

Republic of Armenia: Statistical Annex

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REPUBLIC OF ARMENIA

Statistical Annex

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Armenia: Basic Data, 1996-2001
(In units indicated)

I. Social and Demographic Indicators

Area	29,743 sq. km.
Population density (1998)	128 person per sq. km
Population (preliminary 2001 census results)	3,020 thousands of persons
Rate of population growth (1998)	-0.6 per thousand
Percent of population 0-15 years old (1996)	25
Percent of population 55 or older (1996)	16
Life expectancy at birth (2001)	72.5
Infant mortality rate (2001)	15.3 per 1000
Doctors per ten thousand persons (1997)	344
GDP per capita (in US\$, 2001)	702

	1996	1997	1998	1999	2000	2001
II. Economic Indicators						
GDP (in billions of dram)	661	804	955	987	1,031	1175
Real GDP growth (percent change) 1/	5.9	3.3	7.3	3.3	6.0	9.6
GDP (in millions of U.S. dollars)	1,599	1,639	1,892	1,845	1,912	2118
Inflation (in percent)						
Period average	18.7	14.0	8.7	0.6	-0.8	3.2
End-of-period 2/	5.7	21.9	-1.3	2.0	0.4	3.0
Exchange rates (drams/U.S. dollar)						
Period average	413	491	505	535	539	555
End-of-period	435	495	522	524	552	561
Fiscal sector (in percent of GDP)						
Central Government						
Revenue and grants	14.9	15.7	17.1	19.3	16.5	17.1
Of which: Tax revenue	10.5	13.5	13.6	16.1	14.7	14.4
Expenditure	19.2	18.3	21.9	26.5	22.8	21.0
Of which: Current expenditure	...	15.3	16.3	19.2	17.5	15.8
Overall balance (Cash basis) 3/	-4.3	-2.6	-4.7	-5.5	-4.6	-4.0
Monetary sector						
Reserve money (end-of-period growth rate, in percent)	40.5	22.5	6.5	0.0	34.4	11.0
Broad money (end-of-period growth rate, in percent)	35.1	29.2	36.0	13.6	25.8	13.6
Broad money velocity (end-of-period)	13.8	12.8	10.0	9.1	7.6	7.5
External Sector						
Current account balance 4/						
in millions of U.S. dollars	-404	-445	-515	-401	-381	-273
in percent of GDP	-25.3	-27.1	-27.1	-21.7	-19.9	-12.9
Total external national debt						
In millions of U.S. dollars	536	700	787	855	862	905
In percent of GDP	35.3	42.7	41.4	46.3	45.1	42.7
External debt service 5/	20.3	14.2	19.0	14.3	10.6	9.7
Gross official international reserves						
In millions of U.S. dollars	171	243	298	305	314	329
In months of next year's imports of goods and services	2.3	2.9	3.9	3.8	3.8	3.7

Sources: Armenian authorities; Armenia Human Development Report (2001), World Bank: World Development Indicators, 1999; Social Indicators of Poverty, National Statistics Service, Armenia; and Fund staff estimates.

1/ With respect to the same period in the previous year.

2/ Inflation during the last 12 months.

3/ Deficit as measured by financing.

4/ Excludes official transfers.

5/ In percent of exports of goods and non-factor services.

Table 1. Armenia: Real Gross Domestic Product, 1996-2001

	1996	1997	1998	1999	2000	2001
(In constant 1996 prices, in billions of drams)						
Gross domestic product	661.2	683.2	733.3	757.5	803.0	880.0
Industry	154.9	156.9	153.4	161.4	171.7	178.3
Agriculture	230.1	219.7	248.0	251.2	245.4	273.8
Construction	48.7	50.6	55.9	60.3	77.4	88.6
Transport and communication	40.3	44.0	44.6	44.9	44.7	51.8
Wholesale and retail trade	63.0	66.1	70.5	77.4	83.9	97.0
Other services	87.9	90.7	93.0	97.2	106.0	110.7
Net indirect taxes	36.5	55.2	67.9	65.1	74.0	79.8
(Percent change)						
Gross domestic product	5.9	3.3	7.3	3.3	6.0	9.6
Industry	1.1	1.3	-2.2	5.2	6.4	3.8
Agriculture	2.0	-4.5	12.9	1.3	-2.3	11.6
Construction	25.2	3.9	10.6	7.7	28.4	14.5
Transport and communication	17.1	9.2	1.4	0.8	-0.6	16.0
Wholesale and retail trade	12.5	5.0	6.7	9.8	8.3	15.7
Other services	14.6	3.2	2.6	4.5	9.1	4.4
Net indirect taxes	14.6	51.5	22.9	-4.1	13.6	7.9

Source: National Statistics Service.

Table 2. Armenia: Quarterly Real GDP (at constant 1996 prices), 2000-02

	2000					2001				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
(In billions of drams)										
GDP	97.4	160.5	269.9	275.2	803.0	109.4	165.4	306.3	299.0	880.0
Industry	26.9	48.4	50.4	46.1	171.7	29.4	47.7	53.0	48.1	178.3
Agriculture	18.0	46.2	108.0	73.2	245.4	18.1	45.5	129.1	81.1	273.8
Construction	5.2	16.0	22.9	33.2	77.4	5.9	15.9	28.1	38.7	88.6
Transport/communication	6.2	4.3	14.1	20.0	44.7	6.7	5.2	17.0	23.0	51.8
Trade/services	16.5	11.1	20.2	36.1	83.9	18.8	12.6	23.7	41.9	97.0
Other sectors	13.6	20.6	32.8	39.0	106.0	14.6	22.2	31.5	35.6	103.9
Net indirect taxes	11.0	13.9	21.5	27.6	74.0	16.0	16.2	24.0	30.5	86.7
(Percent change)										
GDP	0.4	4.1	3.3	12.6	6.0	12.3	3.1	13.5	8.6	9.6
Industry	0.2	4.5	5.2	13.7	6.4	9.2	-1.3	5.3	4.4	3.8
Agriculture	0.3	5.3	-8.0	1.7	-2.3	0.5	-1.4	19.5	10.9	11.6
Construction	-11.7	16.7	26.7	47.1	28.4	13.2	-0.6	22.5	16.5	14.5
Transport/communication	3.5	-6.4	2.8	-2.8	-0.6	6.8	19.6	20.5	14.9	16.0
Trade/services	7.4	4.7	7.8	10.2	8.3	14.2	13.7	17.0	15.8	15.5
Other sectors	2.5	-2.1	28.9	4.3	9.1	7.3	7.7	-3.9	-8.5	-1.9
Net indirect taxes	-6.5	-1.5	6.7	48.3	13.6	45.2	17.2	11.6	10.4	17.2

Source: National Statistics Service

Table 3. Armenia: Nominal Gross Domestic Product (current prices), 1996-2001

	1996	1997	1998	1999	2000	2001
(In billions of drams)						
Gross domestic product	660	804	959	988	1,031	1,175
Industry	157	192	207	213	227	238
Agriculture	218	244	296	251	232	294
Construction	63	64	81	93	113	126
Transport and communication	31	43	49	74	72	88
Trade	63	73	82	88	95	116
Other services	128	187	244	269	293	315
(Share in total; in percent)						
Gross domestic product	100.0	100.0	100.0	100.0	100.0	100
Industry	23.8	23.9	21.6	21.5	22.0	20.2
Agriculture	33.0	30.4	30.8	25.4	22.5	25.0
Construction	9.6	8.0	8.4	9.4	10.9	10.7
Transport and communication	4.7	5.4	5.1	7.5	7.0	7.5
Trade	9.6	9.1	8.6	8.9	9.2	9.8
Other services	19.4	23.3	25.4	27.2	28.4	26.8

Source: National Statistics Service.

Table 4. Armenia: Structure of Industrial Production, 1996-2001

	1996	1997	1998	1999	2000	2001
(In billions of drams)						
Total industry 1/	229.6	254.4	261.2	283.5	300.6	306.7
Mining and quarrying	8.4	8.9	10.2	11.0	16.1	20.2
Manufacturing	170.9	177.1	163.6	181.9	193.8	198.8
Food processing and beverages	101.3	116.0	106.2	111.0	110.0	109.3
Tobacco products	0.2	2.2	5.7	11.2	11.4	8.6
Textiles, dressing and dyeing of fur	3.8	3.8	4.5	3.7	3.8	4.1
Chemicals, chem. products, rubber, plastics	9.7	8.3	7.4	8.4	10.3	9.3
Other non-metallic mineral products	7.1	9.8	9.9	9.5	7.1	8.2
Basic metals and fabricated metal	5.2	3.8	6.9	10.3	19.8	24.6
Machinery, equipment and motor vehicles	18.4	12.0	8.2	5.3	7.6	9.6
Medical, precision, optical instruments	2.3	2.8	2.2	0.9	1.2	2.1
Jewelry and related articles	21.4	15.2	10.4	17.9	17.3	16.6
Other	1.4	3.3	2.3	3.9	5.4	6.4
Electricity, gas and water supply	50.4	68.4	87.4	90.6	90.7	87.7
(In percent of total production)						
Total industry	100.0	100.0	100.0	100.0	100.0	100.0
Mining and quarrying	3.6	3.5	3.9	3.9	5.3	6.6
Manufacturing	74.4	69.6	62.6	64.1	64.5	64.8
Food processing and beverages	44.1	45.6	40.7	39.1	36.6	35.6
Tobacco products	0.1	0.9	2.2	3.9	3.8	2.8
Textiles, dressing and dyeing of fur	1.7	1.5	1.7	1.3	1.3	1.4
Chemicals, chem. products, rubber, plastics	4.2	3.3	2.8	2.9	3.4	3.0
Other non-metallic mineral products	3.1	3.9	3.8	3.3	2.4	2.7
Basic metals and fabricated metal	2.3	1.5	2.6	3.6	6.6	8.0
Machinery, equipment and motor vehicles	8.0	4.7	3.1	1.9	2.5	3.1
Medical, precision, optical instruments	1.0	1.1	0.8	0.3	0.4	0.7
Jewelry and related articles	9.3	6.0	4.0	6.3	5.7	5.4
Other	0.6	1.3	0.9	1.4	1.8	2.1
Electricity, gas and water supply	21.9	26.9	33.5	32.0	30.2	28.6

Source: Armenian authorities, National Statistical Service.

1/ Reported industrial production figures exclude VAT and excise taxes.

Table 5. Armenia: Production of Selected Industrial Commodities, 1996-2001

	1996	1997	1998	1999	2000	2001
	(In units indicated)					
Electric energy (in millions of kWh)	6,229	6,030	6,191	5,717	5,958	5,744
Cable (in kilometers)	481	705	1,189	234	1,492	584
Metal cutting equipment (number)	459	539	372	165	203	135
Car tires (in thousands)	73	0	17	5	...	0
Cement (in thousands)	282	293	314	287	219	276
Regular cut tuff stone (in thousands of cubic meters)	70	84	86	67	49	49
Carpets (in thousands of square meters)	23	14	19	18	19	18
Wine (in thousands of litres)	4,800	3,220	1,430	4,880	2,561	6,017
Cognac (in thousands of litres)	2,310	3,920	2,530	1,210	2,845	4,709
	(Percent change)					
Electric energy	11.7	-3.2	-3.0	-8.0	4.0	-4.0
Cable	-52.0	46.6	68.7	-80.0	538.0	-61.0
Metal cutting equipment	2.2	17.0	-31.0	-56.0	23.0	-34.0
Car tires	-22.0	-100.0	...	-71.0	...	0.0
Cement	23.6	3.9	7.2	-9.0	-24.0	26.0
Construction materials	-8.0	20.0	2.0	-22.0	-27.0	4.0
Carpets	-20.7	-39.0	36.0	-5.0	6.0	-5.0
Wine	-49.0	-33.0	-55.6	241.0	-48.0	66.0
Cognac	-29.0	69.8	-35.0	-52.0	135.0	64.0

Sources: National Statistics Service; and Ministry of Energy.

Table 6. Armenia: Production of Selected Agricultural Products, 1996-2001

	1996	1997	1998	1999	2000	2001
	(In thousand tons; unless otherwise indicated)					
Grains	328.4	258.2	325.7	301.0	224.7	367.0
<i>Of which : wheat</i>	201.4	178.7	239.1	214.4	179.2	242.0
Potatoes	423.2	359.8	440.0	414.1	286.6	264.0
Vegetables	444.5	369.0	395.2	449.0	376.2	456.0
Fruit	158.2	108.8	126.7	88.1	128.4	102.0
Grapes	158.5	107.7	106.0	114.8	115.8	116.0
Beef, poultry for slaughter	82.6	83.7	86.0	85.8	102.4	87.0
Milk	431.3	435.3	457.5	466.2	462.0	465.0
Eggs (in millions)	192.2	190.8	219.4	325.9	385.4	448.0
Wool	1.4	1.3	1.3	1.3	1.3	1.0
Tobacco	0.0	0.0	0.2	1.9	4.6	3.0

Source: National Statistics Service.

Table 7. Armenia: Incorporated and Partially Privatized Enterprises, 1996-2001

	1996	1997	1998	1999	2000	2001
Number of corporatized and partially privatized enterprises (in each year)						
<i>Of which:</i> Small	2,129	2,052	603	196	44	90
Medium and large	613	396	208	52	40	90
Total	2,742	2,448	811	248	84	180
Number of corporatized and partially privatized enterprises (cumulative)						
<i>Of which:</i> Small	3,956	6,008	6,609	6,806	6,849	6,927
Medium and large	853	1,249	1,459	1,514	1,554	1,643
Total	4,809	7,257	8,068	8,320	8,403	8,570
Share of corporatized and partially privatized enterprises in total (in percent)						
<i>Of which:</i> Small	39	59	65	67	67	68
Medium and large	43	62	73	76	78	82
Total	39	59	66	68	69	70

Source: Armenian authorities.

Table 8. Armenia: Labor Market Indicators, 1996-2001 1/

	1996	1997	1998	1999	2000	2001
Population (in millions)	2.7	2.8	2.8	2.9	3.0	3.0
Employment (in thousands)	1,436	1,372	1,337	1,298	1,283	1,280
<i>Of which:</i>						
Industry	255.0	228.9	209.4	195.2	183.5	...
Agriculture and forestry	586.0	566.6	567.8	562.4	555.5	...
Transport and communication	48.0	49.1	50.7	48.0	47.5	...
Construction	68.0	59.7	56.7	53.6	52.6	...
Trade and public catering	110.2	115.6	113.2	109.2	107.8	...
Other services	368.4	350.7	339.5	329.8	336.1	...
Official number of unemployed persons (in thousands) 2/	159	174	134	175	154	138
Official unemployment rate (in percent) 3/	9.3	10.8	9.4	11.2	11.7	10
Official number of persons on forced leave (in thousands)	...	...	...	...	...	...
Official number of vacancies (in thousands) 2/	0.5	0.1	0.7	0.8	0.6	0.5
Employed in state sector 4/	39	37	30	27	26	...
Employed in private sector 5/	61	63	70	73	74	...
Unemployment rate 6/	9	11	9	11	12	...
Employment in agricultural households (in thousands)	572	555	556	551	548	...
Minimum monthly wage (in drams)	757	1,000	1,000	5,000	5,000	5,000
Average monthly wage (in drams)	8,613	11,870	15,547	18,530	21,001	23,987
Average monthly wage (in U.S. dollars)	21	24	31	35	39	43

Source: National Statistics Service; and Fund staff estimates.

1/ Data cover only the public sector, including budgetary organizations and state-owned enterprises. Wage data are annual averages.

2/ End of period.

3/ Using the average annual officially registered number of unemployed.

4/ Total employed in state sector as percent of total employment.

5/ Total employed in private sector as percent of total employment.

6/ Registered unemployed as percent of actual labor force.

Table 9. Armeina: Social and Demographic Indicators

Indicators	Level	Year
Population (millions)	3.0	2001
Labor force growth (annual percentage change)	-1.0	2000
Population growth (annual percentage change)	-0.1	2001
Fertility rate (births per woman)	1.1	2001
Infant mortality (per 1,000 live births)	15.3	2001
Access to sanitation (percent of total population)	62.9	2000
Child malnutrition (in percent of children under 5 years)	13.0	2000
DPT immunization (percent of age group)	97.3	2000
Access to safe water (percent of total population)	86.9	2000
Urban population (percent of total population)	67.0	2001
Measles immunization (percent of age group)	91.6	2000
Life expectancy at birth (years)	72.5	2001
Illiteracy (percent of population age above 15 years)	1.2	2001
Labor force in agriculture (percent of total)	44.2	2000
Gross primary school enrolment (percent of total)	31.2	2001
Gini index of inequality (consumption)	0.38	2001
Share of income/consumption of richest 10 percent of population	31.8	2001

Sources: National Statistics Service.

Table 10. Armenia: Consumer Price Index, 1996-2001

		CPI Dec. 94 =100	Percent change over previous month	Percent change over 12-months	Cumulative change during the year	Average inflation during the prev. year	Quarterly inflation	
							Percent change over prev. quarter	Percent change over same quarter of prev. year
1996	December	139.7	2.0	5.7	5.7	18.7	1.5	9.5
1997	January	144.1	3.1	5.2	3.1			
	February	146.4	1.6	3.4	4.8			
	March	147.5	0.8	4.0	5.6	4.2	6.7	4.2
	April	149.9	1.6	6.1	7.3			
	May	154.9	3.3	9.6	10.9			
	June	160.9	3.9	15.3	15.2	7.2	6.3	10.3
	July	160.3	-0.4	18.8	14.8			
	August	158.7	-1.0	17.2	13.6			
	September	164.1	3.4	22.6	17.5	11.2	3.8	19.5
	October	164.3	0.1	22.9	17.6			
	November	167.0	1.7	22.0	19.6			
	December	170.3	1.9	21.9	21.9	14.0	3.8	22.3
1998	January	177.2	4.1	23.0	4.1			
	February	183.5	3.5	25.3	7.8			
	March	183.9	0.3	24.7	8.0	24.3	8.6	24.3
	April	180.6	-1.8	20.5	6.1			
	May	177.2	-1.9	14.4	4.1			
	June	171.8	-3.1	6.8	0.9	18.9	-2.8	13.7
	July	164.3	-4.3	2.5	-3.5			
	August	160.8	-2.1	1.3	-5.6			
	September	160.6	-0.1	-2.2	-5.7	12.5	-8.3	0.5
	October	160.6	0.0	-2.2	-5.7			
	November	163.5	1.8	-2.1	-4.0			
	December	168.1	2.8	-1.3	-1.3	8.7	1.3	-1.9
1999	January	174.8	4.0	-1.4	4.0			
	February	174.8	0.0	-4.7	4.0			
	March	173.8	-0.6	-5.5	3.4	-3.9	6.3	-3.9
	April	174.4	0.4	-3.4	3.8			
	May	175.3	0.5	-1.1	4.3			
	June	175.3	0.0	2.0	4.3	-2.4	0.3	-0.9
	July	169.6	-3.2	3.2	0.9			
	August	168.0	-0.9	4.5	0.0			
	September	168.6	0.3	5.0	0.3	-0.3	-3.6	4.2
	October	169.4	0.5	5.5	0.8			
	November	169.8	0.2	3.9	1.0			
	December	171.5	1.0	2.0	2.0	0.6	0.9	3.8
2000	January	174.7	1.9	0.0	1.9			
	February	174.9	0.1	0.1	2.0			
	March	174.2	-0.4	0.3	1.6	0.1	2.6	0.1
	April	172.8	-0.8	-0.9	0.8			
	May	172.3	-0.3	-1.7	0.5			
	June	171.8	-0.3	-2.0	0.2	-0.7	-1.3	-1.6
	July	168.4	-2.0	-0.7	-1.8			
	August	166.2	-1.3	-1.1	-3.1			
	September	166.7	0.3	-1.1	-2.8	-0.8	-3.0	-1.0
	October	166.6	0.0	-1.6	-2.8			
	November	168.1	0.9	-1.0	-2.0			
	December	172.2	2.4	0.4	0.4	-0.8	1.1	-0.7
2001	January	180.1	4.6	3.1	4.6			
	February	178.4	-0.9	2.0	3.6			
	March	178.5	0.0	2.4	3.7	2.5	5.9	2.5
	April	178.3	-0.1	3.2	3.6			
	May	181.2	1.6	5.2	5.2			
	June	178.8	-1.3	4.1	3.8	3.3	0.2	4.1
	July	173.9	-2.7	3.3	1.0			
	August	172.7	-0.7	3.9	0.3			
	September	170.7	-1.2	2.4	-0.8	3.3	-3.9	3.2
	October	170.8	0.1	2.5	-0.8			
	November	172.9	1.2	2.9	0.4			
	December	177.1	2.4	2.9	2.9	3.1	0.7	2.1

Source: National Statistics Service.

Table 11. Armenia: Regulated Maximum Prices for Main Commodities and Services, 1996-2001 1/

Item	Unit	1996	1997	1998	1999	2000	2001
(In drams; end-of-period)							
Transport (bus)	1 trip	48	48	51	50	50	50
Electricity 2/	1 kWh	14	20	20	25	25	25
Telephone	monthly	101	600	600	907	900	900
Rent	monthly/sq. meter	10	21	22	22	22	22
Water	1 cubic meter	15	29	46	46	46	46
Sewage	monthly	4	9	10	10	10	10
Garbage	monthly	60	60	100	100	100	101

Source: National Statistics Service.

1/ Data for Yerevan only.

2/ Tariff for households.

Table 12. Armenia: Accounts of the Central Bank, 1996-2001

	1996	1997	1998	1999	2000	2001
	(End-of-period stocks in billions of drams, unless otherwise indicated)					
Net international reserves 1/	21.9	47.5	51.0	53.4	74.8	88.5
Net domestic assets	19.3	3.1	2.9	0.4	-2.4	-8.1
General government	19.2	8.3	9.3	8.3	8.3	8.3
Central government	19.4	8.4	9.3	8.4	8.3	8.3
Local government	0.0	0.0	0.0	0.0	0.0	0.0
Pension and employment fund	-0.1	-0.1	-0.1	-0.1	0.0	0.0
Banks	3.3	2.4	2.7	1.4	3.3	3.9
Other items, net	-3.3	-7.6	-9.2	-9.2	-14.0	-20.2
Reserve money	41.3	50.6	53.8	53.9	72.4	80.4
Currency outside Central Bank of Armenia	37.1	42.2	45.3	45.5	61.9	66.7
Required reserves	3.6	8.1	7.9	8.0	10.4	13.5
Other accounts	0.6	0.3	0.6	0.4	0.2	0.2
	(percent change)					
Net international reserves 1/	49.9	116.2	7.4	4.8	40.0	17.9
Net domestic assets	31.1	-83.9	-7.8	-85.0	-658.8	130.7
General government	88.6	-56.7	11.3	-10.4	-0.2	13.1
Central government	87.9	-56.8	11.6	-10.1	-1.3	13.5
Local government	0.0	0.0	0.0	0.0	0.0	0.0
Pension and employment fund	-25.2	65.3	-58.0	-27.8	98.0	-500.0
Banks	-11.5	-29.0	15.3	-50.6	146.5	-16.9
Other items, net	-541.5	-132.1	-20.4	-0.9	-51.9	-30.9
Reserve money	40.5	22.5	6.5	0.0	34.4	12.3
Currency outside Central Bank of Armenia	44.3	13.7	7.4	0.3	36.0	17.5
Required reserves	-85.1	126.5	-1.8	0.6	30.0	-7.8
Other accounts	-55.0	-50.5	112.4	-29.6	-59.3	9.9

Sources: Central Bank of Armenia; and Fund staff estimates.

1/ Excludes medium- and long-term liabilities.

Table 13. Armenia: Monetary Survey, 1996-2001

	1996	1997	1998	1999	2000	2001 1/
(In billions of drams, unless otherwise indicated)						
Net foreign assets (convertible currencies)	7.8	29.9	17.6	31.1	62.1	83.0
Net domestic assets	46.6	40.3	77.9	77.4	74.5	74.0
Consolidated government	23.4	14.3	20.0	15.4	9.3	9.4
Central government	23.8	15.1	20.8	15.9	9.4	9.5
Local government	-0.2	-0.6	-0.3	-0.2	-0.1	-0.1
Pension and employment fund	-0.2	-0.2	-0.5	-0.3	0.0	0.0
Economy	37.2	48.5	79.0	85.1	97.8	93.5
Enterprises	32.0	37.6	45.8	49.2	59.9	58.6
Rest of economy	5.1	10.9	33.2	35.9	37.8	34.9
Other items, net	-13.9	-22.5	-21.1	-23.0	-32.6	-28.8
Broad money	54.4	70.2	95.5	108.5	136.6	157.0
Currency in circulation	34.8	37.6	41.4	42.6	59.5	65.1
Dram deposits	8.2	9.1	16.2	13.7	15.6	18.4
Foreign currency deposits	11.4	23.6	38.0	52.3	61.4	73.6
Memorandum items						
Dollarization of bank deposits (in percent) 2/	58.3	72.2	70.1	79.3	79.7	80.0
Velocity of broad money (end-of-period)	12.2	11.4	10.0	9.1	7.6	7.5
Percent change in broad money	35.1	29.2	36.0	13.6	25.8	15.0
GDP	661	799	959	988	1,031	1,175

Sources: Central Bank of Armenia; and Fund staff estimates.

1/ The CBA has revised broad money figures downwards through the exclusion of dormant liabilities of banks in interim administration.

2/ Foreign currency deposits over total deposits.

Table 14. Armenia: Commercial Banks' Average Interest Rates on Loans and Deposits, 1996-2001

	1996	1997	1998	1999	2000	2001
(Annualized average rates)						
Dram						
One-month						
Deposits	19.2	20.7	24.4	28.8	18.1	14.5
Loans	69.5	63.1	61.1	34.5	14.8	18.3
Three-month						
Deposits	21.8	35.2	24.5	27.6	19.2	14.7
Loans	65.1	52.0	48.1	34.5	28.7	27.7
Six-month						
Deposits	21.6	39.0	23.6	31.2	19.6	16.6
Loans	55.7	55.1	50.0	35.1	29.1	27.8
U.S. Dollars						
One-month						
Deposits	28.8	22.1	21.0	18.9	11.2	8.2
Loans	47.9	52.6	50.5	37.5	34.3	25.8
Three-month						
Deposits	32.9	25.3	21.6	20.0	15.0	10.5
Loans	57.3	52.1	43.5	43.3	35.2	28.4
Six-month						
Deposits	27.4	27.4	23.6	22.0	18.0	11.4
Loans	60.8	51.7	39.4	30.4	32.7	25.6

Source: Central Bank of Armenia.

Table 15. Armenia: Treasury Bills, 1996-2001

	1996	1997	1998	1999	2000	2001
	Dec.	Dec.	Dec.	Dec.	Dec.	Dec.
	(In millions of drams)					
Treasury bills outstanding						
1-10 weeks	284	125	637	519	100	..
11-20 weeks	2,360	678	3,352	4,104	821	..
21-30 weeks	1,805	760	5,608	9,649	4,468	1,100
31-40 weeks	...	1,050	5,709	5,314	5,234	7,600
41-52 weeks	...	600	4,925	3,593	5,900	12,496
Outstanding at face value (TBills)			20,231	23,179	16,522	21,196
Outstanding at face value (Notes)			9,000	8,000	13,272	15,231
	(In percent)					
Treasury-bill average interest rate						
1-10 weeks	43.0	28.6	47.5	48.3	..	..
11-20 weeks	57.4	45.9	56.2	48.4	25.9	..
21-30 weeks	56.5	48.9	46.2	49.0	24.8	17.7
31-40 weeks	...	49.3	42.4	56.4	23.0	18.3
41-52 weeks	...	48.5	45.4	61.4	23.0	19.0
Weighted average interest rate	56.1	47.5	46.6	52.5	23.5	18.7

Sources: Central Bank of Armenia; and Fund staff estimates.

Table 16. Armenia: Banking System Indicators, 1997-2001

	1997 Dec.	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec.
	(In percent)				
Total capital-to-risk weighted assets ratio	27.0	29.8	27.8	25.0	13.6
Core capital-to-risk weighted assets ratio	25.2	27.2	25.9	23.3	12.3
Highly liquid assets-to-total capital ratio	45.8	37.8	39.7	30.5	33.1
Highly liquid assets-to-demand liabilities ratio	94.8	83.4	100.1	86.1	80.4
Non-performing loan-to-total loan ratio	8.4	8.5	10.6	11.3	7.4

Source: Central Bank of Armenia.

Table 17. Armenia: Banking Sector Loans to Enterprises, 1998-2001

	1998	1999	2000	2001			
	Dec.	Dec.	Dec.	Mar.	Jun.	Sept.	Dec.
(In thousands of drams, end of period)							
Credit in drams	6,552	9,049	11,205	12,561	12,546	12,665	11,483
Industry	3,351	5,117	5,814	6,923	6,668	6,559	5,895
<i>Of which: energy</i>	1,588	1,433	303	884	979	1,232	1,383
Agriculture	803	1,322	2,606	2,544	2,715	2,613	2,267
Construction	901	1,436	1,030	1,145	1,249	1,221	948
Transportation and communication	133	41	207	333	238	334	348
Trade	1,364	1,133	1,548	1,616	1,676	1,938	2,025
Credit in foreign exchange	37,870	35,338	53,055	52,499	50,798	54,542	48,922
Total credit to enterprises	44,422	44,387	64,260	65,060	63,344	67,207	60,405
(In percent of total credit)							
Credit to enterprises in drams	14.7	20.4	17.4	19.3	19.8	18.8	19.0
Industry	7.5	11.5	9.0	10.6	10.5	9.8	9.8
<i>Of which: energy</i>	3.6	3.2	0.5	1.4	1.5	1.8	2.3
Agriculture	1.8	3.0	4.1	3.9	4.3	3.9	3.8
Construction	2.0	3.2	1.6	1.8	2.0	1.8	1.6
Transportation and communication	0.3	0.1	0.3	0.5	0.4	0.5	0.6
Trade	3.1	2.6	2.4	2.5	2.6	2.9	3.4
Credit in foreign exchange	85.3	79.6	82.6	80.7	80.2	81.2	81.0
Total credit to enterprises	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Central Bank of Armenia; and Fund staff estimates.

Table 18. Armenia: Central Government Operations, 1997-2001

	1997	1998	1999	2000	2001
	(In billions of drams)				
Total revenue and grants	126.7	163.8	190.9	170.0	200.8
Total revenue	115.1	154.8	175.8	163.4	182.3
Tax revenue	103.6	130.4	158.8	152.4	168.8
Value-added tax	39.3	59.8	68.3	67.5	79.5
Excises	18.7	19.4	21.7	25.4	31.0
Enterprise profits tax	16.1	12.3	21.5	20.3	16.3
Personal income tax	14.7	13.5	17.5	13.4	11.2
Land tax	0.0	0.1	0.1	0.0	0.0
Customs duties	10.6	10.6	8.1	8.7	9.8
Other taxes	3.3	10.5	16.4	12.9	16.3
<i>Of which</i> : stamp duties	1.4	9.9	9.7	8.8	13.9
Presumptive Income Tax	0.6	3.9	5.0	4.0	4.4
Property tax	0.3	0.2	0.3	0.1	0.2
Nontax revenue	11.5	24.4	16.3	11.1	11.9
Capital revenue	0.0	0.0	0.8	0.0	1.6
Grants	11.6	9.1	15.1	6.6	18.5
Total expenditure	170.7	210.1	262.0	235.8	247.2
Current expenditure	138.1	156.5	189.7	180.4	185.2
Wages	21.5	26.4	30.5	32.9	32.2
Subsidies	4.3	0.8	14.0	8.2	6.5
Interest	21.7	17.8	19.8	17.3	14.5
domestic interest	15.8	10.7	12.9	9.4	6.6
external interest	5.9	7.1	6.9	8.0	8.0
Transfers	18.5	30.4	48.0	45.8	51.7
Family allowances	8.1	14.8	21.4	19.7	16.6
Pension contributions	3.2	3.6	5.2	6.5	6.7
Reserve fund and contingent liabilities	0.0	0.0	8.5	2.0	10.9
Other transfers	6.7	8.6	8.7	11.7	10.5
Transfer to State Fund for Social Insurance	0.5	3.5	4.2	5.9	7.0
Goods and Services	72.1	81.1	77.3	76.3	80.3
Capital exp. and net lending	32.6	53.6	72.3	55.3	62.0
Capital expenditure	27.2	44.7	45.7	39.7	46.0
Foreign financed	23.3	21.0	24.0	17.0	32.0
Domestic financed	4.0	23.7	21.6	22.7	14.0
Net lending	5.4	8.8	26.7	15.6	16.0
Overall balance (commitment basis)	-44.0	-46.3	-71.1	-65.8	-46.4
Accumulation of new arrears	0.0	5.1	19.4	31.0	7.3
Clearance of arrears	0.0	0.0	0.0	-11.1	-8.8
Statistical discrepancy	-2.5	-3.8	-2.4	5.1	0.6
Overall balance (cash basis)	-46.5	-45.0	-54.1	-40.8	-47.3
Financing	46.5	45.0	54.1	40.8	47.3
Domestic financing	...	20.5	7.8	25.4	15.2
Banking system	...	5.7	-4.5	-6.1	-1.2
Central Bank of Armenia	...	-0.1	0.1	0.0	0.0
Rest of banking system	...	5.8	-4.6	-6.1	-1.2
Nonbank	...	14.8	12.3	31.4	16.4
Privatization receipts	...	21.3	11.0	21.5	7.6
Treasury bills	...	-6.0	2.0	10.0	3.4
Promissory notes / Other	...	-0.5	-0.7	-0.1	1.4
External financing	...	24.6	46.3	15.5	32.1
Gross inflow	...	60.9	56.8	26.6	44.3
Amortization due	...	36.3	10.5	11.1	-11.6

Sources: Ministry of Finance; and Fund staff estimates.

Table 19. Armenia: Central Government Operations, 1997-2001

	1997	1998	1999	2000	2001
(In percent of GDP; unless otherwise indicated)					
Total revenue and grants	15.8	17.1	19.3	16.5	17.1
Total revenue	14.3	16.1	17.8	15.8	15.5
Tax revenue	12.9	13.6	16.1	14.8	14.4
Value-added tax	4.9	6.2	6.9	6.5	6.8
Excises	2.3	2.0	2.2	2.5	2.6
Enterprise profits tax	2.0	1.3	2.2	2.0	1.4
Personal income tax	1.8	1.4	1.8	1.3	1.0
Land tax	0.0	0.0	0.0	0.0	0.0
Customs duties	1.3	1.1	0.8	0.8	0.8
Other taxes	0.4	1.1	1.7	1.3	1.4
Of which : stamp duties	0.2	1.0	1.0	0.9	1.2
Presumptive Income Tax	0.1	0.4	0.5	0.4	0.4
Property tax	0.0	0.0	0.0	0.0	0.0
Nontax revenue	1.4	2.5	1.6	1.1	1.0
Capital revenue	0.0	0.0	0.1	0.0	0.1
Grants	1.4	0.9	1.5	0.6	1.6
Total expenditure	21.2	21.9	26.5	22.9	21.0
Current expenditure	17.2	16.3	19.2	17.5	15.8
Wages	2.7	2.7	3.1	3.2	2.7
Subsidies	0.5	0.1	1.4	0.8	0.6
Interest	2.7	1.9	2.0	1.7	1.2
domestic interest	2.0	1.1	1.3	0.9	0.6
external interest	0.7	0.7	0.7	0.8	0.7
Transfers	2.3	3.2	4.9	4.4	4.4
Family allowances	1.0	1.5	2.2	1.9	1.4
Pension contributions	0.4	0.4	0.5	0.6	0.6
Reserve fund and contingent liabilities	0.0	0.0	0.9	0.2	0.9
Other transfers	0.8	0.9	0.9	1.1	0.9
Transfer to State Fund for Social Insurance	0.1	0.4	0.4	0.6	0.6
Goods and Services	9.0	8.5	7.8	7.4	6.8
Capital exp. and net lending	4.1	5.6	7.3	5.4	5.3
Capital expenditure	3.4	4.7	4.6	3.9	3.9
Foreign financed	2.9	2.2	2.4	1.7	2.7
Domestic financed	0.5	2.5	2.2	2.2	1.2
Net lending	0.7	0.9	2.7	1.5	1.4
Overall balance (commitment basis)	-5.5	-4.8	-7.2	-6.4	-3.9
Accumulation of new arrears	0.0	0.5	2.0	3.0	0.6
Clearance of arrears	0.0	0.0	0.0	-1.1	-0.7
Statistical discrepancy	-0.3	-0.4	-0.2	0.5	0.1
Overall balance (cash basis)	-5.8	-4.7	-5.5	-4.0	-4.0
Financing	5.8	4.7	5.5	4.0	4.0
Domestic financing	...	2.1	0.8	2.5	1.3
Banking system	...	0.6	-0.5	-0.6	-0.1
Central Bank of Armenia	...	0.0	0.0	0.0	0.0
Rest of banking system	...	0.6	-0.5	-0.6	-0.1
Nonbank	...	1.5	1.2	3.0	1.4
Privatization receipts	...	2.2	1.1	2.1	0.6
Treasury bills	...	-0.6	0.2	1.0	0.3
Promissory notes / Other	...	-0.1	-0.1	0.0	0.1
External financing	...	2.6	4.7	1.5	2.7
Gross inflow	...	6.4	5.7	2.6	3.8
Amortization due	...	3.8	1.1	1.1	-1.0
Memorandum items: (in billions of drams)					
GDP	804	959	988	1,031	1,175
Stock of domestic and external arrears, end-of-period	...	5.1	24.5	44.3	42.2

Sources: Ministry of Finance, Central Bank of Armenia; and Fund staff estimates.

Table 20. Armenia: Functional Classification of Central Government Expenditures, 1997-2001 1/

	1997	1998	1999	2000	2001
	(In billions of drams)				
Total Expenditure	160.7	210.1	262.0	235.8	243.9
General Public Services	13.9	21.6	20.3	21.2	23.6
Defence	31.4	33.7	36.5	36.7	36.8
Public Order and Safety	11.1	13.3	14.5	15.0	15.3
Education	13.7	17.2	20.2	27.2	27.3
Science	1.8	2.5	1.9	1.4	1.7
Health	9.5	13.7	13.6	9.7	15.7
Social Security	12.6	20.0	26.1	22.1	26.1
Recreation, Culture and Religion	3.3	4.2	3.8	3.7	5.5
Housing and Public Utilities	6.0	9.6	13.4	12.8	9.3
Fuel and Energy	6.0	8.1	4.7	3.1	6.9
Agriculture, Forestry, Water & Fishing	4.7	12.2	26.8	16.8	17.0
Mining, Manufacturing, Constr. & Environment	1.0	1.2	5.4	0.4	0.6
Transportation and Communications	7.8	10.0	9.6	6.1	11.0
Other Services	1.2	3.1	3.9	0.1	0.6
Reserve Fund	1.7	2.5	8.5	9.4	10.9
Interest on public debt	19.9	17.8	19.8	17.6	14.5
Foreign Financed Net lending	0.0	1.6	8.2	6.0	7.4
Transfers to local governments	0.0	3.8	2.3	3.6	6.8
Unclassified expenditures and arrears	15.1	14.1	22.5	23.0	6.8

Source: Ministry of Finance and Economy.

1/ Aside from the totals, all figures are on a cash basis.

Table 21. Armenia: Functional Classification of Central Government Expenditures, 1997-2001 1/

	1997	1998	1999	2000	2001
	(In percent of GDP)				
Total Expenditure	20.0	21.9	26.5	22.9	20.7
General Public Services	1.7	2.2	2.1	2.1	2.0
Defence	3.9	3.5	3.7	3.6	3.1
Public Order and Safety	1.4	1.4	1.5	1.5	1.3
Education	1.7	1.8	2.0	2.6	2.3
Science	0.2	0.3	0.2	0.1	0.1
Health	1.2	1.4	1.4	0.9	1.3
Social Security	1.6	2.1	2.6	2.1	2.2
Recreation, Culture and Religion	0.4	0.4	0.4	0.4	0.5
Housing and Public Utilities	0.7	1.0	1.4	1.2	0.8
Fuel and Energy	0.7	0.8	0.5	0.3	0.6
Agriculture, Forestry, Water & Fishing	0.6	1.3	2.7	1.6	1.4
Mining, Manufacturing, Constr. & Environment	0.1	0.1	0.5	0.0	0.1
Transportation and Communications	1.0	1.0	1.0	0.6	0.9
Other Services	0.2	0.3	0.4	0.0	0.0
Reserve Fund	0.2	0.3	0.9	0.9	0.9
Interest on public debt	2.5	1.9	2.0	1.7	1.2
Foreign Financed Net lending	0.0	0.2	0.8	0.6	0.6
Transfers to local governments	0.0	0.4	0.2	0.3	0.6
Unclassified expenditures and arrears	1.9	1.5	2.3	2.2	0.6
Memorandum items					
GDP (in billions of drams)	804	959	988	1,031	1,175
Social expenditure on cash basis (in billions of drams) 2/	36	50.8	59.9	59.0	69.2
In percent of GDP	4.5	5.3	6.1	5.7	5.9
In percent of total expenditure	22.3	24.2	22.9	25.0	28.4

Source: Ministry of Finance and Economy.

1/ Aside from the total, all figures are on a cash basis.

2/ Includes expenditures on health, education and social security.

Table 22. Armenia: Operations of Local Governments, 1996-2001
(In billions of drams)

	1996	1997	1998	1999	2000	2001
Total revenue and grants	6.5	11.8	12.1	10.6	13.7	15.3
Total revenue	4.9	8.1	8.2	8.4	8.5	8.4
Tax revenue	3.2	5.0	6.2	6.6	6.7	5.2
Value-added tax	0.1	0.0	0.0	0.0	0.0	0.0
Enterprise profits tax	0.0	0.0	0.0	0.0	0.0	0.0
Personal income tax	0.0	0.0	1.8	1.3	1.4	0.0
Land tax	1.7	2.7	1.3	1.4	1.5	1.7
Other taxes	1.3	1.6	1.6	1.5	1.2	0.7
<i>Of which: stamp duties</i>	1.3	1.4	1.5	1.5	1.2	0.4
Property tax	0.0	0.7	1.6	2.4	2.6	2.8
Nontax revenue	1.7	3.0	1.9	1.8	1.8	3.2
Grants	1.6	3.8	3.9	2.3	5.2	6.9
Total expenditure	6.3	10.0	11.5	11.4	12.8	14.4
Current expenditure	4.9	9.0	9.0	10.8	12.2	13.7
Wages	1.3	3.2	3.3	3.9	3.7	4.9
Subsidies	0.0	0.1	0.2	0.2	0.1	0.2
Interest	0.0	0.0	0.0	0.0	0.0	0.0
Transfers	0.5	1.1	1.0	1.2	1.6	1.8
Family allowances	0.0	0.0	0.0	0.0	0.0	0.0
Pension contributions	0.5	1.1	1.0	1.2	1.5	1.7
Other transfers	0.0	0.0	0.0	0.0	0.1	0.5
Goods and services	3.1	4.5	4.5	5.4	6.7	6.9
Capital exp. and net lending	1.4	1.1	2.5	0.6	0.6	0.8
Capital expenditure	0.9	1.1	2.5	0.6	0.6	0.8
Foreign financed	0.0	...	0.0	0.0	0.0	0.0
Domestic financed	0.9	...	2.5	0.6	0.6	0.8
Net lending	0.5	...	0.0	0.0	0.0	0.0
Overall balance (commitment basis)	0.2	1.8	0.6	-0.7	0.9	-0.8
Accumulation of new arrears	...	...	...	...	...	...
Clearance of arrears	-0.1	-0.1	0.0	0.0	0.0	0.0
Statistical discrepancy	-0.2	-1.3	0.3	0.9	0.0	0.0
Overall balance (cash basis)	-0.1	0.4	0.8	0.2	0.9	-0.3
Deficit / Financing	0.1	-0.4	-0.8	-0.2	-0.9	-0.3
Domestic financing	0.1	-0.4	-0.8	-0.2	-0.9	-0.3
Banking system	0.1	-0.4	-0.8	-0.2	-0.9	-0.3
Central Bank of Armenia	0.2	0.0	0.0	0.0	0.0	-0.3
Rest of banking system	-0.1	-0.4	-0.8	-0.2	-0.9	0.0
Nonbank	0.0	0.0	0.0	0.0	0.0	0.0
External financing	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance.

Table 23. Armenia: Operations of Local Governments, 1996-2001
(In percent of GDP; unless otherwise indicated)

	1996	1997	1998	1999	2000	2001
Total revenue and grants	1.0	1.5	1.3	1.1	1.3	1.3
Total revenue	0.7	1.0	0.9	0.8	0.8	0.7
Tax revenue	0.5	0.6	0.7	0.7	0.6	0.4
Value-added tax	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise profits tax	0.0	0.0	0.0	0.0	0.0	0.0
Personal income tax	0.0	0.0	0.2	0.1	0.1	0.0
Land tax	0.3	0.3	0.1	0.1	0.1	0.1
Other taxes	0.2	0.2	0.2	0.2	0.1	0.1
<i>Of which: stamp duties</i>	0.2	0.2	0.2	0.2	0.1	0.0
Property tax	0.0	0.1	0.2	0.2	0.3	0.2
Nontax revenue	0.3	0.4	0.2	0.2	0.2	0.3
Grants	0.2	0.5	0.4	0.2	0.5	0.6
Total expenditure	1.0	1.2	1.2	1.2	1.2	1.2
Current expenditure	0.7	1.1	0.9	1.1	1.2	1.2
Wages	0.2	0.4	0.3	0.4	0.4	0.4
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0	0.0
Transfers	0.1	0.1	0.1	0.1	0.2	0.1
Family allowances	0.0	0.0	0.0	0.0	0.0	0.0
Pension contributions	0.1	0.1	0.1	0.1	0.1	0.1
Other transfers	0.0	0.0	0.0	0.0	0.0	0.0
Goods and services	0.5	0.6	0.5	0.5	0.7	0.6
Capital exp. and net lending	0.2	0.1	0.3	0.1	0.1	0.1
Capital expenditure	0.1	0.1	0.3	0.1	0.1	0.1
Foreign financed	0.0	...	0.0	0.0	0.0	0.0
Domestic financed	0.1	...	0.3	0.1	0.1	0.1
Net lending	0.1	...	0.0	0.0	0.0	0.0
Overall balance (commitment basis)	0.0	0.2	0.1	-0.1	0.1	-0.1
Accumulation of new arrears	...	...	...	...	...	...
Clearance of arrears	0.0	0.0	0.0	0.0	0.0	0.0
Statistical discrepancy	0.0	-0.2	0.0	0.1	0.0	0.0
Overall balance (cash basis)	0.0	0.0	0.1	0.0	0.1	0.0
Deficit / Financing	0.0	0.0	-0.1	0.0	-0.1	0.0
Domestic financing	0.0	0.0	-0.1	0.0	-0.1	0.0
Banking system	0.0	0.0	-0.1	0.0	-0.1	0.0
Central Bank of Armenia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of banking system	0.0	-0.1	-0.1	0.0	-0.1	0.0
Nonbank	0.0	0.0	0.0	0.0	0.0	0.0
External financing	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum item:						
GDP (in billions of drams)	661	804	959	988	1,031	1,175

Source: Ministry of Finance.

Table 24. Armenia: State Fund for Social Insurance Budget, 1996-2001

	1996	1997	1998	1999	2000	2001
(In millions of drams)						
Total revenue and grants	20,632	28,141	33,751	35,195	37,385	42,472
Total revenue	20,632	27,691	30,272	31,521	31,453	35,226
Contributions from payroll	16,772	24,345	29,797	31,032	31,025	34,451
Self-employed and agriculture	3,860	1,725	475	462	403	540
Other Revenue	0	1,621	0	27	24	235
Transfers	0	450	3,479	3,674	5,932	7,246
Total expenditure	21,887	28,135	34,387	37,670	38,407	41,340
Pensions	19,740	25,920	33,127	34,111	35,803	38,519
<i>Of which</i> : Pension to soldiers and officers	0	0	3,479	3,770	5,932	7,294
Social safety net compensation	1,056	0	0	1,422	1,012	1,425
Unemployment compensations and programs	851	841	767	1,394	747	422
Interest on bank credit	0	895	0	0	0	0
Other expenditures, and statistical discrepancy	241	479	494	743	844	974
Change in arrears	...	...	1,306	2,068	982	-2,938
Overall balance (cash)	-1,255	7	671	-407	-40	-1,806
Financing 1/	1,255	-7	-671	407	40	1,806
Gap	0	0	0	0	0	0
Stock of arrears (end-period)	0	0	1,306	3,374	4,356	1,418
(In percent of GDP)						
Total revenue and grants	3.1	3.5	3.5	3.6	3.6	3.6
Total revenue	3.1	3.4	3.2	3.2	3.0	3.0
Contributions from payroll	2.5	3.0	3.1	3.1	3.0	2.9
Self-employed and agriculture						0.0
Other Revenue	0.0	0.2	0.0	0.0	0.0	0.0
Transfers	0.0	0.1	0.4	0.4	0.6	0.6
Total expenditure	3.3	3.5	3.6	3.8	3.7	3.5
Pensions	3.0	3.2	3.5	3.5	3.5	3.3
<i>Of which</i> : Pension to soldiers and officers	0.0	0.0	0.4	0.4	0.6	0.6
Social Safety Net Compensation	0.2	0.0	0.0	0.1	0.1	0.1
Unemployment compensation and related programs	0.1	0.1	0.1	0.1	0.1	0.0
Other expenditures, and statistical discrepancy	0.0	0.1	0.1	0.1	0.1	0.1
Change in arrears	-0.2	0.0	-0.1	-0.3	-0.1	-0.2
Overall balance (cash)	...	...	0.1	0.2	0.1	-0.2
Financing	0.2	0.0	-0.1	0.0	0.0	0.2
Gap	0.0	0.0	0.0	0.0	0.0	0.0
Stock of arrears (end-period)	0.0	0.0	0.1	0.3	0.4	0.1

Source: Ministry of Finance, State Fund for Social Insurance.

1/ Drawdown from SFSI bank account.

Table 25. Armenia: General Government Accounts, 1996-2001

	1996	1997	1998	1999	2000	2001
	(In billions of dram)					
Total revenue and grants	116.6	158.4	197.7	224.4	202.0	236.1
Total revenue	106.9	146.8	188.6	209.3	195.4	217.6
Tax revenue	85.1	130.7	162.3	190.5	182.5	200.7
Value-added tax	21.5	39.3	59.8	68.3	67.5	79.5
Excises	11.3	18.7	19.4	21.7	25.4	31.0
Enterprise profits tax	16.8	16.1	12.3	21.5	20.3	16.3
Personal income tax	8.8	14.7	15.2	18.8	14.8	11.2
Land tax	1.9	2.7	1.4	1.5	1.5	1.7
Customs duties	5.9	10.6	10.6	8.1	8.7	9.8
Payroll taxes	14.7	22.0	25.7	25.1	23.5	26.6
Other taxes	3.0	5.0	12.1	18.0	14.2	17.0
Presumptive income tax	0.5	0.6	3.9	5.0	4.0	4.4
Property tax	0.6	1.0	1.8	2.6	2.7	3.0
Nontax revenues	21.9	16.1	26.3	18.1	12.9	15.4
Capital revenue	...	...	...	0.8	0.0	1.6
Grants	9.7	11.6	9.1	15.1	6.6	18.5
Total expenditure	172.5	205.4	244.7	297.1	267.4	281.2
Current expenditure	129.7	172.1	188.6	224.1	211.5	218.4
Wages	19.0	24.8	29.6	34.4	36.6	37.1
Subsidies	0.8	4.5	1.1	14.2	8.3	6.6
Interest	17.3	21.7	17.8	19.8	17.3	14.5
domestic interest	12.1	15.8	10.7	12.9	9.4	6.6
external interest	5.1	5.9	7.1	6.9	8.0	8.0
Transfers	32.0	43.2	53.8	73.0	66.3	73.0
Family allowances	...	...	...	21.4	19.7	16.6
Pensions	28.8	34.9	48.6	32.4	32.0	38.5
Reserve fund and contingent liabilities	0.5	0.0	0.0	8.5	2.0	10.9
Other transfers	2.7	8.3	5.1	6.4	6.5	7.0
Transfer to State Fund for Social Insurance	...	...	...	4.2	6.0	0.0
Goods and services	60.7	77.9	86.4	82.7	83.0	87.2
Capital exp. and net lending	42.8	33.3	56.1	73.0	55.9	62.8
Capital expenditure	26.8	27.9	47.3	46.3	40.3	46.7
Foreign financed	19.2	23.3	21.0	24.0	17.0	32.0
Domestic financed	7.6	4.7	26.2	22.3	23.3	14.8
Net lending	16.0	5.4	8.8	26.7	15.6	16.0
Overall balance (commitment)	-55.9	-47.0	-47.1	-72.7	-65.4	-45.1
Accumulation of new arrears	...	...	6.4	19.9	31.8	-1.5
Clearance of arrears	0.0	0.0	0.0	0.0	-11.1	0.0
Statistical discrepancy	-5.8	0.9	-4.3	-1.5	4.8	-4.6
Overall balance (cash) after measures	-61.6	-46.1	-45.0	-54.3	-39.9	-51.2
Financing	61.6	46.1	45.0	54.3	39.9	51.2
Domestic financing	18.5	-4.7	20.5	8.0	24.5	19.0
Banking system	14.5	-9.1	5.7	-4.3	-7.0	4.2
Central Bank of Armenia	9.0	-10.9	-0.2	0.1	0.0	0.0
Rest of banking system	5.5	1.9	5.9	-4.4	-6.9	4.2
Nonbank	4.0	4.3	14.8	12.3	31.4	14.9
Privatization receipts	0.2	0.0	21.3	11.0	21.5	7.6
Treasury bills	1.8	4.3	-6.0	2.0	10.0	3.4
Promissory notes / Other	2.0	0.0	-0.5	-0.7	-0.1	3.9
External Financing	43.1	50.8	24.6	46.3	15.5	32.1
Gross inflow 1/	...	...	...	56.8	26.6	44.3
Amortization	...	...	...	10.5	11.1	-11.6
Change in Arrears (=reduction)	...	...	...	...	...	-0.6

Sources: Ministry of Finance, Central Bank of Armenia; and Fund staff estimates.

1/ AMD 10,396 million of WB disbursements for SAC III are reported in 1999 as they were used to finance 1999 expenditures. In the BOP, this amount is reported in 2000.

Table 26. Armenia: General Government Accounts, 1996-2001

	1996	1997	1998	1999	2000	2001
	(In percent of GDP; unless otherwise indicated)					
Total revenue and grants	17.6	19.7	20.6	22.7	19.6	20.1
Total revenue	16.2	18.3	19.7	21.2	18.9	18.5
Tax revenue	12.9	16.3	16.9	19.3	17.7	17.1
Value-added tax	3.3	4.9	6.2	6.9	6.5	6.8
Excises	1.7	2.3	2.0	2.2	2.5	2.6
Enterprise profits tax	2.5	2.0	1.3	2.2	2.0	1.4
Personal income tax	1.3	1.8	1.6	1.9	1.4	1.0
Land tax	0.3	0.3	0.1	0.1	0.1	0.1
Customs duties	0.9	1.3	1.1	0.8	0.8	0.8
Payroll taxes	2.2	2.7	2.7	2.5	2.3	2.3
Other taxes	0.5	0.6	1.3	1.8	1.4	1.4
Presumptive income tax	0.1	0.1	0.4	0.5	0.4	0.4
Property tax	0.1	0.1	0.2	0.3	0.3	0.3
Nontax revenues	3.3	2.0	2.7	1.8	1.2	1.3
Capital revenue	...	...	...	0.1	0.0	0.1
Grants	1.5	1.4	0.9	1.5	0.6	1.6
Total expenditure	26.1	25.5	25.5	30.1	25.9	23.9
Current expenditure	19.6	21.4	19.7	22.7	20.5	18.6
Wages	2.9	3.1	3.1	3.5	3.5	3.2
Subsidies	0.1	0.6	0.1	1.4	0.8	0.6
Interest	2.6	2.7	1.9	2.0	1.7	1.2
domestic interest	1.8	2.0	1.1	1.3	0.9	0.6
external interest	0.8	0.7	0.7	0.7	0.8	0.7
Transfers	4.8	5.4	5.6	7.4	6.4	6.2
Family allowances	...	...	...	2.2	1.9	1.4
Pensions 1/	4.4	4.3	5.1	3.3	3.1	3.3
Reserve fund and contingent liabilities	0.1	0.0	0.0	0.9	0.2	0.9
Other transfers	0.4	1.0	0.5	0.6	0.6	0.6
Transfer to State Fund for Social Insurance	...	...	...	0.4	0.6	0.0
Goods and Services	9.2	9.7	9.0	8.4	8.0	7.4
Capital exp. and net lending	6.5	4.1	5.9	7.4	5.4	5.3
Capital expenditure	4.1	3.5	4.9	4.7	3.9	4.0
Foreign financed	2.9	2.9	2.2	2.4	1.6	2.7
Domestic financed	1.2	0.6	2.7	2.3	2.3	1.3
Net lending	2.4	0.7	0.9	2.7	1.5	1.4
Overall balance (commitment basis)	-8.5	-5.8	-4.9	-7.4	-6.3	-3.8
Accumulation of new areras	...	...	0.7	2.0	3.1	-0.1
Clearance of areras	0.0	0.0	0.0	0.0	-1.1	0.0
Statistical discrepancy	-0.9	0.1	-0.5	-0.2	0.5	-0.4
Overall balance (cash basis)	-9.3	-5.7	-4.7	-5.5	-3.9	-4.4
Financing	9.3	5.7	4.7	5.5	3.9	4.4
Domestic financing	2.8	-0.6	2.1	0.8	2.4	1.6
Banking system	2.2	-1.1	0.6	-0.4	-0.7	0.4
Central Bank of Armenia	1.4	-1.4	0.0	0.0	0.0	0.0
Rest of banking system	0.8	0.2	0.6	-0.4	-0.7	0.4
Nonbank	0.6	0.5	1.5	1.2	3.0	1.3
Privatization receipts	0.0	0.0	2.2	1.1	2.1	0.6
Treasury bills	0.3	0.5	-0.6	0.2	1.0	0.3
Promissory notes / Other	0.3	0.0	-0.1	-0.1	0.0	0.3
External financing	6.5	6.3	2.6	4.7	1.5	2.7
Gross inflow 1/	...	...	...	5.7	2.6	3.8
Amortization	...	...	...	1.1	1.1	-1.0
Change in Areras (=reduction)	...	...	...	...	...	-0.1
Memorandum items: (in billions of drams)						
GDP	661	804	959	988	1,031	1,175
Stock of arrears at end of period	...	...	6.4	26	44	42

Sources: Ministry of Finance, Central Bank of Armenia; and Fund staff estimates.

1/ AMD 10,396 million of WB disbursements for SAC III are reported in 1999 as they were used to finance 1999 expenditures. In the BOP, this amount is reported in 2000.

Table 27. Armenia: Quarterly Balance of Payments, 2000-01

	2000					2001				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
(In millions of U.S. dollars; unless otherwise indicated)										
Current account	-90	-65	-48	-75	-278	-46	-50	-40	-65	-201
Trade balance	-113	-118	-99	-133	-464	-78	-102	-116	-124	-420
Exports	61	87	74	88	310	79	87	86	101	353
Imports	-174	-204	-173	-221	-773	-157	-189	-202	-225	-773
Services (net)	-14	-14	-10	-18	-56	-8	-3	4	-12	-18
Credits	30	34	34	39	137	37	46	58	45	187
Debits	-44	-48	-44	-58	-193	-45	-49	-54	-57	-204
Income (net)	1	14	20	18	53	10	19	18	17	63
Private transfers (net)	17	20	24	24	86	17	23	28	34	102
Official transfers (net)	19	32	17	35	103	12	14	26	20	72
Capital and financial account	76	58	56	98	289	24	65	52	74	215
Capital transfers (net)	7	5	5	11	28	3	7	16	4	30
Foreign direct investments (net)	45	36	20	3	104	38	9	11	12	70
Portfolio investments (net)	0	-1	-1	-17	-19	1	-2	-1	-4	-6
Public sector (net)	22	3	10	11	46	9	21	15	13	59
Disbursements	27	10	15	18	70	13	28	19	19	79
Amortization	-5	-7	-5	-7	-24	-3	-7	-4	-7	-21
Other capital (net) 1/	2	16	22	90	130	-28	29	10	50	62
Overall balance	-14	-7	8	23	11	-22	16	12	10	14
Change in gross reserves (- increase)	14	5	-10	-26	-18	20	-11	-12	-13	-16
IMF (net)	-4	-4	-4	-4	-16	-2	11	-4	-2	3
Arrears, net to Russia (+ increase)	4	5	5	5	18	5	-16	4	4	-3
Debt relief from Turkmenistan	0	2	2	2	5	0	0	0	1	1
Memorandum items:										
Current account (in percent of GDP)										
Including official transfers	-36.2	-16.0	-7.9	-11.5	-14.6	-16.9	-11.7	-5.7	-9.0	-9.5
Excluding official transfers	-43.9	-23.8	-10.7	-16.9	-19.9	-21.2	-15.0	-9.5	-11.7	-12.9
Gross reserves (end of period)	291	286	296	322	314	294	305	317	329	329
In months of imports 2/	3.6	3.5	3.6	3.8	3.8	3.3	3.4	3.6	3.7	3.7
In months of amortization 3/	114.6	112.7	116.8	126.9	123.5	61.0	63.4	65.8	68.4	68.4
External debt service (in percent of exports) 4/	22.2	7.8	7.7	7.3	10.6	5.3	22.4	6.3	4.8	9.7

Sources: Armenian authorities; and Fund staff estimates.

1/ Includes errors and omissions.

2/ In months of the following year's import of goods and services.

3/ Excludes amortization of short-term debt, deposits held by nonresidents and debt acquired domestically by nonresidents.

4/ Government and government-guaranteed medium- and long-term debt service.

Table 28. Armenia: Balance of Payments, 1996-2001

	1996	1997	1998	1999	2000	2001 Prel.
	(In millions of U.S. dollars)					
Current account	-287	-295	-403	-307	-278	-201
Net exports of goods and services	-520	-622	-640	-536	-519	-438
Exports	368	330	360	383	447	540
Imports	-888	-952	-1,000	-919	-966	-978
Income excl. workers' remittances (net)	-7	-14	-22	-24	-24	-9
Workers' remittances and private transfers (net)	123	192	147	159	163	175
Official transfers (net)	117	149	113	94	103	72
Capital and financial account	298	344	406	311	289	215
Capital transfers (net)	13	11	10	13	28	30
Foreign direct investments (net)	18	52	221	122	104	70
Portfolio investments (net)	7	16	-16	2	-19	-6
Public sector (net)	122	96	34	84	46	59
Disbursements	150	114	105	102	70	79
Amortizations	-28	-18	-71	-18	-24	-21
Other capital inflows (net) 1/	138	170	158	90	130	62
Overall balance	11	49	4	4	11	14
Net international reserves (- increase)	-11	-49	-4	-5	-34	-12
Arrears and debt relief				1	23	-2
	(In percent of GDP)					
Current account	-18.0	-18.0	-21.2	-16.6	-14.6	-9.5
Net exports of goods and services	-32.6	-38.0	-33.7	-29.0	-27.2	-20.7
Exports	23.1	20.2	18.9	20.7	23.4	25.5
Imports	-55.6	-58.1	-52.7	-49.8	-50.5	-46.2
Income excl. workers' remittances (net)	-0.5	-0.9	-1.2	-1.3	-1.3	-0.4
Workers' remittances and private transfers (net)	7.7	11.7	7.7	8.6	8.5	8.2
Official transfers (net)	7.3	9.1	5.9	5.1	5.4	3.4
Capital and financial account	18.7	21.0	21.4	16.8	15.1	10.1
Capital transfers (net)	0.8	0.7	0.5	0.7	1.5	1.4
Foreign direct investments (net)	1.1	3.2	11.6	6.6	5.5	3.3
Portfolio investments (net)	0.5	1.0	-0.8	0.1	-1.0	-0.3
Public sector (net)	7.7	5.8	1.8	4.6	2.4	2.8
Disbursements	9.4	6.9	5.5	5.5	3.7	3.8
Amortizations	-1.8	-1.1	-3.7	-1.0	-1.3	-1.0
Other capital inflows (net) 1/	8.6	10.4	8.3	4.9	6.8	2.9
Overall balance	0.7	3.0	0.2	0.2	0.6	0.7
Net international reserves (- increase)	-0.7	-3.0	-0.2	-0.3	-1.8	-0.6
Arrears and debt relief				0.1	1.2	-0.1
Memorandum items:						
Current account excluding official transfers						
In millions of dollars	-404	-445	-515	-401	-381	-273
In percent of GDP	-25.3	-27.1	-27.1	-21.7	-19.9	-12.9
External debt service (in percent of exports of G&S)	20.3	14.2	19.0	14.3	10.6	9.7
Gross reserves (end of period) 2/	2.1	2.9	3.9	3.8	3.8	3.7
Percent change in nominal dollar values of						
Exports of goods and services	22.9	-10.3	8.9	6.5	16.6	20.8
Imports of goods and services	22.3	7.2	5.0	-8.1	5.1	1.2

Sources: Armenian authorities; and Fund staff estimates.

1/ Includes errors and omissions.

2/ In months of next year's imports of goods and services.

Table 29. Armenia: Indicators of External Competitiveness, 1996-2001

	1996	1997	1998	1999	2000	2001
(Indices 1995=100; unless otherwise indicated)						
Real effective exchange rate indices						
Total -- Period average 1/	120	105	112	116	109	99
CIS	127	106	117	131	120	106
Non-CIS	107	102	103	93	91	88
Total -- December 1/ 2/	107	109	120	115	102	95
CIS	110	109	139	130	109	100
Non-CIS	100	107	94	96	91	85
Bilateral US-Armenian real exchange rate indices						
Armenia's GDP deflator relative to US GDP deflator	115	112	120	111	106	105
Dollar/dram exchange rate adjusted for relative CPI						
Period average	113	106	111	103	98	96
December	107	112	105	104	95	94
Monthly wages (in U.S. dollars)						
Armenia	22	24	31	34	40	44
Georgia	18	27	31	34	37	44
Azerbaijan	20	31	43	43	45	54
CIS 3/	94	107	95	60	72	90
Wages in Armenia relative to wages in (in percent)						
Georgia	122	87	99	100	105	100
Azerbaijan	110	78	71	79	85	81
CIS 3/	23	22	32	57	54	49
Memorandum items:						
Current account balance 4/	-13.8	-17.6	-21.2	-16.6	-14.6	-9.5
Trade balance (goods and services) 4/	-32.6	-38.0	-33.7	-29.0	-27.2	-20.7
Income and transfers (net) 4/	18.8	20.4	12.5	12.4	12.6	11.2
Economic growth (in percent)						
Armenia	5.9	3.3	7.3	3.3	6.0	9.6
Georgia	10.5	10.7	2.9	2.9	1.9	4.5
Azerbaijan	1.3	5.8	10.0	7.4	10.3	9.0
CIS 3/	-4.0	-3.1	-2.7	-0.9	3.4	6.7
U.S. dollar/dram exchange rate						
Period average	98	83	80	76	75	77
End-of-period	93	82	78	77	74	76

Sources: IMF Information Notice System (INS); and Fund staff estimates.

1/ For 1995-1997, INS weights. For 1998-2000, weights based on the 1997 DOT. An increase denotes an appreciation.

2/ Using INS weights, the values of the indices are 120 in 1998, 115 in 1999, and 102 in 2000.

3/ CIS countries (excluding Armenia) weighted together using 1994 (1997) trade weights for the 1995-1997 (1998-2000) period.

4/ In percent of GDP.

Table 30. Armenia: Commodity Composition of Exports, 1996-2001

	1996	1997	1998	1999	2000	2001
(In millions of U.S. dollars)						
Total, f.o.b.	290	234	229	247	310	354
Agricultural products	13	28	18	18	30	51
Minerals and chemicals	25	22	33	40	41	41
Textiles, leather, and footwear	13	14	16	16	16	27
Precious stones and metals	140	55	53	100	121	123
Base metals and articles thereof	47	58	40	25	44	43
Other products	52	57	69	49	58	69
(Percent change)						
Total, f.o.b.	7.2	-19.6	-2.0	8.0	25.3	14.3
Agricultural products	-6.1	117.4	-35.2	-2.0	66.4	71.2
Minerals and chemicals	-42.5	-9.6	48.3	21.1	1.8	1.7
Textiles, leather, and footwear	-46.3	2.1	15.2	-1.0	0.4	71.1
Precious stones and metals	56.7	-60.6	-3.9	88.2	21.6	1.2
Base metals and articles thereof	53.6	21.9	-30.1	-38.1	77.2	-1.7
Other products	-24.9	9.1	20.9	-28.3	18.6	18.1
(In percent of total)						
Agricultural products	4.5	12.0	8.0	7.2	9.6	14.4
Minerals and chemicals	8.5	9.5	14.4	16.1	13.1	11.7
Textiles, leather, and footwear	4.6	5.8	6.9	6.3	5.0	7.5
Precious stones and metals	48.3	23.6	23.2	40.4	39.2	34.7
Base metals and articles thereof	16.3	24.7	17.6	10.1	14.3	12.3
Other products	17.9	24.3	30.0	19.9	18.8	19.5
(In percent of GDP)						
Total, f.o.b.	18.2	14.3	12.1	13.4	16.2	16.7
Precious stones and metals	8.8	3.4	2.8	5.4	6.3	5.8
Other exports	9.4	10.9	9.3	8.0	9.8	10.9

Sources: National Statistics Service; and staff estimates.

Table 31. Armenia: Commodity Composition of Imports, 1996-2001

	1996	1997	1998	1999	2000	2001
(In millions of U.S. dollars)						
Total, c.i.f.	858	906	914	835	899	894
Agricultural products	206	188	184	135	151	135
Minerals and chemicals	243	295	280	247	260	250
Textiles, leather, and footwear	27	45	39	37	39	48
Precious stones and metals	130	47	46	87	113	107
Base metals and articles thereof	10	25	20	24	24	36
Other products 1/	242	305	346	305	311	318
(Percent change)						
Total, c.i.f.	27	6	1	-9	8	-1
Agricultural products	19	-9	-2	-27	11	-10
Minerals and chemicals	-13	22	-5	-12	5	-4
Textiles, leather, and footwear	200	67	-15	-5	7	22
Precious stones and metals	108	-63	-4	90	31	-6
Base metals and articles thereof	-36	140	-18	19	2	48
Other products 1/	83	26	13	-12	2	2
(In percent of total)						
Agricultural products	24	21	20	16	17	15
Minerals and chemicals	28	33	31	30	29	28
Textiles, leather, and footwear	3	5	4	4	4	5
Precious stones and metals	15	5	5	10	13	12
Base metals and articles thereof	1	3	2	3	3	4
Other products 1/	28	34	38	37	35	36
(In percent of GDP)						
Total, c.i.f.	54	55	48	45	47	42
Memorandum items:						
(In units indicated)						
Humanitarian imports, c.i.f.						
In millions of dollars	62	84	72	66	76	45
Percent change	-59	35	-14	-8	15	-40
Underlying imports, c.i.f. 2/						
In millions of dollars	666	775	797	683	710	742
Percent change	45	16	3	-14	4	4
In percent of GDP	42	47	42	37	37	35
In percent of domestic demand	31	34	31	29	29	29

Source: National Statistics Service.

1/ Including miscellaneous non-specified imports.

2/ Defined as total imports less humanitarian imports and imports of precious stones and metals.

Table 32. Armenia: Direction of Exports, 1996-2001

	1996	1997	1998	1999	2000	2001
(In millions of U.S. dollars)						
Total, f.o.b.	290	234	229	247	310	353
EU member and accession countries	69	75	82	110	112	94
Belgium	45	47	50	84	75	46
Other EU countries	17	19	26	22	32	42
Accession countries 1/	7	9	5	3	5	5
CIS	128	95	81	56	73	89
Russia	96	63	40	34	45	61
Georgia	7	11	10	11	16	12
Other CIS countries	25	21	31	11	13	16
Rest of the world	94	64	67	81	124	170
Iran	44	43	31	34	30	32
US	4	7	12	16	38	52
Other countries	46	14	23	31	56	86
(Percent change)						
Total, f.o.b.	7	-20	-2	8	25	14
EU member and accession countries	33	9	9	35	2	-16
Belgium	45	5	6	69	-11	-38
Other EU countries	-2	13	36	-16	43	32
Accession countries 1/	111	27	-39	-39	67	0
CIS	-24	-26	-15	-30	30	21
Russia	6	-35	-36	-15	32	36
Georgia	152	56	-11	16	44	-22
Other CIS countries	-67	-16	47	-63	12	26
Rest of the world	88	-32	4	22	53	37
Iran	25	-3	-26	9	-12	8
US	604	63	63	38	137	37
Other countries	222	-69	67	30	81	52
(In percent of total)						
EU member and accession countries	24	32	36	44	36	27
Belgium	15	20	22	34	24	13
Other EU countries	6	8	12	9	10	12
Accession countries 1/	2	4	2	1	2	2
CIS	44	41	35	23	24	25
Russia	33	27	17	14	14	17
Georgia	2	5	4	4	5	4
Other CIS countries	9	9	14	5	4	5
Rest of the world	32	27	29	33	40	48
Iran	15	18	14	14	10	9
US	1	3	5	6	12	15
Other countries	16	6	10	13	18	24

Source: National Statistics Service.

1/ Bulgaria, Cyprus, The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, the Slovak Republic, Slovenia, and Turkey.

Table 33. Armenia: Origin of Imports, 1996-2001

	1996	1997	1998	1999	2000	2001
(In millions of U.S. dollars)						
Total, c.i.f.	858	906	914	835	899	894
EU member and accession countries	166	254	354	321	371	311
Belgium	50	50	55	85	84	42
Other EU countries	83	127	204	168	218	210
Accession countries 1/	33	77	95	68	68	59
Commonwealth of Independent States (CIS) 2/	278	299	230	187	174	215
Russia	125	216	191	150	137	170
Georgia	51	38	27	27	20	18
Other CIS countries	101	45	12	10	17	26
Rest of the world	415	353	330	327	354	368
Iran	150	89	64	78	82	78
US	104	116	96	86	103	84
Other countries	161	148	170	162	169	206
(Percent change)						
Total, c.i.f.	27	6	1	-9	8	-1
EU member and accession countries	55	53	39	-9	16	-16
Belgium	217	0	10	56	-1	-50
Other EU countries	14	53	61	-18	30	-4
Accession countries 1/	85	135	23	-28	0	-14
CIS	-17	8	-23	-19	-7	24
Russia	-7	72	-11	-22	-8	24
Georgia	-17	-25	-30	0	-26	-7
Other CIS countries	-26	-55	-73	-13	60	58
Rest of the world	78	-15	-7	-1	8	4
Iran	67	-41	-28	23	5	-5
US	-7	12	-17	-11	20	-18
Other countries	454	-8	15	-4	4	22
(In percent of total)						
EU member and accession countries	19	28	39	38	41	35
Belgium	6	5	6	10	9	5
Other EU countries	10	14	22	20	24	24
Accession countries 1/	4	9	10	8	8	7
CIS	32	33	25	22	19	24
Russia	15	24	21	18	15	19
Georgia	6	4	3	3	2	2
Other CIS countries	12	5	1	1	2	3
Rest of the world	48	39	36	39	39	41
Iran	17	10	7	9	9	9
US	12	13	11	10	11	9
Other countries	19	16	18	20	19	23

Source: National Statistics Service.

1/ Bulgaria, Cyprus, The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, the Slovak Republic, Slovenia, and Turkey.

2/ Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan, and Ukraine.

Table 34. Armenia: Public Sector Medium- and Long-Term External Nominal Debt, 1996-2001

	1996	1997	1998	1999	2000	2001
	(in millions of U.S. dollars)					
Total nominal debt	568	700	787	855	862	905
Multilaterals	426	500	578	642	647	683
<i>of which:</i>						
World Bank	191	267	309	363	397	438
IMF	117	134	189	201	175	173
IFAD	1	2	8	18	18	33
EBRD 1/	43	43	39	37	34	20
EU	73	54	33	23	21	20
Bilateral creditors	121	153	169	178	193	194
<i>of which:</i>						
Russia	74	92	98	109	115	99
USA 2/	14	29	44	50	57	64
Commercial credits 3/	21	47	39	34	22	28
Memorandum items:	(In units indicated)					
Shares in percent of total						
Multilaterals	75	71	73	75	75	76
Bilateral creditors	21	22	22	21	22	21
Commercial credits 3/	4	7	5	4	3	3
Total nominal debt (percent change)	49	23	12	9	1	5
Total nominal debt (in percent of GDP)	36	43	41	46	45	43
Total debt in present value terms (in million dollars)	...	...	507	549	535	587
Grant element 4/	...	...	36	36	38	35
Total present-value debt in percent of:						
Exports of goods and services 5/	...	...	144	154	135	128
Central government revenue excluding grants	...	...	165	167	177	179

Sources: External Debt Management, Ministry of Finance and Economy; and Fund staff estimates.

1/ Excluding the government-guaranteed loan to the cargo terminal.

2/ In 1999 and 2000, including loans from the Lincy and Huntsman foundations.

3/ Government-guaranteed loans and suppliers' credits.

4/ Difference between nominal and present value debt in percent of nominal debt.

5/ Three year moving average centered on the preceding year.

Table 35. Armenia: Public Sector Medium- and Long-Term External Debt as of end-2001

Creditor	Nominal debt		Net present value		Grant element 2/
	In millions of U.S. dollars 1/	Percent of total debt	In millions of U.S. dollars 1/	Percent of total debt	
Total	905	100	587	100	35
Multilaterals	683	76	403	69	41
World Bank	438	48	213	36	51
IMF	173	19	144	25	16
EBRD 3/	33	4	30	5	7
EU 4/	20	2	5	1	75
IFAD	20	2	10	2	53
Bilateral creditors	194	21	157	27	19
Russia	99	11	94	16	5
USA 5/	64	7	44	7	32
France	15	2	6	1	59
Turkmenistan	11	1	11	2	4
Germany	3	0	1	0	56
Japan	1	0	1	0	-6
Commercial credits 6/	28	3	27	5	2
Memorandum items:					
Concessional loans 7/	702	78	395	67	44
Nonconcessional loans 8/	204	22	193	33	5
Fixed interest rate loans	752	83	433	74	42
Variable interest rate loans 8/	153	17	154	26	0
SDR-denominated loans	623	69	360	61	42
Dollar-denominated loans 5/ 8/	244	27	214	36	12
Euro-denominated loans	39	4	13	2	67
Total debt in percent of exports 9/	198	...	128	...	...
Total debt in percent of fiscal revenue 10/	276	...	179	...	...
Total debt in percent of GDP	43	...	28	...	...

Sources: External Debt Management, Ministry of Finance and Economy; and staff estimates.

1/ Unless otherwise indicated.

2/ Difference between nominal and present value debt in percent of nominal debt.

3/ Excluding the government-guaranteed loan to the cargo terminal.

4/ Present value calculated net of expected capital transfer of euro 5.5 million annually from the EU.

5/ Including loans from the Lincy and Huntsman foundations.

6/ Government-guaranteed loans and suppliers' credits.

7/ Loans with a grant element of at least 35 percent at the time of loan commitment.

8/ Including all commercial credits.

9/ Three year moving average of exports of goods and services centered on the preceding year.

10/ Central government total revenue excluding external grants.

Table 36. Armenia: Survey of Selected Sectors Controlled by Parastatals, 1998-2001

	1998	1999	2000	2001
(In millions of drams; unless otherwise indicated)				
Overall Balances 1/	-39,334	-42,943	-41,001	-40,606
Energy sector 2/	-39,334	-23,307	-21,448	-40,606
Nairit	...	...	...	...
Irrigation	...	-12,067	-11,409	-6,360
Drinking water	...	-7,569	-8,144	-7,520
District heating	...	...	...	...
Primary balance 3/	-30,264	-22,907	-26,579	-42,882
Energy sector 2/	-30,264	-8,028	-13,511	-29701
Nairit	...	...	...	...
Irrigation	...	-7,372	-6,404	-6,050
Drinking water	...	-7,507	-6,664	-7,131
District heating	...	...	...	...
Subsidies from the central government	0	10,715	6,728	...
Total amount of subsidies	...	...	...	...
Energy sector (excl. district heating) 2/	0	0	0	0
Nairit	...	...	...	...
<i>Of which</i> : for electricity bill	...	...	...	...
Irrigation	...	6,724	5,408	...
<i>Of which</i> : for electricity bill	...	5,400	4,760	...
Drinking water	...	3,991	1,320	...
<i>Of which</i> : for electricity bill	...	3,250	1,277	...
District heating	...	...	...	...
<i>Of which</i> : for electricity bill	0	0	1,494	...
Payable debt (stock, end-of-the period)	100,973	133,755	142,963	115,499
Energy sector 4/	100,973	98,371	102,926	115,499
Nairit	...	...	...	...
Irrigation	...	14,391	14,587	...
Drinking water	...	20,993	25,450	...
District heating	...	...	...	...
Accumulation of new arrears during the period	0	438	9,894	5,948
Energy sector 2/	...	-2,602	4,555	...
Nairit	...	...	...	...
Irrigation	...	1,525	632	1699
Drinking water	...	1,515	4,706	4,249
District heating	...	...	...	...
External sources 5/	10,788	2,330	6,965	3,199
Energy sector 2/	10,788	-2,696	...	1,245
Nairit	...	...	...	...
Irrigation	...	4,965	5,105	118
Drinking water	...	61	1,860	1,836
District heating	...	...	...	...

Sources: Ministry of Finance; and Ministry of Energy.

1/ The balance is defined as revenues minus expenditures.

2/ Data for 1998 and 2000 are still subject to revision.

3/ The primary (or basic) balance is defined as revenues minus expenditures, excluding interest payments and externally financed capital expenditures.

4/ Due to new tax legislation, the methodology for the determination of tax arrears has changed. Data for 1999 and 2000 are subject to revision.

5/ External disbursements minus external amortization plus external grants.

Table 37. Key Indicators of the Energy, Water, and Irrigations Sectors, 1996-2001

	1996	1997	1998	1999	2000	2001
	(In units indicated)					
Loss rate (as percent of supply)						
Energy Sector						
Technical losses	...	...	15.2	14.8	15.0	15.4
Excess losses	...	...	15.5	10.0	10.6	11.1
Yerevan Water and Sewer Company	...	...	...	59.2	72.4	71.8
Armenia Water and Sewer Company	...	...	...	37.0	50.9	50.7
Irrigation	...	...	...	31.4	30.3	30.0
Tariff (on retail level)						
Energy sector (dram per kWh)	18.0	17.3	20.3	21.9	21.4	21.0
Yerevan Water and Sewer Company (dram per cubic meter)	...	...	...	46.0	46.0	46.0
Armenia Water and Sewer Company (dram per cubic meter)	...	...	...	38.4	53.3	52.8
Irrigation (dram per cubic meter)	...	...	...	2.3	3.4	3.9
Collection rate (as percent of billings)						
Energy sector	59.0	40.0	77.1	88.0	89.3	80.7
Yerevan Water and Sewer Company	...	...	...	24.2	18.7	28.6
Armenia Water and Sewer Company	...	...	...	30.0	30.6	40.0
Irrigation	...	...	...	50.1	37.8	52.9

Source: Armenian authorities.

Table 38. Overall Balances and Primary Balances in the Energy, Water, and Irrigation Sectors, 1998-2001

	1998	1999	2000	2001
(In percent of GDP, unless otherwise indicated)				
Overall Balance				
Energy	-4.1	-2.4	-2.1	-3.5
Irrigation	...	-1.2	-1.1	-0.5
Yerevan Water and Sewer Company	...	-0.5	-0.6	-0.5
Armenia Water and Sewer Company	...	-0.3	-0.2	-0.1
Primary Balance				
Energy	-2.6	-0.8	-1.3	-2.5
Irrigation	...	-0.7	-0.6	-0.5
Yerevan Water and Sewer Company	...	-0.5	-0.5	-0.5
Armenia Water and Sewer Company	...	-0.3	-0.2	-0.1
Sum of all overall balances	...	-4.3	-4.1	-4.6
Sum of all primary deficits	...	-2.3	-2.6	-3.6
Memorandum item				
Nominal GDP (in billions of drams)	959	988	1,031	1,175

Source: Armenian authorities. Data for 1998 are estimates.

Table 39. Armenia: Total Electricity Generation, Distribution, and Collection, 1996-2001

	1996	1997	1998	1999	2000	2001
Production of electricity (in millions of kilowatts)	6,229	6,030	5,684	5,716	5,958	5,744
<i>Of which:</i>						
Thermal	2,332	3,040	1,416	2,439	2,480	2,581
Hydro	1,573	1,390	2,801	1,199	1,250	958
Nuclear	2,324	1,600	1,466	2,078	1,837	1,814
Production of electricity (in percent of total)						
<i>Of which:</i>						
Thermal	37	50	25	43	45	48
Hydro	25	23	49	21	22	18
Nuclear	37	27	26	36	33	34
Distribution of sales (in percent of total net generation) 1/						
Households	48	50	40	33	...	...
Industry (includes Nairit)	18	17	18	17	...	...
Budgetary organizations	7	8	7	6	...	...
Irrigation	7	6	10	12	...	...
Drinking water	11	7	9	8	...	...
Transport	...	3	4	3	...	...
Others	10	10	13	13	...	...
Collection rate (in percent of total sales)						
Households	40	58	86	79	...	...
Industry (includes Nairit)	103	71	96	114	...	...
Budgetary organizations	63	96	63	85	...	...
Irrigation 2/	18	12	25	62	...	...
Drinking water 3/	54	52	42	86	...	...
Transport 3/	...	95	84	115	...	...
Others	76	57	93	105	...	...
Total	59	62	77	88	...	...

Sources: Armenian authorities; and World Bank.

1/ Excludes excess and technical losses and self-use of electric power.

2/ The figure for 1996 includes other agriculture-related uses of electricity.

3/ In 1996 transport was included in drinking water.

Table 40. Armenia: Operations of the Consolidated Energy Sector, 1998-2001

	1998	1999	2000	2001
	(In millions of drams; unless otherwise indicated)			
Revenues	71,442	75,347	79,857	65,121
Electricity revenues collected	60,669	73,428	75,284	62,831
Technical losses (high and low voltage), in percent of net generation	15.2	14.8	15.0	15.4
Excess losses, in percent of net generation	15.5	10.0	10.6	11.1
Domestic electricity sales collected	56,396	69,793	68,653	58,954
Tariffs, dram/kWh (average)	20.3	21.9	21.4	21.0
Domestic collection rate for electricity	77.1	88.0	89.3	80.7
Electricity exports collected	4,273	3,635	6,631	3,877
Tariffs for electricity exports, dram/kWh	14.1	13.5	12.0	11.7
External collection rates for electricity	81.9	37.4	113.8	99.3
Revenues collected for thermal energy supply	530	919	3,573	951
Technical losses, in percent of production potential	21.4	23.4	18.0	19.2
Tariffs, dram/thousand gal	8,620	8,468	8,440	8,432
Collection rate for thermal energy	18.4	22.6	76.0	30.0
Revenues collected for gas	7,431	0	0	0
Non-Core Activities	2,812	1,000	1,000	1,339
Expenditures	110,776	98,654	101,305	105,727
Expenditures excl. int. payments and capital expenditures related to foreign financed projects 1/	101,706	83,375	93,368	94,822
Inputs	52,152	35,845	40,069	47,298
Imported gas	45,652	29,263	38,398	39,037
Imports of gas, in mlns of cubic meters	1,505	1,011	883	889
Price, U.S. dollar/cubic meter	79.1	79.1	79.1	79.1
Nuclear fuel	6,500	6,582	1,671	8,261
Operation and maintenance costs	44,702	32,331	34,248	31,111
Net payment of taxes accrued	4,852	15,199	17,184	14,757
Interest payments	4,795	4,985	4,989	4,741
On domestic debt	2,487	3,508	3,136	2,448
On external debt	2,308	1,477	1,853	2,293
Capital expenditures	4,275	10,294	4,815	7,820
Externally financed	4,275	8,574	2,748	6,131
Domestically financed	0	1,720	2,067	1,689
Of which : domestically financed from own resources	0	0	1,867	1,656
Primary balance 2/	-30,264	-8,028	-13,511	-29,701
Overall Balance	-39,334	-23,307	-21,448	-40,606
Financing available	-10,648	23,302	21,447	40,628
Domestic sources	-36,387	-10,619	2,558	19,623
Banks	-27,935	-9,654	-2,249	-4,681
Budgetary loans	...	...	-605	3,200
Nonbank loans	-8,452	-19,542	-9,243	15,547
Tax arrears	...	-2,759	7,106	-110
Pay for shares in ArmRusgas acquired earlier	...	0	0	0
Production reserves	...	11,289	4,171	5,058
Transit fees for gas due to Armrusgasprom	...	0	0	0
Pre-payment for electricity	...	0	-461	-274
Collection of old arrears	...	10,047	3,839	883
Gas	...	7,047	3,195	662
Georgia (export)	...	3,000	644	221
External sources	-1,619	10,788	-281	1,245
Disbursements	2,225	9,438	2,747	6,131
Amortization	-3,844	-4,320	-3,028	-4,886
Grants	0	5,670	0	...
Government subsidies on external loans	6,152	5,707	4,882	7,179
Interest	2,308	1,477	1,853	2,293
Amortization	3,844	4,230	3,028	4,886
Armrusgasprom Gas, debt for equity swap	21,206	17,426	14,288	12,581
Errors and omissions 3/	49,982	5	1	-22

Source: Armenian authorities.

Note: From the second half of 1998 the cash-flow projections do not include the activities of ArmRusGasProm.

1/ This corresponds to current expenditures, if domestically financed capital expenditures are zero.

2/ The primary balance is defined as current revenues minus total expenditures excluding all interest payments and capital expenditures related to foreign financed projects.

3/ If positive this represents an additional accumulation of debts due to non-payment. If negative this is a use of available financing.

Table 41. Armenia: Operations of the Irrigation Sector, 1999-2001

	1999	2000	2001
(In millions of drams; unless otherwise indicated)			
Revenues			
Total services billed	1,027	1,061	1,515
Water supplied to network, in mlns of m3	2,050	2,762	2,866
Total water supply in value (incl. VAT)	1,294	1,195	1,067
Loss	2,989	3,967	4,117
Water to users, in mlns of m3	31	30	30
Tariff in dram/m3	888	832	743
Collection rate in percent	2	3	4
	50	38	53
Expenditures			
Excluding int. payments and ext. financed capital expenditures	13,094	12,470	7,875
Inputs	8,399	7,465	7,565
Electricity with VAT	6,733	5,710	6,156
Other inputs	5,976	5,143	5,207
Operation and maintenance costs	757	567	949
Net taxes accrued	1,089	1,228	1,368
Interest payments	0	12	7
Capital expenditures	0	0	192
Externally financed	5,272	5,520	153
Domestically financed	4,695	5,005	118
	577	515	35
Primary balance 1/	-7,372	-6,404	-6,050
Overall Balance	-12,067	-11,409	-6,360
Financing available			
Domestic sources	12,169	11,409	6,360
Banks	480	896	2,008
Nonbanks and government loans	-10	1,305	-1,322
Budget loans	490	-409	3,023
Arrears to energy sector	2,421	0	1,322
Arrears to social contribution	-1,879	-938	1,094
Arrears to other inputs and other debts	65	156	0
Production reserve	-221	248	599
Cash outstanding from prev. year	60	20	0
Collection of old arrears/receivables	44	5	9
Tax arrears	0	100	0
External sources	0	0	307
Total government subsidies	4,965	5,105	118
Budget grant for energy bill	6,724	5,408	4,234
For capital investment	5,400	4,760	4,150
For current repair and maintenance	577	515	0
Land protection	587	0	34
Other subsidies	160	133	0
	0	0	50
Errors and omissions	-102	0	0
Financing gap, ex-post	0	0	0

Sources: Armenian authorities.

1/ The primary balance is defined as current revenues minus total expenditures excluding all interest payments and capital expenditures related to foreign financed project.

Table 42. Armenia: Operations of Yerevan Water and Sewer CSJC, 1999-2001

	1999	2000	2001
(In millions of drams; unless otherwise indicated)			
Revenue	1576	1192	1740
Total services billed (accrued revenues)	6511	6386	6073
Water supply	1348	1013	1512
Water supplied to network, in mln of m3	297	431	407
Loss, in percent	59	73	72
Water to users mln m3	121	118	115
Value of billed services (accrued revenues)	5566	5423	5290
Collection rate, in percent	24	19	29
Tariff dram/m3	46	46	46
Water removal (sewerage)	238	178	224
Water removal mln m3	99	95	96
Tariff dram/m3	10	10	10
Expenditures	6501	7333	7598
Excluding int. payments and ext. financed capital expenditures	6440	5853	7209
Inputs	4768	4644	5459
Material, fuel etc.	217	342	1410
Elect. Incl. VAT, in mlns of drams	4254	3871	3642
Resource fee, in mlns of drams	297	431	407
Water fee	0	0	0
Operations and maintenance costs	935	880	1346
Net taxes Accrued	534	7	358
Interest payments (including penalties)	0	0	0
Capital expenditures	264	1802	436
Externally financed	61	1480	389
Domestically financed (from own resources)	203	322	47
Primary balance 1/	-4863	-4661	-5469
Overall Balance	-4924	-6141	-5858
Financing available	5137	6411	5941
Domestic sources	2656	3952	3645
Banks	0	0	0
Nonbanks and government loans	2122	3945	3044
Budget loan	5370	0	0
Acc. arrears to energy sector during current year (+)	606	3197	2915
Reduction of old arrears to energy sector (-)	-4380	0	0
Accum. of arrears to other inputs and other debts during current year	443	804	640
Reduction of other arrears payable (-)	-109	-59	-578
Production reserves	79	3	67
Cash outstanding from previous year	112	0	0
Collections of old receivables	0	0	0
Sales of secondary assets	0	0	0
Tax arrears	534	7	601
External sources	61	1860	1836
Government subsidies	2421	599	460
Budget grant for energy bill	2222	556	277
For cofinancing (capital repair)	15	8	183
For operation (capital repair) of prev. year	0	35	0
For budgetary loan interest	184	0	0
Errors and omissions	-213	-270	-83

Sources: Armenian authorities.

1/ The primary balance is defined as current revenues minus total expenditures excluding all interest payments and capital expenditures related to foreign financed project.

Table 43. Armenia: Operations of Republic of Armenia Water and Sewer Company, 1999-2001

	1999	2000	2001
	(In millions of drams)		
Revenue	1,204	1,255	1,538
Total services billed (accrued revenues)	...	4,101	3,846
Water supply	1,037	1,081	1,323
Water supplied to network, in mlns of m3	142	169	159
Loss, in percent	37	50	51
Water to users, in mlns of m3	90	83	79
Value of billed services (accrued revenues)	3,456	3,532	3,307
Collection rate, in percent	30	31	40
Tariff dram/m3	38	43	42
Water removal (sewerage)	167	174	215
Water removal, in mlns of m3	50	53	50
Tariff dram/m3	11	11	11
Expenditures	3,848	3,555	3,200
Inputs	2,176	2,162	1,885
Material, fuel etc.	136	54	55
Elect. with VAT, in mlns of drams	1,513	1,431	1,306
Resource fee mln drams	124	148	140
Water fee	403	529	385
Operation and maintenance costs	1,016	1,136	1,228
Net taxes accrued	113	257	87
Interest payments (include penalties)	0	0	0
Capital expenditures	543	0	0
Externally financed	0	0	0
Domestically financed	543	0	0
Primary balance 1/	-2,644	-2,300	-1,662
Overall Balance	-2,644	-2,300	-1,662
Financing available	3,177	1,908	1,669
Domestic sources	1,607	1,187	1,109
Banks	-3	-1	0
Nonbanks and government loans	1,610	1,178	1,059
External Sources	0	0	0
Government subsidies	1,571	721	560
Accumulation of debts/interest	-1	0	0
Errors and omissions	-533	392	-7
Financing gap, ex-post	0	0	0

Sources: Armenian authorities.

1/ The primary balance is defined as current revenues minus total expenditures excluding all interest payments and capital expenditures related to foreign financed project.

Table 44. Armenia: Selected Energy Prices, 1999-2001 1/

Unit	1999				2000				2001				
	Jan. 1	Apr. 1	Jul. 1	Oct. 1	Jan. 1	Apr. 1	Jul. 1	Oct. 1	Jan. 1	Apr. 1	Jul. 1	Oct. 1	
(In drams per unit)													
Electricity (retail)	kilowatt hours	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Natural gas (retail)	cubic meter	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
Petroleum products													
Gasoline (A-76), retail	liter	180.0	180.0	181.0	225.0	231.0	275.0	317.0	285.0	291.6	267.4	289.1	267.1
Diesel fuel	liter	127.0	125.0	125.0	174.0	162.0	172.0	199.0	209.0	193.4	169.7	178.4	186.0
Liquid Gas (retail)	kg	343.0	344.0	342.0	310.0	340.0	339.0	318.0	345.0	414.8	341.4	309.3	310.1
(In U.S. dollars per unit)													
Electricity (retail)	kilowatt hours	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Natural gas (retail)	cubic meter	0.10	0.10	0.09	0.10	0.10	0.10	0.09	0.10	0.09	0.09	0.09	0.09
Petroleum products													
Gasoline (A-76), retail	liter	0.34	0.34	0.33	0.44	0.44	0.52	0.58	0.53	0.53	0.49	0.52	0.48
Diesel fuel	liter	0.24	0.23	0.23	0.34	0.31	0.33	0.36	0.39	0.35	0.31	0.32	0.34
Liquid Gas (retail)	kg	0.66	0.64	0.63	0.60	0.65	0.64	0.58	0.64	0.75	0.63	0.56	0.56

Sources: Ministry of Energy; and National Statistics Service.

1/ Prices include VAT and excise taxes, if applicable.

Armenia: Summary of Tax System
(as of January 1, 2002)

	Tax	Nature of Tax	Deductions/Exemptions	Rates
1. Taxes on Consumption and Production				
1.1	Value-added tax	<p>VAT shall be charged on any supply of goods or services or import of goods and services under the customs regime "importing for free turnover" as well as free or partially free consumption.</p> <p>Input tax credit: credit is allowed for VAT accrued on raw materials, fuel and services involved in production and sales, as well as on capital assets. This credit is allowed on an immediate basis for fixed assets or if the value of the asset is no more than AMD 10 million. Refunds are limited to exports.</p> <p>The annual VAT threshold is equal to AMD 30 million</p> <p>VAT for physical persons who are not entrepreneurs is AMD 3 million.</p>	<p>Exemptions:</p> <ul style="list-style-type: none"> scientific research; sales of agricultural products; produced in the Republic of Armenia (RA), by the producer; sales of copy-books and music books, sales of newspapers and magazines, several financial operations and services; sales of veterinary medicines, sales of poisonous chemicals used in agricultural production, fertilizers, agricultural plants and seeds of perennial plantations and planting material to the producers of agricultural production; albums for drawing, children's and school literature, school educational publications; sales of scientific and educational editions published by higher educational institutions, specialized scientific organizations and the National Academy of Sciences of the RA; services for which stamp duties are charged; rent of leased enterprises organized on the basis of state enterprises; goods and services imported for own-consumption, delivery of goods 	<p>20 percent standard rate.</p> <p>Zero rated: exports, non-resident diplomatic purchases.</p>

	Tax	Nature of Tax	Deductions/Exemptions	Rates
			and provision of services, according to the procedure established by the government of the RA, on the account of preparation facilities of credit and grant programs of international financial organizations. Responsibility for violation of the law has been toughened.	
1.2	Excise tax The new law went into effect on Aug. 1, 2001	All excise rates are specific. The tax is payable by producers or importers of excisable goods	Exemptions: sale of goods for export; goods imported by individuals, if less than the taxed quantity, as defined by customs legislation; goods on transit through Armenia; goods imported to Armenia within the framework of humanitarian assistance, and relief programs, goods imported to Armenia temporarily, to be kept under the Custom House control, as in accordance with the legislation; goods imported to Armenia, which were previously temporarily exported.	Rates in AMD (per liter, unless otherwise specified) Beer.....70 Wine.....100 Champagne.....300 Ethyl alcohol.....600 Spirits.....300–1,500 Crude oil (per ton).....27,000 Liquid gas (per ton).....1,000 Tobacco subst. (per kg).....1,500
1.3	Presumptive taxes on cigarettes and petroleum	A specific tax for cigarettes (including VAT, excise and customs duties for imports, and VAT and excise for domestic production) and for gasoline (including excise and VAT). Physical and legal entities importing tobacco products into the RA and producing tobacco products in the RA are payers of presumptive taxes. Legal (including representative offices and branches of foreign legal entities, registered in the RA according to the specified order) and physical entities importing diesel fuel and petrol into the RA are payers of		The rate (per 1,000) for filtered cigarettes is: \$10 and \$3 for imported filtered and filter-less respectively; \$8 and \$2.2 for domestic filtered and filter-less respectively; The rate for gasoline is \$222 per ton; The rate for diesel fuel is \$65 per ton.

	Tax	Nature of Tax	Deductions/Exemptions	Rates
		presumptive taxes.		The estimated value of VAT within presumptive taxes is: 68.7 percent for diesel fuel; 39.2 percent for gasoline.
1.4 (1)	Environmental taxes	Specific taxes and ad valorem taxes are imposed on economic activities and materials, which exploit or pollute natural resources.	Privileges are set for disabled persons, diplomatic and consular representatives, transportations within the framework of humanitarian assistance and relief programs, Russian troops, goods on transit through Armenia, and non-commercial physical persons.	Tax rates are differentiated depending on the type of harmful substance, capacity of vehicle engine, type and capacity of vehicle, type of exploited mineral, purpose of using water, or other natural resources.
1.4 (2)	Road-use toll	Road-use toll is imposed on foreign registered cars, heavy lorries driving on domestic roads, and the placement of commercial advertisements on the roads.	Privileges are set for the budgetary enterprises, the CBA, drivers of bicycles and mopeds, staff of foreign embassies and consulates, goods transported within the framework of humanitarian assistance, transportation of Russian troops and military equipment, owners of vehicles entering Armenia by invitation of the president, parliament, government, ministers, and for some types of vehicles owned by ethnic Armenians living in Georgia.	The rates are differentiated depending on the type of vehicle, loading capacity, and size. Rates for placing commercial advertisements on the roads are differentiated depending on the importance of the road and the size of the advertisement.

	Tax	Nature of Tax	Deductions/Exemptions	Rates
2. Taxes on Income and Wealth				
2.1	<p>Enterprise profit tax</p> <p>The new law went into effect on Jan. 1, 1998</p>	<p>Resident legal entities are taxed on their taxable profits from all sources worldwide. Foreign legal entities operating through representations in Armenia are taxable on their taxable profits derived by the representatives in Armenia as well as on income independently received from Armenian sources.</p> <p>The taxable profit is the positive difference between gross income of taxpayer and deductions, as envisaged by the law.</p>	<p>Income-related expenses, particularly the following, shall be considered expenses:</p> <p>material expenses; labor reimbursement; pension, unemployment, social security payments; depreciation of fixed assets; insurance payments; taxes, duties, other obligatory payments which are not subject to compensation (or netting); interest on loans, or other borrowings; fee for guarantees, letters of guarantee, LCs, and other banking services; advertisement expenses; representative expenses; business trip expenses; court expenses; fines and penalties, unless envisaged otherwise in this law; expenses on staff recruitment; auditing, legal, other information and administrative expenses; factoring, trust expenses; the amount of any losses that are the result of selling or exchanging property.</p> <p>Losses can be carried forward for 5 years.</p> <p>If the share of a foreign investor in the equity capital of a resident (except banks) is at least AMD 500 million after Jan. 1, 1998, the amount of the tax is reduced by 100 percent or 50 percent for up to ten years depending on when the investments are made.</p>	20 percent

	Tax	Nature of Tax	Deductions/Exemptions	Rates
2.2	<p>Personal income tax</p> <p>The new law went into effect on Dec. 30, 1997</p>	<p>Residents are liable for income tax on their worldwide income. Non-residents are taxable on the income derived from Armenian sources.</p> <p>The following monetary and in-kind income received by individuals shall be subject to taxation: income derived from implementation of labor and civil and legal agreements; authors' royalties; income derived from business activities; income derived from leasing of property; income derived from share capital participation, securities and deposit payments; as well as other income. In-kind (non-monetary) income shall be taxed in compliance with market prices.</p> <p>On interest from deposits and lease of property, a 10 percent final withholding tax is applied.</p> <p>Tax on Armenian-source income is normally withheld at the source. Income from an overseas source is assessed on an annual basis.</p>	<p>Nontaxable income: state benefits paid according to the legislation of the RA except allowances for temporary work disability and for care of a sick family member; pensions; one-time compensation to families of disabled or killed servicemen and alimony.</p> <p>Deductions: dividends; income of military service; monetary and in-kind assistance from NGOs; property and cash inherited from or gifted by physical persons; social assistance provided by the state or local governments; sale of property with the exception of selling the property not for entrepreneurial purposes; scholarships; insurance compensation; severance pay; one-time assistance in case of the death of an employee or a family member; and prizes above AMD 10,000.</p>	<p>Up to AMD 80,000, 10 percent of taxable income; over AMD 80,000, AMD 8,000 plus 20 percent of the amount exceeding AMD 80,000. Up to AMD 960,000, 10 percent of taxable income; over AMD 960,000, AMD 96,000 plus 20 percent of the amount exceeding AMD 960,000.</p>
	<p>Simplified tax law</p> <p>The new law went into effect on July 1, 2000</p>	<p>A tax on turnover that is a substitute for the VAT and the income tax for legal persons and individual entrepreneurs with a turnover below AMD 30 million, excluding taxpayers with imports above AMD 1 million, taxpayers with outstanding tax obligation above AMD 100,000, financial institutions, casinos and lotteries. There is no threshold for restaurants and retail shops.</p>	<p>During reporting period the calculated tax amount is reduced by a) 3 percent for trading activity realized through shops and counters and b) 5 percent for goods and services for organization of business activity and procured during the given time period. If after reduction the amount of the simplified tax from the trading activity of shops and counters for the given time period is less than 2 percent, and less than 3.5 percent form other type of activity, then simplified tax shall be paid at the rates of 2 percent and 3.5 percent respectively. The unreduced portion of</p>	<p>Up to AMD 30 million, 5 percent; above AMD 30 million, 7 percent.</p> <p>For the part of trading activity not mentioned in clause 1, tax payers calculate the tax for the current year using the following amounts of sales turnover: 8 percent for the amount under AMD 30 million; 13 percent for the amount</p>

	Tax	Nature of Tax	Deductions/Exemptions	Rates
			the tax shall be deducted from the tax amount calculated for the following reporting period.	over AMD 30 million.
2.4	Mandatory social security contributions	Withholding is required for monthly contributions to pensions, unemployment, social security and medical funds managed by the State Fund for Social Insurance	Non-profit organizations and organizations working in the area of education, health and culture only pay the minimum contribution for one employee.	
2.5	Land tax Went into effect on April 27, 1994	For agricultural land, the tax is based on net income, determined by the land cadastral valuation. For other land, the tax is based on the land cadastral value.	Exemptions: Budget institutions and organizations; state reserves, national parks, botanical gardens, and land of historical-cultural importance, farmers and collective farms formed during land reform; state land of general use; educational-industrial and experimental plots attached to colleges and schools. A 50 percent exemption applies to certain lands used for scientific, educational, and agricultural and forest cultivation programs; and citizens exempt from income tax.	Land of agricultural use, 15 percent Non-agricultural land: land of industrial importance, transportation, communication, broadcasting, television, defense, gas lines, and water funds: within settled area, 1 percent; outside of settled area, 0.5 percent. Land for forest stocks, 1 percent. Other land, 1 percent.

	Tax	Nature of Tax	Deductions/Exemptions	Rates
2.6	Property tax Went into effect on January 13, 1998	The tax is paid for buildings and means of transportation. The tax base for buildings is the value as assessed according to the law, and the tax base for means of transportation is the engine power (horse power or kilowatt).	Exemptions: the property of budget organizations and institutions, and CBA; communication roads (including motor ways), communication and power transmission lines, as well as property used for the purpose of their direct operation; and water reservoirs. Deductions: for vehicles more than 3 years old, the tax amount is reduced by 10 percent for each year above 3, but not by more than 50 percent of the total tax amount.	Residential buildings, 0–0.8 percent, according to the scale; other buildings, 0.6 percent; water transport, AMD 150 per HP; trucks and buses, AMD 100 to AMD 200 per HP; passenger vehicles with up to 10 seats, AMD 200 to AMD 500 per HP; passenger vehicles with more than 10 seats, AMD 100 to AMD 200 per HP.
3. Taxes on International Trade				
3.	Customs duties The new law went into effect on Jan. 1, 2001	Customs duties are levied on all physical and legal entities importing into and exporting from Armenia.	The following shall be exempt from customs duties: goods released under the customs regime of transit shipmen; temporary import for the first year of import except for the cases established by the RA government; temporary export for the first year of export except for the cases established by the RA government; temporary import for reprocessing; temporary export for reprocessing; import into customs warehouse; import into un-bonded customs warehouse; re-import and re-export, except for the cases stipulated by the present customs code; goods released under the customs	Ad valorem duties are calculated in percentage of the customs value of goods subject to taxation. Imports of almost all finished products (consumption goods) are taxed by 10 percent, and all other goods (including raw materials, machinery, equipment, and pharmaceuticals) are generally zero-rated. Specific (fixed) duties are calculated at a fixed tariff rate per unit of goods subject to taxation. Specific tax rates are applied on several types

	Tax	Nature of Tax	Deductions/Exemptions	Rates
			<p>regime of destruction; goods released under the customs regime of import into duty free shop; means of transportation used for regular intergovernmental carriage of freight, luggage and passengers, as well as the tools, fuel, food that may be necessary in transit, at stopovers, or to fix the malfunctions of said means of transportation; currency, foreign currency and securities; goods that enter the customs territory of the RA within the framework of programs of humanitarian assistance or charity; import within the framework of exhibitions, international fairs or similar measures of sample quantities of goods defined by the RA government shall be exempt from customs payments excluding customs fees.</p> <p>Without any customs duties natural persons may transport through the customs border of the RA as accompanying cargo goods not exceeding the equivalent of US\$500 in their total value and 50 kilograms in their total weight. Without any customs duties natural persons may transport through the customs border of the RA goods not exceeding the equivalent of US\$100 in their total value and 20 kilograms in their total weight transported by international</p>	<p>of alcoholic drinks (beer, wine, ethyl spirit, whiskey, rum, liquors, vodka, etc.), which comprise around 10 percent of total imports.</p>

	Tax	Nature of Tax	Deductions/Exemptions	Rates
			<p>transportation following to the regulations defined by the government of the RA.</p> <p>Individuals that arrive in Armenia with the intention of permanent residence may import their belongings into Armenia without payment of customs duties.</p> <p>The citizens of Armenia may import their inheritance property (received abroad) into the customs territory of Armenia without payment of customs duties.</p>	
4. Presumptive Taxes for Some Business				
4.	<p>Presumptive payments</p> <p>The new law went into effect on Aug. 1, 1998</p>	<p>The law has established presumptive tax rates replacing VAT and/or profit (income) tax for the following activities:</p> <ul style="list-style-type: none"> the activity on arranging trading place; transportation activities; haircutting services; the activities of photo laboratories; the activities of gas stations; retail sale of petrol and diesel; parking places; commercial fishing; exchange offices; foreign exchange dealers; casinos; lotteries; computer games; and video-recorders, and films. 		Rates vary according to the activities and basic parameters.