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# Armenia Keeps Up Robust Growth.

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Armenia's decade-long economic growth appears to be continuing unabated, with Gross Domestic Product increasing by 9.4 percent during the first two months of the year, according to the latest government data.

The data released by the National Statistical Service (NSS) show that the Armenian economy expanded on the back of a continuing boom in the construction and services sectors that now make up a considerable share of GDP.

By contrast, the country's stagnant manufacturing sector shrunk by 1 percent during the same period as a result of a prolonged downturn in the Armenian diamond-cutting industry. Industrial output excluding refined diamonds, one of the main Armenian exports, rose by 5.6 percent year on year.

Armenian growth traditionally accelerates in spring, suggesting that it may well remain in double digits this year. The NSS reported a 13.4 percent growth rate in 2006.

The Armenian government maintains that the double-digit growth, which began in 2001, has reduced poverty and raised living standards, despite the uneven distribution of its benefits. According to its statistics, the average monthly wage reached 68,300 drams (\$188) in January-February, up by 25 percent from the same period in 2006.

In another sign of increased household incomes and expenditures, net imports jumped by 66 percent to \$417 million in January-February, raising Armenia's big budget deficit to a new record high. Armenian exports grew by almost 19 percent to \$135.2 million. They were largely flat in 2006, pushing up the deficit to almost \$1.2 billion.

The volume of Armenia's trade with Russia and other former Soviet republics nearly doubled to \$205.6 million during the period in question, making them the country's number one trading partner. By comparison, Armenia's commercial exchange with the European Union totaled almost \$200 million.

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