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TRADE, CLIMATE CHANGE AND DEVELOPMENT MONITOR

Nepal's public debt: concerns and drivers

In recent years, Nepal has witnessed a significant increase in its public debt, raising concerns among economists and policymakers. According to the latest data from the Department of Foreign Trade, Nepal’s total external debt amounted to Rs 2.9 trillion as of December 2023, a 12% increase from the previous year.

The rapid rise in public debt is primarily due to the government's efforts to finance ambitious infrastructure projects and combat the COVID-19 pandemic. However, the surge in debt has raised questions about the sustainability of the government's borrowing strategy.

Experts warn that high debt levels could strain the country's fiscal health, making it harder to fund critical developmental projects. The government has acknowledged the challenge and is considering measures to rationalize its expenditure and streamline debt management.

For instance, the government is planning to implement a national debt strategy that focuses on transparency, sustainability, and debt management. This includes steps such as increasing the budget allocation for infrastructure and education, and reducing the dependency on external aid.

In conclusion, while the increase in public debt is understandable given the circumstances, it is crucial for the government to adopt a balanced approach that ensures long-term financial stability. This includes cutting unnecessary expenditures, increasing revenue generation, and exploring alternative financing options.

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Opinion in Lead

Climate change is causing a global shift that has marred the United Nations' declaration that climate change is the most urgent challenge the world faces. The world is still reeling from the impacts of the climate crisis, with devastating natural disasters and rising sea levels.

For instance, recent extreme weather events such as floods, landslides, and hurricanes have claimed lives and caused widespread destruction. These events have exposed the vulnerabilities of communities and highlighted the need for urgent action.

The United Nations has called on governments to work together to combat climate change and reduce greenhouse gas emissions. According to the latest IPCC report, limiting global warming to 1.5°C above pre-industrial levels requires drastic reductions in greenhouse gas emissions by 2030.

In this context, the charity is calling for immediate action to support vulnerable communities affected by climate change. This includes providing emergency relief, strengthening disaster response mechanisms, and incentivizing the adoption of climate-resilient practices.

In summary, the world is facing a climate crisis that demands urgent action. Governments, businesses, and individuals must come together to take bold steps to reduce greenhouse gas emissions and adapt to the impacts of climate change.

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News

India has allowed export of onions on government-to-government basis to some countries, on recommendation of the Ministry of External Affairs. India had banned shipments of onions in October 2023. The Ministry had imposed an onion ban on government to government basis to some countries, on recommendation of the Ministry of External Affairs. India has allowed export of onions on government-to-government basis to some countries, on recommendation of the Ministry of External Affairs.

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Opinion in Lead

The current economic environment in India is characterized by low inflation, high interest rates, and a strong rupee. This has led to a slowdown in economic growth, with the GDP growth rate falling to a 6-year low of 3.5% in the June quarter.

In this context, the charity is calling for policy measures to stimulate economic growth and create jobs. This includes increasing public investment in infrastructure and education, and reducing tax rates for small businesses.

In summary, the current economic environment in India requires urgent action to revive growth and create jobs. The government must work closely with the private sector and civil society to implement effective policies that benefit all stakeholders.

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Publications

Nepal's public debt: concerns and drivers

Nepal's public debt has been rising steadily over the years, reaching a record high of Rs 3.1 trillion by the end of fiscal year 2022-23. This has raised concerns about the sustainability of the government's borrowing strategy.

The rising debt levels can be attributed to a combination of factors, including the COVID-19 pandemic, natural disasters, and the government's ambitious developmental plans. The government has acknowledged the challenge and is considering measures to rationalize its expenditure and streamline debt management.

In conclusion, while the increase in public debt is understandable given the circumstances, it is crucial for the government to adopt a balanced approach that ensures long-term financial stability. This includes cutting unnecessary expenditures, increasing revenue generation, and exploring alternative financing options.

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