

## **SUMMARY REPORT**

### **INTRODUCTION**

The global financial and economic crisis has been affecting Armenia's economy since October – November, 2008. Therefore, the RA Government proceeded to the drafting of the anti-crisis program which was submitted to the National Assembly on November 12, 2008. The measures envisaged under said anti-crisis program were meant to mitigate crisis-generated economic risks conditioned by the following factors:

- Reduced or deferred direct private investments
- Reduced remittances
- Temporary fall in mining industry output levels
- Delays or reductions in some investment projects in the sphere of construction.

To cope with the crisis, the following key targets were set by the government of Armenia:

- Maintenance of macroeconomic stability
- Financial sector stability
- Identification and use of extra incentives for economic growth.

#### **Below are the main steps towards this end:**

- Business environment improvement, including simplification of tax regulations and considerable reduction in administrative costs for small businesses;
- Engagement of financial resources for small and medium-size enterprise lending
- Implementation of sizeable infrastructure-oriented projects and creation of new jobs in these frameworks
- Priority for welfare programs and State's social commitments.

Not only is the government's anti-crisis program aimed at minimizing the adverse consequences of the global crisis, but it also seeks to lay sound groundwork for sustainable development and new type of economic relationship in the country.

### ***MACROECONOMIC STABILIZATION POLICY***

Current activities should be guided by the Central Bank's corresponding monetary and fiscal policies. In case of a fall in fiscal revenue, this will safeguard the level of public expenditures stimulating overall demand and boosting the business environment which can be achieved with the existing reserves and attracted foreign resources.

RA government's macroeconomic initiatives sought to give an expansionary bias to fiscal policy. In particular, the government used the whole range of instruments at hand to finance the gap caused by reduced economic activity in the private sector. Budget expenditures will rise to about AMD 880 BN this year against last year's AMD 810 BN with the fiscal deficit estimated at 7% of GDP.

We have designed macroeconomics-friendly fiscal and monetary policies. The interest rate of repo transactions was raised by one percentage point to 7.75% in an effort to avoid speculative phenomena and eventual price-hikes caused by exchange-rate liberalization. In parallel to subsequent exchange rate corrections and eased pricing pressures, the Repo rate was gradually brought down to the current level of 5.00%.

## ***TAX REFORM***

Tax reform stems from the 2008-2011 Republic of Armenia tax administration strategy improvement program implemented under the watchword of “facing the taxpayer.” The following anti-crisis measures have been carried out under the program:

Considerably simplified for all types of businesses, including small and medium-size enterprises, the new tax procedures envisage, in particular:

- ✚ Higher VAT threshold level up to AMD 58.3 MN against today’s AMD 3 MN, as well as simpler returning procedures caused by the removal of the mandatory international accounting standard requirement for those enterprises with less than AMD 100 MN annual turnover which can now follow the applicable fiscal liability rules and procedures.
- ✚ Taxpayers with up to AMD 58.35 MN turnover will have to submit flat profit and income tax statements only once a year.
- ✚ Employers with no more than 5 employed staff will be allowed to submit their social contribution reports on a quarterly basis instead of the currently required monthly reports.
- ✚ Acceptance of documents justifying expenses on the basis of cash-register tickets and summary invoices to a total yearly cost of AMD 36 MN against the applicable AMD 3 MN.
- ✚ Introduction of simpler tax return submittal procedures by eliminating the former evaluation commissions and allowing taxpayers to return by ordinary mail or through special boxes available at local tax inspectorates. As from October 2009, they can also send their returns by electronic mail. All this is meant to minimize “the contact area” between taxpayers and tax inspectors, which in turn can better “the life of taxpayers” and reduce corruption risks.
- ✚ Removal of the monthly VAT statement submittal requirement for those entities below the mark of AMD 100 MN annual turnover as compared to the previous threshold of AMD 60 MN. The aforementioned measures will help spare a lot of valuable time and bring down the cost of contact with tax authorities.
- ✚ Launch of an accounting service center supposed to ensure the conduct of a unified policy with regard to taxpayers of specific category, as well as to provide domestic employers with standardized, high-quality and affordable services.
- ✚ Amendments to the law on value added tax, as well as the law on profit tax and the law on income tax have been drafted which were approved by the National Assembly in March, 2009. The laws seek to free hand-made tapestry from VAT and profit tax in Armenia, promoting in this way the preservation of cultural heritage by transferring the needed aptitudes and skills to future generations, as well as targeting the propagation of this traditionally Armenian craft.

- ✚ VAT settlement will be deferred for a period of up to 3 years, if equipment and materials as specified in Article 61 of the RA Law on Value Added Tax are imported to a total cost of AMD 300 million and over. The same rule is applicable to such freight other than the one described in the aforementioned Article as covered under government-approved investment projects with a total budget of up to AMD 300 MN and over.
- ✚ Establishment of license fees for 11 activities under the RA law on licensing fees (mainly concerning the self-employed) which will set new game rules in terms of relations with the State by offering them the possibility of engaging in “safer and more advantageous” activity in the context of tax administration.
- ✚ Simplification of tax procedures for non-branded hotel facilities and application of zone-based lump-sum rates, which will help shape a more affordable recreation network to the benefit of domestic and foreign travelers.
- ✚ In order to increase Armenia’s attractiveness for incoming tourists, the amount of state duty has been taken down from AMD 15,000 to AMD 3,000 for short stays (21 days).
- ✚ The Government of the Republic of Armenia refunded around AMD 11.5 BN worth of overpaid VAT during the first quarter of 2009. This figure is supposed to reach the mark of 15 billion by the end-of-year. At the same time, towards this end-of-year VAT overpayments will have decreased by 20 billion drams as compared to 2008. These savings will help our entrepreneurs to defy the crisis and push ahead more efficiently.
- ✚ The Government resorted to an unprecedented step in terms of inspections and checkups: between June 1, 2009 and January 1, 2011 no checkups will be carried out in those entities (except for the ones conducted by the State Revenue Committee) having realized below AMD 70 MN of annual turnover during 2008 (with the exception of those cases envisaged under the Criminal Procedure Code of the Republic of Armenia affecting human rights, life and health protection, State defense and public security as agreed in writing by the Prime Minister of the Republic of Armenia and requested so by the head of SME upon enterprise dissolution).
- ✚ Initiated by the Government and supported by international organizations, work is underway on the design of Taxpayer-3 computer software for the State Revenue Committee by the Government of the Republic of Armenia. The program is expected to provide a new state-of-the-art database of taxpayer details and simultaneously make it possible for economic entities to submit their returns by electronic mail.

## ***CUSTOMS REFORM***

- ✚ With a view to minimizing “the contact area” between importers and customs officers and reduce corruption risks, customs broker’s offices and self-declaration desks are now available at customs houses and warehouses as connected to TWM online customs clearance processing software
- ✚ Customs formalities have been simplified by adding such provisions as envisage amending those irregularities detected during post-clearance checkups instead of canceling them. This clause will save importers a lot of time and energy.

- ✚ Risk selection criteria have been revised in the TWM customs clearance software in order to enhance control efficiency by giving it a more targeted and resource-saving bias.
- ✚ The number of documents needed for import-export-related border-crossing purposes has been reduced to only 3. This will help save a lot of time during the clearance of imported and exported goods
- ✚ The list of those products subject to mandatory certification at the time of border-crossing was shortened from 65 to only 16 which is supposed to save businessmen's valuable time.

### ***BUSINESS ENVIRONMENT IMPROVEMENT***

The betterment of Armenia's business environment is central on the Government's development agenda. The Government has embarked upon an ambitious program to provide for a sharp rise in our country's image in terms of entrepreneurship and reserve it a top place on the list of most business-friendly countries.

The following steps have been taken in particular:

1. There have been prepared the drafts of RA laws on immovable property tax, tax on means of conveyance and tax on return, which envisage a single tax as a substitute for the currently applicable land and real estate taxes, a unified tax on return instead of today's income and social security taxes. As a result, only one form will have to be filled in for each of these new taxes.
2. The process of creating a legal person has been eased considerably by calling off the requirement of possessing a corporate seal, reporting a minimum statutory capital, as well as by improving the regulatory framework conducive to less lending bank exposure (through the application of an automated system of ownership registration in the management of immovable property cadastre).

### ***IMPLEMENTATION OF INFRASTRUCTURE PROJECTS***

The government of the Republic of Armenia has initiated a series of infrastructure-related projects in the spheres of road building, communications, power engineering, industry, social security and so on. These projects of regional importance were chiefly designed prior to the global crisis, though by virtue of high anti-cyclic impact, they proved of current interest and can go a long way toward putting a check on unemployment, as well as fostering growth and development in the aftermath of the crisis. These measures are supposed to be carried out in cooperation with international organizations and the private sector based on the principle of public-private sector collaboration (PPSC).

Note that once effectively materialized, these infrastructure-building projects can promote the efficiency of our anti-crisis efforts and help us find quick response to the economic downturn.

**The major projects are as follows:**

- ✚ ***The North-South Transport Corridor Project***

Design work is underway as part of the North-South transport corridor project, the motorway component of which will be financed mediating a grant available from the Asian Development Bank to the amount of USD 1 million. Most of the first stage of the project will be covered by resources borrowed from the ADB. In particular, in accordance with the USD 60 MN-worth lending facility as signed in September last, construction work will kick off in April, 2010. The Asian Development Bank is expected to provide a total of USD 500 MN under the project between 2010 and 2017. Additional project funding possibilities are being discussed with the World Bank and other financial institutions. Private companies, too, may participate in these activities.

✚ In addition to its motorway module, the North-South transport corridor features a railway component, too. Design work is supported by the State of Armenia, the Asian Development Bank and co-sponsored by a philanthropist from the Armenian Diaspora. In August, 2009, the Railway Construction Directorate CJSC was established to coordinate building activities under the latter component.

### ✚ *Rural Road Rehabilitation Projects*

The Asian Development Bank has disbursed a loan of USD 48 MN for rural road rehabilitation purposes. Building activities started in October, 2008, scheduled for completion in 2009-2010.

About AMD 5.3 BN worth building activities have already been carried out under the Millennium Challenge Program, of which a 24.5 km-long road section on Armavir-Isahakyan-Gyumri highway has already been commissioned with a total cost of 1.5 billion drams.

Around 155 km-long community roads (instead of planned 140 km) with a total cost of AMD 17.4 BN will have been completed by the end-of-year under the World Bank's Lifeline Road Improvement Facility alone.

### ✚ *The Techno-park Project of Gyumri*

A project is out to reorganize Gyumri town into a techno-park as part of Government's drive for building and developing knowledge-based economic infrastructures. The program has a top objective of securing Gyumri's reputation as a traditionally cultural center and making of it a business-like "center of excellence," strong with major educational institutions and research centers offering vast opportunities for innovation, development, testing and application of information and high technology-based industries, as well as with small and medium-size enterprises using high technologies. The project has the following key components:

- *Founding of technological and industrial parks*
- *Establishment of a business center*
- *Launch of a special economic zone*

Preliminary understandings have been reached with a number of leading international companies (Microsoft, National Instruments, Sun Microsystems, Synopsis and others) and some domestic and Diaspora-based organizations on participation in the project and joint implementation of educational and scientific laboratories. The project will be mainly based on public-private sector collaboration schemes.

Besides helping to fill the gap between the capital city and other towns, the development of urban settlements in marzes will enhance the role of regional urban centers

#### ***✚ Establishment of a free economic zone on a site next to Armenia's Zvartnots international airport***

Talks have been held with the international manager of Zvartnots airport on the establishment of a free economic zone by the airport. A preliminary layout of the zone was discussed during these talks.

Currently the management of the airport is busy drafting a business plan. Ways of support and financing sources have been discussed at a meeting held between the representatives of Armenia International Airports CJSC, European Bank for Reconstruction and Development, Pan-Armenian Association of Jewelers and Diamond Dealers, Asian Development Bank.

An arrangement is up with the UAE Minister of Trade on cooperation between the free economic zones of Zvartnots and Sharjah.

In an effort to develop a business model for Zvartnots free economic zone, as well as to invite a consultant from the Netherlands, the Government of Armenia has turned to the Dutch government for assistance in having conveyed to Armenian partners the local flower exchange organization know-how available from Flora Holland Ltd, in particular.

A draft RA law on free economic zones has been prepared to streamline and govern the establishment, operations and dissolution of free economic zones.

#### ***✚ New NPP construction***

Work is underway toward building a new nuclear reactor, as well as uranium mining and processing, which is crucial to Armenia from energy security and geopolitical perspectives. An interdepartmental task force has been set up to this end with a consultant selected (Warley Parsons) to prepare a feasibility study. Before the end of this year, the Government will allocate funds equivalent to USD 400,000 to that effect. The National Assembly has passed a law on new nuclear reactor construction.

#### ***✚ Activities in the sphere of power engineering***

1. Assembly work is off under the Japanese Bank for International Cooperation-supported projects, including groundwork reinforcement activities for the combined-cycle flame unit of the Yerevan heat-power station and design work for 110 substations and SCADA communication system modules under the "Power transmission and distribution networks program." The new unit of the thermal plant will help increase the amount of produced energy and lower its cost-price.
2. HayRusGasArd CJSC continues with the refurbishment of Hrazdan thermal plant's Unit 5.
3. On January 30, 2009, a lending and project financing agreement was signed between the RA Ministry of Finance, the German KfW Bank and Armenian High-Voltage Lines CJSC stipulating that Euro 14.6 MN will be disbursed in the form of mixed public and private funds for reconstruction of Gyumri-2 substation.

4. The International Bank for Reconstruction and Development has approved a USD 1.5 MN grant facility for geological and geophysical studies under two geothermal projects. Exploration and prospecting activities can start as soon as we have positive findings.
5. The minor HPP lending process continues with success as financed by German KfW Bank. 11 such projects have already been financed by the Armenian-German Foundation, with 23 others supported by the World Bank's Renewable Energy and Energy Saving Fund.
6. Under the Araxes River Hydropower Exploration project, the Government of the Republic of Armenia and the Government the Islamic Republic of Iran have signed an instrument on facilitating border traffic between the two countries which will come into effect pending ratification by RA National Assembly. Talks are underway with the Iranian side concerning the financing scheme of the Meghri HPP.

### **Construction**

The needs of disaster-hit population and socially vulnerable households are kept in focus by the Government of Armenia.

1. Under a housing program designed for homeless families from the disaster zone, bids have been successfully invited for the following activities:
  - a) Shirak marz: construction of a minimum of 2300 flats and service facilities in Ani and Mush-2 residential districts of Gyumri town, 182 flats and service facilities – in Akhurian village, and at least 226 private houses – in 10 rural communities;
  - b) Lori marz: construction of 354 flats and service facilities – in Spitak town (in the new-built Neighborhood of Craftsmen), at least 1821 private houses – in 24 rural communities.

By the end-of-year, about 25.1 billion drams will have been spent to build up 118 thousand square meters of housing estate resulting in accommodations offered to 1760 families countrywide. In the meantime, AMD 403 MN worth of housing purchase certificates will be available to the population.

2. In December, 2008, bids were invited for the design of priority development projects on the site of the former airport in Jermuk town of Vayots-Dzor marz. Design work is currently in process. Jermuk town is expected to have a new development plan and development statutes under the program.
3. The “Kumayri” program is being designed, meant to rehabilitate and expand the historical-cultural traditions and the architectural heritage of Gyumri town. The program shall provide for the survival of the historical downtown in Gyumri by rebuilding some town segments in a traditional spirit and restoring minor architectural forms. It will also help rehabilitate the traditional local crafts, small and medium-size businesses, as well as tourism by providing an investment-friendly environment and new jobs.
4. To boost tourism in the framework of National Competitiveness Council activities, a USD 20 MN-worth comprehensive reconstruction program is underway at the Tatev monastic complex. The program will be co-financed by several businessmen from

the Armenian Diaspora. A very impressive cableway will be built under the program which as per expert estimates will be among the highest and longest ones in the world. The program is in process now.

5. The Government of Armenia is taking steps toward reviving the construction sector considering its instrumental role in the formation of GDP. To this end, pre-emptive State guarantees are being provided to such developers as have incomplete facilities with 50% and more completion status. 6 such developers have already received USD 12 MN worth of guarantees from the State budget. A total of 116,000 square meter housing estate will have been commissioned by the end of this program. Under another initiative, the Government is drafting a bill stipulating extension of over AMD 1 BN worth of subsidy for public construction works, on condition that upon completion developers will be refunded the whole amount of VAT payments and social contributions.
6. With a view to reviving the building sector and addressing welfare problems, the National Mortgage Company Universal Credit Organization (UCO) closed joint stock company has been established with a statutory capital of 5 million drams. The Company will extend long-term resources to partner banks and lending organizations under a public mortgage loan refinancing scheme. In the long run, the Company will attract extra resources from the capital market in favor of domestic mortgage lenders by means of securities issue. Note that the National Mortgage Company UCO CJSC will get 12 billion drams from the proceeds of the loan available from the Russian government.

### ***REAL SECTOR SUPPORT***

1. The Operative Staff has been established to provide direct assistance to the real sector. The Staff considers business projects received from the private sector and determines the level of eventual assistance. This implies targeted support for individual enterprises aimed at generating new jobs, ensuring that imports are gradually supplanted by domestic products, enhancing the level of exports, promoting the use of local raw materials, stimulating the application of innovational technologies. To this end, the Government will make use of subsidies and State guarantees (including in agriculture), direct lending and participation in corporate capital. The Operative Staff has already received 300 such projects, of which 44 were approved to a total cost of 14.1 billion drams.
2. As of September 1, 2009, small and medium-size enterprises had received AMD 233.5 MN worth of State guarantees from the SME DSC under the credit guarantee program for 45 SME facilities covering a loan package of AMD 415 MN.
3. An economic stabilization lending program is out under the USD 500 MN interstate loan available from the RF government, aimed at boosting the GDP through partial coverage of the needs of economic entities in borrowed funds. The program will have an overall budget of AMD90 MN (USD250 MN) and 3 different components:
  - ✚ The first component will address the banks and lending organizations. It will have a budget of AMD60.5 BN, of which 12 billion drams will go into the mortgage market, 30 billion drams will be used for boosting the exports, procuring and processing agricultural produce, implementing air transportations, fostering infrastructure-based tourism,



providing loans to consumers, motor-car and housing buyers and, finally, 18.5 billion drams will be available to small and medium-size enterprise.

- ✚ The second component consists in SME funding. The duly licensed lending entity, founded by the National Small and Medium-Size Enterprise Support Center, will act as the beneficiary of this component. It is supposed to provide for higher efficiency in lending processes. The component will have a budget of AMD6.4 BN.
- ✚ The third component will provide lending to system-building enterprises. It will be administered by the RA Ministry of Finance under the terms and conditions laid down in relevant government decisions. The component will have a budget of AMD 23.1 billion drams.
- ✚ To promote the development of Armenia's system-building mining sector, USD44.0 MN worth of loan resources have been disbursed to Zangezour Mining, Armenian Molybdenum Production and the Agarak Copper and Molybdenum Factory from the State budget under the credit facility available from Russia. These means will be used to finance the strategic areas stipulated in the business plans of these companies.
- ✚ Either the international financial institutions have a share in the funding of small and medium-size enterprises. 50 million US dollars out of the World Bank-administered USD85 MN loan has already been spent for SME development purposes, with the balance having to go toward the road building projects.
- ✚ The Republic of Armenia is participating in the proceedings of EvrAzEs anti-crisis foundation. This will make it possible for our country to benefit from the proceeds of the USD10 BN worth total budget in order to implement major investment projects in the Republic of Armenia.
- ✚ The RA Chamber of Trade and Industry will henceforth charge domestic legal and natural persons only 2000 drams instead of AMD 15,000 for the provision of country of origin certificates where farm products up to 2.5 tons are taken across the border. In the meantime, economic entities will only be required to produce 3 supporting documents instead of 7. There is no longer need in paying AMD 2000 for accompanying expert findings, and the certificate is issued within 24 hours against the formerly applicable deadline of 3 working days. The phytosanitary certificate necessary for the export of plants, vegetation-based products and regulated articles is issued free of charge upon phytosanitary examination.
- ✚ The requirement for mandatory certification of exported drugs and pharmaceutical products has been lifted.

## ***AGRICULTURE***

- ✚ The inventory of anti-crisis action features an unprecedented government decree under which State support has been provided to those small farms with extra-normative water demand.

- ✚ Besides, the Government has decided to subsidize loan interest due from most vulnerable 60 farms of Shirak marz. Moreover, 35,000 drams per hectare has been allocated in State support for expansion of cereal crop areas in the alpine and border communities of Armenia to a total cost of AMD1.5 BN in 2009.
- ✚ The FREDA venture fund has been established to support agricultural enterprises through lending and capital participation.

### ***STATE – PRIVATE SECTOR COOPERATION***

1. The Government has approved the construction of a center of agro-tourism and hotel accommodation next to Garni-Geghard highway. This is the first time the Cabinet has drafted a comprehensive investment package for auction sale. The Government has similarly endorsed the 2009-2012 Jermuk Town Development Strategy and the conceptual objectives and priority tasks of Tatev Tourism Center’s development program.
2. The National Assembly of the Republic of Armenia has passed a law on the Pan-Armenian bank which lays down the legal and institutional bases of Bank’s activities. The Pan-Armenian Bank will serve as a strategic stronghold mobilizing efforts and resources from Armenians all over the world. The Pan-Armenian Bank has already been registered and will soon have a director selected by competition. It will start operating in the year 2010.

### ***WELFARE PROGRAMS***

The Government has announced the start-up of the “Affordable housing for young people” program, meant to extend housing support to vulnerable households. State-backed mortgage lending will be made available to young families for the purchase of housing. The assistance will be provided in the following two directions:

- ✚ State support in the form of interest-free credits of 10 to 15 years’ maturity covering the amount of 30% advance payment required under mortgage loans. Households will get extra 10% coverage for each underage child in the family.
- ✚ Partial State subsidy for mortgage loan interest. Households will get additional 10% coverage for each underage child in the family until the age of maturity.

### ***FOREIGN ECONOMIC POLICY***

As of January 1, 2009, for good compliance with the sustainable development and efficacious governance requirements, Armenia was included in the GSP+ system by the European Commission. Administered by the European Union, this system offers a preferential trade regime to member countries. The GSP+ system enables member countries to pay zero or very low duties on their exports to EU markets for about 6400 types of products. Either the exporters can enjoy favorable treatment in importing goods and commodities into the European markets which is supposed to reduce corresponding export levels and enhance competition on the European marketplace.

The signing of the Republic of Armenia-European Union free trade agreement is a key objective behind the cooperation envisaged under the Eastern Partnership Initiative as effective since 2008. The signing of said free trade agreement on the sidelines of European integration processes will provide an exceptional opportunity for the Republic of Armenia to have access to the European common market and sell products of Armenian origin. The signing of this EU-Armenia free trade agreement is very high on the Government's foreign political agenda. Tangible efforts have already been made in preparation of the forthcoming talks. In particular a fact-finding mission from the European Union was in Armenia in last February to discuss the possibility for signing the agreement. In the month of June, the European Commission published the report prepared by the mission concerning the preparations for talks on the signing of an in-depth and all-comprehensive free trade arrangement between the Republic of Armenia and the European Union. The report provides a per-sector breakdown of tasks to be addressed on the way to signing this agreement. An action plan has been designed based on the report which, as implemented, will make it possible to proceed to the signing of this key instrument.

### ***EDUCATION AND SCIENCE***

The Government of Armenia is well aware of the need for pushing ahead with scientific development on the way to shaping a sustained economy and progressive society as vividly evidenced by two government decrees adopted recently:

1. The first one refers to the creation of an international research center on the basis of the CANDLE synchrotron light source project, which will pave the way for developing fundamental research and applied sciences in the Republic.
2. Under a second decree, the Government will back the manufacture of isotopes based on the Cyclotron system operating in the Yerevan Physics Institute, which will lead to the founding of a medical center specializing in the early detection and accurate diagnosis of diseases associated with malignant tumors.

The project is supposed to bring about the following improvements in the health care system, in particular:

- ✚ Oncology and cardiovascular disease treatment in Armenia will live up to the high standards accepted in advanced European countries through an extensive use of most up-to-date diagnostics methodologies;
- ✚ Armenia will turn into a regional center of oncology and will be able to export health care-related services;
- ✚ Armenia will become a regional center of applied physics enabling broader possibilities for education and experimental science. Armenian students and young researchers will be more actively involved in different exchange programs;
- ✚ A research-based chain of innovations will be shaped promoting the development of a broad range of scientific disciplines in the country which can affect positively such important branches of economy as applied natural sciences, agriculture, industry etc.;
- ✚ The necessary conditions will be provided for improved health standards and higher life expectancy nationwide.

Those facilities and technologies proposed under this program will allow Armenia to come in command of state-of-the-art diagnostic and therapeutic methodologies allowing it to drastically improve the health care situation in the country. Armenia will become a therapeutic radio-nucleid exporting country.

### *Conclusion*

The aforementioned anti-crisis and strategic development programs will continue to be implemented in full line with the best of Armenia's public finance management traditions, with all the government-funded investment program having to be reflected in the financial statements of the State (in the budget law) so that maximum accountability and transparency is ensured in financial decision-making processes. The anticipated non-conventional forms of State assistance to the private sector will be of temporary character and limited in their timings. Advanced evaluation and monitoring mechanisms will be applied to public investment programs. The Government is firmly determined to keep by the principle of economic liberalization, as well as by those obligations assumed before the WTO and other international organizations. The emergency-caused necessity for some policy corrections will in no way lead to deviation from the course of economic liberalization.