
Business Environment Index, Economic Activity Index and Consumer Confidence Index In Armenia In Second Quarter Of 2007.

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YEREVAN, JUNE 22, NOYAN TAPAN. The Central Bank of Armenia (CBA) calculated the composite economic indices in Armenia for the second quarter of 2007 as compared with the first one: the business environment index made 98%, economic activity index - 97.5%, consumer trust index - 97.6%.

According to a press release submitted to NT by the CBA press service, a decline in the business environment index (BEI) is conditioned by the decline in the subindices of all branches, except industry that has grown and made 114.9%. The estimates of trade and construction branches have sharply declined in BEI. The index decline in the trade branch was caused by the estimate of economic state which was lower (82.7%) as compared with high expectations of the previous quarter. In construction branch, the risks affecting companies (78.2%) as well as the changes in economic state expected in the next quarter (79.5%) were lower as compared with the estimates of the previous quarter.

The decline in the economic activity index is mainly conditioned by the decline in the subindices of trade and services. In trade, the expectations of second quarter's orders (83.3%) and turnover (90.2%) were lower as compared with the first quarter. In services, the estimates of orders in the next quarter were lower in the second quarter as compared with the first one.

The consumer confidence index declined to 97.6% in the second quarter on the first one. This decline is conditioned by the decline in the subindex of current conditions (96.6%) and the subindex of future conditions (98.4%).

The decline in the subindex of current conditions was influenced by the decline in household incomes (5.3%) and expenditures on the purchase of household commodities (11%) as compared with the previous quarter. It is noteworthy that the estimate of current economic conditions has grown on the previous quarter to 108.5%. Indices of all components of the subindex of expected conditions have decreased on the previous quarter. Thus, the expenditures on household commodities, the incomes and the unemployment have declined by 0.3%, 3% and 11.4% respectively.

824 organizations in industry, construction and service sector, as well as 2,621 households in Yerevan and all Armenian marzes were selectively studied for the purpose of calculating the composite indices.
