
The Light Dark Economy Of Sunny Armenia

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The budget is calculated by the rate of exchange of currency. The budget of 2008 must be calculated by the present exchange rate of the dram because a major fluctuation of the exchange rate of the dram is unlikely in the upcoming few days, said Gagik Minasyan, chair of the Standing Committee of Finance and Budget on September 18 at the Hayeli Club. He thinks the 2.5 billion budget is realistic. He says it is possible to provide this index through economic growth and battle against black economy.

It is obvious that we have considerable reserves. I would like to mention two. The first is the black economy, and I have said that in the past few years the rate of growth of return on tax has exceeded the growth of the GDP, and it means that we gradually increased budget receipts. It should be noted, however, that the rates observed so far are not sufficient, and we have considerable reserves. The first is battle against black economy. The other is the enhancement of the role of economic competition. Obviously, we have problems, Gagik Minasyan says.

What he says is strange because the same monopolists and black businesses ran in the parliamentary election and supported the Republican Party and other pro-government parties. It is not clear how the government is going to battle the businessmen who helped it come to power. "I don't want to evaluate. I want to mention the fact that over the past 5-6 years black economy has been cut, so the answer of the question is obvious," Gagik Minasyan says. On the other hand, he says the government does not know where the black economy is. In that case, how does it battle black economy and expect to have such a big budget. Gagik Minasyan says they do not know where black economy is but the ratio of return on tax to the GDP shows that tax collections do not overlap with the growth of the GDP, in other words, there is shadow economy.

As to the worries that with an economy based on building, dropping amount of export and volume of industry we are on the verge of an economic crisis, Gagik Minasyan is not worried. He says when a branch of economy declines, the other branch develops because the Armenian economy is not built on one sphere, and is diversified. "Like the river which is nourished by a lot of obituaries. The amounts of water in different obituaries are different. The amount of water is different in different years as well. The obituaries keep the water flowing in the river. Such is our economy, and not only ours but also the economies of other countries of the world," Gagik Minasyan says, reassuring that the budget of 2008 will be performed.

The opposition member of parliament Larissa Alaverdyan, Heritage faction, who was hosted at the Hayeli Club for a debate with Gagik Minasyan on the budget does not doubt. Nevertheless, Larissa Alaverdyan says without changing the methodological approach to the budget we will have a budget of survival, "a budget of justification of the government." "The huge cash circulation shows there is no political will to cut black economy," Larissa Alaverdyan says.

According to him, the Armenian black economy is lightest of all because Armenia is not the country which can have major black economy.
