

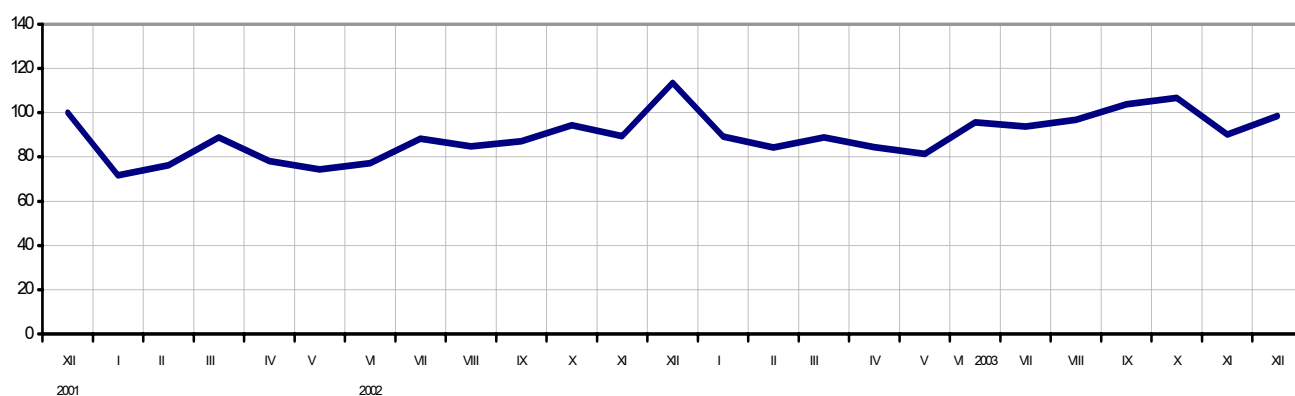
1.2 Production (Services)

1.2.1. Industry

Industrial Output and Realization. According to the reports received from the 2053 industrial organizations, as well as estimation (based on the key indicator on production of the products with a low elasticity) on activity of the small economic entrepreneurial units not covered by the monthly statistical monitoring, for January-December 2003, industrial products on amount of 423717.4 million drams, at current prices, were produced in the republic, products on amount of 418417.6 million drams were realized, including products on amount of 51513.2 million drams - in the CIS countries, and products on amount of 97863.9 million drams - in other countries.

Volume index of industrial production compared to January-December 2002 made up 114.9%, and volume index of industrial production excluding electricity, gas, water production and distribution comprised 118.2%.

Dynamics of the Industrial Output in Percents Compared to December 2001



Dynamics of Industrial Output

	Compared to the previous month	Compared to the corresponding period of the previous year	Compared to December of the previous year (%)
2002			
January	71.7	107.1	71.7
February	100.9	104.5	72.3
March	116.4	116.9	84.2
April	88.1	115.6	74.2
May	95.2	107.3	70.6
June	103.7	115.8	73.2
July	114.4	104.6	83.7
August	96.0	96.1	80.4
September	102.7	116.1	82.6
October	108.3	137.4	89.5
November	94.8	123.7	84.8
December	127.1	100.3	107.8

1. REAL SECTOR

	Compared to the previous month	Compared to the corresponding period of the previous year	Compared to December of the previous year
2003			
January	78.9	109.9	78.9
February	99.1	105.7	78.2
March	105.5	115.5	82.5
April	94.9	126.2	78.3
May	96.4	136.0	75.5
June	117.6	119.7	88.8
July	97.9	110.5	86.9
August	103.4	127.7	89.9
September	107.2	129.4	96.4
October	102.8	108.5	99.1
November	84.5	109.0	83.7
December	109.2	91.3	91.4

Industrial Produce Production by Economic Activities¹

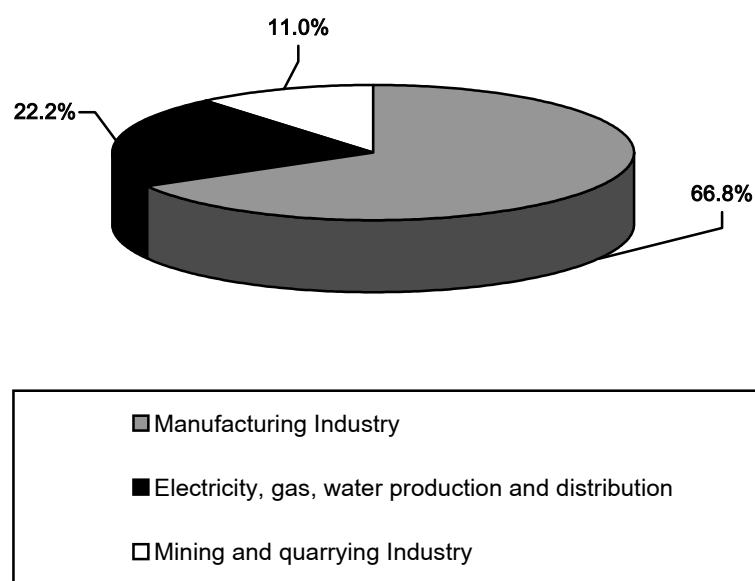
	Output (work, services), at current prices ² , million drams	Realization of fabricated product, at current prices ² , million drams	Volume index of production for January-December 2003 (work, services) compared to January-December 2002 (at comparable prices), %
Total industry	423717.4	418417.6	114.9
<i>including</i>			
Electricity, gas, water production and distribution	94061.0	94061.0	101.3
<i>of which</i>			
Electricity, gas, hot water and steam production and distribution	88005.0	88005.0	102.5
<i>of which</i>			
Electricity, hot water and steam production and distribution	80572.3	80572.3	101.6
Production and distribution of gaseous fuels	7432.7	7432.7	113.3
Collection, purification and distribution of water	6056.0	6056.0	87.2
Mining and quarrying industry	46642.7	36332.5	102.4
<i>of which</i>			
Mining of metal ores	44255.3	33910.2	101.6
Other mining and quarrying	2387.4	2422.3	120.1
Manufacturing industry	283013.7	288024.1	120.3
<i>of which</i>			
Production of food products, including beverages	143726.6	144824.2	113.1
Production of tobacco products	14252.8	12673.3	127.6
Production of textiles	2212.5	2347.7	148.3
Production of wearing apparel; dressing and dyeing of fur	2186.7	2168.7	121.9
Production of leather and leather products and footwear	287.1	282.2	60.6
Manufacture of wood and wood products	1917.4	1958.6	110.4

¹ Information on industrial production by economic activities in more details is appeared in the statistical bulletin "Main Indicators of the Industrial Organizations by Economic Activities" (code 1210-201).

² Calculated excluding value added tax and excise tax.

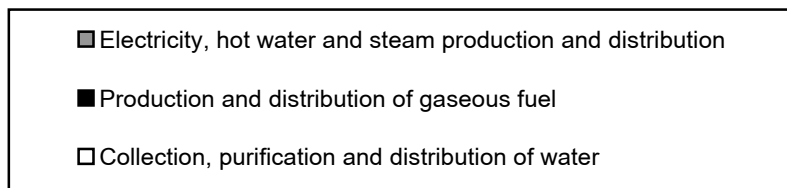
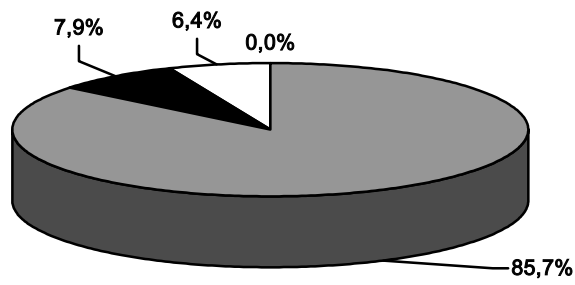
	Output (work, services), at current prices ¹ , million drams	Realization of fabricated product, at current prices ² , million drams	Volume index of production for January-December 2003 (work, services) compared to January- December 2002 (at comparable prices), %
Publishing, printing and reproduction of recorded media	6248.4	6220.3	115.0
Chemical Industry	7345.4	6606.8	82.5
Production of rubber and plastic products	1478.7	1463.3	181.5
Production of other non-metallic mineral products	13962.9	14064.6	126.6
Metallurgy	46246.0	53074.4	118.3
Production of fabricated metal products	3925.6	3778.7	127.7
Production of machinery and equipment	5946.4	5193.0	118.1
Production of jewelry	21995.4	21666.7	129.3
Other activities	11281.8	11701.6	142.6

Structure of Industrial Products by Production Divisions for January- December 2003

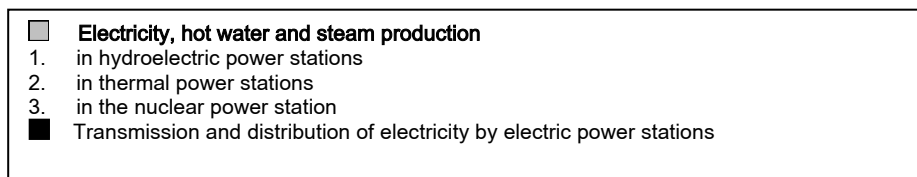
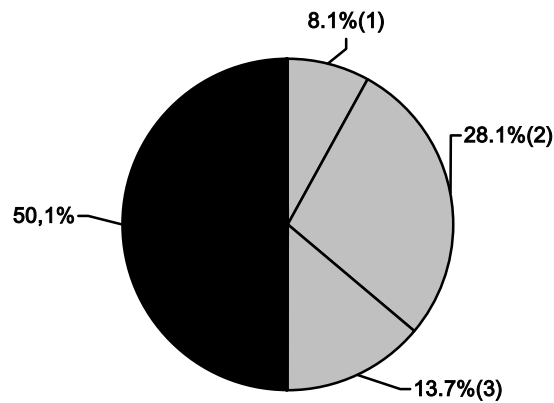


¹ Calculated excluding value added tax and excise tax.

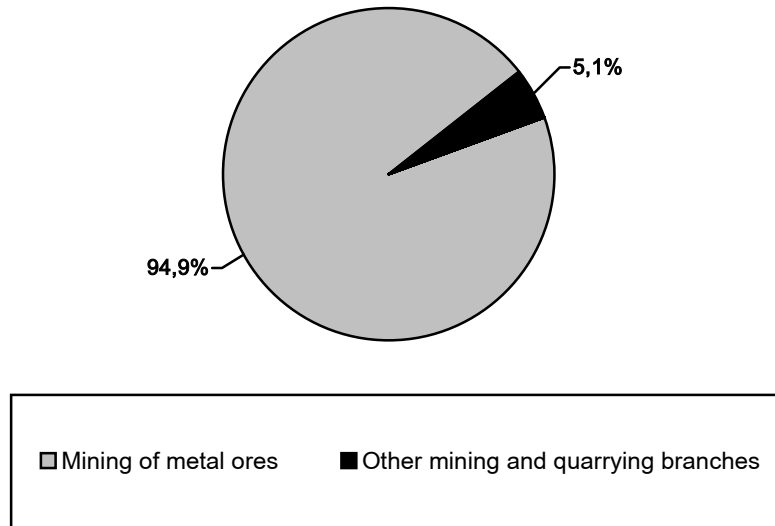
Electricity, Gas and Water Production and Distribution



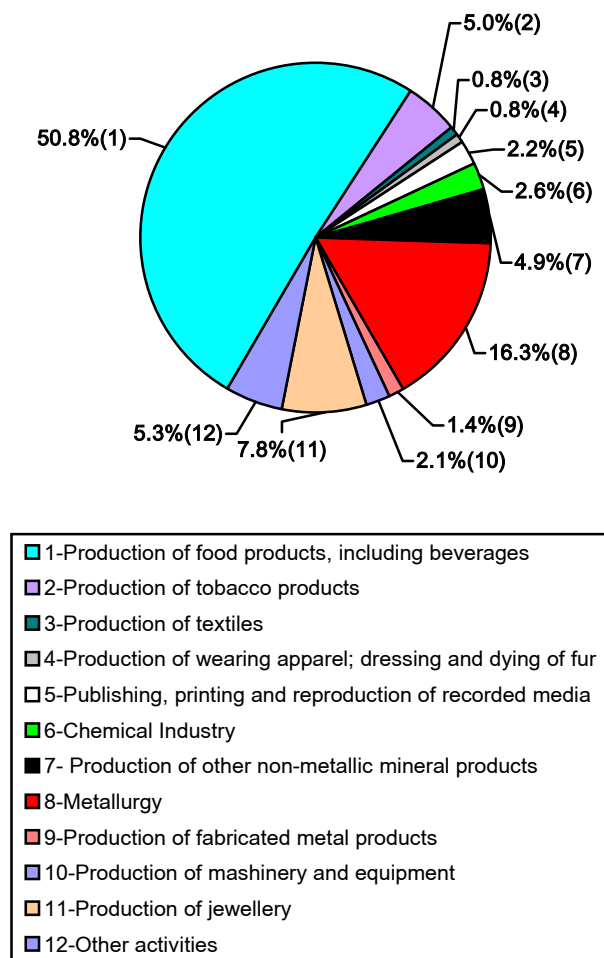
Electricity, Hot Water and Steam Production and Distribution



Mining and Quarrying Industry

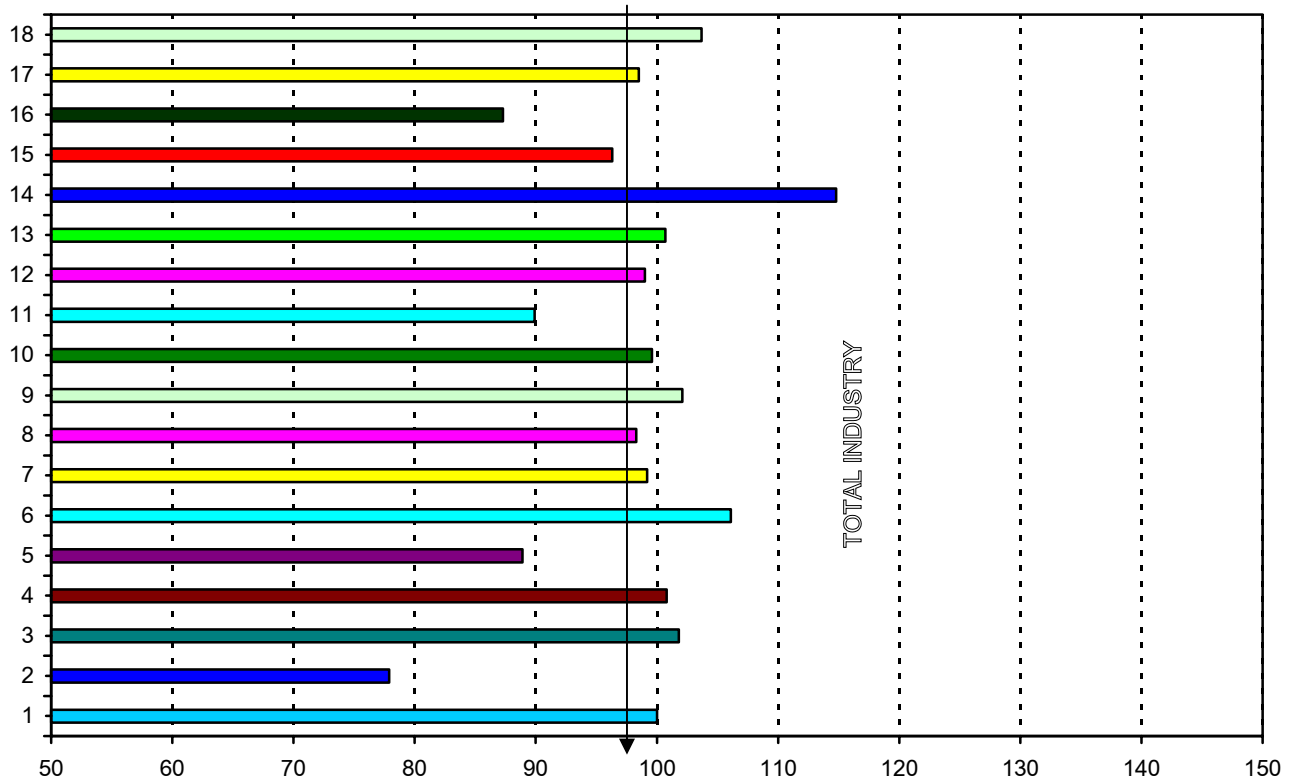


Manufacturing Industry



98.7% of the produced output was realized for January-December 2003. Ratio of the outputs realized and produced in the specified period by the main types of activities is characterized as follows:

Realized Product Compared to the Output Product, in %



- 1 - Electricity, gas, water production and distribution
- 2 - Mining and quarrying industry
- 3 - Manufacturing industry, of which
- 4 - Production of food products, including beverages
- 5 - Production of tobacco products
- 6 - Production of textiles
- 7 - Production of wearing apparel; dressing and dyeing of fur
- 8 - Production of leather and leather products and footwear
- 9 - Manufacture of wood and wood products
- 10 - Publishing, printing and reproduction of recorded media
- 11 - Chemical industry
- 12 - Production of rubber and plastic products
- 13 - Production of other non-metallic mineral products
- 14 - Metallurgy
- 15 - Production of fabricated metal products
- 16 - Production of mashinery and equipment
- 17 - Production of jewellery
- 18 - Other activities

Industrial Produce Production by Marzes of the Republic, for January-December 2003¹

	Output (work, services), at current prices ² , million drams	Realization of fabricated product, at current prices ² , million drams	Volume index of production for January-December 2003 (work, services) to January-December 2002 (at comparable prices), %
Republic of Armenia, total	423717.4	418417.6	114.9
<i>including³</i>			
Yerevan city	209100.5	208948.5	119.7
Aragatsotn	7777.7	7977.3	155.2
Ararat	36520.9	40527.6	94.7
Armavir	20815.8	21405.3	97.2
Gegharkunik	13255.2	5215.8	122.3
Lori	18751.3	19060.4	104.6
Kotayk	57309.8	55290.7	120.3
Shirak	11630.6	11528.0	104.0
Syunik	41486.0	41393.8	104.2
Vayots Dzor	3493.4	3494.1	108.1
Tavush	3576.2	3576.1	111.7

For January-December 2003 in comparison with the same period of 2002, increase in industrial production was recorded in 9 marzes of the republic that is presented below by marzes and production:

-in Yerevan city - 19.7%, mainly increased owing to production of rubber and plastic products (196.1%), metallurgy and fabricated metal (190.0%) and other non-metallic mineral products (160.4%), textiles and sewing (147.1%), electrical, electronic and optical equipment (144.2%), machinery and equipment (120.7%), food products, including beverages (115.6%), jewellery (112.2%) and tobacco products (108.6%),

-in Aragatsotn marz - 55.2%, mainly increased owing to production of brilliants (twice), as well as other branches of mining and quarrying industry (144.6%), other non-metallic mineral products (115.6%) and food products, including beverages (111.4%),

-in Gegharkunik marz - 22.3%, mainly increased owing to mining of metal ores (136.2%), as well as production of medical, precision and optical instruments, watches (198.9%) and textiles and sewing (191.0%),

-in Kotayk marz - 20.3%, increased owing to chemical industry (2.2 times), production of textiles and sewing (140.4%), production of brilliants (131.6%), metallurgical industry (117.9%), machinery and equipment (108.9%) and food products, including beverages (104.8%),

-in Tavush marz - 11.7%, increased owing to production of paper and paperboard, (4 times), manufacture of wood and wood products (124.7%) and other branches of mining and quarrying industry (105.3%),

-in Vayots Dzor marz - 8.1%, mainly increased owing to production of food products, including beverages (116.2%),

-in Lori marz - 4.6%, owing to production of electrical, electronic and optical equipment (4.5 times), chemical industry (2.2 times), manufacture of wood and wood products (186.4%), production of textiles and sewing (113.8%) and metallurgical industry (109.3%),

-in Syunik marz - 4.2%, owing to production of machinery and equipment (2.1 times), other non-metallic mineral products (2 times) and mining of metal ores (104.4%),

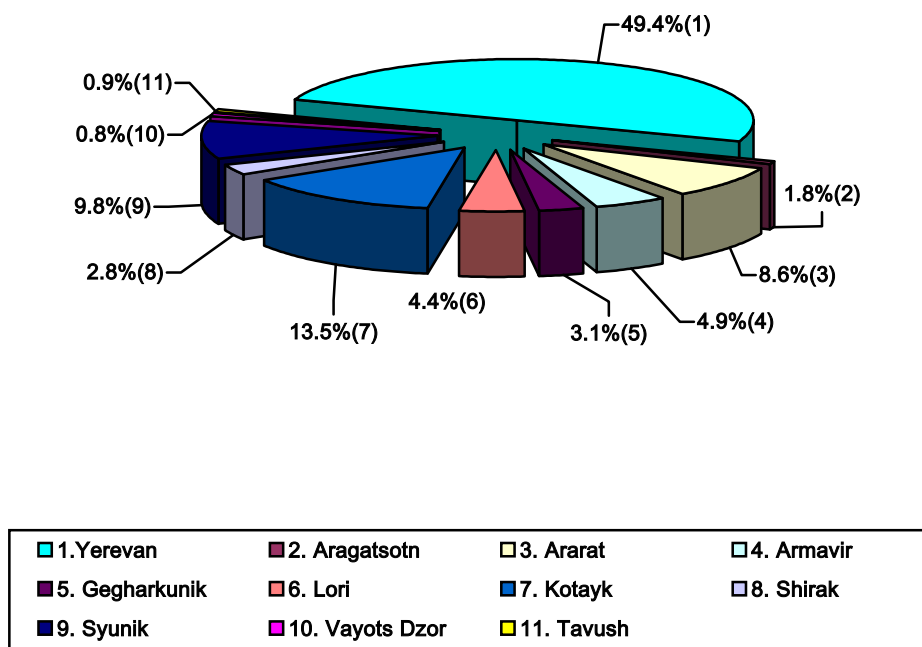
¹ Information on industrial produce production by economic activities in more details is appeared in the statistical bulletin "Main Indicators of the Industrial Organizations by 2-digit Classification of Economic Activities, by Marzes" (code 1210-203).

² Realization volumes of output product and fabricated product by marzes are preliminary.

- *in Shirak marz* - 4.0%, owing to production of wearing apparel (8.1 times), production of machinery and equipment (2.1 times), other branches of mining and quarrying industry (2.1 times) and production of other non-metallic mineral products (117.8%).

It should be noted that almost 50% of the industrial production output in the republic belonged to industrial organizations of Yerevan city.

Structure of Industrial Products by marzes of the Republic for January-December 2003



**Industrial Produce Production and Realization Volumes,
by the Sizes Based on Number of Employees for January-December 2003**

	Number of organizations	Average payroll number of industrial production staff, people	Output (work, services), at current prices, million drams ¹	Realization of fabricated product, at current prices, million drams ¹	Volume index of production for January-December 2003 (work, services) compared to January-December 2002 (at comparable prices), %
Republic of Armenia, total	2053	78549	372871.0	367571.2	116.7
<i>including</i>					
up to 5 people (micro-sized) ²	1045	2629	7376.0	7570.2	72.4
6 – 50 people (small) ²	718	11601	41164.4	40725.3	125.8
51 – 100 people (medium-sized) ²	101	7599	15747.9	17122.4	131.2
101 and more people (large) ²	189	56720	308582.7	302153.3	116.6

Micro-sized and small organizations were prevalent in the total number of industrial organizations, the shares of which comprised 50.9 and 35.0% respectively. It is remarkable that micro-sized and small organizations covered by the statistical monitoring, which comprised almost 86%, produced 13.0% of the total volume of industrial production, while 82.8% of the total volume of industrial production belonged to the large organizations, which comprised 9.2% in the total number of organizations.

Among the 109 main types of products (in kind) produced (registered) for January-December 2003, 72 ones acquired or exceeded the production level of the same period of 2002, including 36 ones from the 57 products of production and technical purpose and 36 ones from the 52 consumer products.

Consumer Produce Production Volumes³

	Actual output for January-December		Volume index of production, %
	2003p.	2002p. ⁴	
Consumer products, total	182833.9	155454.9	117.6
<i>Including</i>			
food products	96199.4	87271.1	110.2
alcoholic beverages (including beer)	41664.5	34472.9	120.9
nonfood beverages, total	44970.0	33710.9	133.4
<i>Including</i>			
light industry ⁵	12157.3	9259.8	131.3
products for cultural and domestic and economic purpose	32812.7	24451.1	134.2

In general, 5500.6 million kWh of electricity was generated in the republic for January-December 2003, which comprised 99.8% of the indicator for the same period of 2002. Meanwhile, electricity generated in the hydroelectric power stations increased by 19.7%, and that generated in the Armenian Nuclear Power Station and thermal power station decreased by 12.5 and 3.2% respectively.

The Armenian Nuclear Power Station generated 1997.6 million kWh of electricity for January-December 2003, which comprised 36.3% of the total electricity generated in the republic for the reporting period; hydroelectric power stations generated 1981.8 million kWh and 36.0%; thermal power stations - 1521.2 million kWh and 27.7% respectively. 343.0 thousand Gcal of thermal electricity was generated in the republic for January-December 2003, which comprised 92.7% of the indicator for the same period of 2002.

¹ Excluding estimation of activity of the small economic entrepreneurial units, which have not been included in the monthly statistical monitoring (based on the key indicator on products with low elasticity).

² This distribution is implemented in accordance with the RA Law "On State Support to Small and Medium-sized Entrepreneurship", more detailed information on which is appeared in the statistical information bulletin "Main Indicators on Industrial Organizations by the Sizes Based on the Number of Employees and Economic Activities" (code - 1210-205).

³ Calculated excluding value added tax and excise tax.

⁴ Consumer produce production volume for 2002 is calculated at the prices of 2003.

⁵ Including the cost of customer's raw material (for which the producing organization doesn't pay).

**Main Types of Products Produced by the Organizations Producing *Food Products*,
Including *Beverages and Tobacco*¹**

	January-December 2003	January-December 2002	January-December 2003 compared to January-December 2002, %
Meat ² , tons	41108	38396	107.1
Milk and dairy produce (in milk equivalent) ² , tons	218152	206864	105.5
Cheese ² , tons	5007	4822	103.8
Meat product, including sausages, tons	1262.0	1381.9	91.3
Ice-cream, tons	1298.3	1101.5	117.9
Canned products, thousand conditional cans	89628.5	52648.8	170.2
Flour, tons	131391	109879	119.6
Groats, tons	8.1	12.0	67.5
Bread and bakery products, tons	293051	293642	99.8
Confectionery, tons	3730.7	3386.9	110.2
Pasta products (macaroni), tons	903.1	1084.5	83.3
Vegetable oil, tons	2122.1	1459.3	145.4
Vodka and vodka-liqueur product, thousand liters	11105.3	10338.0	107.4
Brandy (cognac), thousand liters	7093.1	6059.7	117.1
Grape wine, thousand liters	2042.3	6541.7	31.2
Champagne, thousand liters	670.0	621.9	107.7
Beer, thousand liters	7311.6	7078.1	103.3
Nonalcoholic beverages, thousand liters	34101.2	26820.0	127.1
Natural juices, thousand liters	4237.3	2495.8	169.8
Mineral water, thousand 0,5 l bottles	39024.8	36564.4	106.7
Salt, tons	31854.0	30330.2	105.0
Cigarettes, million units	3221.9	2815.3	114.4
Fermentative cigarettes, tons	1728.3	1279.1	135.1

Main Types of Products Produced by the Organizations Producing *Textiles and Sewing Products*

	January-December 2003	January - December 2002	January-December 2003 compared to January-December 2002, %
Cotton fabrics, thousand m ²	346.7	571.9	60.6
Wool fabrics, thousand m ²	49.8	37.5	132.8
Carpets and carpet coverings, m ²	29261	16214	180.5
Hosiery, thousand pairs	425.8	491.8 ⁰	86.6
Knitwear articles, thousand units	2999.7	1907.1	157.3
Sewing products ³ , million drams	9647.8	8109.5	119.0

For January-December 2003 compared to the corresponding period of 2002, production of spot removers among the main types of products of *chemical* industry increased by 25.1%, chemical and pharmaceutical products – by 8.9%, plastic products – by 6.7%, and production of the synthetic rubber and the cleaning and polishing preparations decreased by 50.0 and 28.1% respectively.

¹ Information appeared here and hereinafter is given in more details in the statistical bulletin "Output of Main Types of Products in the Industrial Organizations in kind" (code - 1210-202).

² Including recycling by peasant farms (excluding internal consumption).

³ Including cost of customer's raw materials (for which the producing organization doesn't pay).

Main Types of Outputs of the Organizations Engaged in Production of Non-metallic Mineral Products and Mining and Quarrying

	January-December 2003	January-December 2002	January-December 2003 compared to January-December 2002, in %
Pre-fabricated ferro-concrete structures, m ³	28827 [◇]	26182	110.1
Marketable concrete, m ³	55404	30778 [◇]	180.0
Decorative tiles from natural stone, m ²	83598	69293	120.6
Non-metallic building materials, m ³	325434	269701	120.7
Lime, tons	4369	4932	88.6
Cement, thousand tons	384.3	354.5	108.4
Plaster, tons	57835	44943	128.7
Tuff of correct form, m ³	75669	67509	112.1
Porous filler, m ³	131743	111745	117.9
Aluminum and metal and plastic products, m ²	48816	15344	3.2 times

Production of aluminum rolling-mill produced by the *metallurgical* organizations in the reporting period in comparison with the same period of 2002 increased 82.4 times, production of aluminum foil - by 77.8%, copper in copper concentrate – by 8.6%, and production of converter (black) copper decreased by 3.7%.

Main Types of Products Produced by the Organizations Producing Fabricated Metal Products, Machinery and Equipment, Electrical Machinery and Apparatus

	January–December 2003	January-December 2002	January-December 2003 compared to January-December, %
Metal-cutting machines, units	177	287	61.7
Relay, thousand units	302.8	344.5	87.9
Power and flexible cable, km	4.4	4.3	102.3
Power cables for up to tension of 1 KV, km	1.9	37.1	5.1
Adjusting wires, km	81.5	721.9	11.3
Illuminating electric lamps, thousand units	3853.3	6613.8	58.3
Electric engines of limited power, units	3218	2492	129.1
Electrical motors with 63-355 mm height gyration spindle, thousand units	182	436	41.7
Alternator with power of 0.5-100 KW, units	20	50	40.0
Power transformer, units	19	34	55.9
Computers, units	2080	1343	154.9
Water-meters, units	197515	21180	9.3 times
Refrigerator shelf displays, units	88	-	-
Pumps, units	1177	3629	32.4