

Armenia	
Policy responses	
Containment	<ul style="list-style-type: none"> Armenia declared a national state of emergency on 16 March, first until 14 April, but subsequently extended to 14 May¹, 13 June², 13 July and 11 September. <ul style="list-style-type: none"> School closures Travel bans on foreign citizens from high risk countries, and Imposed fines to those who violate isolation orders during the state of emergency. Effective 4 June, the government declared wearing a face mask in all open public spaces mandatory. During the extension period, some restrictions are lifted: <ul style="list-style-type: none"> Companies that are engaged in open-air construction or manufacture cigarettes, cement and other construction materials can resume operations. The temporary ban on engineering and scientific research will also be lifted. [31 March] Contact tracing: The parliament passed amendments giving the authorities very broad surveillance powers to use cellphone data for tracking coronavirus cases.³ Since early June, the government declared wearing a face mask in all open public spaces mandatory and imposed fine on those not doing so. <p>Reopening:</p> <ul style="list-style-type: none"> [4 May] The lockdown was partially lifted.⁴ [18 May] Containment measures were eased, resuming operations of public transport, retail businesses, and restaurants. [September] Airspace was reopened. The government established quarantine in effect until 11 July 2021, which bans on large gathering and requires 14-day self-isolation and testing for incomers. [Mid-Feb 2021] All restrictions on holding public events are removed.
Fiscal	<ul style="list-style-type: none"> The government announced an \$300 million assistance package (2% of GDP) to mitigate the socio-economic issues of the pandemic. This includes a variety of direct spending, state-sponsored loans and increased investment. <ul style="list-style-type: none"> subsidized 2-3 year loans to affected businesses and SMEs Direct subsidies to SMEs and businesses to maintain employment Grants to entrepreneurs and firms Lump-sum transfers to the vulnerable population including individuals who were unemployed after the outbreak, families with or expecting children, micro-businesses, general population who needed help with utility bills, and temporary part-time employment

¹ <http://asbarez.com/193591/armenia-extends-state-of-emergency-eases-restrictions-on-some-businesses/>.

² http://www.xinhuanet.com/english/2020-05/14/c_139056950.htm.

³ <https://www.hrw.org/news/2020/04/03/armenia-law-restricts-privacy-amid-covid-19-fight>.

⁴ <https://eurasianet.org/armenians-begin-return-to-normal-life>.

	<ul style="list-style-type: none"> • [Mid-August] The government adopted 24 support packages and allocated around 144.5 billion dram (\$295 million). • [End-October] The government adopted 24 support packages and allocated around 192.3 billion dram (\$367 million).
Monetary	<p>The Central Bank of Armenia (CBA)</p> <ul style="list-style-type: none"> • [17 March] Lowered the policy rate by 25 bps to 5.25% • [28 April] Cut the policy rate by 25 bps to 5%. • [17 June] Reduced the policy rate by 50 bps to 4.5%. • [15 September] Cut the policy rate by 25 bps to 4.25%. • [15 Dec] 5.25% • [2 FEB 2021] 5.5% <p>Support SMEs: Targeted low interest rates (interest-free for the first 2 years and 12% for the third year) to SMEs in sectors including manufacturing, transportation and storage economy, tourism, other service sectors, and healthcare.</p>
Financial/Foreign Exchange/BOP	<p>The central bank has not pursued macroprudential policies actively yet. The CBA's authorities are supervising banks' liquidity positions and will act swiftly if required to safeguard the financial stability.</p> <p>The Central Bank of Armenia (CBA):</p> <ul style="list-style-type: none"> • Provided a few FX swap operations to assure sufficient liquidity in dram and in FX. • Undertaken some foreign exchange sales to limit excessive dram volatility. <p>Overall, the exchange rate has been allowed to adjust flexibly.</p> <p>No balance of payment or capital control measures have been adopted.</p>
Trade measures ⁵	<p>Restrictive:</p> <ul style="list-style-type: none"> • Export restriction on a range of medical supplies and equipment (need authorization). <p>Liberalizing: N/A.</p>
SME measures (last update 22 January 2021)	<p>Loan support:</p> <ul style="list-style-type: none"> • On March 27, the government announced that SMEs with good credit and have been operating for one year and the annual turnover have reached AMD 24 million – 500 million in 2019 can apply for preferential loans. The loans are for a three-year period, with interest waived for the first two years. During the third year, the interest rate is 12 per cent. Borrowers are allowed to repay loans within six months at the earliest.⁶ • For Armenia-registered economic entities or individual entrepreneurs with competitive business ideas, 75 per cent of financial resources are provided as interest-free loans with a maturity of eight years and the

⁵ <https://www.macmap.org/covid19>.

⁶ <https://news.am/eng/news/568814.html>.

	<p>other 25 per cent are provided as grants.⁷</p> <p>Other financial support:</p> <ul style="list-style-type: none"> • On March 26, the government approved a multimillion-dollar stimulus package aiming to help struggling businesses. This package includes an AMD 500 million grant given to each affected and reputable company to pay wages, purchase equipment or pay taxes.⁸ • A one-time grant in amount of 10 per cent of turnover of the first quarter to 2020, in the limit of AMD 132 000, is offered (i) to persons, who were not individual entrepreneurs during 2019 or have been such, but were exempted from taxes, (ii) to persons registered as family business in 2019 or (iii) to persons not registered as self-employed in 2019 and had tax exemptions.⁹ • For Armenia-registered economic entities or individual entrepreneurs with competitive business ideas, 75 per cent of financial resources are provided as interest-free loans with a maturity of eight years and the other 25 per cent are provided as grants.¹⁰ • A one-time grant in the amount of the salary of every fifth employee is provided for companies with two to 50 employees.¹¹ • A job support one-time grant is provided to registered economic entities that had two to 100 employees in the period starting from February 1, 2020 to April 30, 2020. This measure has been extended to include business entities with two to 100 employees as of March 1, 2020 through May 31, 2020.¹² <p>Employment support:</p> <ul style="list-style-type: none"> • On March 26, the government approved a multimillion-dollar stimulus package aiming to help struggling businesses. This package includes an AMD 500 million grant given to each affected and reputable company to pay wages, purchase equipment or pay taxes.¹³ • A one-time grant in the amount of the salary of every fifth employee is provided for companies with two to 50 employees.¹⁴ • A job support one-time grant is provided to registered economic entities that had two to 100 employees in the period starting from February 1, 2020 to April 30, 2020. This measure has been extended to include business entities with two to 100 employees as of March 1, 2020 through May 31, 2020.¹⁵
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⁷ <https://www.gov.am/en/covid19/>

⁸ <https://www.azatutyun.am/a/30511454.html>.

⁹ <https://home.kpmg/xx/en/home/insights/2020/04/armenia-government-and-institution-measures-in-response-to-covid.html>.

¹⁰ <https://www.gov.am/en/covid19/>

¹¹ <https://home.kpmg/xx/en/home/insights/2020/04/armenia-government-and-institution-measures-in-response-to-covid.html>.

¹² <https://www.gov.am/en/covid19/>

¹³ <https://www.azatutyun.am/a/30511454.html>.

¹⁴ <https://home.kpmg/xx/en/home/insights/2020/04/armenia-government-and-institution-measures-in-response-to-covid.html>.

¹⁵ <https://www.gov.am/en/covid19/>

Other policy measures	<p>Work from home: The government set up a hotline to give instructions on preventive actions to citizens and employers in terms of organizing remote work.¹⁶</p> <p>International cooperation:</p> <ul style="list-style-type: none"> • [April 3] At the request of the Ministry of Health of Armenia, the World Bank has allocated \$3 million to address the country's urgent needs for equipment and supplies needed for the intensive care of people with a confirmed COVID-19 diagnosis. These funds are supporting the procurement of 50 artificial pulmonary ventilation (APV) devices worth \$1.35 million under the ongoing Disease Prevention and Control Project (DPCP).¹⁷ • [July 28] The European Union's EU4Business "Innovative Tourism and Technology Development for Armenia" project, in close cooperation with the RA Ministry of Economy, has launched a new Grants programme: "Innovation for Economic Recovery for Micro, Small and Medium Size (MSME) non-tech Companies".¹⁸ • [August 20] The Armenian Cabinet approved the signing of the COVID-19 Response Program grant agreement with the Asian Development Bank. The grant is \$2 million, mainly for procuring medical equipment to address the pandemic.¹⁹ <p>Environment:</p> <ul style="list-style-type: none"> • \$10 million will be geared towards the restoration of forests and will help create hundreds of new jobs.²⁰
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Source: IMF, Policy Responses to COVID-19, if not specified.

¹⁶ ILO.

¹⁷ <https://www.worldbank.org/en/news/press-release/2020/04/03/world-bank-supports-armenia-to-combat-the-human-impact-of-the-covid19-pandemic>.

¹⁸ <https://mineconomy.am/en/news/2096>.

¹⁹ <https://armenpress.am/eng/news/1025407.html>.

²⁰ <https://news.am/eng/news/597930.html>.