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# **CBA Official : Level Of Competition Is Not Yet High In RA Banking System**

Noyan Tapan - 6/9/2007

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YEREVAN, SEPTEMBER 6, NOYAN TAPAN. The opportunities of attracting external financial resources and the population's savings by banks for crediting, their use of advanced banking technologies will be some factors of competition in the RA banking system in the next few years, the head of the CBA Financial System Policy and Analyses Department David Sargsian stated at the September 6 press conference. He said that by estimates of the Central Bank of Armenia (CBA), the level of competition is not yet high in the RA banking system.

According to him, the banks to succeed in obtaining easily considerable financial resources in international markets will be in a more advantageous position than those that will not have such an opportunity or will obtain less resources.

The CBA official added that the growing Armenian economy's increasing demand for crediting will be met not only at the expense of foreign financial resources but also savings outside the banking system. By CBA estimates, they amount to 0.8-1 bln dollars.

According to him, big foreign banks that enter Armenia's market of banking services and use advanced technologies and "proven methods of working with customers" will have big competitive advantages over the bank operating with Armenian capital in this market.

D. Sargsian forecast that those Armenian banks that will not be able to adapt to the changing environment will inevitably be acquired by bigger banks. "The question is how long this process will take place - two or five years. It will happen faster than many of us predict."

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