
Low Deficit Will Provide Serious Opportunity To Have Enough Reserves For Reducing Impact Of Possible Economic Crisis

Noyan Tapan - 27/11/2008

As a result of discussion of the 2009 draft state budget, the government has received 534 proposals from the National Assembly deputies, factions and standing committees. 177 or 33.2% of these proposals were accepted fully or partially. As a result, the government has managed to include the proposals in the total amount of funds, making internal distributions, accepting considerably the proposals of deputies, and keeping the overall indices of the state budget. The expenditures of the 2009 final draft state budget make 945.4 bln drams, revenues - 905.4 bln drams and the deficit - 40 bln drams, the RA minister of finance Tigran Davtian said at the November 27 special session of the National Assembly.

According to him, all the main macroeconomic indices were also maintained in the final version of the draft. The only change was made in the settlement index of the exchange rate of the Armenian dram: the average Armenian dram/US dollar index was fixed at the index of 303.69 as of November 3 instead of the preliminary version of 302.44, and the Armenian dram/euro index was fixed at 389.83 instead of the preliminary version of 442.89.

T. Davtian said that the majority of 534 proposals submitted by deputies were related to envisaging additional sums for expenditures with various aims as well as to redistribution of some expenditures. The amount of additional financing by proposals envisaging an increase was assessed at 27.3 bln drams, including financing in social-cultural and educational sectors - 16 bln drams, in economic branches - 5.6 bln drams, and in the sphere of state assistance to communities - about 1.5 bln drams. Proposals of a total of 5.8 bln drams were accepted, including proposals of 4.1 bln drams in social-cultural and scientific sectors, 0.11 mln drams in economic branches, 770 mln drams for maintenance of the state machinery, and 760 mln drams for state assistance to communities. The proposals related to other sectors amounted to 40 mln drams.

On its own initiative the government proposes increasing the tax revenues of the year by 1.5 bln drams and reducing the revenues from official grants by 1.4 bln drams - due to the decline in the exchange rate of the euro.

In the words of the finance minister, the low deficit "will provide quite a serious opportunity to have enough reserves for reducing the impact of the possible economic crisis". It was announced that some changes were also made in the message of the 2009 draft state budget in connection with the global economic developments.

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