



**HIGH QUALITY TEXTILES,
GARMENT, CARPETS
AND SHOES**

HIGH QUALITY TEXTILES, GARMENT, CARPETS AND SHOES

Exports doubled
between 2013-2015

Competitive and
skilled workforce

A wide range of
incentives

Free Economic
Zones

Access to a market of 800M consumers
at 0% or reduced import duties

0%
VAT

customs duty, corporate,
property taxes

Production of high quality textile,
garment, carpet, shoes

Subcontracting

Fashion design skills

Market strength

One of the oldest industries of Armenian economy

A very competitive and skilled workforce

60 companies

Support and capacity building from international donors to develop and modernize small and medium-sized enterprises to position Armenian products as high-end designer goods

Armenian Fashion Council (AFC) promotes Armenia's designers internationally

Investment opportunities

Fast growing exports +10% growth of exports (2010-2015)

Access to EEU, EU and US markets under 0% or reduced tariff rates (Free Trade Agreements GSP+, EEU, CIS, TIFA)

Experience in manufacturing premium quality products for luxury brands (La Perla, Montcler, Armani, Porsche, etc.)

Subcontracting with an open competition with many firms

Availability of high quality local designers

A center of expertise for production of high quality luxury apparel

Textile and apparel industry, carpet, leather and shoes production are one of the oldest industries of the Armenian economy. 60 companies are involved in Armenia's light industry. The companies produce cotton and woolen yarns, cotton, woolen and silky clothes, carpets, knitted fabric, stocking socks, sewing products and textile, art goods, leather and fur, specialized garments. The main business opportunities are manufacturing and subcontracting in Yerevan and in Gyumri, Vanadzor and Spitak towns of Armenia, being the main centers of know-how in textiles production offering a skilled workforce at competitive costs.

The textile sector is experienced in manufacturing premium quality products (production of goods for leading Italian brands such as La Perla, Montcler, Armani, Porsche, etc.) and it offers fashion design skills.

Armenian Fashion Council promotes Armenian design and is working on a collaborative project through which fashion designers from Armenia and Europe will look into the past for ideas and inspiration. Traditional costumes of Armenia, UK, Germany, Romania, Denmark and the Czech Republic will be studied and the role of those costumes in a contemporary society and how people associate these costumes with their national identity and heritage will be explored.

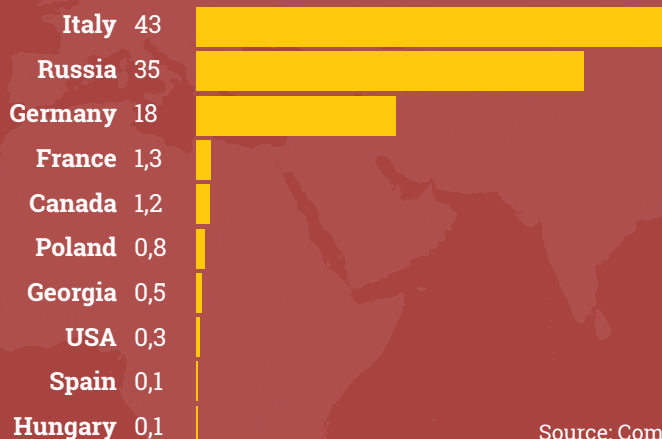
Cost competitive labor force:

Minimum wage	119 USD per month
Armenia's Average wage	388 USD per month

A growing export market

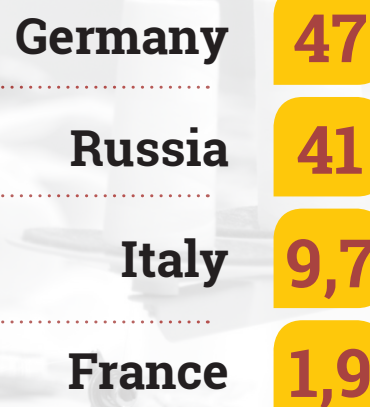
Exports doubled between 2010 and 2015. Three sub-sectors represent 95% of the total exports: 1/Men or boys overcoats, anoraks; 2/Women or girl overcoats, raincoats, cloaks, anoraks; 3/Men or boy's suits, ensembles, suit-type jackets, blazers, trousers, bib and brace overalls, breeches. Italy is Armenia's main client country.

Top ten clients of Armenian textiles and garment, % of total exports



Source: Comtrade 2015

Main clients/ Men's suit and blazers, % of total exports (2015)



Best business environment in the Eurasian Economic Union

Over the past years, Armenia has undergone extensive business environment reforms and achieved a remarkable turnaround in its investment climate. In 2014–16, Armenia improved its Doing Business ranking, reaching 38th position out of 190 economies and is one of the best ranking among the CIS countries.

- 3 days to open a company, 7 days to register property
- Efficient E-governance services
- 100% foreign ownership is permitted
- No restrictions on investment sectors
- Investment protection: 5-year guarantee protection against changes of legislation
- Free exchange of foreign currencies and repatriation of profit
- A sound and well-regulated banking system
- Foreign companies, registered in Armenia, having the right to buy land

Government support to business: a wide range of incentives

- VAT payments postponement for up to a 3-year period for importing equipment and goods
- 0% corporate tax, income tax and VAT in specific territories of Armenia
- No export duties nor VAT payment obligations for equipment on “Temporary import” customs regime
- Customs duty exemption for materials and equipment/technology¹

Free Economic Zones: favorable business environment for innovative and export-oriented businesses

- 0% VAT, corporate, property, customs duty taxes up to 10 years
- “Alliance” Free Economic Zone is specialized in innovative technologies of electronics, precision engineering, IT. On site “one stop” services and customs registrations

Access to finance

- Support of donor organizations, particularly USAID and EBRD
- Loan guarantees provision for small and medium size companies

Useful links

Ministry of Economy of Armenia: www.mineconomy.am

Development Foundation of Armenia: www.dfa.am

E- government websites (company registration: www.e-register.am; intellectual property application, electronic tax filing: www.e-gov.am; payments: www.e-payments.am)

Alliance Free Economic Zone: www.fez.am

Armenian Fashion Council provides a platform for Armenian fashion designers and promotes the Armenian made fashion design internationally: www.style.am

¹ Provided investment in the priority sector, equipment used exclusively in the territory of Armenia, not produced in EEU member countries or local equipment does not meet the technical standards

They chose Armenia!

LA PERLA

The famous Italian company La Perla produces underwear, swimwear, robes and pajamas under the brand "Made in Armenia" in the town of Charentsavan of Armenia. Several famous companies have signed subcontracting agreements with Armenian companies.

How the Development Foundation of Armenia can help your business

The Development Foundation of Armenia (DFA) is the national authority for investment, export and tourism promotion with the main goal of supporting businesses to expand their operations in Armenia. DFA provides free-of-charge and customized support in the following:

- Market information
- Business and Tax Law advisory support
- Funding and financing information
- Liaise with governmental institutions
- Customized business location services
- Site visits
- Matchmaking with Armenian partners
- Support to identify skilled workforce
- Aftercare services

Success Story: **Gloria (Moncler)**

During the Soviet period Armenia developed quite a sophisticated textile industry, with several thousand workers, working like a watch mechanism to supply the whole region with textile. Unfortunately, that potential was mostly lost during the nineties, and the sector became deprived from most of the expertise it had. Nevertheless, some companies continued to operate even in tremendously difficult conditions.

One of the brightest examples is Gloria, which is now one of the contractors of the world-famous brand Moncler. They have a long-lasting business partnership based on mutual trust, high professionalism and deep rooted respect (you can find a Moncler jacket with a “Made in Armenia” in the company’s main brand store in Milan, Italy). Having all the expertise and the modern know-hows, Gloria is just the perfect partner for many famous brands, with whom they collaborate. The industry strongly relies on the workforce, as the hands of the workers are the shapers of the final product (there are more than 300 craftsmen, sewers, etc., with all the qualities needed to inject life into the production process).

Gloria is continuously getting new partnership opportunities.





5, Mher Mkrtchian Street,
0010 Yerevan, Armenia
Phone: +374 11 597 808

E-mail: investment@dfa.am
Web site: www.dfa.am
Follow us on Facebook