



MINISTRY OF ECONOMIC DEVELOPMENT AND INVESTMENTS

INVESTMENT ATTRACTION AND COORDINATION DEPARTMENT

Invest in Armenia



2017



Speaker:
Head of the Department
Dr. Vahagn LALAYAN

CONTENT OUTLINE

ECONOMIC OVERVIEW

MARKET & TRADE

TAXATION & INCENTIVES

PROJECTS AND INVESTORS





REPUBLIC OF ARMENIA



YEREVAN
THE CAPITAL CITY



Currency – Armenian Dram (AMD)

Currency rates / 2016 average
1 USD - 480,5 AMD

MACROECONOMIC INDICATORS 2016

GDP – 10,7 bln. USD

GDP per capita – 3530\$

Inflation – (-1,4%)

POPULATION

3,000,000 (approx.)

TOTAL AREA

29.800 sq./km

GOVERNMENT

Parliamentary Republic

LANGUAGE

Armenian
(English and Russian languages
widely used)

TIME & DOMAIN ZONE

UTC /GMT +4:00
.AM

WHY ARMENIA ?

- 01 FAVORABLE INVESTMENT LEGISLATION.**
ONE OF THE MOST OPEN INVESTMENT REGIMES.
"OPEN-DOOR" POLICY TOWARDS FOREIGN INVESTORS 
- 02 HIGHLY EXPERIENCED, CREATIVE, COST EFFICIENT AND WELL EDUCATED WORKFORCE** 
- 03 STABLE MACROECONOMIC ENVIRONMENT & DIVERSE TRADE REGIMES** 
- 04 STABLE BANKING SYSTEM COMPLIANT WITH INTERNATIONAL STANDARDS** 
- 05 COMPREHENSIVE CONTINUOUS REFORMS OF BUSINESS ENVIRONMENT** 

ECONOMIC RATING

DOING BUSINESS INDEX 2017



Among 190 countries



WORLD BANK GROUP

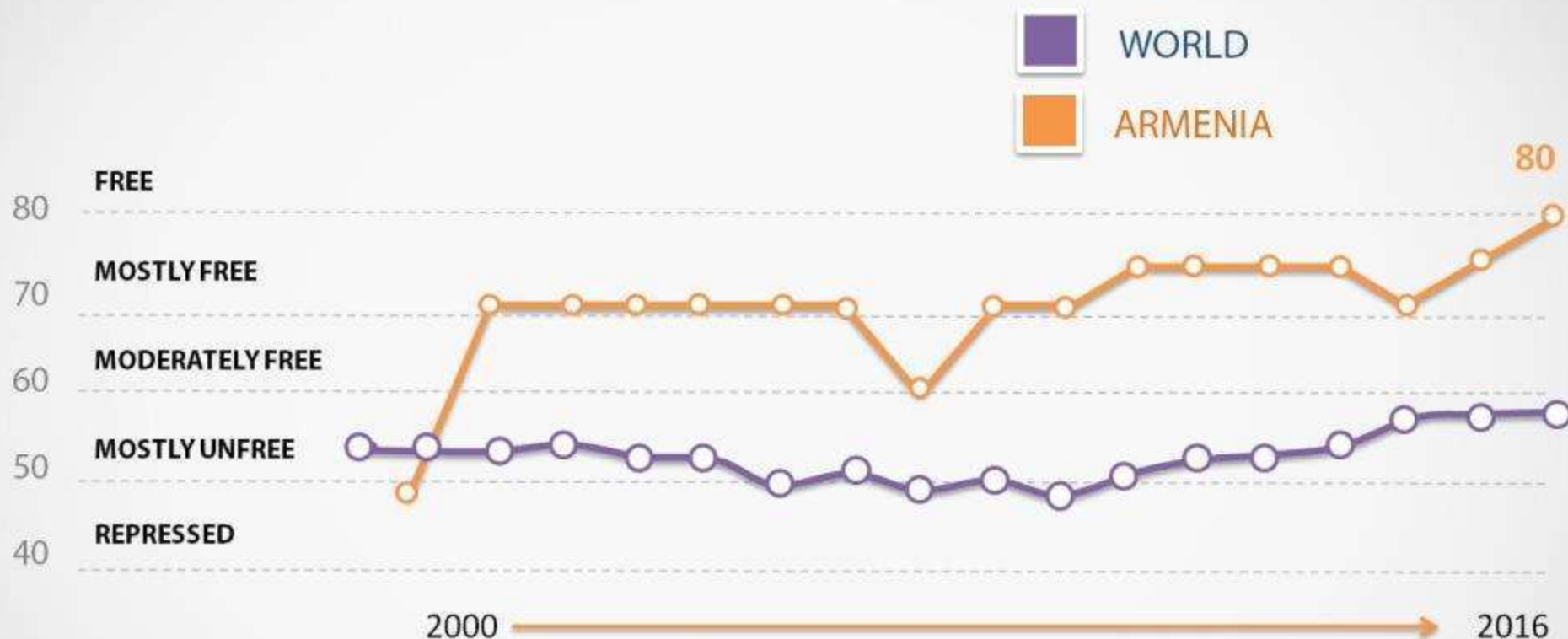
ECONOMIC FREEDOM INDEX 2017



Among 186 countries

The  *Heritage Foundation*

INVESTMENT FREEDOM INDEX



The 
Heritage Foundation

**IN 2017 ARMENIA'S SCORE OF
INVESTMENT FREEDOM IS 80 POINTS.
RANKED AMONG TOP 23 ECONOMIES BY
INVESTMENT FREEDOM COMPONENT**

OPEN ECONOMY

100% OWNERSHIP PERMITTED

STABILIZATION CLAUSE

Guarantees against changes of legislation on investments for 5 years

NO RESTRICTIONS

Unrestricted access to any sector and geographic location within country



EQUAL TREATMENT

Legal regime no less favorable than that of nationals, unless a more favorable regime is provided by a respective treaty

LAND OWNERSHIP

Companies registered by a foreigner in Armenia have the right to buy land. Foreign citizens can have long-term lease contracts.

- Free exchange of foreign currencies
- No restrictions on remittances
- Free repatriation of profit
- No restrictions on staff recruitment

FDI INFLOW

Cumulative FDI in 2010-2016

- \$ 3,100,000,000 -

ARGENTINA
\$144,7 M

FRANCE
\$ 524,4 M

GERMANY
\$ 162,2 M

RUSSIA
\$ 1,37 BN

MAIN FDI SECTORS

- ENERGY
- TELECOMMUNICATION
- MINING
- PROCESSING INDUSTRY

INTERNATIONAL TREATIES



PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

Italy, Argentina, Austria, Belgium and Luxemburg, Belarus, Bulgaria, Canada, China, Cyprus, Egypt, Finland, France, Georgia, Germany, Greece, India, Iran, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Latvia, Lebanon, Lithuania, Netherlands, Qatar, Romania, Russian Federation, Sweden, Switzerland, Syria, Tajikistan, Turkmenistan, Ukraine, UAE, UK, USA, Uruguay, Vietnam



DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION

Italy, UK, UAE, Austria, Belgium, Bulgaria, Belarus, Canada, Switzerland, China, Cyprus, Czech Republic, Estonia, Spain, Finland, France, Georgia, Greece, Croatia, Hungary, India, Iran, Kazakhstan, Lebanon, Lithuania, Luxembourg, Latvia, Moldova, Netherlands, Poland, Qatar, Romania, Russian Federation, Syria, Thailand, Turkmenistan, Ukraine, Germany, Ireland, Kuwait, Slovenia, Indonesia, Tajikistan, Serbia

STABLE FINANCIAL SYSTEM



CENTRAL
BANK OF
ARMENIA



18
BANKS



35
CREDIT
ORGANIZATIONS



9
INSURANCE
COMPANIES

HSBC



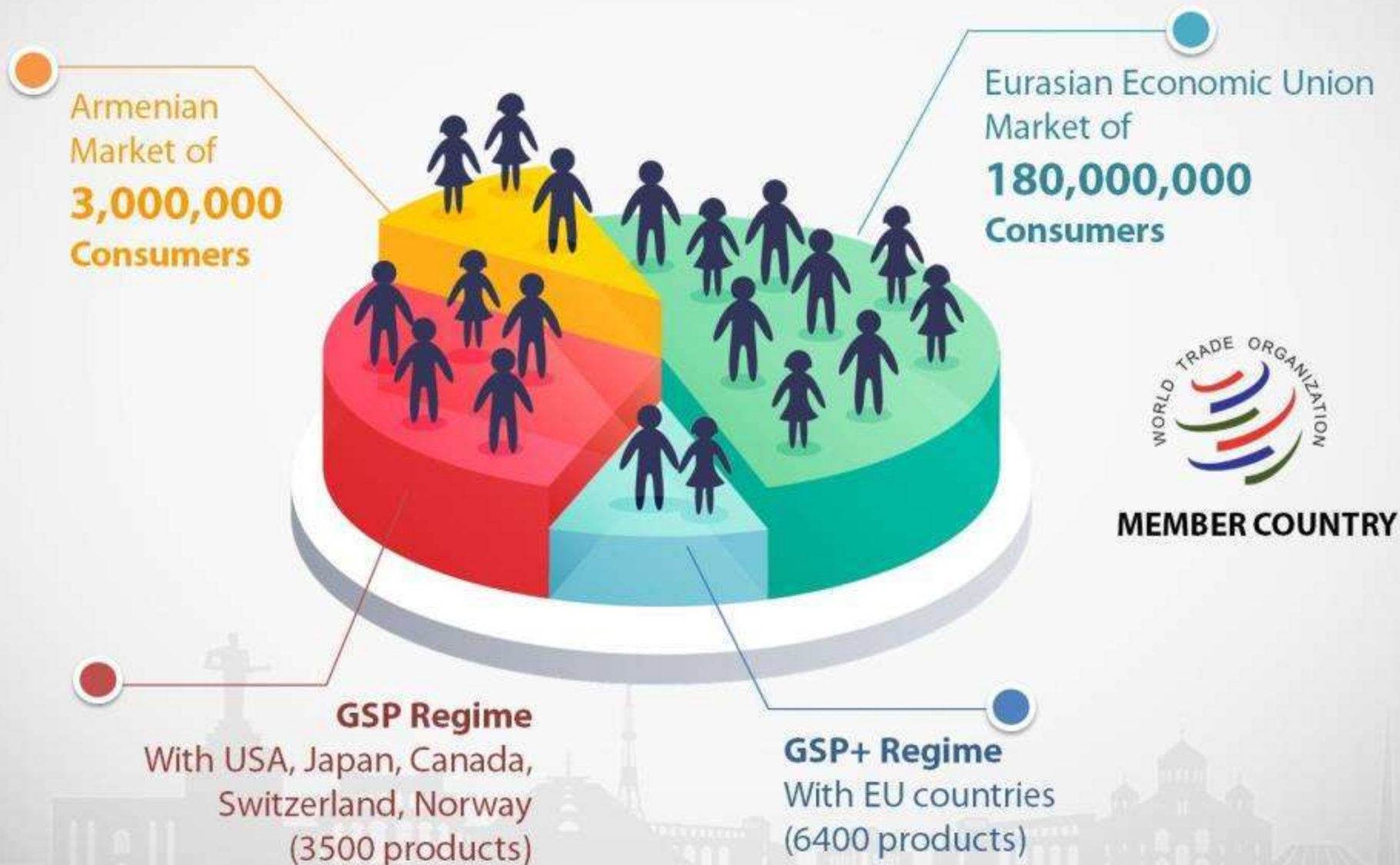
ACBA-CREDIT AGRICOLE



30 BILLION AMD

Total capital requirement for banks
Approx. 62M USD

ACCESS TO MAJOR MARKETS



MAJOR EXPORT DESTINATIONS

Total exports in 2016

- \$ 1,783,000,000 -

CANADA

7,8%

USA

2,2 %

GERMANY

7,8%

GEORGIA

8,2%

IRAN

4,2%

RUSSIA

20,8 %

CHINA

5,4 %



7,7%

IRAQ

3,6%

UAE

MAIN EXPORT PRODUCTS

- PROCESSED FOOD
- MINING PRODUCTS
- JEWELRY
- TEXTILE

ECONOMIC COOPERATION



IMPORT

(mln. USD)

2014 – 180,0

2015 – 148,5

2016 – 129

2017 – 39,3 (+11,6)

january – april



EXPORT

2014 – 34,6

2015 – 32,5

2016 – 31,9

2017 – 8,2 (+20,6)

january – april

FDI STOCK – 59,4 mln. USD

140 companies with Italian capital

EURASIAN ECONOMIC UNION



Since 02.01.2015 Armenia is a member of the Eurasian Economic Union (EEU)

- Free movement of goods, capital, services and people.
- Access of Armenian production to about 180 million consumers.
- No customs formalities during mutual trade.
- No non-tarif measures of trade and trade technical barriers.
- Common transport, agriculture and energy policies
- Single markets

2016 - Common pharmaceutical market

2019 - Common energy market

2025 - Common oil, oil products and gas market

MAIN & TARGETED EXPORT MARKETS

15,9%

2016



EU

65,7%

2016



RUSSIA / EEU

ISLAMIC REPUBLIC OF IRAN



UAE AND GCC



HIGH EXPORT POTENTIAL PRODUCTS



FRUITS AND VEGETABLES



PROCESSED FOODS



WATER AND BEVERAGES



TEXTILE



JEWELRY
PROCESSED DIAMONDS



PHARMACEUTICALS

LABOR



As of 2016 the average monthly salary in Armenia is 187,000 AMD

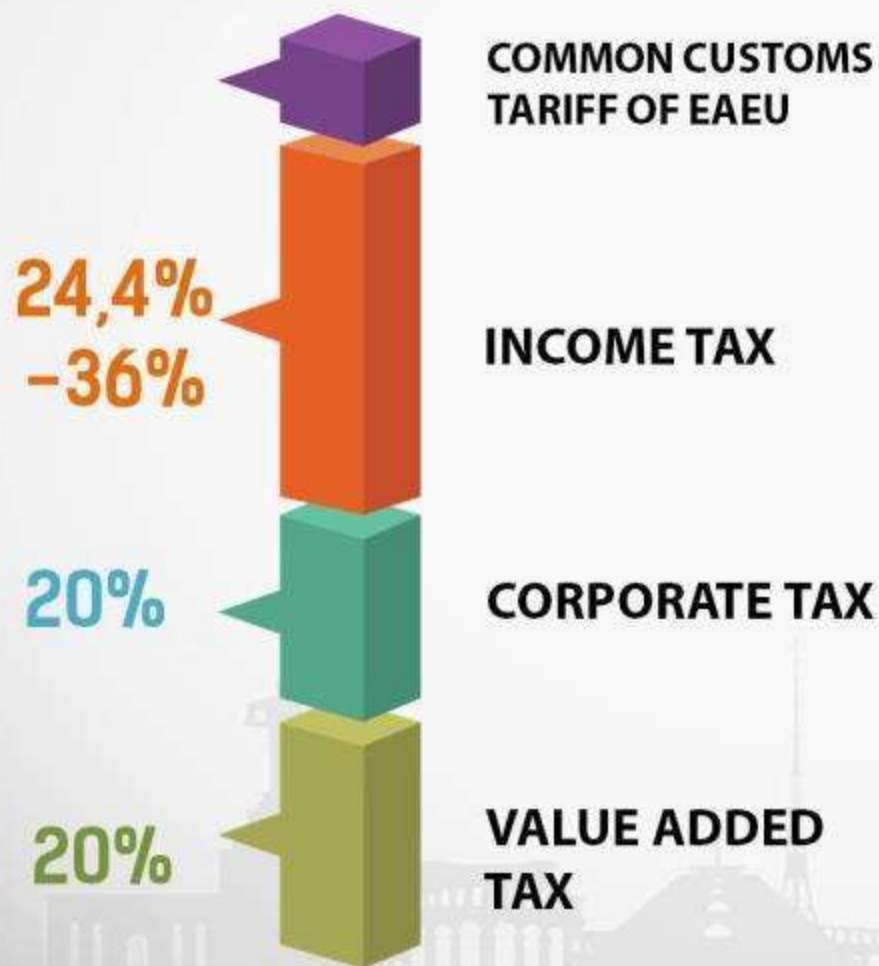
Labor force with tertiary education (% of total)



Armenia has one of the most educated populations among the CIS countries. Labor force ranks 2nd behind Russia, with around 50% having tertiary education.

TAX SYSTEM

General taxation regime



Simplified taxation regime

3,5% – 10%

ON TURNOVER

- Replaces Value Added Tax and Corporate Tax for SMEs.
- Reduces the amount of data to be filed by the taxpayers with the tax authority.
- The tax rate is differentiated based on the type of income.
- Taxpayer's turnover from the previous calendar year should not exceed **AMD 115 million (around 240.000 USD)**

TAX INCENTIVES FOR INVESTORS

FREE ECONOMIC ZONES

TAX EXEMPTIONS

- *In border areas of Armenia*
- *In Dilijan city and bordering areas*

TAX EXEMPTIONS

for IT start-up companies



PROFIT TAX
privileges for large exporters

VAT PAYMENTS

postponement for up to 3-year period for importing equipment and goods within the scope of investment projects.

CUSTOMS DUTY

exemption within the scope of investment projects.

FREE ECONOMIC ZONES

JEWELRY

MERIDIAN FEZ
OFFICE AND INDUSTRIAL
PREMISES



ALLIANCE FEZ
INDUSTRIAL PREMISES



*Free Economic Zones are
located in Yerevan.*



HI – TECH

ALLIANCE FEZ
OFFICE PREMISES

TAX INCENTIVES

0 %

- PROFIT TAX
- VAT
- PROPERTY TAX
- CUSTOMS DUTY

SYUNIK FREE ECONOMIC ZONES



INVESTMENT PROJECTS

ON LAUNCH

32



60

\$2,7 BLN.



WWW.INVESTMENTSPROJECTS.AM

MAJOR BRANDS



Beeline™

INDITEX

HYATT®

CONTOURGLOBAL®



Hilton

D-Link

Coca-Cola

ACBA-CREDIT AGRICOLE

SIEMENS

Radisson 



Microsoft

SYNOPSYS®

CONTACT US



**MINISTRY OF ECONOMIC DEVELOPMENT
AND INVESTMENTS OF THE REPUBLIC OF ARMENIA**
INVESTMENT ATTRACTION AND COORDINATION DEPARTMENT

T

+ 374 11 597 127

E

investment@mineconomy.am

W

www.mineconomy.am

www.investmentprojects.am