
There Are All Objective Prerequisites For Making Armenia A Regional Financial Center, Prime Minister Of RA Says

Noyan Tapan - 25/6/2007

YEREVAN, JUNE 25, NOYAN TAPAN. The Armenian banking system is rapidly integrating into the global banking association and introducing the best international banking standards, the Armenian prime minister Serge Sargsian stated during the June 25 annual meeting of the Union of Armenian Banks.

In his words, today the Armenian banking system is stable, with confidence in it growing day by day. This is evident from the growth of the banking system's indices with respect to GDP as a result of the introduction of corporate governance mechanisms and the creation of the following infrastructures and institutes strengthening the reliability of banks: the Credit Bureau, the Deposit Return Guaranteeing Fund and the united payment system.

According to Serge Sargsian, there is still much to be done in the Armenian banking system in terms of increasing international mediation indices, particularly, the current ratio of credits to GDP (10%).

The prime minister said that the new program of the government envisages some programs to be implemented jointly with the Union of Armenian Banks and the Central Bank of Armenia (CBA). In particular, these programs aim to make educational and mortgage loans accessible to young people.

The speaker noted that Armenia should become a regional financial center, for which there are all objective prerequisites. In the words of the prime minister, one evidence of it is the fact that foreign banks are interested in operating in Armenia's banking system.

S. Sargsian said that the Armenian banking system may participate in the government-initiated program on the proportional territorial development of the country. "I think that it is time for the Union of Armenian Banks and the CBA to think about making one of Armenia's small or medium-size cities a financial center. I am sure that this initiative shall come from the CBA," he noted, adding that Dilijan, for example, may become such a city.

The prime minister expressed an opinion that there is also work to be done in the Armenian banking system in terms of promoting the real sector of the economy through securitization of assets, leasing and other financial instruments, as well as introduction of modern mechanisms of management.

Besides, banks should assume certain social responsibility and take an active part in social programs.
