

EXTERNAL ECONOMIC ACTIVITY

This section of yearbook mainly covers data on foreign trade and balance of payments of the Nagorno -Karabakh Republic. Customs statistics and statistical report were as a basis for the yearbook materials.

The following data are presented in the yearbook:

- exports/imports volumes in value terms (US Dollars)
- exports/imports volumes according to harmonized coding of goods system sections and groups by separate countries;
- exports/imports structure dynamics.

Both commodities of local production and re-exported goods of foreign production were included in the volume of exports, and commodities of foreign production consumed and re-exported were included in the volume of imports.

Exports/imports volume did not include securities, money in circulation, monetary gold, transit transportation of foreign goods through the territory of the republic, commodities sent or brought for exhibitions and fairs.

Exports volume was calculated at FOB prices, and imports volume – in CIF (including insurance and transportation costs up to the border of the importing country). Recalculation of national currency into US Dollars was done according to the everyday official rate of the «Artsakhbank».

Records on goods exports/imports were done according to the Nomenclature of Foreign Economic Activities for the CIS countries, worked out on the basis of 6-digit Commodity classification HS description, and of 8-digit EU codes (combined nomenclature).

Non-availability of exports/imports volume, or their insignificant amount was shown as 0 in the tables.

The presented data are approximate (for 0,1-0,3) as a result of rounding.

Balance of payments represents a statistical report, in which the overall data concerning the foreign economic operations of the Nagorno-Karabakh Republic with the other countries and International Organizations are represented for reporting period (quarter, year). The operations of economic nature take place between the residents* and nonresidents of the NKR in the form of goods and services, receipt flows, current transfers, as well as operations, concerning the financial needs and liabilities.

Balance of payments consists of two main accounts: current account and capital and finance account. The operations concerning the goods, services, incomes and current transfers are registered in the current account, whereas in the capital and finance accounts the flow of assets and liabilities, as well as capital transfers are registered. According to the methodology, the balance on current account with absolute value should be equal to the balance of capital and finance 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 payments is built by the following principle of Book-keeping: each operation is twice entered in any credit account and in any other debit account. 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 application of the method of double entry is explained by the fact that, as a rule, the economic operations are the exchange of economic assets.

The Manual based on the statistical data of the NKR Customs Department, banking and financial systems, as well as statistical report in organizations. Some indicators are received through estimation. For the first time the balance of payments in the Republic was compiled for 1999.

The main acquisition sources for the balance of payments are:

Current Account

- on commodity – the foreign trade statistics received from the Customs Department of NKR and statistical reports. The data on import include foreign assistance and gifts in kind, received by the residents of NKR;

- on services – data of surveys conducted in different transport, communication, financial and other organizations reports;

- on incomes – data on transfers of seasonal and other types of workers, mainly based on the statistical reports results. At the same time, the data on state debt clearances received from the Ministry of Finance of NKR and the Artsakhbank;

- on current transfers – data on cargoes and grants acquired as humanitarian relief, received by Ministry of social security of NKR and public organizations.

Data on Financial Account are mainly collected from the Ministry of Finance of NKR, the banking system of NKR and other organizations that have foreign investments.

This yearbook is published for the first time and it is quite possible that there are some drawbacks and omissions. We apologise in advance if there are some.

We would ask the readers to send their remarks and proposals, if any, to the State administration of NKR.

- The resident of NKR can be considered any natural person, household, economic enterprise, legal entity (enterprise) or any other organization acting within NKR, the permanent place of being of which (for natural persons – the place of residence) or sphere of economic activity is NKR.

**170. BALANCE OF PAYMENTS OF THE NAGORNO-KARABAKH REPUBLIC in
1999**

(thsd. US dollars)

ANALYTICAL PRESENTATION

	1999
<i>A. Current Account, excluding</i>	
<i>Group of E</i>	-5433.86
<i>Goods:</i>	
<i>Credit</i>	2348.70
<i>Exports FOB</i>	2348.70
<i>Other</i>	0.00
<i>Goods:</i>	
<i>Debit</i>	-24625.44
<i>Imports FOB</i>	-24625.44
<i>Other</i>	0.00
<i>Balance on Goods</i>	-22276.74
<i>Services:</i>	
<i>Credit</i>	411.60
<i>Transportation</i>	24.47
<i>Other</i>	387.13
<i>Services:</i>	
<i>Debit</i>	-3185.37
<i>Transportation</i>	-1052.21
<i>Other</i>	-2133.16
<i>Balance on goods and services</i>	-25050.50
<i>Incomes:</i>	
<i>Credit</i>	277.26
<i>Incomes:</i>	
<i>Debit</i>	0.55
<i>Balance on goods, services and incomes</i>	-24772.69
<i>Current transfers:</i>	
<i>Credit</i>	19469.37
<i>Current transfers:</i>	
<i>Debit</i>	-130.53
<i>B. Capital Account, excluding Group of E</i>	7860.53
<i>Capital account:</i>	
<i>Credit</i>	7860.53
<i>Capital account:</i>	
<i>Debit</i>	0.00
<i>Total, Groups of A plus B</i>	2426.67
<i>C. Financial Account, excluding</i>	
<i>Group of E</i>	-2077.87
<i>Direct investments abroad</i>	-0.19
<i>Direct investments from abroad</i>	2368.62
<i>Portfolio investment assets</i>	-186.92
<i>Equity securities</i>	0.00
<i>Debt securities</i>	-186.92
<i>Portfolio investment liabilities</i>	0.00

ANALYTICAL PRESENTATION

	1999
<i>Equity securities</i>	0.00
<i>Debt securities</i>	0.00
<i>Other investment assets</i>	-39155.09
<i>Monetary authorities</i>	0.00
<i>Government administration sector</i>	-26541.59
<i>Banks</i>	-1745.48
<i>Other sectors</i>	-10868.03
<i>Other investment liabilities</i>	34895.70
<i>Monetary authorities</i>	0.00
<i>Government administration sector</i>	16153.19
<i>Banks</i>	492.07
<i>Other sectors</i>	18250.43
<i>Total, Groups of A to C</i>	348.80
<i>D. Net Errors and Omissions</i>	-348.80
<i>Total, Groups of A to D (Overall balance)</i>	0.00
<i>E. Financing items</i>	0.00
<i>Reserve assets</i>	0.00
<i>Use of Fund credit</i>	0.00
<i>Exceptional financing</i>	0.00

171. EXPORTS, IMPORTS OF THE NAGORNO-KARABAKH REPUBLIC BY GROUPS OF GOODS in 1999

(thsd. US dollars)

	Exports	Imports
TOTAL	2348.7	25651.5
<i>of which:</i>		
<i>Animals and products of animals origin</i>	107.9	435.5
<i>Products of vegetables origin</i>	519.5	3507.9
<i>Fats and oils</i>	0.0	402.5
<i>Products of prepared food</i>	158.2	3033.8
<i>Mineral production</i>	83.0	7660.8
<i>Goods of chemical production</i>	1.1	1949.0
<i>Plastic, rubber</i>	4.4	252.9
<i>Skins, furs and articles thereof</i>	2.1	24.5
<i>Wood and articles of wood</i>	49.2	124.4
<i>Paper and articles of paper</i>	-	251.3
<i>Textile articles</i>	23.0	1393.4
<i>Footwear, umbrellas, headwear</i>	0.6	763.8
<i>Stone, plaster, cement; glass and glassware</i>	279.0	643.4
<i>Precious stones and metals</i>	776.8	792.0
<i>Base metals and articles thereof</i>	87.7	164.5

Contents

	<i>Exports</i>	<i>Imports</i>
<i>Machinery and equipment</i>	89.3	1566.0
<i>Transport means</i>	8.3	230.7
<i>Machinery and apparatus</i>	-	25.3
<i>Furniture, toys</i>	158.6	2428.8
Works of art and antiques	-	0.8

172. EXPORT, IMPORT OF THE NAGORNO-KARABAKH REPUBLIC in 1999

(in percents of total)

	<i>Exports</i>	<i>Imports</i>
TOTAL	100.0	100.0
<i>Animals and products of animals origin</i>	4.6	1.7
<i>Products of vegetables origin</i>	22.1	13.7
<i>Fats and oils</i>	0.0	1.6
<i>Products of prepared food</i>	6.7	11.8
<i>Mineral production</i>	3.5	29.9
<i>Goods of chemical production</i>	0.0	7.6
<i>Plastic, rubber</i>	0.2	1.0
<i>Skins, furs and articles of there</i>	0.1	0.1
<i>Wood and articles of wood</i>	2.1	0.5
<i>Paper and articles of paper</i>	-	1.0
<i>Textile articles</i>	1.0	5.4
<i>Footwear, umbrellas, headgear</i>	0.0	3.0
<i>Stone, plaster, cement; glass and glassware</i>	11.9	2.5
<i>Precious stones and metals</i>	33.1	3.1
<i>Base metals and articles thereof</i>	3.7	0.6
<i>Machinery and equipment</i>	3.8	6.1
<i>Transport means</i>	0.4	0.9
<i>Machinery and apparatus</i>	-	0.1
<i>Furniture, toys</i>	6.8	9.5
<i>Works of art and antiques</i>	-	0.0

173. HUMANITARIAN RELIEF OF THE NAGORNO-KARABAKH REPUBLIC

(thsd. US dollars)

Name of commodity line	1995	1996	1997	1998	1999
<i>Total</i>	341.2	375.5	488.2	483.9	205.4
<i>Food-processing industry product of vegetable and animal origin</i>	17.0	21.8	60.4	19.1	23.3
<i>Wood and wood produce</i>	-	-	-	0.8	-
<i>Produce of chemical industry and of related to it branches</i>	-	-	0.3	-	-

Contents

Name of commodity line	1995	1996	1997	1998	1999
<i>Original footwear</i>	35.0	0.2	41.2	-	-
<i>Clothing, headdress and umbrellas</i>	14.4	2.0	0.7	3.8	-
<i>Children's panty hose</i>	0.4	-	-	23.8	-
<i>Apparatus</i>	29.2	58.8	6.3	150.5	22.5
<i>Autocars, machinery and machines</i>	24.8	17.9	62.3	130.3	83.0
<i>Medicines and other medical hardware</i>	151.1	199.7	130.5	54.0	53.1
<i>Various industrial goods</i>	17.7	-	0.3	19.2	-
<i>Various goods</i>	21.6	75.3	186.4	82.4	23.5