7.70	8.00	9.30	10.20	11.30	13.10	16.60	21.10	26.00	26.80	29.10	34.00	42.20	42.50	50.10	55.70	57.30
	Customs	5.00	6.50	6.60	6.80	8.20	9.10	9.90	11.40	15.40	17.10	18.30	23.40	29.50	31.80	30.60	35.10	35.60
	Inland Revenue*	5.30	5.80	7.20	7.70	8.90	8.10	9.10	11.20	13.10	14.50	15.30	17.60	23.50	26.30	30.00	33.10	31.40
	Revenue Tribunal	0.40	0.40	0.10	0.10	0.10	0.20	0.20	0.20	0.20	0.30	0.30	0.40	0.40	0.50	0.50	0.50	0.50
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	**Economic Administration & Planning**	**7.30**	**8.80**	**14.50**	**20.50**	**22.60**	**13.20**	**13.70**	**19.20**	**32.10**	**25.00**	**28.00**	**31.50**	**38.30**	**38.20**	**41.70**	**47.80**	**48.40**
	Planning	0.70	0.60	0.70	0.60	0.70	0.80	0.70	0.80	0.90	1.10	1.20	1.40	2.00	2.10	2.40	2.70	2.40
	Statistics	1.30	1.40	1.60	1.20	0.70	0.50	0.70	0.70	0.90	1.00	1.10	1.50	1.80	2.10	2.70	3.10	2.90
	Financial Comptroller General Office	1.70	2.50	2.90	3.10	3.40	4.10	4.20	8.80	20.40	20.90	23.60	26.20	31.50	34.00	36.60	42.00	43.10
	Metric Measurement	3.60	4.30	9.30	15.60	17.80	7.80	8.10	8.90	9.90	2.00	2.10	2.40	3.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**9.40**	**10.20**	**11.70**	**12.60**	**14.40**	**15.20**	**18.50**	**25.80**	**38.50**	**39.90**	**43.90**	**51.60**	**66.30**	**71.00**	**79.50**	**88.00**	**84.10**
	Court	9.40	10.20	11.70	12.60	14.40	15.20	18.30	25.60	38.20	39.60	43.60	51.30	65.90	70.60	79.10	87.60	83.90
	Court for Prevention of Misuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.20	0.30	0.30	0.30	0.30	0.40	0.40	0.40	0.40	0.20
6.	**Foreign Services**	**20.20**	**24.80**	**25.10**	**27.70**	**41.90**	**42.80**	**38.80**	**50.10**	**52.40**	**54.80**	**62.30**	**71.60**	**93.70**	**106.9**	**150.8**	**152.1**	**183.4**
	Foreign services	15.60	18.50	20.10	23.10	36.80	38.10	33.20	44.20	44.20	45.50	53.00	61.00	77.00	88.90	130.9	133.3	161.3
	Miscellaneous	4.60	6.30	5.00	4.60	5.10	4.70	5.60	5.90	8.20	9.30	9.30	10.60	16.70	18.00	19.90	18.80	22.10
7.	**Defense**	**97.10**	**134.60**	**162.3**	**167.9**	**192.2**	**223.0**	**258.9**	**282.8**	**392.4**	**453.6**	**507.9**	**606.2**	**712.4**	**768.3**	**898.7**	**1027.**	**1151.**
	Defense	97.10	134.60	162.3	167.9	155.8	185.0	211.0	233.3	337.3	388.8	435.4	514.5	602.1	638.0	760.8	822.3	1145.
	Miscellaneous	0.00	0.00	0.00	0.00	36.40	38.00	47.90	49.50	55.10	64.80	72.50	91.70	110.3	130.3	137.9	204.9	5.60
8.	**Social Services**	**121.00**	**141.50**	**134.3**	**148.6**	**175.5**	**184.5**	**210.2**	**249.6**	**320.4**	**360.5**	**410.6**	**493.1**	**508.2**	**562.0**	**634.9**	**716.1**	**742.6**
	Education	60.90	77.10	67.90	69.10	80.80	82.50	98.60	106.8	129.4	137.2	161.4	207.6	242.3	262.5	282.9	319.6	366.3
	Health	28.20	33.20	32.50	41.50	52.20	57.70	65.20	80.50	102.3	117.8	139.4	150.0	182.5	204.1	251.1	296.6	293.8
	Drinking water	0.80	0.90	1.10	1.40	2.30	2.80	3.10	3.90	6.40	6.00	8.80	10.20	12.30	14.60	16.50	2.60	2.30
	Local Development	16.00	16.30	16.10	17.90	21.00	21.80	22.50	31.60	51.80	65.00	69.50	89.60	25.10	28.70	30.10	8.50	6.80
	Other Social Services	15.10	14.00	16.70	18.70	19.20	19.70	20.80	26.80	30.50	34.50	31.50	35.70	46.00	52.10	54.30	88.80	73.40
9.	**Economic Services**	**70.60**	**72.30**	**91.00**	**91.70**	**98.90**	**105.7**	**110.1**	**130.5**	**165.7**	**174.6**	**199.4**	**232.3**	**286.0**	**289.6**	**351.5**	**423.8**	**374.8**
	Agriculture	9.30	5.30	6.20	6.70	7.40	7.70	3.40	3.70	4.50	5.20	6.30	6.60	8.30	9.00	29.80	31.70	33.00
	Irrigation	1.80	1.70	2.20	4.30	3.90	2.40	3.20	3.60	4.70	5.10	5.80	6.20	6.90	7.80	8.70	10.10	4.50
	Land Reform	5.80	10.10	11.30	12.20	11.70	12.00	12.90	15.70	18.10	19.20	17.50	23.60	27.40	29.60	11.50	11.90	13.90
	Survey	1.80	2.00	2.40	2.80	3.40	3.90	4.20	5.30	6.80	7.40	8.30	9.50	11.80	12.70	14.90	14.90	17.70
	Forest	4.60	5.40	8.80	3.60	4.00	4.30	4.60	5.40	7.30	8.00	8.70	10.00	13.30	14.60	15.70	17.30	17.40
	Industry & Mining	1.70	2.00	2.40	2.40	2.60	2.80	2.90	3.40	4.10	4.40	5.20	6.80	8.20	14.50	15.60	16.10	15.10
	Communication	20.20	19.30	25.10	26.10	29.40	32.80	35.60	45.20	58.40	59.80	74.80	98.40	119.1	107.9	131.7	185.5	144.3
	Transportation	19.50	20.40	23.30	26.90	31.90	34.20	36.60	40.10	50.80	54.60	61.30	66.40	86.00	88.00	115.9	127.4	120.0
	Electricity	5.10	5.10	8.20	5.70	3.40	3.90	4.60	5.50	7.70	7.50	8.30	0.90	0.00	0.00	0.00	0.00	0.00
	Other Economic Services	0.80	1.00	1.10	1.00	1.20	1.70	2.10	2.60	3.30	3.40	3.20	3.90	5.00	5.50	7.70	8.90	8.90
10.	**Loans & Investment**	**1.70**	**4.20**	**8.80**	**7.60**	**3.00**	**11.70**	**11.30**	**7.90**	**3.30**	**0.00**	**11.10**	**9.00**	**8.60**	**2.60**	**8.90**	**6.70**	**10.00**
	Loans & investment	1.70	4.20	8.80	7.60	3.00	11.70	11.30	7.90	3.30	0.00	11.10	9.00	8.60	2.60	8.90	6.70	10.00
11.	**Loan Payment & Interest**	**48.00**	**63.70**	**95.50**	**123.7**	**154.9**	**217.0**	**216.3**	**256.6**	**307.0**	**497.6**	**678.2**	**1019.**	**1196.**	**1441.**	**1720.**	**2279.**	**2407.**
	Payment of Principal	14.50	16.10	39.20	44.30	56.60	94.90	86.30	103.7	93.60	166.5	174.7	342.8	350.6	397.5	534.1	802.3	739.0
	Payment Of interest	33.50	47.60	56.30	79.40	98.30	122.1	130.0	152.9	213.4	331.1	503.5	676.5	846.0	1044	1186	1476	1668
12.	**Miscellaneous**	**36.20**	**57.10**	**113.4**	**78.50**	**125.2**	**111.0**	**166.9**	**254.5**	**252.6**	**199.8**	**429.6**	**364.8**	**389.0**	**458.9**	**742.3**	**739.9**	**1075.**
	Traveling Expenses of Dignities & Government Delegation	2.90	6.40	6.00	6.60	7.00	6.70	8.30	10.00	12.40	26.30	13.10	33.00	40.10	25.20	35.50	51.00	7.90
	Pension, Allowances & Gratuity	8.70	12.50	13.80	15.80	15.70	17.60	21.80	21.70	42.50	44.70	59.30	98.10	119.7	102.3	113.0	144.6	190.2
	Hospitality	0.20	0.30	0.20	0.30	0.10	0.10	0.10	0.20	0.00	0.20	0.30	0.50	0.80	1.10	0.80	0.50	0.30
	Emergency Help, Donation & Prizes	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.60	0.70	1.10	0.20	0.70	0.30	0.40	0.90	0.70	0.40	0.30	0.30	1.20	1.00	0.60	5.50	0.00
	Miscellaneous	9.50	22.70	55.80	41.90	44.40	61.50	39.90	63.90	81.10	78.40	99.40	140.3	154.4	211.2	150.3	401.0	153.0
	Contingency	14.00	14.50	36.50	13.70	57.30	24.80	96.40	157.8	115.9	49.70	257.1	92.60	72.80	118.1	442.1	137.3	724.3
	Total	**546.50**	**674.50**	**832.1**	**866.9**	**1041.**	**1162.**	**1361.**	**1634.**	**1997.**	**2272.**	**2906.**	**3583.**	**4123.**	**4622.**	**5676.**	**6672.**	**7574.**
	Share in Total (in Percent)																	
1.	**Constitutional Bodies**	**2.95**	**3.07**	**2.48**	**2.40**	**2.25**	**2.07**	**4.55**	**3.69**	**2.50**	**2.31**	**1.91**	**2.97**	**2.75**	**1.74**	**1.61**	**1.55**	**2.52**
	Head of the State	1.24	1.16	0.94	0.91	0.73	0.85	0.71	0.75	0.80	0.76	0.60	0.71	0.62	0.61	0.52	0.63	0.56
	State Council	0.05	0.04	0.05	0.05	0.04	0.04	0.04	0.06	0.06	0.07	0.07	0.05	0.06	0.05	0.04	0.04	0.03
	Parliamentary Secretariat	0.55	0.40	0.40	0.40	0.39	0.40	0.31	0.32	0.34	0.35	0.26	0.27	0.29	0.24	0.26	0.20	0.13
	Supreme Court	0.16	0.13	0.12	0.14	0.12	0.12	0.11	0.15	0.20	0.16	0.12	0.10	0.12	0.11	0.11	0.09	0.08
	Commission for Investigation on Abuse of Authority	0.00	0.00	0.00	0.00	0.08	0.02	0.05	0.06	0.05	0.06	0.04	0.03	0.04	0.04	0.04	0.03	0.03
	Office of the Auditor General	0.35	0.31	0.26	0.28	0.24	0.25	0.32	0.29	0.33	0.31	0.31	0.23	0.24	0.24	0.24	0.21	0.18
	Public Service Commission	0.38	0.33	0.36	0.29	0.31	0.28	0.26	0.29	0.38	0.37	0.30	0.25	0.30	0.33	0.24	0.21	0.17
	Election Commission	0.13	0.64	0.30	0.28	0.29	0.07	2.70	1.73	0.21	0.16	0.17	1.29	1.02	0.07	0.11	0.10	1.31
	Office of the Autonomy General	0.07	0.06	0.05	0.06	0.05	0.04	0.04	0.04	0.15	0.07	0.05	0.04	0.05	0.05	0.05	0.04	0.04
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	**General Administration**	**18.39**	**17.18**	**15.83**	**16.44**	**15.47**	**15.78**	**16.07**	**15.49**	**16.43**	**15.65**	**14.34**	**14.58**	**14.92**	**15.17**	**14.89**	**14.44**	**15.58**
	Council of Minister	0.31	0.22	0.22	0.29	0.22	0.22	0.19	0.23	0.24	0.16	0.14	0.12	0.10	0.11	0.14	0.11	0.09
	Nepal Government Secretariat	2.73	2.15	2.64	2.95	2.88	2.01	1.90	1.91	2.18	2.03	1.68	1.62	2.23	2.25	2.39	2.05	1.55
	District Administration	2.51	2.25	2.16	2.43	2.19	2.06	1.76	1.76	1.87	1.53	1.39	1.22	1.21	1.23	1.12	0.99	0.68
	Polices	10.01	9.70	8.50	8.73	8.05	9.59	10.70	9.97	10.53	10.45	9.91	10.53	9.92	10.00	9.57	9.82	11.78
	Jail	1.43	1.25	1.08	1.11	1.01	1.20	1.05	1.08	1.10	1.03	0.86	0.73	0.63	0.69	0.70	0.56	0.73
	Administration Reform	1.30	1.45	1.02	0.72	0.93	0.71	0.46	0.51	0.51	0.45	0.35	0.35	0.83	0.85	0.93	0.87	0.73
	Miscellaneous	0.11	0.16	0.20	0.21	0.19	0.00	0.01	0.02	0.00	0.01	0.01	0.01	0.01	0.03	0.04	0.04	0.03
3.	**Revenue Administration**	**3.37**	**3.07**	**2.79**	**2.86**	**2.74**	**2.62**	**2.63**	**2.69**	**2.74**	**2.58**	**2.17**	**2.10**	**2.32**	**2.19**	**1.96**	**1.86**	**1.65**
	Land Revenue	1.41	1.19	1.12	1.18	1.08	1.13	1.22	1.29	1.30	1.18	1.00	0.95	1.02	0.92	0.88	0.83	0.76
	Customs	0.91	0.96	0.79	0.78	0.79	0.78	0.73	0.70	0.77	0.75	0.63	0.65	0.72	0.69	0.54	0.53	0.47
	Inland Revenue*	0.97	0.86	0.87	0.89	0.85	0.70	0.67	0.69	0.66	0.64	0.53	0.49	0.57	0.57	0.53	0.50	0.41
	Revenue Tribunal	0.07	0.06	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	**Economic Administration & Planning**	**1.34**	**1.30**	**1.74**	**2.36**	**2.17**	**1.14**	**1.01**	**1.17**	**1.61**	**1.10**	**0.96**	**0.88**	**0.93**	**0.83**	**0.73**	**0.72**	**0.64**
	Planning	0.13	0.09	0.08	0.07	0.07	0.07	0.05	0.05	0.05	0.05	0.04	0.04	0.05	0.05	0.04	0.04	0.03
	Statistics	0.24	0.21	0.19	0.14	0.07	0.04	0.05	0.04	0.05	0.04	0.04	0.04	0.04	0.05	0.05	0.05	0.04
	Financial Comptroller General Office	0.31	0.37	0.35	0.36	0.33	0.35	0.31	0.54	1.02	0.92	0.81	0.73	0.76	0.74	0.64	0.63	0.57
	Metric Measurement	0.66	0.64	1.12	1.80	1.71	0.67	0.60	0.54	0.50	0.09	0.07	0.07	0.07	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**1.72**	**1.51**	**1.41**	**1.45**	**1.38**	**1.31**	**1.36**	**1.58**	**1.93**	**1.76**	**1.51**	**1.44**	**1.61**	**1.54**	**1.40**	**1.32**	**1.11**
	Court	1.72	1.51	1.41	1.45	1.38	1.31	1.34	1.57	1.91	1.74	1.50	1.43	1.60	1.53	1.39	1.31	1.11
	Court for Prevention of Misuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
6.	**Foreign Services**	**3.70**	**3.68**	**3.02**	**3.20**	**4.02**	**3.68**	**2.85**	**3.07**	**2.62**	**2.41**	**2.14**	**2.00**	**2.27**	**2.31**	**2.66**	**2.28**	**2.42**
	Foreign services	2.85	2.74	2.42	2.66	3.53	3.28	2.44	2.70	2.21	2.00	1.82	1.70	1.87	1.92	2.31	2.00	2.13
	Miscellaneous	0.84	0.93	0.60	0.53	0.49	0.40	0.41	0.36	0.41	0.41	0.32	0.30	0.40	0.39	0.35	0.28	0.29
7.	**Defense**	**17.77**	**19.96**	**19.50**	**19.37**	**18.45**	**19.19**	**19.02**	**17.30**	**19.65**	**19.96**	**17.48**	**16.91**	**17.28**	**16.62**	**15.83**	**15.40**	**15.20**
	Defense	17.77	19.96	19.50	19.37	14.96	15.92	15.50	14.28	16.89	17.11	14.98	14.36	14.60	13.80	13.40	12.32	15.13
	Miscellaneous	0.00	0.00	0.00	0.00	3.49	3.27	3.52	3.03	2.76	2.85	2.49	2.56	2.67	2.82	2.43	3.07	0.07
8.	**Social Services**	**22.14**	**20.98**	**16.14**	**17.14**	**16.85**	**15.88**	**15.44**	**15.27**	**16.04**	**15.86**	**14.13**	**13.76**	**12.32**	**12.16**	**11.18**	**10.73**	**9.80**
	Education	11.14	11.43	8.16	7.97	7.76	7.10	7.24	6.53	6.48	6.04	5.55	5.79	5.88	5.68	4.98	4.79	4.84
	Health	5.16	4.92	3.91	4.79	5.01	4.97	4.79	4.93	5.12	5.18	4.80	4.19	4.43	4.42	4.42	4.45	3.88
	Drinking water	0.15	0.13	0.13	0.16	0.22	0.24	0.23	0.24	0.32	0.26	0.30	0.28	0.30	0.32	0.29	0.04	0.03
	Local Development	2.93	2.42	1.93	2.06	2.02	1.88	1.65	1.93	2.59	2.86	2.39	2.50	0.61	0.62	0.53	0.13	0.09
	Other Social Services	2.76	2.08	2.01	2.16	1.84	1.70	1.53	1.64	1.53	1.52	1.08	1.00	1.12	1.13	0.96	1.33	0.97
9.	**Economic Services**	**12.92**	**10.72**	**10.94**	**10.58**	**9.49**	**9.10**	**8.09**	**7.99**	**8.30**	**7.68**	**6.86**	**6.48**	**6.94**	**6.27**	**6.19**	**6.35**	**4.95**
	Agriculture	1.70	0.79	0.75	0.77	0.71	0.66	0.25	0.23	0.23	0.23	0.22	0.18	0.20	0.19	0.52	0.48	0.44
	Irrigation	0.33	0.25	0.26	0.50	0.37	0.21	0.24	0.22	0.24	0.22	0.20	0.17	0.17	0.17	0.15	0.15	0.06
	Land Reform	1.06	1.50	1.36	1.41	1.12	1.03	0.95	0.96	0.91	0.84	0.60	0.66	0.66	0.64	0.20	0.18	0.18
	Survey	0.33	0.30	0.29	0.32	0.33	0.34	0.31	0.32	0.34	0.33	0.29	0.27	0.29	0.27	0.26	0.22	0.23
	Forest	0.84	0.80	1.06	0.42	0.38	0.37	0.34	0.33	0.37	0.35	0.30	0.28	0.32	0.32	0.28	0.26	0.23
	Industry & Mining	0.31	0.30	0.29	0.28	0.25	0.24	0.21	0.21	0.21	0.19	0.18	0.19	0.20	0.31	0.27	0.24	0.20
	Communication	3.70	2.86	3.02	3.01	2.82	2.82	2.62	2.77	2.92	2.63	2.57	2.75	2.89	2.33	2.32	2.78	1.91
	Transportation	3.57	3.02	2.80	3.10	3.06	2.94	2.69	2.45	2.54	2.40	2.11	1.85	2.09	1.90	2.04	1.91	1.58
	Electricity	0.93	0.76	0.99	0.66	0.33	0.34	0.34	0.34	0.39	0.33	0.29	0.03	0.00	0.00	0.00	0.00	0.00
	Other Economic Services	0.15	0.15	0.13	0.12	0.12	0.15	0.15	0.16	0.17	0.15	0.11	0.11	0.12	0.12	0.14	0.13	0.12
10.	**Loans & Investment**	**0.31**	**0.62**	**1.06**	**0.88**	**0.29**	**1.01**	**0.83**	**0.48**	**0.17**	**0.00**	**0.38**	**0.25**	**0.21**	**0.06**	**0.16**	**0.10**	**0.13**
	Loans & investment	0.31	0.62	1.06	0.88	0.29	1.01	0.83	0.48	0.17	0.00	0.38	0.25	0.21	0.06	0.16	0.10	0.13
11.	**Loan Payment & Interest**	**8.78**	**9.44**	**11.48**	**14.27**	**14.87**	**18.67**	**15.89**	**15.70**	**15.37**	**21.89**	**23.34**	**28.44**	**29.02**	**31.19**	**30.31**	**34.16**	**31.78**
	Payment of Principal	2.65	2.39	4.71	5.11	5.43	8.17	6.34	6.35	4.69	7.33	6.01	9.56	8.50	8.60	9.41	12.02	9.76
	Payment Of interest	6.13	7.06	6.77	9.16	9.44	10.51	9.55	9.36	10.69	14.57	17.33	18.88	20.52	22.59	20.90	22.14	22.03
12.	**Miscellaneous**	**6.62**	**8.47**	**13.63**	**9.06**	**12.02**	**9.55**	**12.26**	**15.57**	**12.65**	**8.79**	**14.78**	**10.18**	**9.43**	**9.93**	**13.08**	**11.09**	**14.20**
	Traveling Expenses of Dignities & Government Delegation	0.53	0.95	0.72	0.76	0.67	0.58	0.61	0.61	0.62	1.16	0.45	0.92	0.97	0.55	0.63	0.76	0.10
	Pension, Allowances & Gratuity	1.59	1.85	1.66	1.82	1.51	1.51	1.60	1.33	2.13	1.97	2.04	2.74	2.90	2.21	1.99	2.17	2.51
	Hospitality	0.04	0.04	0.02	0.03	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.02	0.02	0.01	0.01	0.00
	Emergency Help, Donation & Prizes	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.11	0.10	0.13	0.02	0.07	0.03	0.03	0.06	0.04	0.02	0.01	0.01	0.03	0.02	0.01	0.08	0.00
	Miscellaneous	1.74	3.37	6.71	4.83	4.26	5.29	2.93	3.91	4.06	3.45	3.42	3.91	3.74	4.57	2.65	6.01	2.02
	Contingency	2.56	2.15	4.39	1.58	5.50	2.13	7.08	9.66	5.80	2.19	8.85	2.58	1.77	2.56	7.79	2.06	9.56
	Total	**100.00**	**100.00**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.00**	**100.0**	**100.0**	**100.0**

APPENDIX IV (Continued)

S.N.	Heading	Fiscal Year																
		91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
1.	**Constitutional Bodies**	**282.70**	**169.7**	**204.4**	**196.00**	**235.00**	**471.0**	**353.5**	**384.2**	**431.5**	**431.1**	**571.0**	**819.2**	**737.2**	**813.9**	**634.7**	**876.1**	**1642**
	Head of the State	48.60	53.90	58.20	60.50	64.20	69.60	73.40	83.40	87.80	92.90	116.2	387.9	329.1	336.3	0.00	0.00	0.00
	State Council	2.70	3.30	3.60	3.90	4.50	4.70	5.50	5.10	6.10	5.90	8.20	9.20	10.40	12.20	0.00	0.00	0.00
	Parliamentary Secretariat	44.70	48.30	66.30	59.90	71.00	100.3	117.7	128.3	144.0	146.3	182.3	73.20	57.10	59.70	91.10	250.3	344.9
	Supreme Court	8.90	12.60	14.20	16.20	30.20	34.40	31.00	49.50	25.90	31.60	43.90	47.50	49.80	69.50	83.40	95.40	104.2
	Commission for Investigation on Abuse of Authority	2.10	3.10	3.40	3.80	4.90	5.20	6.50	6.40	7.40	8.60	14.70	20.40	34.40	52.80	54.30	50.30	62.23
	Office of the Auditor General	19.70	20.30	20.10	20.10	24.00	26.60	31.20	33.60	34.80	43.30	56.10	56.10	72.50	73.30	91.30	79.40	93.62
	Public Service Commission	17.10	16.70	18.20	24.90	23.10	37.10	39.10	36.20	45.10	30.60	46.70	62.20	60.20	65.50	74.00	54.20	84.80
	Election Commission	135.50	7.40	15.30	2.10	6.80	185.9	41.30	33.40	70.80	56.10	84.80	144.8	102.6	123.3	214.1	314.5	887.1
	Office of the Autonomy General	3.40	3.40	4.30	3.70	5.20	5.90	6.40	6.70	7.90	11.20	13.90	13.60	15.80	16.90	21.70	27.30	32.17
	Judicial Council	0.00	0.70	0.80	0.90	1.10	1.30	1.40	1.60	1.70	4.60	4.20	4.30	5.30	4.40	4.80	4.70	6.24
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.50
2.	**General Administration**	**1534.30**	**1816.**	**1900.**	**2119.60**	**2509.9**	**2842.**	**3158.**	**3615.**	**4070.**	**5419.**	**7140.**	**7335.**	**7325.**	**8226.**	**9269.**	**11079**	**13941**
	Council of Minister	9.00	8.80	9.20	9.30	17.30	21.50	27.40	23.20	26.50	33.20	46.10	38.00	25.00	74.20	76.10	90.00	192.9
	Nepal Government Secretariat	166.10	232.8	181.3	241.70	215.00	253.1	259.7	293.9	345.3	524.5	968.1	935.7	801.5	698.2	889.5	1580.	1167.
	District Administration	67.60	80.40	78.60	95.40	95.10	108.2	107.5	123.4	128.9	132.6	194.1	178.5	184.1	195.5	256.3	332.8	367.4
	Polices	1151.90	1331.	1474.	1584.00	1926.9	2195.	2487.	2897.	3267.	4341.	5377.	5743.	5848.	6649.	7484.	8433.	11457
	Jail	59.50	71.80	72.40	80.80	88.70	100.6	105.8	110.6	121.4	125.1	143.7	146.0	181.4	199.4	224.9	215.6	285.7
	Administration Reform	80.20	91.50	84.40	15.30	152.10	146.8	154.1	150.0	161.5	32.20	101.2	28.00	50.60	148.3	29.20	40.10	36.06
	Miscellaneous	0.00	0.00	0.00	93.10	14.80	16.30	17.10	16.70	19.00	231.0	309.0	266.0	234.3	261.0	308.7	386.4	435.5
3.	**Revenue Administration**	**173.50**	**191.4**	**194.9**	**222.50**	**252.50**	**261.7**	**288.9**	**314.9**	**339.2**	**383.2**	**476.2**	**470.5**	**496.6**	**540.8**	**609.4**	**1001.**	**916.6**
	Land Revenue	81.90	90.10	94.00	104.00	121.30	122.1	124.6	140.7	152.6	162.4	195.5	197.4	202.3	222.6	252.9	268.1	309.7
	Customs	52.70	55.60	56.60	59.40	67.60	72.30	78.00	82.10	87.30	102.0	130.5	128.7	141.6	143.6	155.5	186.5	250.3
	Inland Revenue*	38.30	45.00	43.40	46.70	51.20	53.80	69.40	74.70	80.20	96.60	124.5	118.6	122.2	137.6	164.7	502.1	304.8
	Revenue Tribunal	0.60	0.70	0.90	1.40	1.80	2.50	2.80	3.00	3.40	4.60	5.60	5.60	6.00	6.30	6.30	7.20	8.68
	Revenue Investigation	0.00	0.00	0.00	11.00	10.60	11.00	14.10	14.40	15.70	11.70	14.20	14.30	17.40	22.80	21.50	27.70	32.20
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.90	5.90	5.90	7.10	7.90	8.50	9.60	10.75
4.	**Economic Administration & Planning**	**59.40**	**68.40**	**78.40**	**86.40**	**97.40**	**101.7**	**112.5**	**122.0**	**130.7**	**364.0**	**289.1**	**235.7**	**269.6**	**328.5**	**330.7**	**663.3**	**361.7**
	Planning	3.10	3.40	3.20	3.30	3.90	4.00	4.30	4.30	4.60	17.20	18.90	15.80	16.00	45.00	37.20	24.20	19.77
	Statistics	3.70	4.40	17.40	19.00	24.00	25.50	29.70	31.30	33.10	205.8	124.3	68.20	79.40	79.80	79.90	82.20	107.7
	Financial Comptroller General Office	52.60	60.60	57.80	64.10	69.50	72.20	78.50	86.40	93.00	141.0	145.9	151.7	174.2	203.7	213.6	556.9	234.2
	Metric Measurement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**112.00**	**146.4**	**149.5**	**163.70**	**191.40**	**222.7**	**247.6**	**275.7**	**276.0**	**317.6**	**440.9**	**437.6**	**449.0**	**504.8**	**563.4**	**580.1**	**673.2**
	Court	112.00	146.4	149.5	163.70	191.40	222.7	247.6	275.7	276.0	317.6	440.9	437.6	449.0	504.8	563.4	580.1	673.2
	Court for Prevention of Misuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Foreign Services**	**230.00**	**310.1**	**329.6**	**376.70**	**385.00**	**440.4**	**482.1**	**607.4**	**672.6**	**587.8**	**668.5**	**709.7**	**710.2**	**794.2**	**826.0**	**846.8**	**1020.**
	Foreign services	200.40	237.1	261.1	311.90	319.40	362.8	308.1	339.9	440.5	387.7	407.6	453.7	471.3	521.2	540.4	549.3	717.9
	Miscellaneous	29.60	73.00	68.50	64.80	65.60	77.60	174.0	267.5	232.1	200.1	260.9	256.0	238.9	273.0	285.6	297.5	302.7
7.	**Defense**	**1489.00**	**1723.**	**1877.**	**2001.30**	**2126.4**	**2357.**	**2582.**	**2994.**	**3482.**	**3457.**	**5264.**	**6168.**	**6629.**	**8580.**	**9706.**	**10128**	**10564**
	Defense	1482.60	1717.	1871.	1994.80	2118.8	2348.	2573.	2985.	3469.	3446.	5252.	6081.	6617.	8551.	9674.	10099	10530
	Miscellaneous	6.40	6.30	6.30	6.50	7.60	9.20	9.40	9.80	12.20	10.80	12.20	87.20	12.10	28.90	31.40	29.50	34.88
8.	**Social Services**	**999.00**	**1269.**	**1352.**	**4441.50**	**5375.1**	**5909.**	**6993.**	**7376.**	**8327.**	**15366**	**16953**	**18886**	**20808**	**23208**	**25382**	**29497**	**35073**
	Education	472.60	685.2	741.9	3612.10	4359.2	4847.	5766.	6040.	6754.	9820.	11947	12300	13379	15960	17729	19976	24097
	Health	410.90	460.8	505.1	637.10	799.00	885.4	1049.	1137.	1324.	2606.	2957.	3492.	3826.	4273.	4851.	6218.	7435.
	Drinking water	3.70	4.40	3.50	9.60	10.70	10.90	11.40	12.30	13.00	286.8	339.8	354.6	351.5	396.1	407.9	463.0	444.9
	Local Development	9.20	10.10	9.60	12.90	11.40	11.90	13.00	17.70	17.90	1295.	303.3	1286.	1687.	1509.	1542.	1904.	2137.
	Other Social Services	102.60	108.8	92.70	169.80	194.80	153.9	153.1	169.3	217.4	1356.	1405.	1451.	1563.	1070.	851.1	935.3	957.5
9.	**Economic Services**	**548.70**	**586.1**	**605.3**	**1353.60**	**1533.4**	**1738.**	**1889.**	**2167.**	**2224.**	**4899.**	**5795.**	**5078.**	**5512.**	**7167.**	**7529.**	**8384.**	**9200.**
	Agriculture	40.40	45.60	36.90	63.20	68.10	75.10	80.80	88.60	99.50	1881.	2190.	1784.	1856.	2117.	2437.	2766.	3057.
	Irrigation	8.90	9.50	8.40	98.30	103.90	99.50	104.4	110.9	117.2	400.4	271.4	503.7	401.1	410.9	403.7	451.3	483.9
	Land Reform	14.70	31.90	29.90	30.30	32.50	31.10	32.50	35.90	39.30	102.3	133.5	72.60	74.10	76.00	65.30	77.00	85.62
	Survey	22.20	25.90	27.60	45.50	39.10	43.70	46.00	54.50	60.50	207.8	263.7	242.4	262.8	278.9	305.0	317.3	358.4
	Forest	22.60	21.30	23.40	381.90	481.40	512.9	539.6	731.8	790.9	1010.	1262.	1271.	1323.	1582.	1675.	1712.	1909.
	Industry & Mining	21.00	24.00	22.50	183.20	186.00	231.4	231.2	233.8	231.7	391.2	694.7	364.9	498.0	491.8	412.6	499.4	557.7
	Communication	258.00	265.0	278.2	328.90	373.70	476.1	563.8	630.5	658.7	14.10	42.20	69.70	86.70	1060.	1123.	1189.	1341.
	Transportation	148.50	148.8	165.3	192.30	211.70	227.4	244.3	232.8	174.9	281.9	341.5	303.3	297.1	316.9	333.7	333.8	398.5
	Electricity	0.00	0.00	0.00	0.00	0.00	8.70	10.10	10.40	9.50	106.3	33.10	31.40	34.30	85.20	105.3	102.8	101.2
	Other Economic Services	12.40	14.10	13.10	30.00	37.00	32.30	37.20	38.70	42.60	503.4	561.4	435.1	679.0	748.6	668.2	935.1	905.5
10.	**Loans & Investment**	**3.00**	**24.00**	**16.00**	**5.20**	**17.40**	**31.70**	**24.90**	**15.10**	**39.20**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Loans & investment	3.00	24.00	16.00	5.20	17.40	31.70	24.90	15.10	39.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	**Loan Payment & Interest**	**3797.10**	**4560.**	**4855.**	**6083.30**	**6715.4**	**7527.**	**7682.**	**8723.**	**10032**	**10388**	**12205**	**16181**	**17338**	**19751**	**20423**	**22916**	**22760**
	Payment of Principal	1207.00	1597.	1898.	2653.20	2847.5	3453.	3931.	4642.	5212.	5690.	6434.	9559.	10794	13533	14264	16752	16386
	Payment Of interest	2590.10	2962.	2956.	3430.10	3867.9	4073.	3751.	4080.	4820.	4697	5770	6621	6543	6218	6158	6164	6373
12.	**Miscellaneous**	**676.70**	**618.1**	**845.3**	**2195.60**	**2124.9**	**2277.**	**3357.**	**4450.**	**4496.**	**9912.**	**5494.**	**5326.**	**6069.**	**5303.**	**5224.**	**7900.**	**11677**
	Traveling Expenses of Dignities & Government Delegation	9.10	27.30	37.70	62.20	76.10	68.90	66.20	90.70	79.10	91.10	103.8	88.80	102.9	152.7	174.0	55.60	57.16
	Pension, Allowances & Gratuity	326.90	219.2	466.8	589.00	584.70	728.6	1028.	1261.	1372.	1572.	2985.	3325.	3567.	3477.	3514.	4075.	6302.
	Hospitality	0.90	0.50	1.20	1.20	2.80	3.30	1.70	1.00	0.50	3.10	0.20	0.00	1.50	0.00	0.50	0.00	2.53
	Emergency Help, Donation & Prizes	0.00	0.10	0.00	0.00	2.00	1.10	0.00	0.20	0.20	2.20	0.30	0.00	0.00	14.20	9.30	71.70	131.9
	Compensation	5.50	2.50	3.00	1.30	37.00	22.10	24.50	26.40	39.90	22.50	16.60	8.20	13.30	19.50	0.10	0.00	0.00
	Miscellaneous	188.70	299.6	197.9	301.40	728.90	1001.	1944.	1402.	1220.	1207.	1288.	1557.	1753.	1540.	1469.	3512.	5130.
	Contingency	145.60	68.90	138.7	1240.50	693.40	452.5	291.6	1668.	1784.	7013.	1100.	346.6	631.0	99.50	56.80	185.6	53.92
	Total	**9905.40**	**11484**	**12409**	**19245.4**	**21563.**	**24181**	**27174**	**31047**	**34523**	**51527**	**55298**	**61650**	**66347**	**75219**	**80499**	**93874**	**10783**
	Share in Total (in Percent)																	
1.	**Constitutional Bodies**	**2.85**	**1.48**	**1.65**	**1.02**	**1.09**	**1.95**	**1.30**	**1.24**	**1.25**	**0.84**	**1.03**	**1.33**	**1.11**	**1.08**	**0.79**	**0.93**	**1.52**
	Head of the State	0.49	0.47	0.47	0.31	0.30	0.29	0.27	0.27	0.25	0.18	0.21	0.63	0.50	0.45	0.00	0.00	0.00
	State Council	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.02	0.02	0.00	0.00	0.00
	Parliamentary Secretariat	0.45	0.42	0.53	0.31	0.33	0.41	0.43	0.41	0.42	0.28	0.33	0.12	0.09	0.08	0.11	0.27	0.32
	Supreme Court	0.09	0.11	0.11	0.08	0.14	0.14	0.11	0.16	0.08	0.06	0.08	0.08	0.08	0.09	0.10	0.10	0.10
	Commission for Investigation on Abuse of Authority	0.02	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.05	0.07	0.07	0.05	0.06
	Office of the Auditor General	0.20	0.18	0.16	0.10	0.11	0.11	0.11	0.11	0.10	0.08	0.10	0.09	0.11	0.10	0.11	0.08	0.09
	Public Service Commission	0.17	0.15	0.15	0.13	0.11	0.15	0.14	0.12	0.13	0.06	0.08	0.10	0.09	0.09	0.09	0.06	0.08
	Election Commission	1.37	0.06	0.12	0.01	0.03	0.77	0.15	0.11	0.21	0.11	0.15	0.23	0.15	0.16	0.27	0.34	0.82
	Office of the Autonomy General	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	0.02	0.02	0.02	0.03	0.03	0.03
	Judicial Council	0.00	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03
2.	**General Administration**	**15.49**	**15.82**	**15.32**	**11.01**	**11.64**	**11.75**	**11.62**	**11.65**	**11.79**	**10.52**	**12.91**	**11.90**	**11.04**	**10.94**	**11.51**	**11.80**	**12.93**
	Council of Minister	0.09	0.08	0.07	0.05	0.08	0.09	0.10	0.07	0.08	0.06	0.08	0.06	0.04	0.10	0.09	0.10	0.18
	Nepal Government Secretariat	1.68	2.03	1.46	1.26	1.00	1.05	0.96	0.95	1.00	1.02	1.75	1.52	1.21	0.93	1.10	1.68	1.08
	District Administration	0.68	0.70	0.63	0.50	0.44	0.45	0.40	0.40	0.37	0.26	0.35	0.29	0.28	0.26	0.32	0.35	0.34
	Polices	11.63	11.59	11.88	8.23	8.94	9.08	9.15	9.33	9.47	8.42	9.73	9.32	8.81	8.84	9.30	8.98	10.62
	Jail	0.60	0.63	0.58	0.42	0.41	0.42	0.39	0.36	0.35	0.24	0.26	0.24	0.27	0.27	0.28	0.23	0.26
	Administration Reform	0.81	0.80	0.68	0.08	0.71	0.61	0.57	0.48	0.47	0.06	0.18	0.05	0.08	0.20	0.04	0.04	0.03
	Miscellaneous	0.00	0.00	0.00	0.48	0.07	0.07	0.06	0.05	0.06	0.45	0.56	0.43	0.35	0.35	0.38	0.41	0.40
3.	**Revenue Administration**	**1.75**	**1.67**	**1.57**	**1.16**	**1.17**	**1.08**	**1.06**	**1.01**	**0.98**	**0.74**	**0.86**	**0.76**	**0.75**	**0.72**	**0.76**	**1.07**	**0.85**
	Land Revenue	0.83	0.78	0.76	0.54	0.56	0.50	0.46	0.45	0.44	0.32	0.35	0.32	0.30	0.30	0.31	0.29	0.29
	Customs	0.53	0.48	0.46	0.31	0.31	0.30	0.29	0.26	0.25	0.20	0.24	0.21	0.21	0.19	0.19	0.20	0.23
	Inland Revenue*	0.39	0.39	0.35	0.24	0.24	0.22	0.26	0.24	0.23	0.19	0.23	0.19	0.18	0.18	0.20	0.53	0.28
	Revenue Tribunal	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	Revenue Investigation	0.00	0.00	0.00	0.06	0.05	0.05	0.05	0.05	0.05	0.02	0.03	0.02	0.03	0.03	0.03	0.03	0.03
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
4.	**Economic Administration & Planning**	**0.60**	**0.60**	**0.63**	**0.45**	**0.45**	**0.42**	**0.41**	**0.39**	**0.38**	**0.71**	**0.52**	**0.38**	**0.41**	**0.44**	**0.41**	**0.71**	**0.34**
	Planning	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.03	0.03	0.03	0.02	0.06	0.05	0.03	0.02
	Statistics	0.04	0.04	0.14	0.10	0.11	0.11	0.11	0.10	0.10	0.40	0.22	0.11	0.12	0.11	0.10	0.09	0.10
	Financial Comptroller General Office	0.53	0.53	0.47	0.33	0.32	0.30	0.29	0.28	0.27	0.27	0.26	0.25	0.26	0.27	0.27	0.59	0.22
	Metric Measurement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**1.13**	**1.27**	**1.20**	**0.85**	**0.89**	**0.92**	**0.91**	**0.89**	**0.80**	**0.62**	**0.80**	**0.71**	**0.68**	**0.67**	**0.70**	**0.62**	**0.62**
	Court	1.13	1.27	1.20	0.85	0.89	0.92	0.91	0.89	0.80	0.62	0.80	0.71	0.68	0.67	0.70	0.62	0.62
	Court for Prevention of Misuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Foreign Services**	**2.32**	**2.70**	**2.66**	**1.96**	**1.79**	**1.82**	**1.77**	**1.96**	**1.95**	**1.14**	**1.21**	**1.15**	**1.07**	**1.06**	**1.03**	**0.90**	**0.95**
	Foreign services	2.02	2.06	2.10	1.62	1.48	1.50	1.13	1.09	1.28	0.75	0.74	0.74	0.71	0.69	0.67	0.59	0.67
	Miscellaneous	0.30	0.64	0.55	0.34	0.30	0.32	0.64	0.86	0.67	0.39	0.47	0.42	0.36	0.36	0.35	0.32	0.28
7.	**Defense**	**15.03**	**15.01**	**15.13**	**10.40**	**9.86**	**9.75**	**9.50**	**9.65**	**10.09**	**6.71**	**9.52**	**10.01**	**9.99**	**11.41**	**12.06**	**10.79**	**9.80**
	Defense	14.97	14.95	15.08	10.37	9.83	9.71	9.47	9.61	10.05	6.69	9.50	9.86	9.97	11.37	12.02	10.76	9.77
	Miscellaneous	0.06	0.05	0.05	0.03	0.04	0.04	0.03	0.03	0.04	0.02	0.02	0.14	0.02	0.04	0.04	0.03	0.03
8.	**Social Services**	**10.09**	**11.05**	**10.90**	**23.08**	**24.93**	**24.44**	**25.73**	**23.76**	**24.12**	**29.82**	**30.66**	**30.64**	**31.36**	**30.85**	**31.53**	**31.42**	**32.53**
	Education	4.77	5.97	5.98	18.77	20.22	20.04	21.22	19.45	19.57	19.06	21.60	19.95	20.17	21.22	22.02	21.28	22.35
	Health	4.15	4.01	4.07	3.31	3.71	3.66	3.86	3.66	3.84	5.06	5.35	5.67	5.77	5.68	6.03	6.62	6.90
	Drinking water	0.04	0.04	0.03	0.05	0.05	0.05	0.04	0.04	0.04	0.56	0.61	0.58	0.53	0.53	0.51	0.49	0.41
	Local Development	0.09	0.09	0.08	0.07	0.05	0.05	0.05	0.06	0.05	2.51	0.55	2.09	2.54	2.01	1.92	2.03	1.98
	Other Social Services	1.04	0.95	0.75	0.88	0.90	0.64	0.56	0.55	0.63	2.63	2.54	2.36	2.36	1.42	1.06	1.00	0.89
9.	**Economic Services**	**5.54**	**5.10**	**4.88**	**7.03**	**7.11**	**7.19**	**6.95**	**6.98**	**6.44**	**9.51**	**10.48**	**8.24**	**8.31**	**9.53**	**9.35**	**8.93**	**8.53**
	Agriculture	0.41	0.40	0.30	0.33	0.32	0.31	0.30	0.29	0.29	3.65	3.96	2.89	2.80	2.81	3.03	2.95	2.84
	Irrigation	0.09	0.08	0.07	0.51	0.48	0.41	0.38	0.36	0.34	0.78	0.49	0.82	0.60	0.55	0.50	0.48	0.45
	Land Reform	0.15	0.28	0.24	0.16	0.15	0.13	0.12	0.12	0.11	0.20	0.24	0.12	0.11	0.10	0.08	0.08	0.08
	Survey	0.22	0.23	0.22	0.24	0.18	0.18	0.17	0.18	0.18	0.40	0.48	0.39	0.40	0.37	0.38	0.34	0.33
	Forest	0.23	0.19	0.19	1.98	2.23	2.12	1.99	2.36	2.29	1.96	2.28	2.06	2.00	2.10	2.08	1.82	1.77
	Industry & Mining	0.21	0.21	0.18	0.95	0.86	0.96	0.85	0.75	0.67	0.76	1.26	0.59	0.75	0.65	0.51	0.53	0.52
	Communication	2.60	2.31	2.24	1.71	1.73	1.97	2.07	2.03	1.91	0.03	0.08	0.11	0.13	1.41	1.40	1.27	1.24
	Transportation	1.50	1.30	1.33	1.00	0.98	0.94	0.90	0.75	0.51	0.55	0.62	0.49	0.45	0.42	0.41	0.36	0.37
	Electricity	0.00	0.00	0.00	0.00	0.00	0.04	0.04	0.03	0.03	0.21	0.06	0.05	0.05	0.11	0.13	0.11	0.09
	Other Economic Services	0.13	0.12	0.11	0.16	0.17	0.13	0.14	0.12	0.12	0.98	1.02	0.71	1.02	1.00	0.83	1.00	0.84
10.	**Loans & Investment**	**0.03**	**0.21**	**0.13**	**0.03**	**0.08**	**0.13**	**0.09**	**0.05**	**0.11**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Loans & investment	0.03	0.21	0.13	0.03	0.08	0.13	0.09	0.05	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	**Loan Payment & Interest**	**38.33**	**39.71**	**39.13**	**31.61**	**31.14**	**31.13**	**28.27**	**28.10**	**29.06**	**20.16**	**22.07**	**26.25**	**26.13**	**26.26**	**25.37**	**24.41**	**21.11**
	Payment of Principal	12.19	13.91	15.30	13.79	13.21	14.28	14.47	14.95	15.10	11.04	11.64	15.51	16.27	17.99	17.72	17.85	15.20
	Payment Of interest	26.15	25.80	23.83	17.82	17.94	16.85	13.81	13.14	13.96	9.12	10.43	10.74	9.86	8.27	7.65	6.57	5.91
12.	**Miscellaneous**	**6.83**	**5.38**	**6.81**	**11.41**	**9.85**	**9.42**	**12.35**	**14.33**	**13.02**	**19.24**	**9.94**	**8.64**	**9.15**	**7.05**	**6.49**	**8.42**	**10.83**
	Traveling Expenses of Dignities & Government Delegation	0.09	0.24	0.30	0.32	0.35	0.28	0.24	0.29	0.23	0.18	0.19	0.14	0.16	0.20	0.22	0.06	0.05
	Pension, Allowances & Gratuity	3.30	1.91	3.76	3.06	2.71	3.01	3.79	4.06	3.97	3.05	5.40	5.39	5.38	4.62	4.37	4.34	5.84
	Hospitality	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Emergency Help, Donation & Prizes	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.08	0.12
	Compensation	0.06	0.02	0.02	0.01	0.17	0.09	0.09	0.09	0.12	0.04	0.03	0.01	0.02	0.03	0.00	0.00	0.00
	Miscellaneous	1.91	2.61	1.59	1.57	3.38	4.14	7.16	4.52	3.53	2.34	2.33	2.53	2.64	2.05	1.83	3.74	4.76
	Contingency	1.47	0.60	1.12	6.45	3.22	1.87	1.07	5.37	5.17	13.61	1.99	0.56	0.95	0.13	0.07	0.20	0.05
	Total	**100.00**	**100.0**	**100.0**	**100.00**	**100.00**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

*Inland Revenue Includes the Expenses of VAT, Excise and Income Tax
Source: Economic Survey of Various Years, MOF, 1993/94, 2000/01, 2005/06-2008/09.

APPENDIX V
Pattern of Development Expenditure

(Rs. in Millions)

S.N.	Heading	Fiscal year															
		74/75	75/76	76/77	77/78	78/79	79/80	80/81	81/82	82/83	83/84	84/85	85/86	86/87	87/88	88/89	89/90	90/91
1.	**Constitutional Bodies**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	State Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Parliamentary Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Supreme Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Commission for Investigation on Abuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Office of the Auditor General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Public Service Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Election Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Office of the Autonomy General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	General Administration	**0.40**	**0.60**	**3.10**	**0.50**	**0.90**	**0.50**	**0.70**	**2.90**	**7.90**	**13.00**	**11.90**	**10.30**	**18.40**	**24.40**	**35.00**	**14.30**	**11.30**
	Council of Minister	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Nepal Government Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	District Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Polices	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Jail	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Administration Reform	0.40	0.60	3.10	0.50	0.90	0.50	0.70	2.90	7.90	13.00	11.90	10.30	18.40	24.40	35.00	14.30	11.30
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Revenue Administration	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Land Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Customs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Inland Revenue*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Tribunal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	**Economic Administration & Planning**	**3.40**	**4.40**	**3.60**	**2.90**	**3.20**	**14.30**	**30.00**	**14.40**	**20.20**	**15.40**	**5.20**	**4.00**	**4.00**	**5.90**	**10.10**	**10.80**	**83.30**
	Planning	2.20	0.60	1.10	2.00	2.50	9.60	8.80	6.20	9.60	10.80	2.70	1.90	1.20	1.60	4.10	3.40	5.20
	Statistics	1.20	3.80	2.50	0.90	0.70	4.70	21.20	8.20	10.60	4.60	2.50	2.10	2.80	4.30	6.00	7.40	78.10
	Financial Comptroller General Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Foreign Services**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Foreign services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	**Defense**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Defense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	**Social Services**	**226.5**	**320.9**	**419.9**	**464.8**	**533.5**	**444.3**	**572.5**	**1059.**	**1540.**	**1493.**	**1501.**	**1699.**	**2036.**	**2433.**	**3309.20**	**3973.20**	**3569.**
	Education	93.30	152.3	185.6	201.2	234.5	248.1	285.6	412.3	604.6	678.6	644.2	879.4	1036.	1226.	1458.80	1479.80	1716.
	Health	59.70	93.30	92.60	96.30	98.50	77.20	97.70	152.8	216.3	199.8	254.8	255.9	309.2	385.2	616.00	393.80	366.8
	Drinking water	25.60	29.40	61.20	46.90	63.60	58.50	73.20	107.5	241.9	220.9	201.6	228.3	274.2	236.3	469.30	617.40	538.5
	Local Development	21.00	29.60	55.50	94.90	98.00	39.10	90.00	270.3	335.2	334.5	339.3	280.8	316.9	442.7	458.60	454.10	321.3
	Other Social Services	26.90	16.30	25.00	25.50	38.90	26.40	26.00	116.7	142.3	59.70	61.30	55.50	99.50	142.4	306.50	1028.10	626.7
9.	**Economic Services**	**718.4**	**891.9**	**1033.**	**1300.**	**1401.**	**1813.**	**2101.**	**2556.**	**3287.**	**3582.**	**3617.**	**4414.**	**5168.**	**6751.**	**8241.60**	**8200.50**	**11893**
	Agriculture	88.60	207.3	181.9	189.5	196.5	153.4	257.0	468.0	668.6	547.1	703.6	856.2	681.7	928.9	1016.20	1183.50	1534.
	Irrigation	74.00	98.10	127.4	142.1	226.3	232.7	288.2	359.6	487.4	545.3	652.2	846.7	846.8	854.7	1623.20	1204.80	1118.
	Land Reform	8.10	9.80	11.10	10.80	9.90	11.30	12.20	16.30	20.60	21.40	17.90	18.90	26.70	19.60	29.30	38.80	40.40
	Survey	12.40	13.20	20.40	23.60	35.70	25.70	30.20	37.70	45.60	45.90	40.70	46.70	67.50	77.10	80.80	64.50	68.90
	Forest	24.10	37.00	44.80	76.30	66.80	94.20	89.30	185.4	228.1	234.5	290.4	365.0	388.4	449.6	556.70	547.20	460.1
	Industry & Mining	86.40	113.6	149.4	115.9	71.50	113.2	123.2	266.5	373.0	651.3	347.0	397.5	377.0	604.0	554.30	1049.00	1751.
	Communication	8.00	9.30	12.90	13.20	14.30	25.60	30.80	49.20	74.30	97.20	90.40	89.50	139.8	519.0	374.70	128.40	56.70
	Transportation	359.5	336.9	423.1	471.9	488.2	648.3	601.3	744.0	802.2	746.8	923.0	717.1	986.0	1214.	1857.20	1590.10	1979.
	Electricity	37.00	48.60	48.80	243.1	263.6	494.3	653.2	382.2	443.3	653.0	504.9	1035.	1239.	1924.	2003.40	2087.60	1363.
	Other Economic Services	20.30	18.10	13.90	14.00	28.70	14.60	15.60	47.20	143.9	40.00	46.90	41.60	415.5	164.6	145.80	306.60	3519.
10.	**Loans & Investment**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Loans & investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	**Miscellaneous**	**18.50**	**20.90**	**38.10**	**39.30**	**39.70**	**36.20**	**26.90**	**93.90**	**126.7**	**59.40**	**353.3**	**84.50**	**150.7**	**212.6**	**732.80**	**798.70**	**422.3**
	Pension, Allowances & Gratuity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous	9.80	16.30	29.40	26.70	25.60	13.60	6.40	59.70	90.40	20.60	54.30	20.70	76.30	80.30	212.90	518.00	0.00
	Contingency	8.70	4.60	8.70	12.60	14.10	22.60	20.50	34.70	36.30	38.80	299.0	63.80	74.40	132.3	519.90	280.70	422.3
	Total	**967.2**	**1238.**	**1498.**	**1807.**	**1978.**	**2308.**	**2731.**	**3726.**	**4982.**	**5163.**	**5488.**	**6213.**	**7378.**	**9428.**	**12328.7**	**12997.5**	**15979.**
		Share in Total (in Percent)																
1.	**Constitutional Bodies**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	State Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Parliamentary Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Supreme Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Commission for Investigation on Abuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Office of the Auditor General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Public Service Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Election Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Office of the Autonomy General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	**General Administration**	**0.04**	**0.05**	**0.21**	**0.03**	**0.05**	**0.02**	**0.03**	**0.08**	**0.16**	**0.25**	**0.22**	**0.17**	**0.25**	**0.26**	**0.28**	**0.11**	**0.07**
	Council of Minister	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Nepal Government Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	District Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Polices	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Jail	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Administration Reform	0.04	0.05	0.21	0.03	0.05	0.02	0.03	0.08	0.16	0.25	0.22	0.17	0.25	0.26	0.28	0.11	0.07
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	**Revenue Administration**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Land Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Customs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Inland Revenue*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Tribunal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	**Economic Administration & Planning**	**0.35**	**0.36**	**0.24**	**0.16**	**0.16**	**0.62**	**1.10**	**0.39**	**0.41**	**0.30**	**0.09**	**0.06**	**0.05**	**0.06**	**0.08**	**0.08**	**0.52**
	Planning	0.23	0.05	0.07	0.11	0.13	0.42	0.32	0.17	0.19	0.21	0.05	0.03	0.02	0.02	0.03	0.03	0.03
	Statistics	0.12	0.31	0.17	0.05	0.04	0.20	0.78	0.22	0.21	0.09	0.05	0.03	0.04	0.05	0.05	0.06	0.49
	Financial Comptroller General Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.	**Judicial Administration**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	**Foreign Services**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Foreign services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.	**Defense**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Defense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	**Social Services**	**23.42**	**25.91**	**28.02**	**25.71**	**26.96**	**19.25**	**20.96**	**28.43**	**30.92**	**28.92**	**27.35**	**27.36**	**27.60**	**25.81**	**26.84**	**30.57**	**22.34**
	Education	9.65	12.30	12.39	11.13	11.85	10.75	10.46	11.06	12.14	13.14	11.74	14.15	14.05	13.01	11.83	11.39	10.74
	Health	6.17	7.53	6.18	5.33	4.98	3.13	3.58	4.10	4.34	3.87	4.64	4.12	4.19	4.09	5.00	3.03	2.30
	Drinking water	2.65	2.37	4.08	2.59	3.21	2.53	2.68	2.88	4.86	4.28	3.67	3.67	3.72	2.51	3.81	4.75	3.37
	Local Development	2.17	2.39	3.70	5.25	4.95	1.69	3.30	7.25	6.73	6.48	6.18	4.52	4.30	4.70	3.72	3.49	2.01
	Other Social Services	2.78	1.32	1.67	1.41	1.97	1.14	0.95	3.13	2.86	1.16	1.12	0.89	1.35	1.51	2.49	7.91	3.92
9.	**Economic Services**	**74.28**	**72.00**	**68.99**	**71.93**	**70.83**	**78.55**	**76.93**	**68.59**	**65.98**	**69.38**	**65.90**	**71.05**	**70.05**	**71.61**	**66.85**	**63.09**	**74.43**
	Agriculture	9.16	16.74	12.14	10.48	9.93	6.64	9.41	12.56	13.42	10.59	12.82	13.78	9.24	9.85	8.24	9.11	9.60
	Irrigation	7.65	7.92	8.50	7.86	11.44	10.08	10.55	9.65	9.78	10.56	11.88	13.63	11.48	9.07	13.17	9.27	7.00
	Land Reform	0.84	0.79	0.74	0.60	0.50	0.49	0.45	0.44	0.41	0.41	0.33	0.30	0.36	0.21	0.24	0.30	0.25
	Survey	1.28	1.07	1.36	1.31	1.80	1.11	1.11	1.01	0.92	0.89	0.74	0.75	0.91	0.76	0.66	0.50	0.43
	Forest	2.49	2.99	2.99	4.22	3.38	4.08	3.27	4.97	4.58	4.54	5.29	5.87	5.26	4.77	4.52	4.21	2.88
	Industry & Mining	8.93	9.17	9.97	6.41	3.61	4.90	4.51	7.15	7.49	12.61	6.32	6.40	5.11	6.41	4.50	8.07	10.96
	Communication	0.83	0.75	0.86	0.73	0.72	1.11	1.13	1.32	1.49	1.88	1.65	1.44	1.89	5.50	3.04	0.99	0.35
	Transportation	37.17	27.20	28.24	26.10	24.67	28.08	22.02	19.96	16.10	14.46	16.82	11.54	13.36	12.88	15.06	12.23	12.39
	Electricity	3.83	3.92	3.26	13.45	13.32	21.41	23.92	10.26	8.90	12.65	9.20	16.66	16.80	20.41	16.25	16.06	8.53
	Other Economic Services	2.10	1.46	0.93	0.77	1.45	0.63	0.57	1.27	2.89	0.77	0.85	0.67	5.63	1.75	1.18	2.36	22.03
10.	**Loans & Investment**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Loans & investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11.	**Miscellaneous**	**1.91**	**1.69**	**2.54**	**2.17**	**2.01**	**1.57**	**0.98**	**2.52**	**2.54**	**1.15**	**6.44**	**1.36**	**2.04**	**2.25**	**5.94**	**6.15**	**2.64**
	Pension, Allowances & Gratuity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Miscellaneous	1.01	1.32	1.96	1.48	1.29	0.59	0.23	1.59	1.81	0.40	0.99	0.33	1.03	0.85	1.73	3.99	0.00
	Contingency	0.90	0.37	0.58	0.70	0.71	0.98	0.75	0.93	0.73	0.75	5.45	1.03	1.01	1.40	4.22	2.16	2.64
	Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.00**	**100.00**	**100.0**

APPENDIX V (Continued)

S.N.	Heading	Fiscal year															
		91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
1.	**Constitutional Bodies**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.60**	**28.50**	**26.60**	**19.80**	**11.90**	**16.80**	**36.90**	**38.00**	**96.10**	**45.30**	**96.03**
	State Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.80	0.00	0.00	0.10	0.30	0.00	0.00	0.00
	Parliamentary Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.40	0.10	0.50	5.30	2.10	1.40	10.80	39.10
	Supreme Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90	15.60	7.70	0.60	1.40	0.75
	Commission for Investigation on Abuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	1.40	1.70	0.10	2.40	4.30	73.80	3.00	2.82
	Office of the Auditor General	0.00	0.00	0.00	0.00	0.00	0.00	1.50	15.10	15.20	1.10	3.30	0.80	0.50	4.10	1.90	10.90	9.85
	Public Service Commission	0.00	0.00	0.00	0.00	0.00	0.00	2.10	13.40	9.90	3.50	1.60	1.50	4.60	3.90	3.70	4.80	11.10
	Election Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.70	1.70	9.80	2.10	6.50	11.90	8.60	7.69
	Office of the Autonomy General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.50	3.50	2.50	6.30	9.10	2.80	5.60	23.86
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.40	0.00	0.70	0.00	0.00	0.00	0.20	0.34
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.52
2.	**General Administration**	**13.80**	**29.00**	**31.30**	**33.50**	**41.60**	**34.50**	**46.40**	**79.20**	**108.1**	**965.8**	**838.0**	**581.3**	**578.1**	**883.6**	**1181.**	**4512.**	**1773.4**
	Council of Minister	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.20	0.30	1.10	1.30	4.50	3.10	19.05
	Nepal Government Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	6.80	1.30	4.80	10.20	464.4	3345.	449.95
	District Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90	0.00	0.90	0.60	1.00	0.50	3.00	28.70
	Polices	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	854.1	749.6	493.1	498.1	753.8	678.3	1138.	1224.5
	Jail	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.40	0.00	11.50	5.50	14.30	21.70	15.80	19.07
	Administration Reform	13.80	29.00	31.30	33.50	41.60	34.50	46.40	79.20	108.1	99.40	81.40	69.90	64.80	68.70	1.90	1.00	2.50
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.20	0.00	4.40	3.20	34.30	10.40	5.60	29.64
3.	**Revenue Administration**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.90**	**1.00**	**1.60**	**7.30**	**9.40**	**52.30**	**79.30**	**191.20**
	Land Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	1.30	1.60	1.60	3.10	7.80
	Customs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60	1.00	1.60	2.30	0.30	13.20	27.20	101.09
	Inland Revenue*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.60	2.50	28.60	38.60	58.31
	Revenue Tribunal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	0.10	0.30	0.10	1.92
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.40	9.50	23.63
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00	0.10	4.90	0.20	0.80	3.45
4.	**Economic Administration & Planning**	**39.30**	**18.70**	**19.50**	**31.60**	**33.20**	**17.30**	**19.30**	**20.50**	**28.60**	**17.40**	**7.60**	**3.70**	**8.90**	**24.20**	**20.30**	**26.20**	**79.76**
	Planning	5.90	6.60	8.00	20.60	20.60	8.10	9.70	10.70	15.30	7.60	3.50	2.30	5.00	3.50	1.40	5.60	17.96
	Statistics	33.40	12.10	11.50	11.00	12.60	9.20	9.60	9.80	13.30	9.30	4.10	1.40	3.90	11.20	2.10	2.10	5.40
	Financial Comptroller General Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	9.50	16.80	18.50	56.40
5.	**Judicial Administration**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**48.10**	**58.30**	**36.90**	**46.80**	**141.3**	**175.5**	**240.6**	**277.10**
	Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.10	58.30	36.90	46.80	141.3	175.5	240.6	277.10
6.	**Foreign Services**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**12.50**	**3.90**	**13.10**	**36.00**	**61.00**	**14.80**	**114.7**	**53.58**
	Foreign services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.40	0.10	5.80	11.70	7.40	9.40	107.6	46.90
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.10	3.80	7.30	24.30	53.60	5.40	7.10	6.68
7.	**Defense**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**356.2**	**595.0**	**1213.**	**1890.**	**2412.**	**1606.**	**1000.**	**809.18**
	Defense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	355.8	594.7	1213.	1890.	2412.	1605.	1000.	808.99
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.30	0.20	0.30	0.30	0.50	0.19	
8	**Social Services**	**5040**	**7245**	**7104**	**6224**	**7612**	**9281**	**10323**	**10265**	**12406**	**8489**	**7927**	**7050**	**7135**	**7940**	**10151**	**15579**	**20283**
	Education	2395.	3465.	3822.	1453.	1791.	2356.	2037.	1641.	2573.	1224.	1103.	940.7	1003.	1260.	1609.	1604.	2963.6
	Health	507.2	600.2	560.5	858.5	915.5	1621.	2076.	1677.	2126.	913.1	899.3	159.3	142.2	409.3	948.2	1185.	2434.7
	Drinking water	1334.	1821.	1073.	1102.	1206.	1327.	1670.	1866.	2423.	1898.	1418.	1669.	2065.	1440.	1949.	3182.	3693.4
	Local Development	406.5	656.1	1006.	2416.	3345.	3622.	3678.	3968.	4136.	3753.	3872.	4009.	3538.	4468.	4682.	7671.	7885.3
	Other Social Services	397.0	702.8	641.0	394.3	354.5	353.9	861.5	1111.	1146.	700.5	634.8	271.6	385.0	362.4	961.8	1884.	3306.5
9.	**Economic Services**	**11063**	**12111**	**13841**	**12607**	**16982**	**17054**	**17900**	**17324**	**18648**	**17745**	**13562**	**12561**	**13129**	**15394**	**14797**	**17938**	**22142.**
	Agriculture	1276.	2077.	2300.	2639.	2224.	1889.	2144.	1926.	2089.	552.0	505.4	187.0	160.2	217.5	265.4	1374.	3211.7
	Irrigation	2212.	2017.	3232.	2550.	2884.	2776.	2437.	2940.	3044.	3684.	2913.	1840.	2070.	1921.	2462.	3012.	3605.0
	Land Reform	31.30	5.90	4.20	1.40	29.10	25.70	51.50	61.40	63.60	34.00	19.40	14.00	17.90	65.20	72.50	27.60	27.75
	Survey	87.60	108.4	190.0	198.7	238.4	246.8	184.0	241.5	200.2	115.6	73.50	18.10	33.90	23.40	26.40	38.50	91.69
	Forest	884.3	928.8	966.5	408.4	378.7	463.8	410.4	480.5	519.0	292.7	376.0	373.7	459.8	410.7	148.0	152.5	250.56
	Industry & Mining	2427.	1085.	648.0	27.20	306.0	263.5	477.1	289.4	833.9	132.4	125.6	425.1	40.50	23.50	31.00	91.20	95.96
	Communication	116.0	474.7	437.6	1517.	1151.	1095.	1188.	466.0	282.5	263.3	256.6	1680.	356.5	536.8	283.6	251.0	314.03
	Transportation	2381.	2844.	3363.	3010.	5968.	5305.	5619.	5111.	4695.	5168.	4429.	3664.	3958.	4149.	4178.	6382.	7178.9
	Electricity	1414.	2229.	2312.	1764.	3210.	4447.	4704.	4811.	5537.	6715.	4371.	3881.	4746.	7219.	6256.	5450.	5847.6
	Other Economic Services	233.3	340.5	387.3	488.8	591.5	590.3	682.3	996.1	1382.	786.4	490.6	475.6	1285.	827.6	1073.	1158.	1519.3
10.	**Loans & Investment**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**10.00**	**12.60**	**2.00**	**55.00**	**0.00**	**1497.**	**20.00**	**6903.3**
	Loans & investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	12.60	2.00	55.00	0.00	1497.	20.00	6903.3
11.	**Miscellaneous**	**356.1**	**8.90**	**191.9**	**652.3**	**310.3**	**154.8**	**650.9**	**813.3**	**531.1**	**642.4**	**1755.**	**875.6**	**172.0**	**435.0**	**13.60**	**223.1**	**906.23**
	Pension, Allowances & Gratuity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.60	0.00	0.00	0.00	0.00	0.00	4.66
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	31.50	0.00	3.70	435.0	13.60	35.20	577.83
	Contingency	356.1	8.90	191.9	652.3	310.3	154.8	650.9	813.3	531.1	641.6	1718.	875.6	168.3	0.00	0.00	187.9	323.74
	Total	**16512**	**19413**	**21188**	**19550**	**24980**	**26542**	**28943**	**28531**	**31749**	**28307**	**24773**	**22356**	**23095**	**27340**	**29606**	**39729**	**53516.**
		Share in Total (in Percent)																
1.	**Constitutional Bodies**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.10**	**0.08**	**0.07**	**0.05**	**0.08**	**0.16**	**0.14**	**0.32**	**0.11**	**0.18**
	State Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Parliamentary Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02	0.01	0.00	0.03	0.07
	Supreme Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.03	0.00	0.00	0.00
	Commission for Investigation on Abuse of Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.02	0.25	0.01	0.01
	Office of the Auditor General	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.05	0.05	0.00	0.01	0.00	0.00	0.01	0.01	0.03	0.02
	Public Service Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.05	0.03	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.02
	Election Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.04	0.01	0.02	0.01	0.02	0.01
	Office of the Autonomy General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.03	0.03	0.01	0.01	0.04
	Judicial Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Human Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	**General Administration**	**0.08**	**0.15**	**0.15**	**0.17**	**0.17**	**0.13**	**0.16**	**0.28**	**0.34**	**3.41**	**3.38**	**2.60**	**2.50**	**3.23**	**3.99**	**11.36**	**3.31**
	Council of Minister	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.04
	Nepal Government Secretariat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.03	0.01	0.02	0.04	1.57	8.42	0.84
	District Administration	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.05
	Polices	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.02	3.03	2.21	2.16	2.76	2.29	2.86	2.29
	Jail	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.05	0.02	0.05	0.07	0.04	0.04
	Administration Reform	0.08	0.15	0.15	0.17	0.17	0.13	0.16	0.28	0.34	0.35	0.33	0.31	0.28	0.25	0.01	0.00	0.00
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.02	0.01	0.13	0.04	0.01	0.06
3.	**Revenue Administration**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.03**	**0.03**	**0.18**	**0.20**	**0.36**
	Land Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01
	Customs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.04	0.07	0.19
	Inland Revenue*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.10	0.10	0.11
	Revenue Tribunal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue Investigation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.02	0.04
	Revenue Administration Training Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
4.	**Economic Administration & Planning**	**0.24**	**0.10**	**0.09**	**0.16**	**0.13**	**0.07**	**0.07**	**0.07**	**0.09**	**0.06**	**0.03**	**0.02**	**0.04**	**0.09**	**0.07**	**0.07**	**0.15**
	Planning	0.04	0.03	0.04	0.11	0.08	0.03	0.03	0.04	0.05	0.03	0.01	0.01	0.02	0.01	0.00	0.01	0.03
	Statistics	0.20	0.06	0.05	0.06	0.05	0.03	0.03	0.03	0.04	0.03	0.02	0.01	0.02	0.04	0.01	0.01	0.01
	Financial Comptroller General Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.06	0.05	0.11
5.	**Judicial Administration**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.17**	**0.24**	**0.17**	**0.20**	**0.52**	**0.59**	**0.61**	**0.52**
	Court	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.24	0.17	0.20	0.52	0.59	0.61	0.52
6.	**Foreign Services**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.04**	**0.02**	**0.06**	**0.16**	**0.22**	**0.05**	**0.29**	**0.10**
	Foreign services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.03	0.05	0.03	0.03	0.27	0.09
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.02	0.03	0.11	0.20	0.02	0.02	0.01
7.	**Defense**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1.26**	**2.40**	**5.43**	**8.19**	**8.82**	**5.43**	**2.52**	**1.51**
	Defense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.26	2.40	5.43	8.18	8.82	5.42	2.52	1.51
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8.	**Social Services**	**30.52**	**37.32**	**33.53**	**31.84**	**30.47**	**34.97**	**35.67**	**35.98**	**39.08**	**29.99**	**32.00**	**31.54**	**30.89**	**29.04**	**34.29**	**39.09**	**37.90**
	Education	14.51	17.85	18.04	7.44	7.17	8.88	7.04	5.75	8.11	4.32	4.45	4.21	4.34	4.61	5.43	4.04	5.54
	Health	3.07	3.09	2.65	4.39	3.66	6.11	7.17	5.88	6.70	3.23	3.63	0.71	0.62	1.50	3.20	2.98	4.55
	Drinking water	8.08	9.38	5.07	5.64	4.83	5.00	5.77	6.54	7.63	6.71	5.72	7.47	8.94	5.27	6.59	8.01	6.90
	Local Development	2.46	3.38	4.75	12.36	13.39	13.65	12.71	13.91	13.03	13.26	15.63	17.93	15.32	16.34	15.82	19.31	14.73
	Other Social Services	2.40	3.62	3.03	2.02	1.42	1.33	2.98	3.90	3.61	2.47	2.56	1.21	1.67	1.33	3.25	4.74	6.18
9.	**Economic Services**	**67.00**	**62.39**	**65.33**	**64.49**	**67.98**	**64.25**	**61.84**	**60.72**	**58.74**	**62.69**	**54.74**	**56.19**	**56.85**	**56.31**	**49.98**	**45.15**	**41.38**
	Agriculture	7.73	10.70	10.86	13.50	8.90	7.12	7.41	6.75	6.58	1.95	2.04	0.84	0.69	0.80	0.90	3.46	6.00
	Irrigation	13.40	10.39	15.25	13.05	11.55	10.27	8.42	10.31	9.59	13.02	11.76	8.23	8.97	7.03	8.32	7.58	6.74
	Land Reform	0.19	0.03	0.02	0.01	0.12	0.10	0.18	0.22	0.20	0.12	0.08	0.06	0.08	0.24	0.24	0.07	0.05
	Survey	0.53	0.56	0.90	1.02	0.95	0.93	0.64	0.85	0.63	0.41	0.30	0.08	0.15	0.09	0.09	0.10	0.17
	Forest	5.36	4.78	4.56	2.09	1.52	1.75	1.42	1.68	1.63	1.03	1.52	1.67	1.99	1.50	0.50	0.38	0.47
	Industry & Mining	14.70	5.59	3.06	0.14	1.22	0.99	1.65	1.01	2.63	0.47	0.51	1.90	0.18	0.09	0.10	0.23	0.18
	Communication	0.70	2.45	2.07	7.76	4.61	4.13	4.11	1.63	0.89	0.93	1.04	7.52	1.54	1.96	0.96	0.63	0.59
	Transportation	14.42	14.65	15.87	15.40	23.89	19.99	19.42	17.91	14.79	18.26	17.88	16.39	17.14	15.18	14.11	16.06	13.41
	Electricity	8.57	11.48	10.91	9.03	12.85	16.76	16.25	16.86	17.44	23.72	17.65	17.36	20.55	26.40	21.13	13.72	10.93
	Other Economic Services	1.41	1.75	1.83	2.50	2.37	2.22	2.36	3.49	4.35	2.78	1.98	2.13	5.56	3.03	3.62	2.92	2.84
10.	**Loans & Investment**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.04**	**0.05**	**0.01**	**0.24**	**0.00**	**5.06**	**0.05**	**12.90**
	Loans & investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.05	0.01	0.24	0.00	5.06	0.05	12.90
11.	**Miscellaneous**	**2.16**	**0.05**	**0.91**	**3.34**	**1.24**	**0.58**	**2.25**	**2.85**	**1.67**	**2.27**	**7.09**	**3.92**	**0.74**	**1.59**	**0.05**	**0.56**	**1.69**
	Pension, Allowances & Gratuity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Compensation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.01
	Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.00	0.02	1.59	0.05	0.09	1.08	
	Contingency	2.16	0.05	0.91	3.34	1.24	0.58	2.25	2.85	1.67	2.27	6.94	3.92	0.73	0.00	0.00	0.47	0.60
	Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.00**

* Inland Revenue Includes the Expenses of VAT, Excise and Income Tax

Source: Economic Survey of Various Years, MOF, 1993/94, 2000/01, 2005/06-2008/09.

APPENDIX VI
Growth Rate of Various Variables

(Rs in millions)

Fiscal Year	Amount				Growth Rate			
	GDP at Factor Cost (at Current Price)	TE	RE	DE	GDP at Factor Cost (at Current Price)	TE	RE	DE
1974/75	15966.00	1513.70	546.50	967.20	-	-	-	-
1975/76	16589.00	1913.30	674.50	1238.80	3.90	26.40	23.42	28.08
1976/77	16255.30	2330.50	832.10	1498.40	-2.01	21.81	23.37	20.96
1977/78	18421.00	2674.80	866.90	1807.90	13.32	14.77	4.18	20.66
1978/79	24692.00	3020.50	1041.70	1978.80	34.04	12.92	20.16	9.45
1979/80	21886.00	3470.60	1162.00	2308.60	-11.36	14.90	11.55	16.67
1980/81	25466.00	4092.30	1361.20	2731.10	16.36	17.91	17.14	18.30
1981/82	29037.00	5361.20	1634.30	3726.90	14.02	31.01	20.06	36.46
1982/83	31644.00	6979.20	1997.10	4982.10	8.98	30.18	22.20	33.68
1983/84	37004.00	7436.60	2272.80	5163.80	16.94	6.55	13.81	3.65
1984/85	44441.10	8394.80	2906.20	5488.60	20.10	12.88	27.87	6.29
1985/86	53214.50	9797.20	3583.90	6213.30	19.74	16.71	23.32	13.20
1986/87	61140.50	11501.60	4123.60	7378.00	14.89	17.40	15.06	18.75
1987/88	73170.10	14050.20	4622.10	9428.10	19.68	22.16	12.09	27.79
1988/89	85830.60	18004.20	5675.50	12328.70	17.30	28.14	22.79	30.77
1989/90	99701.80	19669.70	6672.20	12997.50	16.16	9.25	17.56	5.42
1990/91	116127.30	23553.60	7574.10	15979.50	16.47	19.75	13.52	22.94
1991/92	144933.10	26418.20	9905.40	16512.80	24.81	12.16	30.78	3.34
1992/93	165349.90	30897.70	11484.10	19413.60	14.09	16.96	15.94	17.57
1993/94	191596.00	33597.40	12409.20	21188.20	15.87	8.74	8.06	9.14
1994/95	209974.00	38795.40	19245.40	19550.00	9.59	15.47	55.09	-7.73
1995/96	239388.00	46544.30	21563.80	24980.50	14.01	19.97	12.05	27.78
1996/97	269570.00	50723.70	24181.10	26542.60	12.61	8.98	12.14	6.25
1997/98	289798.00	56118.30	27174.40	28943.90	7.50	10.64	12.38	9.05
1998/99	330018.00	59579.00	31047.70	28531.30	13.88	6.17	14.25	-1.43
1999/00	366251.00	66272.50	34523.30	31749.20	10.98	11.23	11.19	11.28
2000/01*	425454.00	79835.10	51527.90	28307.20	16.16	20.46	49.26	-10.84
2001/02	444052.00	80072.20	55298.80	24773.40	4.37	0.30	7.32	-12.48
2002/03	473546.00	84006.10	61650.00	22356.10	6.64	4.91	11.49	-9.76
2003/04	517993.00	89442.60	66347.00	23095.60	9.39	6.47	7.62	3.31
2004/05	566579.00	102560.40	75219.70	27340.70	9.38	14.67	13.37	18.38
2005/06	630301.00	110105.60	80499.60	29606.00	11.25	7.36	7.02	8.29
2006/07	696989.00	133604.50	93874.60	39729.90	10.58	21.34	16.61	34.20
2007/08	781262.00[R]	161349.99	107833.80	53516.19	12.09	20.77	14.87	34.70
Average	**220989.42**	**40990.79**	**24450.96**	**16539.84**	**12.40**	**14.98**	**17.28**	**13.36**

*New GDP Base of 2000/01
R = Revised Estimates
GDP = Gross Domestic Product
TE = Total Expenditure
DE = Development Expenditure
RE = Regular Expenditure
Source: Economic Survey of Various Years, MOF, 1993/94, 2000/01, 2005/06-2008/09.

APPENDIX VII
Growth Rate of Various Variables

(Rs in millions)

Fiscal Year	Amount			Growth Rate		
	T_{GE}	T_{RE}	T_{DE}	T_{GE}	T_{RE}	T_{DE}
1974/75	379.00	19.50	359.50	-	-	-
1975/76	357.30	20.40	336.90	-5.73	4.62	-6.29
1976/77	446.40	23.30	423.10	24.94	14.22	25.59
1977/78	498.80	26.90	471.90	11.74	15.45	11.53
1978/79	520.10	31.90	488.20	4.27	18.59	3.45
1979/80	682.50	34.20	648.30	31.22	7.21	32.79
1980/81	637.90	36.60	601.30	-6.53	7.02	-7.25
1981/82	784.10	40.10	744.00	22.92	9.56	23.73
1982/83	853.00	50.80	802.20	8.79	26.68	7.82
1983/84	801.40	54.60	746.80	-6.05	7.48	-6.91
1984/85	984.30	61.30	923.00	22.82	12.27	23.59
1985/86	783.50	66.40	717.10	-20.40	8.32	-22.31
1986/87	1072.00	86.00	986.00	36.82	29.52	37.50
1987/88	1302.60	88.00	1214.60	21.51	2.33	23.18
1988/89	1973.10	115.90	1857.20	51.47	31.70	52.91
1989/90	1717.50	127.40	1590.10	-12.95	9.92	-14.38
1990/91	2099.50	120.00	1979.50	22.24	-5.81	24.49
1991/92	2529.50	148.50	2381.00	20.48	23.75	20.28
1992/93	2992.80	148.80	2844.00	18.32	0.20	19.45
1993/94	3528.50	165.30	3363.20	17.90	11.09	18.26
1994/95	3202.80	192.30	3010.50	-9.23	16.33	-10.49
1995/96	6180.20	211.70	5968.50	92.96	10.09	98.26
1996/97	5532.60	227.40	5305.20	-10.48	7.42	-11.11
1997/98	5864.20	244.30	5619.90	5.99	7.43	5.93
1998/99	5344.10	232.80	5111.30	-8.87	-4.71	-9.05
1999/00	4870.30	174.90	4695.40	-8.87	-24.87	-8.14
2000/01	5450.50	281.90	5168.60	11.91	61.18	10.08
2001/02	4771.10	341.50	4429.60	-12.46	21.14	-14.30
2002/03	3968.20	303.30	3664.90	-16.83	-11.19	-17.26
2003/04	4255.10	297.10	3958.00	7.23	-2.04	8.00
2004/05	4466.50	316.90	4149.60	4.97	6.66	4.84
2005/06	4511.80	333.70	4178.10	1.01	5.30	0.69
2006/07	6715.90	333.80	6382.10	48.85	0.03	52.75
2007/08	7577.47	398.55	7178.92	12.83	19.40	12.49
Average	**2872.19**	**157.53**	**2714.66**	**11.26**	**10.19**	**11.47**

*New GDP Base of 2000/01
R = Revised Estimates
T_{GE} = Total Government Expenditure on Transports
T_{RE} = Total Regular Expenditure on Transports
T_{DE} = Total Development Expenditure on Transports
Source: Economic Survey of Various Years, MOF, 1993/94, 2000/01, 2005/06-2008/09.

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