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## **By 2009 Draft State Budget, Ratio Of State Machine Maintenance Costs To Gdp Not To Change As Compared With 2008 And Make 5.5%**

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According to the draft law on the 2009 state budget, it is envisaged allocating 52 bln 194.7 mln drams (about 1 bln 695 mln USD) for the maintenance of the state machine, which exceeds the 2008 index by 17.7% and the 2007 index by 22.1%. Although the indicated allocations will grow, the state machine maintenance costs/GDP ratio will not change, remaining at the level of 5.5%.

The RA deputy minister of finance Pavel Safarian said at the October 27 discussion of the 2009 draft state budget at the RA National Assembly that as a result of the changes in the structure of the government and departments in 2008, the number of the employees of the state machine will make 17,130 instead of 16,208 in 2008 due to the fact that this year the Social Security Fund with its 642 employees became a state government body, making part of the RA Ministry of Labor and Social Issues. The staff of the RA Control Chamber (set up in late 2007) was increased by 56, and the salaries of the 131 employees of the Control Chamber were not included in the 2008 budget: they were financed from the RA government's reserve fund.

Besides, the RA National Security Council with its 93 employees and the RA Ministry of Diaspora with its 107 employees were created in 2008.

P. Safarian said that by the draft law, the salary calculation base will not change and make 40 thousand drams for civil servants, 55.5 thousand drams for tax and customs officials, and 42 thousand drams for employees of the compulsory execution service. The base salaries of high-ranking state officials will also remain at the same level.

It was explained that there will be a 6.2% growth of the average salary of civil servants in connection with an increase in additional payments conditioned by their promotion and increased length of service. In 2009, the expenditures on salaries will make up 33 bln 519 mln drams out of the total amount of expenditures on maintenance of the state government system.

In the words of the deputy minister of finance, the ration of civil servants on a business trip in the territory of Armenia will increase from 720 to 2,000 drams, the payments for a night stay will make 5-15,000 drams (25,000 drams in Yerevan) instead of the current 5-10,000 drams due to the growth in prices of hotel services. In 2009, 1.35 million drams will be allocated for gasoline filling of office cars (with the daily norm of 10 liters a car) instead of 1.2 million drams in 2008. The heating expenses of the departments will change because starting from January 1, 2009, the price of one cubic meter of Russian gas imported into Armenia will make 84 drams instead of 59 drams in 2008.

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