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International Monetary Fund
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**IMF Announces Management Support for \$540 million Loan to Armenia,
Welcomes Move On Exchange Rate**

Mr. Dominique Strauss-Kahn, Managing Director of the International Monetary Fund (IMF), issued the following statement on Armenia today:

“After many years of strong economic performance, Armenia has been adversely affected by the global economic and financial crisis. In response, the Armenian authorities have put together a strong and credible economic program to address the deterioration in Armenia’s external outlook, restore confidence in the currency and financial system, and protect the poor.

“I will therefore recommend that the IMF Executive Board approve a request for a \$540 million, 28-month Stand-By Arrangement. The Executive Board is expected to meet to discuss the program later this week. Armenia would be able to draw about US\$ 239 million immediately after Board approval.

“The comprehensive policy package developed by the Armenian authorities in consultation with IMF staff includes the return to a floating exchange rate regime, allowing the exchange rate to move in line with market fundamentals so as to cushion the economy from the external shocks and safeguard foreign exchange reserves.

“The authorities will also implement supporting monetary, fiscal, and financial sector policies, and well-targeted structural reforms. They are also taking measures to help offset the economic downturn and mitigate the impact of the economic crisis on the poor.

“These strong measures justify the exceptional level of access to Fund resources (equivalent to 400 percent of Armenia’s quota) and deserve the support of the international community,” Mr. Strauss-Kahn said.