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# Again The Armenian Mentality, This Time Regarding Money

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Judging by 2007, remittances are expected to grow by 40 percent in 2008, stated the president of the Central Bank of Armenia Tigran Sargsyan in an interview with ARKA on January 10. This index is almost twice as high as the estimate of the Central Bank at 25 percent. Tigran Sargsyan says the volume of remittances will exceed 1 billion dollars.

According to the president of the Central Bank, the volume of remittances grows progressively, which is an objective reality determined by mentality. The banker said, ARKA reports, two thirds of Armenians live outside Armenia, and when their financial and economic situation improves, they make more investments in Armenia.

"Therefore, for our nation, this is objectively positive," Tigran Sargsyan says.

Besides, Tigran Sargsyan thinks that Armenia is the focus of economic interests not only for its citizens but also Armenians worldwide, and the establishment of a favorable climate for investments spurs the influx of capital, development of tourism, demand for services.

"This is the objective reality which is a long-term tendency, and if no cataclysms happen in the world, namely in Russia and the United States from where most remittances come, and which have the biggest Armenian communities, this tendency will continue," the president of the Central Bank stated.

By the way, he mentioned that in 2007 the revaluation of the dram against the dollar was 17 percent. According to him, in 2007 the Central Bank bought 350 million dollars which is up by 40 percent from 2006. Nevertheless, despite the intervention, the Armenian dram continued to revalue, Tigran Sargsyan says. At the same time, he says this process has reduced inflation estimates and the potential for inflation. Tigran Sargsyan also says considering the elasticity of prices inside along with price shocks outside, Armenia needs efforts to promote competition inside the country to keep prices of imported goods low along with the revaluation of the national currency.

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