



No 3

Economic Research Center NEWSLETTER



December 03/2007

Events

11 months inflation indicator has been presented

On December 17 next press conference within the framework of the project "Alternative Inflation Methodology Development" implemented with financial support of USAID and organizational support of Eurasia Foundation by Economic Research Center (ERC). Chairman of the ERC Management Board Gubad Ibadoglu told that inflation rate was 25.65% for last 11 months according to the results of statistical researches. The highest inflation level has been observed in service field among commodity groups which was 37.56%. This indicator has been 24.31% on food products, 19.09% on non-food products. Only in November consumer price index has been 3.50%. The highest inflation rate has been 4.85% on food products.



G.Ibadoglu has given information about the other works done within the framework of the project. As so during the implementation of the project not only statistical observation of the prices is held, but effects of inflation, factor of inflation are also learned. Furthermore, survey is held with the purpose to assess influence of inflation to well-fair level of population. The other survey has been carried out with the purpose to improve consumer basket consisting of 585 commodities. The goal is to reduce number of basket products to 100: «This will give us an opportunity to pass to the particular calculation system of the inflation. I should mention that the same calculation is held in the USA and Russia as well. From this point of view, assessment of inflation effect to well-fair of population will be one of our future priorities»

G.Ibadoglu has told that process of last two months are not admissible. He has also mentioned that if Azerbaijan government doesn't fulfill the main two economic functions of its, the nearest perspectives are lowering: «The first of these factors are stabilization of the prices, which should be fulfilled by National Bank. The second issue is support of fair competition. Monopoly plays big role in among factors of price increasing. Thus we demand from the government to strengthen its activity in both of these directions. Otherwise, the possibility of 2008 to be the year of inflation is evident».

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Public Discussion of Municipality Budgets Has Been Held

On December 3-19 public hearings of discussion of the forecast budget for 2008 have been organized with local citizens of 12 municipalities of Guba, Gusar and Khachmaz, 13 municipalities of Gakh, Zaqatala, Balaken (December 4-13), as well as in 12 municipalities of Masalli, Lerik, Yardimli and Astara regions within the framework of the project "Budget Transparency and Strengthening the Role of Society in Decision Making Process of Municipalities" implemented by Economic Research Center with financial support of USAID and organizational support of CHF. Analogical hearings have been organized in Alekseyevka, Pashaoba and Igrak municipalities of Guba region within the framework of the project "Enhancing of transparency initiatives and increasing public participation in local budget process" implemented by ERC with the financial support of Civil Society Programs of USAID on December 18 and 24.



ERC experts have given information on essence of public hearings, rules of organization public hearings to participants. After then information about budget projects of next year has been given to participants by municipalities. Explanation of forecast budget has been delivered to citizens as well. During discussions citizens have shared with their opinions and proposals. Proposals have been recorded by municipalities. Heads of municipalities have netioned that they would take into consideration most of those proposals during next year budget according to budget opportunities.



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Meeting

US Embassy is Interested in Continuation of “Alternative Inflation Methodology Development” Project

On December 7 Chairman of the Management Board of ERC Gubad Ibadoglu has held a meeting with Head Counsellor of Ambassador on economic issues David McCormick and associate of economic department of the embassy Farida Akhundova. Usage of expected oil incomes and budget policy for 2008 have been discussed during the meeting.

During the meeting perspective results of “Alternative Inflation Methodology Development” project has been touched as well. Talking about the results of this project, G.Ibadoglu has mentioned the necessity of support for continuation of that project. Mr. McCormick has told that US Embassy was interested in continuation of the project and that they would keep it in attention after as well. He has also mentioned that discussions of that in USAID are more expedient.

Japan Embassy is Interested in Continuation of “Alternative Inflation Methodology Development” Project

On December 11, Counsellor on economic issues of Japan Embassy Furuya Karou has visited ERC office. Getting acquainted with the activity of the center more closely Mr.Kaoru has mentioned that Japan Embassy was interested in ‘Alternative Inflation Methodology Development’ project implemented by ERC with the financial support of USAID. The topics on inflation forecasts and current situation in it have been discussed during discussions based on the results of the project.Emphasizing the importance of such independent researches Mr. Kaoru has shown an interest to continuation of the co-operation with the purpose to assess the current situation in employment. Chairman of the Management Board of ERC Gubad Ibadoglu and deputy chairman Vusal Gasimli have participated in meeting.

Discussions Have Been Organized in Baku Office of World Bank

On December 11, discussion of the issues interested vice-president of World Bank on Europe and Central Asia region Shigeo Katsu have been organized in Baku office of World Bank. Vice-president of World Bank, head economist of regional department on Southern caucasus Christian Petersen, head of Azerbaijan representation Gregory Jederzejczak and associate of the representation Saida Bagirova, president of Economic and Social Researches Center Sabit Bagirov, director of Public Finance Monitoring Center Ingilab Ahmedov, Executive director of ‘Transparency Azerbaijan’ Rena Safaraliyeva, co-ordinator of EITI Gubad Ibadoglu and other NGO representatives have participated in the meeting. Social-economic and ecological situation of the country, perspective in those directions have been the main topics discussed during the meeting.Oil incomes, challenges that Azerbaijan faces in their transparent and useful control and perspectives of mutual co-operation on how to over come those challenges have been discussed during the meeting as well.



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Meeting Has Been Held in OSCE Baku Office

On December 12, chairman of the Management Board of ERC, co-ordinbator of EITI G.Ibadoglu has held a meeting with the Ambassador of OSCE Baku Office Hose-Luis Herrero and Officer for economic and evironmental issues Tjörbyörn Bjurvatn. G.Ibadoglu has given information on recent changes in the activity of the Coalition, project implemented during that year and Activity Plan for 2008. SOFAR and SOCAR activities in control of oil incomes and transparency ensurance have been touched within the framework of the discussions. Real results of co-operation of the government, companies and public unions on execution the initiative of EITI have been discussed as well

At the end the continuation and further organization of such meeting have been decided. The next meeting has been scheduled to end of January, 2008.

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Produce

Municipality Tax Calculator Has Been Prepared

Economic Research Center continues implementation of new information technologies with the purpose to ease the calculation of local taxes. As so the center implementing "Transparent Budget" program with the purpose of automation of tax and accounting issues in municipalities, has prepared tax calculator.



Each physical person could calculate land and property taxes, as well as mine taxes on construction materials paid to municipality budgets within the framework of the project implemented by support of Ministry of Telecommunication and Information Technologies of Azerbaijan Republic and World Bank. Municipality tax calculator is set on official web-site of the organization www.erc-az.org .(www.vergi.erc-az.org)

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Link of Health Alliance Has Been Created

On the web site of ERC link reflecting the information on activity of "Call to Health" NGO Alliance has been set at the end of December. (www.erc-az.org).



Statue of the Alliance, newsletters, information on events held by Alliance have been set in the link. Furthermore, information on the works done within the framework of the project, radio debates transferred on radio "Liberty" with the participation of Alliance members, talk show transferred on Public TV, special number of the magazine "Expert" dedicated to the health. (www.med.erc-az.org)



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Activity

Information on Energy Expenditures of IDP and Refugees living in Nasimi District Have Been Gathered.

In December next round of the monitoring of usage of electric energy within the framework of the project "Monitoring of usage of state budget allocation for refugees to cover electricity cost and food provision" implemented by ERC with the financial support of OSI-AF and organizational support of National Budget Group has begun.

The government pays taxes for energy determined in limit of 150kv/hour per month. ERC has constructed special meters with the purpose to determine the real amount of expenditures during spring and summer in the areas where IDP and refugees live. For getting more exact results the organization has decided to measure expenditures in these areas during winter –for the third time as well. Project assistant Rauf Gasimov has visited the areas of Nasimi district where IDP and refugees live. Head of Communal Services Department of the State Committee on Affairs with IDP and Refugees Gahraman Rzayev has also participated during monitoring process. ERC experts have taken indicators reflecting of 7 IDP and refugee families' energy expenditures living in the areas above mentioned.



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News

New employee on External Communications Officer

As it was mentioned before in October Manager on External Relations and Manager on Quality Control of Economic Research Center have been dismissed because of becoming responsible for other project. Vacancy on those positions have been declared. Test exam consisting of verbal and written parts has been carried out among candidates applied for this position on November 6. Nurana Ismayilova has been appointed to the position of Quality Control Officer and Parvana Persiani to the position of External Communications Officer for the test period. Note: Test period is 2 months.

Responsible person for newsletters:

Dunya Djamalova

PR Manager

Address: Djafar Djabbarli 44

Caspian Plaza 3, 9th floor

Tel: (+99412) 437 32 30

Fax: (+99412) 437 32 40

e-mail: dcamalova@erc-az.org