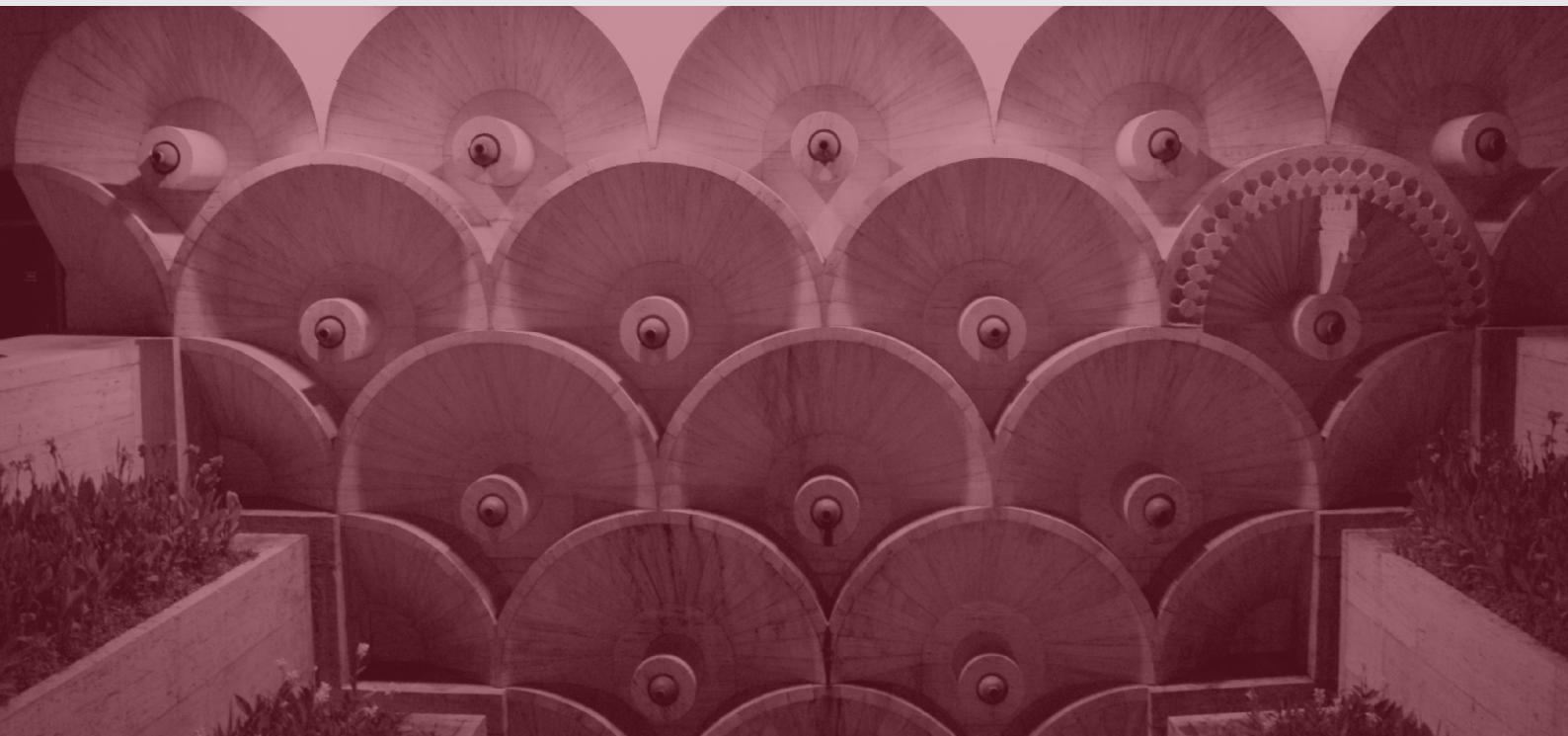




INVESTMENT GUIDE ARMENIA 2021 WHY ARMENIA



ARMENIA AT A GLANCE

COUNTRY OVERVIEW

Total area:
29,734 sq km

Climate:
Continental

Currency:
Armenian Dram (AMD)

Governance:
Parliamentary Republic

Major cities:
Gyumri, Vanadzor

Time zone:
GMT +4

Capital:
Yerevan
(1,074.3 population)

Population:
2,9 million

International airports:
Zvartnots International Airport
Shirak International Airport

RELIABLE PARTNERSHIP



EAEU
Since 2015



United Nations
Since 1992



CIS
Since 1992



Council of Europe
Since 2001



ICSID
Since 1992



BSEC
Since 1992



WTO
Since 2003



EU CEPA
Since 2017



MIGA
Since 1992

COUNTRY RANKING



DOING BUSINESS
WORLD BANK

► **47th** by Ease of
Doing Business
(2020)

10th By starting
business

13th By registering
property



ECONOMIC
FREEDOM INDEX

► **32nd** Mostly free
(2021)

71.9 out of 100
Investment freedom score



OECD FDI
REGULATORY
RESTRICTIVENESS
INDEX

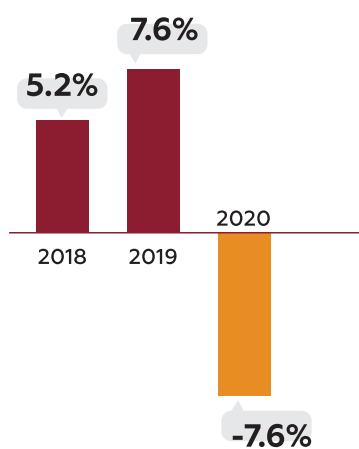
► **10th** Among 70 countries including
all OECD countries and G20

MOODY'S ► **Ba3** (Stable)

FitchRatings ► **B+** (Stable)

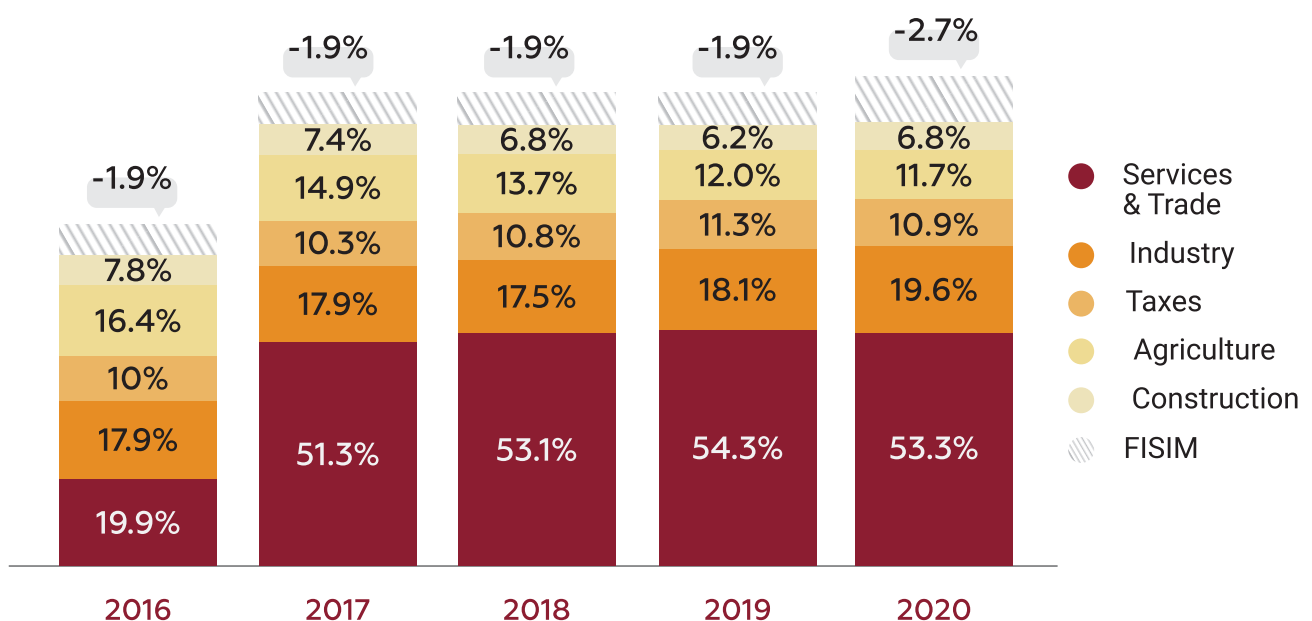
KEY ECONOMIC INDICATORS

**Changes in Gross Domestic Product
Real Grow Rate, %, 2020**



- Currency: Armenian dram (AMD)
- Economic activity index 2020: -7.5%
- GDP 2020: \$ 11.8 bln. preliminary
- GDP Growth 2020: -7.6% preliminary
- GDP per capital 2020: \$ 4.269 preliminary
- Main Sectors of Economy: Industry, Agriculture, Services, Construction
- Inflation rate 2020: 1.2%
- AMD/USD average exchange rate 2021: 523 AMD

**Structure of Gross Domestic Product
by Classification of Economic Activity, %, 2020**



ATTRACTIVE SECTORS FOR FDI



**INNOVATIVE
AGRICULTURE**



**FOOD
PROCESSING**



**BEVERAGES
& WINEMAKING**



TOURISM



HIGH-TECH & IT



PHARMACEUTICAL



**TEXTILE
& APPAREL**



**BUSINESS PROCESS
OUTSOURCING**

WHY ARMENIA

FDI LEGISLATION



OWNERSHIP

100% ownership of resident legal entities is permitted for foreigners

NO RESTRICTIONS

Unrestricted access to almost any sector and geographic location within country

LAND OWNERSHIP

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

EQUAL TREATMENT

Legal regime no less favorable than the one for nationals, unless a more favorable regime is provided by a respective treaty



SIGNATORY COUNTRY
OF ICSID CONVENTION



MEMBER OF MIGA



- **FREE EXCHANGE** of foreign currencies
- **NO RESTRICTIONS** on remittances
- **FREE REPATRIATION** of profit
- **NO RESTRICTIONS** on staff recruitment

Highly experienced,
creative, and
well - educated
workforce

Stable
macroeconomic
environment

Resilient
banking system

Comprehensive
continuous reforms
of business environment

Developed
IT sector

GATEWAY TO MARKETS

ARMENIAN
MARKET OF
3.000.000
CONSUMERS

EURASIAN ECONOMIC
UNION MARKET OF
183.800.000
CONSUMERS

FTA
Armenia
with
CIS & Georgia

FTA
EAEU
with
Vietnam, Singapore,
Iran & Serbia



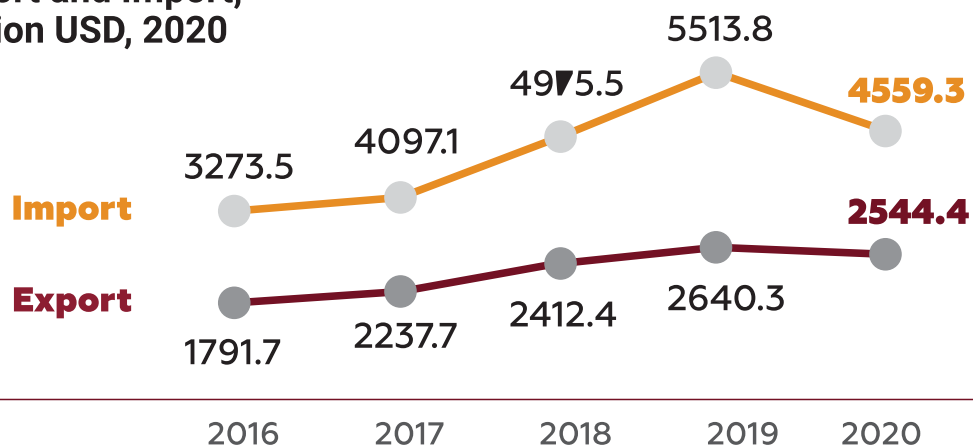
Preferential Trade Regimes

GSP REGIME
3.500 products
WITH USA, JAPAN, CANADA,
SWITZERLAND, NORWAY

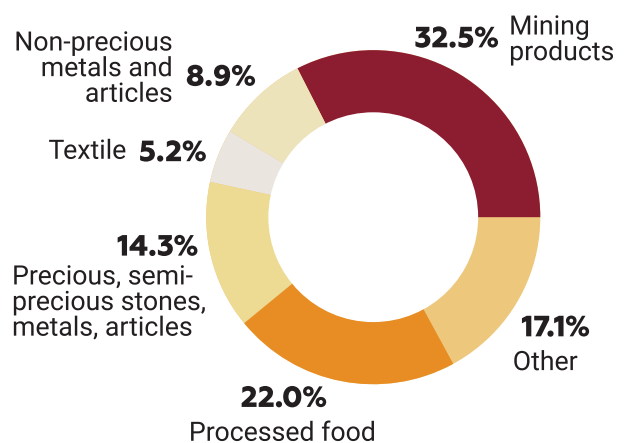
GSP + REGIME
6.400 products
WITH EU COUNTRIES

FOREIGN TRADE

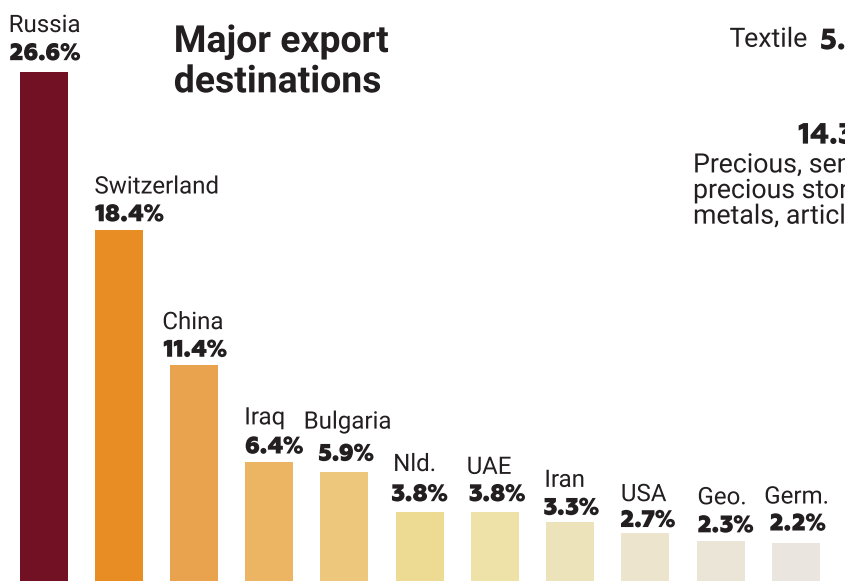
Export and Import,
million USD, 2020



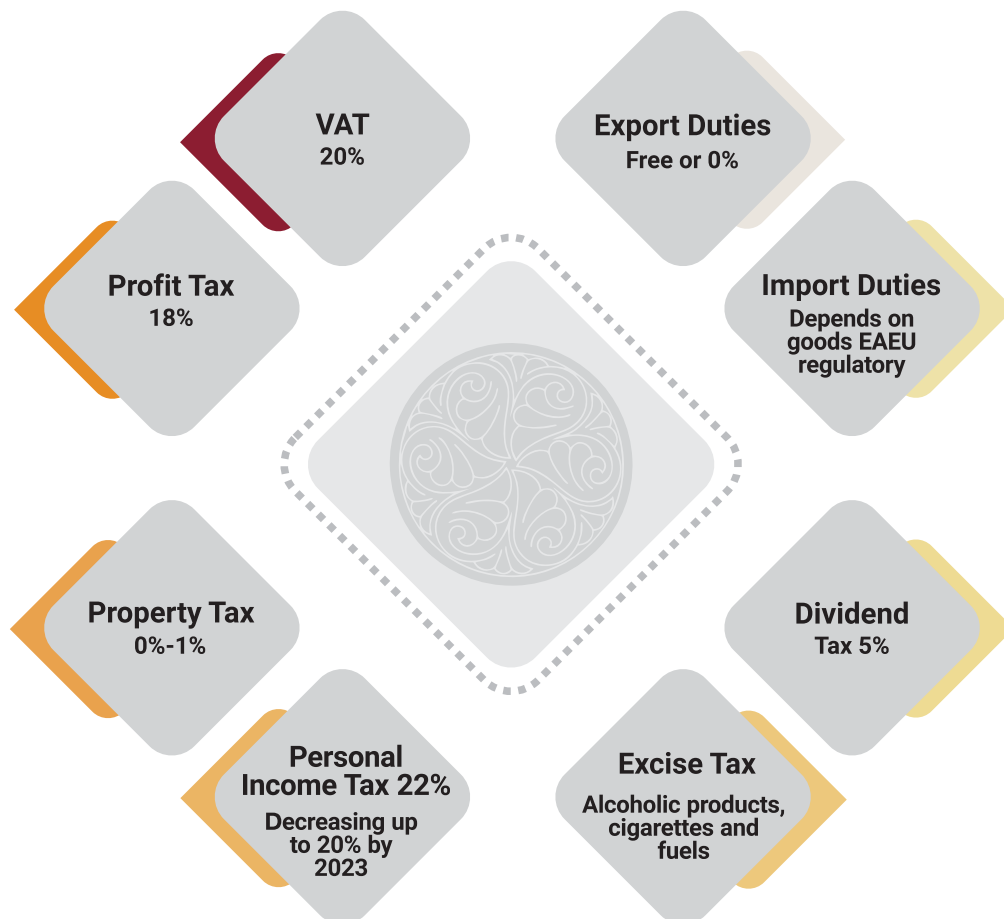
Main goods exported



Major export destinations



TAXATION AND INCENTIVES



- Customs duties exemptions on importing of machinery and raw materials within the scope of investment projects
- Tax exemptions in border regions
- No profit tax & VAT for micro-entities (turnover up to approx. 50 thousand USD), including agriculture
- Loss carry forward for corporate tax purposes (5 year)
- Simplified tax and turnover tax for SMEs (up to 240 thousand USD)
- Exemption from VAT & Profit Tax for operations in Dilijan community and adjacent territories of the Tavush marz of Armenia within the scope of investment projects above 2 billion AMD (approximately 3.8 million USD)

FREE ECONOMIC ZONES

TAX INCENTIVES FOR RESIDENTS OF
FREE ECONOMIC ZONES

LAW ON FREE
ECONOMIC ZONES
FROM JUNE 2011



VALUE-ADDED TAX
PROFIT TAX
CUSTOMS DUTIES
PROPERTY TAX

HI-TECH
INDUSTRIAL
PRODUCTION

"ALLIANCE" FEZ
SINCE 2013

JEWELRY
WATCHMAKING
DIAMOND CUTTING

"MERIDIAN" FEZ
SINCE 2015

HI-TECH

"ECOS" FEZ
SINCE 2018

INDUSTRIAL
AND LOGISTIC

"MEGHRI" FEZ
SINCE 2017

REGISTER YOUR BUSINESS

TYPES OF LEGAL ENTITIES

- Individual Entrepreneurship ● Cooperative
- Limited Liability Company ● Branch of Foreign Company
- Joint-stock Company ● Non-Profit Organization
- Partnership ● Private Equity Fund

eRegulations Armenia

Portal is a step-by-step guide on business investment-related procedures
<https://armenia.eregulations.org/>

5 minutes

Online registration of commercial entities is available at www.e-register.am

1-10 days

Opening a corporate bank account in Armenia may take 1-10 days



Enterprise Armenia is the national investment promotion authority of Armenia. Our main mission is to promote and facilitate foreign and domestic investments, attract new foreign direct investments, support and provide financing to SMEs.

We provide aftercare services to foreign investors in Armenia and help local exporters to access new markets.

Address: 5a Mher Mkrtchyan str.,
Yerevan 0010, Republic of Armenia
Tel.: +374 11 208 105
E-mail: onewindow@isc.am
enterprisearmenia.am





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