

PREFACE

The Balance of Payments of the Republic of Armenia for 1998-2002 Statistical Manual includes the data on external transactions of the Republic during those years.

Balance of payment is a statistical report, in which the overall data concerning the foreign economic operations of the Republic of Armenia with the other countries and International Organizations are represented in systematic form for reporting period (quarter, year). The operations of economic nature take place between the residents¹ and non-residents of the RA in the form of goods and services, flows of income, current transfers, as well as operations, concerning the financial needs and liabilities.

Balance of Payment consists of two main accounts: current account capital and financial account. The operations related to the goods, services, incomes and current transfers are registered in the current account, whereas in the capital and financial accounts the flow of assets and liabilities, as well as capital transfers are registered. According to the methodology, the rest of current account in absolute terms should be equal to the rest of capital and financial account, however, in reality discrepancies are always unavoidable. In international practice this is considered to be called "the Article of errors and gaps".

Balance of payment is built by the following principle of Accountancy: each operation is double entered to any credit account and in another other debit account and the increase of asset account is registered in debit, whereas the decrease – in credit; the increase of passive account is registered in credit, whereas the decrease – in debit. The

¹ The resident of RA can be considered any natural person, household, economic enterprise, legal entity (enterprise) or any other organization acting on the territory of RA, the permanent place of being of which or sphere of economic activity is the Republic of Armenia. (for natural persons the place of residence)

application of the method of double entry is explained by the fact that as a rule the economic operations are the exchange of economic values /in financial and material terms/.

For the first time in the Republic the balance of payments was compiled by the National Statistical Service for 1993. At first it was compiled in brief version, while since 1996 in compliance with generalized articles developed by the International Monetary Fund (IMF) and for 1999 in new enlarged version.

The dynamics of the balance of payment of the Republic of Armenia shows that the deficit of current account had trend of decrease in recent years. The deficit of current account is mostly determined by the negative balance on goods. The financial account in all years was positive.

The Manual is based on the statistical data of the RA Customs Statistics, banking and financial systems data, statistical surveys conducted in organizations and households. Some indicators (insurance payments, expenditures of RA resident travelers abroad) were received through estimations, which are implemented by the methodology of International Monetary Fund (IMF).

The main sources of BOP data collection are:

On Current Account

- on **commodity article** – the foreign trade statistics received from the State Customs Committee under the RA Government and Ministry of Energy of RA, as well as data on commodities received through the surveys conducted in the transport stations. The data on import also include foreign assistance and gifts in kind, received by the residents of Armenia;
- on **services article** – data of surveys conducted in the organizations rendering

different services such as transport, insurance, tourist, communication, financial and etc.

- on *incomes articles* – data on transfers of seasonal and other types of workers, mainly based on the results on social surveys conducted by the National Statistical Service of RA in households. At the same time, the data on government debt service received from the Ministry of Finance and Economy of RA and the Central Bank of RA. Data on other types of incomes are received from the surveys of organizations;
- on *current transfers article* – data on cargoes and grants acquired as humanitarian aid, received by the State Customs Committee under the RA Government, Ministry of Finance and Economy of RA and international organizations, as well as results of the social survey conducted in the households.

Data on *financial account* are mainly collected from the Ministry of Finance and Economy of RA, the Central Bank of RA and organizations that have foreign investments.

Since the data in tables are presented by two-digit hundredth fractions, discrepancies by 0.01 – 0.03 are possible in the totals. They are results of the data round-off.

Users of the handbook are kindly asked to apply to the National Statistical Service of RA in case of queries and recommendations.

Conventional Signs

There isn't such a phenomenon	0
Data are not available	...
Very small quantity	0.0

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