

# ARMENIA

## GOVERNOR'S STATEMENT

### ARMENIA

**Vache Gabrielyan**, Governor

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

It's a privilege to issue a statement on behalf of the Republic of Armenia at the 2017 Annual Meeting of the European Bank for Reconstruction and Development. I would like to thank EBRD's Management for excellent organization of the meeting and express gratitude to the Government of Cyprus for their hospitality and organizational support.

EBRD's strategies to build economic resilience and support market integration are very important for countries like Armenia. We still have a lot of ground to cover to ensure that public and private institutions function properly to enable markets achieving sustainable and inclusive growth. The need for inclusive growth is the defining prerequisite of modern economic growth and it is important that the management has placed it high on the agenda of the bank.

Armenia's experience shows that markets do not come to function on their own. There are idiosyncrasies coming from the market size, institutional history, culture, geography, to name a few. They may not change the essence or the functions of the institutions, but considering them adds the little extra that makes the institutions tick properly. Institution-building takes time and perseverance. It is important that both analytical and consulting tools of market transition are actively utilized by the bank. We have benefited and, and I am confident, will continue to benefit from the technical advice by the bank.

Last year Armenia faced continued significant economic headwinds. Given the aftershocks induced by the economic slowdown in Russia that impacted the whole region, our economy slowed to a barely positive growth in 2016. Armenia's participation in Eurasian Economic Union helped to mitigate the above-mentioned headwinds through significant reduction of trade barriers. Without significantly improved trade we would be in a negative growth territory.

The Government of Armenia continues to emphasize structural reforms and continued engagement in infrastructure development projects. We have crossed 50% debt-to-GDP ratio and given the fiscal space limitations for sovereign projects, it is crucial to mobilize more private capital for modernization of the economy and inducing economic growth. EBRD projects are right on the target with this strategy: the creation of first institutionally designed private equity fund and the advisory on creating modern PPP framework, to name a few.

We see EBRD as a key partner in achieving our shared goals of inclusive and sustainable growth and look forward for further cooperation. I would like to thank EBRD president, Sir Suma Chakrabarti, and his management team, as well as the Government of Cyprus for the successful organization of this annual meeting.

Thank You.