

# ARMENIA

## GOVERNOR'S STATEMENT

### ARMENIA

**Vache Gabrielyan**, Governor

Dear Mr. President,  
Distinguished Governors and Delegates,  
Ladies and Gentlemen,

I am pleased to be at the 2016 Annual Meeting of the European Bank for Reconstruction and Development and issue a statement on behalf of the Republic of Armenia. I would like to praise EBRD's Management for organizing this important annual gathering in conjunction with Business Forum named "Influencing Change – The Next 25 Years". EBRD's strategy to build economic resilience, support market integration and address global and regional challenges is highly valuable for member countries in their quest to create tomorrow's sustainable world. Today's forum serves as an important platform for the member countries to share their successes, challenges and best practices, to discuss together with the management the policy priorities for the upcoming years and share perspectives on global developments.

Last year Armenia faced and still continues to face significant economic headwinds due to regional economic developments. Despite significant strains induced by massive devaluation and economic slowdown in Russia that impacted the whole region, our economy showed notable resilience and we recorded a growth of 3% in 2015. Armenia's participation in Eurasian Economic Union helped to mitigate the above-mentioned headwinds through significant reduction of trade barriers. In 2016, external environment is still not conducive to growth, and we face significant challenges in task of delivering economic growth and increased employment.

In such an environment the Government of Armenia emphasizes structural reforms and continued engagement in infrastructure development projects. One such a project--a municipal and environmental infrastructure project, will be signed today. This project is aimed to assist the city of Gyumri, the second biggest city in Armenia, in rehabilitation of major streets and modernization of public lighting in the city. I am glad to state that EBRD is also engaged in policy dialogue with the Government to further advance reforms, and has been instrumental in our business climate improvement efforts.

We acknowledge that strategic orientations of EBRD's activities reflected in the Bank's new strategy for Armenia are in line with priorities of the Government of Armenia. Alongside with fiscal space limitations for sovereign projects and to ensure debt sustainability in the medium term, it is crucial to mobilize more private capital in the process of value creation of in the

Armenian economy. From this perspective, EBRD strategy for a country like Armenia is telling: enhancing PPP structured private participation and commercializing infrastructure projects; developing capital markets and promoting local currency financing, strengthening the competitiveness of the domestic private sector and levelling the playing field are all instrumental to Armenia's growth. We do see EBRD's key role in achieving our goals of engendering a more broad-based economy, reducing vulnerability to external factors, thus achieving sustainable growth.

I would like to stress the importance of forward vision, like the exercise of imagining the world in the next 25 years, which is the topic of today's meeting and forum. This significant exercise helps policy and decision makers to assess the prospective forecasts, potentiality of programs and effectiveness of policy choices made today and the significant role that international financial institutions, such as EBRD, can play in that path with their long term resources, accumulated knowledge and an outside, but caring perspective for development.

As a conclusion, once again I would like to thank EBRD president, Sir Suma Chakrabarti, and his management team for the successful organization of this annual meeting. We highlight our commitment to partnership as we do believe EBRD to be a long-term reliable partner for its members.

Thank You.