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FINANCES AND CREDIT

The section represents the statistics of state finances, the indicators of credit and bank systems, the financial indicators of organizations activities.

State finances. Reports on implementation of state and regional budgets submitted by the Ministry of Finance of NKR, as well as the data of State pension fund of NKR form the informational base of statistics for state finances.

Budgetary system of the Na-gorno-Karabakh Republic consists of state and regional budgets.

State and regional budgets –financial plan of funds formation and spending foreseen for state and local self-government function financing according to NKR Laws.

State and regional budgets are drawn up and implemented according to uniform classification of income and expenditure. Budgetary classification is the grouping of state and regional budgets' income and expenditure by main types and directions.

State budget surplus is the value of income exceeding over the expenditure.

State budget deficit – the value of expenditure exceeding over the income.

Budget deficit financing sources – funds attracted from internal and external sources.

Consolidated budget of NKR consists of state budget, of regional budget and of state pension fund. In the process of consolidation inter-budgetary transfers are not considered.

Financial indicators of organizations activity. Finance statistics of organizations contains the indicators reflecting the results of financial activity, solvency, property status and status of calculation of large and small-size commercial organizations of NKR which are selected by sampling method of NKR State administration of statistics. Data collection is implemented on the basis of state statistical reporting forms.

Return (net income) from realization of production, work and services represents net income without value added tax and excise tax.

Balance profit (loss) – financial result of organization. Represents the sum of profit (loss) from the realization of production, work, services, capital assets, other tangible and intangible assets and the total sum of difference between income and expenditure from off-realization operations.

Profitability characterizes the efficiency of organization activity, which is calculated as ratio of profit from realization of production (work, service) and of expenditure on realization.

Debit indebtedness is the debt sum, subjected to payment to organizations by the legal or natural persons (debtors), which is formed as a result of economic relations between them.

Credit indebtedness is temporary attraction of money subject to repayment to corresponding legal and natural persons (creditors).

Main indicators of banking systems. Working banks in NKR submit the data.

Credit investments represent balance of loans extended to economy by banking system. Credit investments are divided into short-term (allotted for a period less than one year) and long-term (allotted for a period more than one year).

STATE FINANCES

147. CONSOLIDATED BUDGET OF NKR

(mln. drams)

	1995	1996	1997	1998	1999
Consolidated budget revenues and official transfers *	2043.8	2105.4	2989.7	3648.8	3399.5
of which:					
Tax receipts	951.3	1200.9	1639.1	2048.6	1825.7
Government and regional duty	15.2	17.9	18.5	59.9	139.0
Non tax receipts	777.7	287.4	216.4	309.4	299.4
Incomes from capital transactions	-	50.1	56.9	95.8	38.8
Income of state pension fund**	299.6	549.1	1058.8	1135.1	1096.6
Expenditures total	4521.6	6751.0	9118.1	10549.2	13211.4
of which:					
State budget	3786.0	5694.5	7723.6	8755.4	9077.4
Regional budgets	-	-	-	-	1571.1
State pension fund	735.6	1056.5	1394.4	1793.8	2562.9
Deficit (-), surplus	-2477.8	-4645.7	-6128.4	-6900.5	-8190.2

* State budget income do not contain the free balance at the beginning of year.

** Data of state pension fund budget are given without pensions to military men AD.

148. IMPLEMENTATION OF NKR STATE BUDGET

(mln. drams)

	1995	1996	1997	1998	1999
<i>Income and official transfers total</i>	1744.2	1556.3	1930.8	2513.7	1613.5
<i>of which:</i>					
<i>Current incomes</i>	1744.2	1506.2	1874.0	2417.9	1576.2
<i>of which:</i>					
<i>Tax receipts</i>	951.3	1200.9	1639.1	2048.6	1198.0
<i>of which:</i>					
<i>value added tax</i>	271.8	419.9	536.2	1019.2	724.4
<i>profits tax</i>	396.4	208.0	252.1	142.9	237.7
<i>income tax</i>	165.5	335.4	553.6	597.2	
<i>excise tax</i>	82.1	93.7	129.1	105.4	35.8
<i>property tax</i>	0.7	9.9	10.5	29.2	1.2
<i>land tax</i>	21.5	72.7	85.3	75.0	5.9
<i>fixed payments</i>	-	-	-	-	122.3
<i>natural resources harnessing payment</i>	4.7	4.6	6.6	7.5	14.6
<i>roading payment</i>	-	46.2	47.2	34.5	37.5
<i>customs duty</i>	8.5	10.1	14.5	36.1	18.6
<i>forestry income</i>	0.2	0.4	4.1	1.5	
<i>Government duties</i>	15.2	17.9	18.5	59.9	107.6
<i>Non tax incomes</i>	777.7	287.4	216.4	309.4	270.6
<i>of which:</i>					
<i>dividends</i>	-	-	62.9	93.3	24.1
<i>payments from state</i>					
<i>property lease</i>	-	-	-	-	6.1
<i>other non tax incomes</i>	480.3	100.4	139.1	209.4	240.4
<i>arrivals from state property realization</i>	297.4	187.0	14.4	6.7	-
<i>Arrivals from capital transactions</i>	-	50.1	56.9	95.8	37.4
<i>Expenditures total</i>	4222.0	6179.1	8247.4	9247.0	11496.1
<i>Deficit (-), surplus</i>	-2477.8	-4622.8	-6316.6	-6733.3	-8260.9
<i>Deficit financing sources</i>	2437.0	4757.0	6595.0	7689.0	8260.9
<i>of which:</i>					
<i>Interstate credit</i>	2437.0	4757.0	6595.0	7689.0	8200.0
<i>Arrivals from privatization</i>	-	-	-	-	60.9

149. EXPENDITURES OF STATE BUDGET BY FUNCTIONAL CLASSIFICATION OF EXPENDITURES OF NKR for 1999

	Amount, mln. drams	in % to total
<i>Expenditures total</i>	11496.1	100.0
<i>Public services of common nature</i>	738.2	6.4
<i>Defense **</i>	13.7	0.1
<i>Public order, national security and judiciary</i>	694.4	6.0
<i>Education and science</i>	298.1	2.6
<i>Public health</i>	448.9	3.9

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	Amount, mln. drams	in % to total
Social insurance and social security	1715.3	14.9
Culture, information, sport and religion	299.7	2.6
Agriculture and forestry	1128.1	9.8
Industry, construction and environment	540.0	4.7
Out-off-classification expenses	5619.8*	48.9

* Including the expenditures of development and material inducement fund of state tax department (STD).

** Without costs of army's defence

150. EXPENDITURES OF STATE BUDGET BY ECONOMIC CLASSIFICATION OF EXPENDITURES for 1999

	Amount, mln. drams	in % to total
Expenditures total	11496.1	100.0
Pays and equated with them payments	991.9	8.6
Social insurance bound payments	140.5	1.2
Subsidies payed to organization and enterprises	93.5	0.8
Dotations payed out of state budget to regional budgets	1221.1	10.6
Pensions	207.2	1.8
Scholarships	44.9	0.4
Office expenses	81.7	0.7
Stock purchasing outlay	203.3	1.8
Purchasing of soft implement and uniform	21.6	0.2
Medicines and bandaging materials	26.2	0.2
Food products purchasing outlay	119.7	1.0
Business trips expenses	28.6	0.2
Business transport maintenance expenses	184.3	1.6
Communication services expenses	56.3	0.5
Fuel and heating costs	24.9	0.2
Electricity expenditures	59.7	0.5
Water supply and sewage system services expenditures	1.6	0.0
Other expenses	4338.7	37.7
Capital investings	3633.8	31.6
General overhaul	5.6	0.0
Sewage disposal, rodenticide and disinfection	2.0	0.0
STD inducement fund	8.9	0.08

151. IMPLEMENTATION OF REGIONAL BUDGETS OF NKR

(mln. drams)

	1999
Incomes and transfers total	1910.6
of which:	
Current incomes	688.1
of which:	
Tax receipts	627.8

	1999
<i>of which:</i>	
income tax	439.7
land tax	144.0
property tax	44.1
Government and local duty	31.4
Non tax incomes	28.9
<i>of which:</i>	
payments from state property lease	5.6
other non tax incomes	23.3
Incomes from capital transactions	1.4
Dotations payed from state budget	1221.1
Expenditures total	1896.3
Deficit (-), surplus	14.3

152. EXPENDITURES OF REGIONAL BUDGETS OF NKR BY FUNCTIONAL CLASSIFICATION OF EXPENDITURES in 1999

	<i>Amount, mln. drams</i>	<i>in % to total</i>
<i>Expenditures total</i>	1896.3	100.0
<i>Public services of common nature</i>	170.1	9.0
<i>Education and science</i>	1347.3	71.0
<i>Public health</i>	119.1	6.3
<i>Culture, information, sport and religion</i>	35.6	1.9
<i>Housing and communal facilities</i>	223.8	11.8
<i>Out-off-classification expenses</i>	0.5	0.0

153. EXPENDITURES OF REGIONAL BUDGETS OF NKR BY ECONOMIC CLASSIFICATION OF EXPENDITURES in 1999

	<i>Amount, mln. drams</i>	<i>in % to total</i>
<i>Expenditures total</i>	1896.3	100.0
<i>Pays and equatted with them payments</i>	1178.0	62.1
<i>Social insurance bound payments</i>	325.2	17.2
<i>Medicines and bandaging materials</i>	0.8	0.0
<i>Travel allowance expenses</i>	3.9	0.2
<i>Transport expenditures</i>	2.4	0.1
<i>Communication services expenditures</i>	2.3	0.1
<i>Other expenses</i>	78.2	4.1
<i>General overhaul</i>	44.6	2.4
<i>Stock purchasing outlay</i>	23.5	1.2
<i>Office expenses</i>	19.7	1.0
<i>Purchasing of soft implement and uniform</i>	0.9	0.0
<i>Electricity expenditures</i>	8.6	0.5
<i>Fuel and heating costs</i>	35.3	1.9
<i>Water supply and sewage system services expenditures</i>	1.1	0.1
<i>Sewage disposal, rodenticide and disinfection</i>	171.8	9.1

154. IMPLEMENTATION OF STATE PENSION FUND BUDGETS OF NKR

(mln. drams)

	1995	1996	1997	1998	1999
<i>Incomes total</i>	735.6	1033.6	1582.6	1626.6	2619.3
<i>of which:</i>					
<i>Social security bound outlay</i>	449.5	858.6	1408.6	1484.6	1559.7
<i>of which:</i>					
<i>from the funds allocated by employers for labour payment</i>	438.5	826.5	1325.3	1345.5	1349.2
<i>from the wages and equaled incomes of hired workers</i>	11.0	22.1	46.9	93.0	144.6
<i>from the incomes of those occupied with individual business</i>	-	8.7	23.0	27.0	24.5
<i>from the net cadastre value of lands</i>	-	1.3	13.4	19.1	41.4
<i>Voucher proceeds</i>	-	-	0.1	0.2	-
<i>Other incomes</i>	1.1	-	33.9	41.8	-
<i>Funds allocated from the state budget of NKR</i>	285.0	175.0	140.0	100.0	1059.6
<i>Expenditures total</i>	735.6	1056.5	1394.4	1793.8	2562.9
<i>Deficit (-), surplus</i>	-	-22.9	188.2	-167.2	56.4

155. EXPENDITURES OF STATE PENSION FUND BUDGETS OF NKR

(mln. drams)

	1995	1996	1997	1999	1999
<i>Expenditures total</i>	735.6	1056.5	1394.4	1793.8	2562.9
<i>of which:</i>					
<i>Annuity insurance</i>	703.0	963.5	1264.6	1260.6	1508.7
<i>Employment state programmes</i>	3.5	10.6	14.8	16.1	12.9
<i>Compensations to privileged pensioners</i>	-	-	-	344.0	224.8
<i>Regional afterpayments</i>	-	-	-	-	640.6
<i>Separate state programmes of social insurance</i>	-	45.8	60.7	82.1	87.4
<i>Individual pensions</i>	-	-	-	-	4.1
<i>Sanatorium treatment expenses</i>	-	-	2.5	5.8	-
<i>Post payments</i>	16.8	15.7	21.6	22.9	20.0
<i>Maintenance and development of NKR state structures of pension fund</i>	12.3	20.9	30.2	62.3	64.4

FINANCIAL RESULTS, FUNDS AND SOLVENCY OF ORGANIZATIONS**156. NUMBER OF LARGE AND SMALL-SIZE COMMERCIAL ORGANIZATIONS SELECTED BY METHOD AND SEPARATE BRANCHES OF THE ECONOMY**

	1999
<i>Number of organizations total</i>	159
<i>of which:</i>	
<i>industry</i>	36
<i>construction</i>	98
<i>transport and communication</i>	12
<i>trade</i>	13

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157. BALANCE PROFIT (LOSS) OF ORGANIZATIONS BY SEPARATE BRANCHES OF ECONOMY in 1999

(at current prices, mln. drams)

	Balance profit	Balance loss
Total	568.5	288.8
of which:		
industry	446.9	123.1
construction	81.4	145.3
transport and communication	14.5	19.7
trade	25.7	0.7

158. SHARE OF UNPROFITABLE ORGANIZATIONS BY SEPARATE BRANCHES OF ECONOMY in 1999

(in per cent of total number of organizations)

	1999
Total	27.0
of which:	
industry	8.2
construction	13.2
transport and communication	4.4
trade	1.3

159. SEPARATE INDICATORS OF SOLVENCY AND FINANCIAL STABILITY OF ORGANIZATIONS BY SEPARATE BRANCHES OF ECONOMY in 1999

	Profitability	Current liquidity ratio	Autonomy coefficient
	1999		
Total	3.4	112.1	50.4
of which:			
industry	12.1	107.0	31.9
construction	-2.4	109.4	34.3
transport and communication	-2.2	114.9	75.9
trade	3.5	114.9	24.3

BANKING ACTIVITY**160. BANKING SYSTEM CASH MONEY RECEIPTS AND EXPENDITURES**

<i>(mln. drams)</i>				
<i>Articles</i>	1996	1997	1998	1999
RECEIPTS				
<i>Total receipts</i>	11350.6	18300.5	23422.8	28831
<i>of which:</i>				
<i>Currency sales</i>	966.3	1254.3	1905.6	3199.2
<i>To people deposit accounts</i>	20.5	72.1	155.3	240.8
<i>Other receipts</i>	2190.1	2985.2	3335.2	3672.6
<i>of which:</i>				
<i>from government sector</i>	1322.4	1612.6	1486.8	1123.3
<i>from private sector</i>	867.7	1372.6	1848.4	2549.3
<i>Receipts from banks</i>	8173.7	13988.9	18026.7	21718.6
EXPENDITURES				
<i>Total outlays</i>	11364.5	18001.8	23570.2	28707.5
<i>of which:</i>				
<i>Currency purchase</i>	599.3	769.6	1772.3	2765.2
<i>From people deposit accounts</i>	123.6	195.1	666.1	596.9
<i>Wages/salaries and equaled payments</i>	3567.7	8019.5	9650.8	9144.3
<i>of which:</i>				
<i>to budgetary organizations</i>	2806.7	6874.7	8665.3	7698.4
<i>to non-budgetary organizations</i>	761.0	1144.8	985.5	1445.9
<i>of which:</i>				
<i>state organizations</i>	558.9	809.8	679.8	1108.7
<i>non-state organizations</i>	202.1	335.0	305.7	337.1
<i>To pensions, benefits and insurance indemnity</i>	1485.6	1876.4	2396.8	2937.2
<i>Other outlays</i>	3056.9	4043.3	4926.2	7280.4
<i>of which:</i>				
<i>for budgetary organizations</i>	345.6	499.6	581.0	564.1
<i>for non-budgetary organizations</i>	2711.3	3543.6	4345.1	6716.3
<i>of which:</i>				
<i>state organizations</i>	1121.8	1699.8	1373.4	1641.5
<i>non-state organizations</i>	1589.5	1843.9	2971.7	5074.9
<i>Bank disbursements</i>	2531.4	3098.1	4158.0	5983.5
<i>Difference in receipts and outlays</i>	-13.9	298.6	-147.4	123.5

161. CREDIT INVESTMENTS OF COMMERCIAL BANKS BY PERIOD OF REPAYMENT, at the end of year

(mln.drams)

	1995	1996	1997	1998	1999
Credit investments	306.5	309.7	552.2	1352.2	1081.2
of which:					
short-term	305.4	309.7	550.4	1352.2	929.3
of which:					
in armenian drams	--	309.7	524.5	778.6	599.2
in currency	--	-	26.0	573.6	330.0
long-term	1.0	-	1.8	-	152.0
of which:					
in armenian drams	--	-	1.1	-	56.0
in currency	--	-	0.7	-	96.0
Deferred credits	--	44.6	48.7	313.2	225.9
Overdue credits	--	31.0	10.4	47.3	66.1