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## Armenian State Budgetary Expenditures On Social Sector Grow By 20.2% In 2007

Noyan Tapan - 25/1/2008

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YEREVAN, JANUARY 25, NOYAN TAPAN. The RA state budgetary expenditures grew 2.7fold in 2007 on 2000, 1.9fold on 2003 and made 611.2 bln drams (about 1 bln 787 mln USD). The ratio of state budgetary expenditures to GDP made up 19.5%, the RA minister of finance and economy Vardan Khachatrian stated at the January 24 press conference.

In his words, the growth of state revenues allowed to achieve a lower deficit than was programmed. 0.8% deficit/GDP ratio was registered instead of the programmed index of 2.3% in 2007. The balance of the united treasury account made 93 bln drams.

The minister said that like in the previous few years, in 2007 the expenditure policy was conducted in line with the RA government's Poverty Reduction Strategy Paper by gradually increasing expenditures on the social sector (social security and insurance, health care, education, culture). In 2007, expenditures on the social sector exceeded by about 222 bln drams or 20.2% the 2006 index.

It was mentioned that the average salary of civil servants made 104.855 thousand drams in 2007, which is more by 16.7% compared with 2006. (The average salary in the Armenian economy made 76,922 thousand drams in 2007).

The average salary increased 3.6fold in 2007 on 2000, 2.4fold on 2003, by 20.4% on 2006.

According to V. Khachatrian, state expenditures on social security and insurance grew 2.2fold in 2007 on 2003 and made 63.2 bln drams. The average monthly pension increased 3fold in 2007 on 2000 - from 4.473 thousand drams to 13.2 thousand drams and by about 11% in 2007 on 2006. The average family benefit grew 2.3fold in 2007 on 2003 - from 7.642 thousand drams to 17.622 thousand drams and by 15% in 2007 on 2006.

In 2007, 982 mln drams was paid as deposit compensation to citizens, who were depositors of Armsavingsbank before 1993. With respect to budgetary loans given from the RA state budget to residents of the earthquake zone in 1997-2000, concessions were made to borrowers of Shirak, Lori and Tavush marzes in the amount of 716 mln drams, 364 mln drams and 150 mln drams respectively. Concessions were also made on the budgetary loans of the total amount of 111 mln drams given from the RA state budget in 1998 to Armenian residents displaced from the village of Artsvashen (loans were provided for purchase of apartments). On the whole, concessions of 1.341 bln drams were made in 2007.

V. Khachatrian said that budgetary expenditures on health care amounted to 47.4 bln drams in 2007, growing 4.8fold on 2000 and 1.9fold on 2003.

Expenditures on education and science increased 3.4fold in 2007 on 2000 and 2.7fold on 2003 and made 95.6 bln drams. Expenditures on culture grew 2.9fold in 2007 on 2000 and amounted to 16.7 bln drams.

He underlined that extreme poverty in Armenia was reduced 5.1fold in 2006 on 1999 - from 21% to 4.1%, while poverty declined 2.1fold - from 56% in 1999 to 26.5%. It has been forecast that poverty will make 21,9%, extreme poverty - 3.3% in 2007.

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