

2. Fiscal Sector

2.1.RA State Budget Indicators

2.1.1. RA State Budget Indicators by Financing

According to the preliminary data of The Ministry of Finance and Economy of RA, the RA state budget incomes and official transfers for January-December 2003 comprised 250087.1 mln. drams and in comparison with the same period of 2002 increased by 9.7%. In the same period the expenditures amounting 241963.0 mln. drams were made at the expense of RA state budget. RA state budget surplus comprised 8124.1 mln. drams for January-December 2003.

Incomes and Expenditures of RA State Budget¹

(at current prices, mln. drams)

	January- December 2002	December 2003	January- December 2003	January –December 2003 compared to January- December 2002, %
Incomes and official transfers, total	227963.1	35745.2	250087.1	109.7
<i>Including</i>				
Total incomes	211294.1	29512.2	240215.2	113.7
<i>Including</i>				
A. Current incomes	209529.3	29293.9	236970.7	113.1
<i>Including</i>				
1. Tax incomes	185437.5	26213.9	212232.8	114.4
<i>Including</i>				
value added tax	95006.1	13322.1	107768.9	113.4
profit tax	17428.8	3076.6	17627.1	101.1
income tax	12478.4	2239.0	16780.5	134.5
excise tax	35333.9	3300.9	39104.2	110.7
property tax	78.0	-35.5	62.0	79.5
land tax	2.9	-0.6	30.9	1065.5
customs duty	9691.8	1316.6	10724.0	110.7
fixed payments	6365.4	749.7	8008.8	125.8
payments for utilization of natural resources and environment protection	3909.1	1477.6	5605.4	143.4
simplified tax	3652.9	569.0	4951.9	135.6
other tax income	1490.2	198.5	1569.1	105.3
2. Government duty	13181.4	1143.1	15213.7	115.4
3. Non- tax incomes	10910.4	1936.9	9524.2	87.3
B. Incomes from capital transactions	1764.8	218.3	3244.5	183.8
Official transfers	16669.0	6233.0	9871.9	59.2
Expenditures, total	235797.1	28958.0	241963.0	102.6
<i>Including</i>				
Current expenditures	210412.9	22341.5	214495.1	101.9
<i>including</i>				
Wages	20867.2	2857.2 ²	13908.2 ²	66.7 ²
Subsidies	8222.7	907.4 ¹	15122.1 ¹	183.9 ¹
Interest payments	15739.9	814.3	11263.2	71.6
Internal	6049.5	276.0	5672.0	93.8
External	9690.4	538.3	5591.2	57.7
Transfers	47778.6	4853.9	43902.8	91.9
Allowances	15465.4	1188.5	13030.5	84.3
Scholarships	1337.7	154.8	1313.8	98.2
compulsory social insurance payments	6372.6	383.2 ¹	2329.4 ¹	36.6 ¹

¹ The funds received in the frame of target programs being financed by international organizations and foreign countries are not included in the expenditures of RA State Budgets in January-December 2002 and 2003.

² In comparison with the appropriate indicators of the current state budget expenditures of the same period of the previous year, the significant differences are stipulated by the fact that the state institutions of education, social and cultural, and nature protection spheres implementing non- administrative functions have been reorganized into non-profit state organizations, in the result of which the financing principle (articles) of the latter have been changed.

2. Fiscal Sector

	January- December 2002	December 2003	January- December 2003	January –December 2003 compared to January- December 2002, %
Pensions	8288.4	953.9	11326.9	136.7
other transfers	16314.5	2173.6	15902.2	97.5
Goods and services	117804.5	12908.7 ¹	130298.8 ¹	110.6
Capital expenditures	13604.7	4372.8	21633.7	159.0
internal financial capital expenditures	13604.7	4372.8	21633.7	159.0
external financial capital expenditures	-	-	-	
Net crediting	11779.5	2243.7	5834.2	49.5
Deficit (-) /surplus (+)	-7834.0	6787.3	8124.1	203.7
Deficit financing(+)/surplus financing (-)	7834.0	-6787.3	-8124.1	-203.7
<i>Including</i>				
external financing sources	7949.1	8271.2	8903.5	112.0
internal financing sources	-115.1	--15058.5	-17027.6	-14793.7

Structures of Incomes, Expenditures and Deficit(Surplus) of RA State Budget and Shares in GDP²

	January- December 2002	December 2003	January- December 2003	January- December 2002	December 2003	January- December 2003
	<i>% of total</i>			<i>as % of GDP</i>		
Incomes and official transfers, total	100	100	100	16.8	21.4	15.5
<i>including</i>						
Total incomes	92.7	82.6	96.1	15.6	17.7	14.8
<i>including</i>						
A. Current incomes	91.9	82.0	94.8	15.5	17.5	14.6
<i>Including</i>						
1. Tax incomes	81.3	73.3	84.9	13.7	15.7	13.1
<i>Including</i>						
value added tax	41.7	37.3	43.1	7.0	8.0	6.7
profit tax	7.6	8.6	7.1	1.3	1.8	1.1
income tax	5.5	6.3	6.7	0.9	1.3	1.0
excise tax	15.5	9.2	15.6	2.6	2.0	2.4
property tax	0.0	-0.1	0.0	0.0	0.0	0.0
land tax	0.0	0.0	0.0	0.0	0.0	0.0
customs duty	4.2	3.7	4.3	0.7	0.8	0.7
fixed payments	2.8	2.1	3.2	0.5	0.5	0.5
payments for utilization of natural resources and environment protection	1.7	4.1	2.2	0.3	0.9	0.3
simplified tax	1.6	1.6	2.0	0.3	0.3	0.3
other tax income	0.7	0.6	0.6	0.1	0.1	0.1
2. Government duty	5.8	3.2	6.1	1.0	0.7	0.9
3. Non- tax incomes	4.8	5.4	3.8	0.8	1.2	0.6
B. Incomes from capital transactions	0.8	0.6	1.3	0.1	0.1	0.2
Official transfers	7.3	17.4	3.9	1.2	3.7	0.6
Expenditures, total	100	100	100	17.4	17.3	15.0
<i>including</i>						
Current expenditures	89.2	77.2	88.6	15.5	13.4	13.3
<i>including</i>						

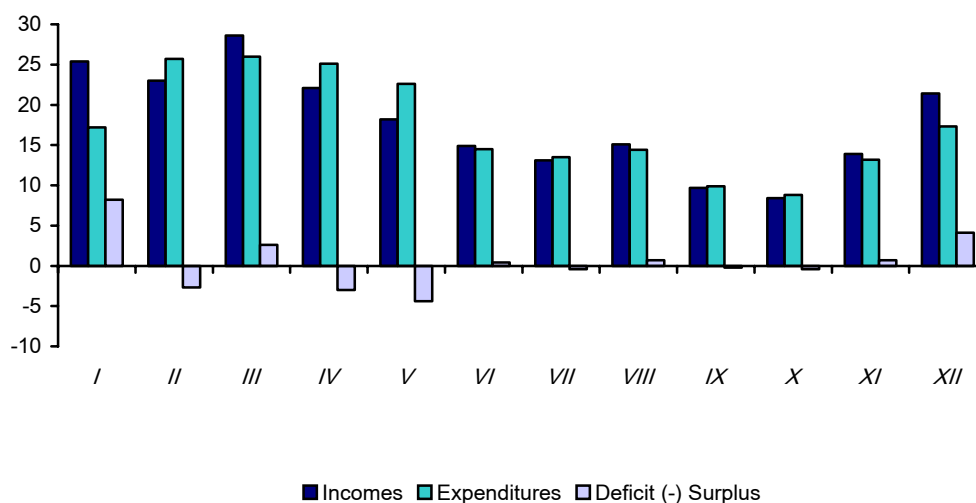
¹ In comparison with the appropriate indicators of the current state budget expenditures of the same period of the previous year, the significant differences are stipulated by the fact that the state institutions of education, social and cultural, and nature protection spheres implementing non- administrative functions have been reorganized into non-profit state organizations, in the result of which the financing principle (articles) of the latter have been changed.

² The funds received in the frame of target programs being financed by international organizations and foreign countries are not included in the expenditures of RA State Budgets in January-December 2002 and 2003.

2. Fiscal Sector

	January-December 2002	December 2003	January-December 2003	January-December 2002	December 2003	January-December 2003
	% of total			as % of GDP		
Wages	8.8	9.9 ¹	5.7 ¹	1.5	1.7 ¹	0.9 ¹
Subsidies	3.5	3.1 ¹	6.2 ¹	0.6	0.5 ¹	0.9 ¹
Interest payments	6.7	2.8	4.7	1.2	0.5	0.7
Internal	2.6	1.0	2.4	0.4	0.2	0.4
External	4.1	1.8	2.3	0.7	0.3	0.3
Transfers	20.3	16.8	18.1	3.5	2.9	2.7
Allowances	6.6	4.1	5.4	1.1	0.7	0.8
Scholarships	0.6	0.5	0.5	0.1	0.1	0.1
compulsory social insurance payments	2.7	1.3 ¹	1.0 ¹	0.5	0.2 ¹	0.1 ¹
Pensions	3.5	3.3	4.7	0.6	0.6	0.7
other transfers	6.9	7.5	6.6	1.2	1.3	1.0
Goods and services	49.9	44.6 ¹	53.9 ¹	8.7	7.7 ¹	8.1 ¹
Capital expenditures	5.8	15.1	8.9	1.0	2.6	1.3
internal financial capital expenditures	5.8	15.1	8.9	1.0	2.6	1.3
external financial capital expenditures	-	-	-	-	-	-
Net crediting	5.0	7.7	2.4	0.9	1.3	0.4
Deficit (-)/surplus (+)	-100	100	100	-0.6	4.1	0.5
Deficit financing(+)/ surplus financing (-)	100.0	-100.0	-100.0	0.6	-4.1	-0.5
<i>Including</i>						
external financing sources	101.5	121.9	109.6	0.6	4.9	0.6
internal financing sources	-1.5	-221.9	-209.6	0.0	-9.0	-1.1

Shares of Incomes, Expenditures and Deficit (Surplus) of the State Budget in GDP for 2003, by Months



¹ In comparison with the appropriate indicators of the current state budget expenditures of the same period of the previous year, the significant differences are stipulated by the fact that the state institutions of education, social and cultural, and nature protection spheres implementing non-administrative functions have been reorganized into non-profit state organizations, in the result of which the financing principle (articles) of the latter have been changed.

Expenditures of RA State Budget by Groups of Functional Classification¹*(at current prices, mln. drams)*

	January-December 2002	December 2003	January-December 2003	January-December 2003 compared to January-December 2002,%
Total expenditures	235797.1	28958.0	241963.0	102.6
<i>Including</i>				
01 Public services of common nature	24257.9	3995.2	30036.6	123.8
02 Defence	36756.3	3174.5	44326.6	120.6
03 Maintenance of public order, national security and judicial activity	15892.0	2279.1	19873.8	125.1
04 Education and science	29149.7	3371.9	32888.1	112.8
05 Health	14794.0	2877.4	18935.7	128.0
06 Social insurance and social security	23845.7	3414.8	29304.7	122.9
07 Culture, information, sport and religion	6503.7	713.1	7428.2	114.2
08 Housing and communal facilities	4361.1	4637.8	11776.1	270.0
09 Fuel and energy complex	625.7	94.1	376.9	60.2
10 Agriculture, forestry and water industry, fishing	8083.5	3244.7	11621.5	143.8
11 Industry, mine, minerals (excluding fuel), construction and nature protection	706.6	-3976.7	-6989.8	-1089.2
12 Transport, road and communication	3055.9	1135.5	4584.4	150.0
13 Other economic services	673.0	1229.6	1649.9	245.2
14 Expenditures not classified under the main group	67092.0	2766.9	36150.4	53.9

¹ The funds received in the frame of target programs being financed by international organizations and foreign countries are not included in the expenditures of RA State Budgets in January-December 2002 and 2003.

Structure of Expenditures of RA State Budget (by Functional Classification) and Share in GDP¹

	January- December 2002	December 2003	January- December 2003	January- December 2002	December 2003	January- December 2003
	<i>% of total</i>			<i>as % of GDP</i>		
Total expenditures	100	100	100	17.4	17.3	15.0
<i>including</i>						
01 Public services of common nature	10.3	13.8	12.4	1.8	2.4	1.9
02 Defence	15.6	11.0	18.3	2.7	1.9	2.7
03 Maintenance of public order, national security and judicial activity	6.7	7.9	8.2	1.2	1.4	1.2
04 Education and science	12.4	11.6	13.6	2.2	2.0	2.0
05 Health	6.3	9.9	7.8	1.1	1.7	1.2
06 Social insurance and social security	10.1	11.8	12.1	1.8	2.0	1.8
07 Culture, information, sport and religion	2.8	2.5	3.1	0.5	0.4	0.5
08 Housing and communal facilities	1.8	16.0	4.9	0.3	2.8	0.7
09 Fuel and energy complex	0.3	0.3	0.2	0.0	0.1	0.0
10 Agriculture, forestry and water industry, fishing	3.4	11.2	4.8	0.6	1.9	0.7
11 Industry, mine, minerals (excluding fuel), construction and nature protection	0.3	-13.7	-2.9	0.1	-2.4	-0.4
12 Transport, road and communication	1.3	3.9	1.9	0.2	0.7	0.3
13 Other economic services	0.3	4.2	0.7	0.0	0.7	0.1
14 Expenditures not classified under the main group	28.4	9.6	14.9	4.9	1.7	2.2

¹ The funds received in the frame of target programs being financed by international organizations and foreign countries are not included in the expenditures of RA State Budgets in January-December 2002 and 2003.