



**ENTERPRISE  
ARMENIA**

**INVESTMENT  
GUIDE**

**ARMENIA**

**2022**

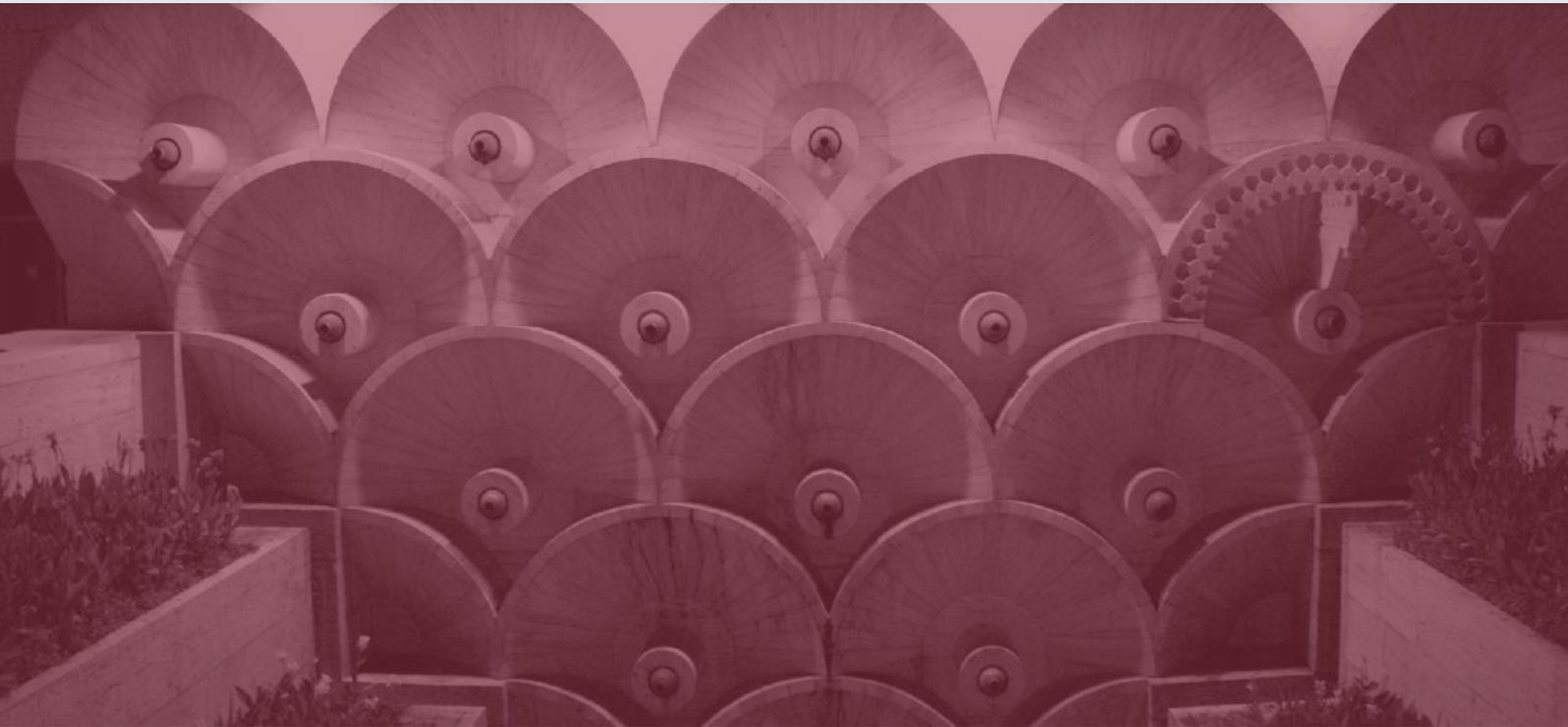
**WHY  
ARMENIA**



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## 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



**ECONOMIC  
FREEDOM INDEX  
2022**

▶ **58th** Among 177 countries



**OECD FDI  
REGULATORY  
RESTRICTIVENESS  
INDEX 2019**

▶ **10th** Among 69 countries including all OECD countries and G20

**MOODY'S**

▶ **Ba3**

**FitchRatings**

▶ **B+**

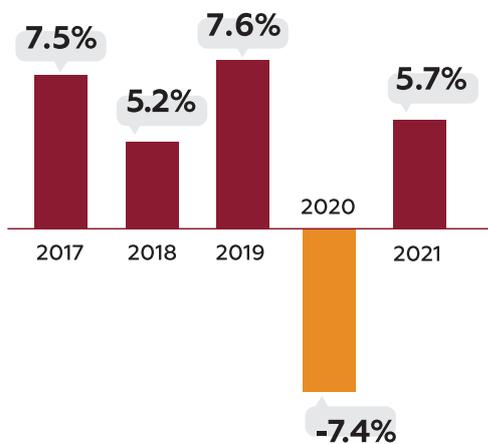
**S&P Global  
Ratings**

▶ **B+**

# KEY ECONOMIC INDICATORS

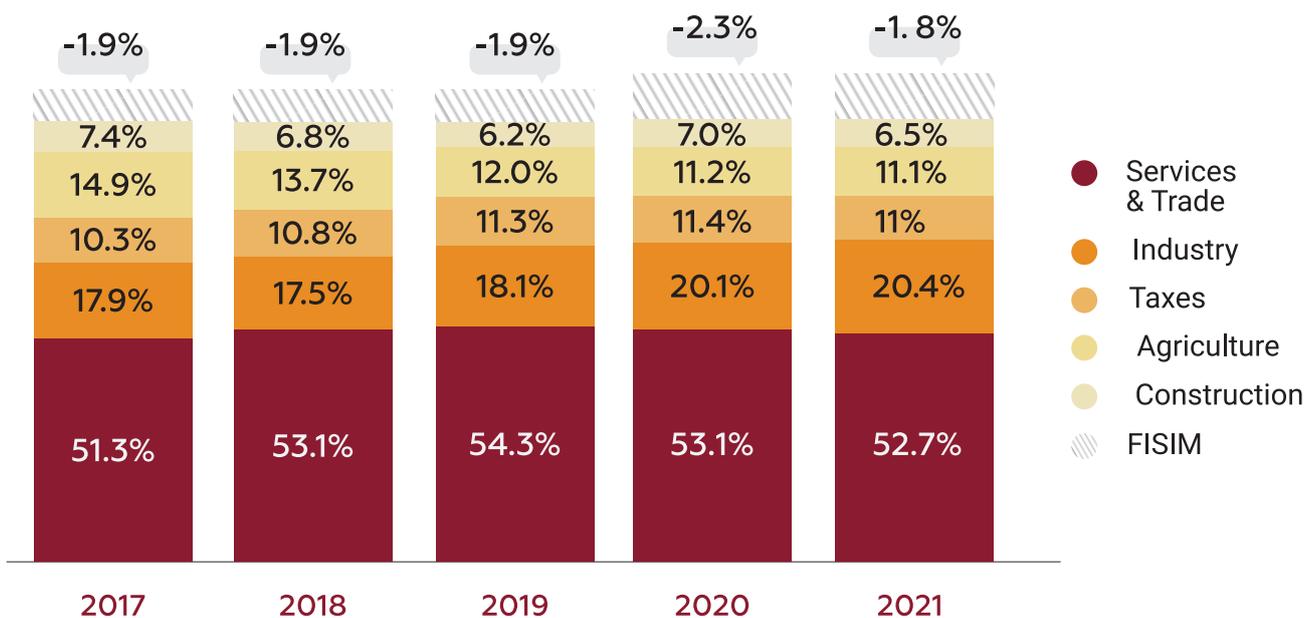
## GDP growth 5.7%

Real GDP growth rate compared to the previous year, %, 2021



- Currency: Armenian dram (AMD)
- Economic activity index 2021: 5.7%
- GDP 2021: \$ 13.9 bln.
- GDP Growth 2021: 5.7%
- GDP per capita 2021: \$4679
- Main sectors of economy: Industry, Agriculture, Services, Construction
- Inflation rate 2021: 5.35%
- AMD/USD average exchange rate 2021: 500 AMD

Structure of Gross Domestic Product by Classification of Economic Activity, %, 2021



# 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



ARMENIA IS A SIGNATORY COUNTRY  
OF THE ICSID CONVENTION



ARMENIA IS A MEMBER OF MIGA



# TALENTS AND BUSINESS ENVIRONMENT

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

Skilled, well-educated and cost-efficient talent, low business costs

Macroeconomic stability, reliable financial sector & open door policy towards foreign investors

Resilient banking system

Access to large export markets on preferential conditions

Comprehensive system of fiscal and financial incentives

# GATEWAY TO MARKETS

LOCAL  
MARKET OF  
**3.000.000**  
CONSUMERS

EURASIAN ECONOMIC  
UNION MARKET OF  
**184.300.000**  
CONSUMERS

**FTA**  
Armenia  
with  
CIS & Georgia

**FTA**  
EAEU  
with  
Vietnam, Singapore,  
Serbia & Iran (interim FTA)

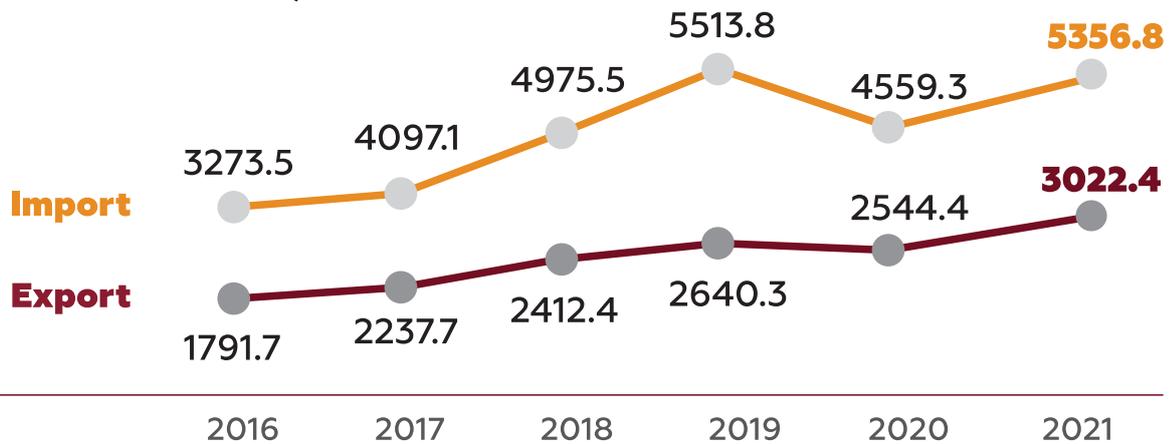


## Preferential Trade Regimes

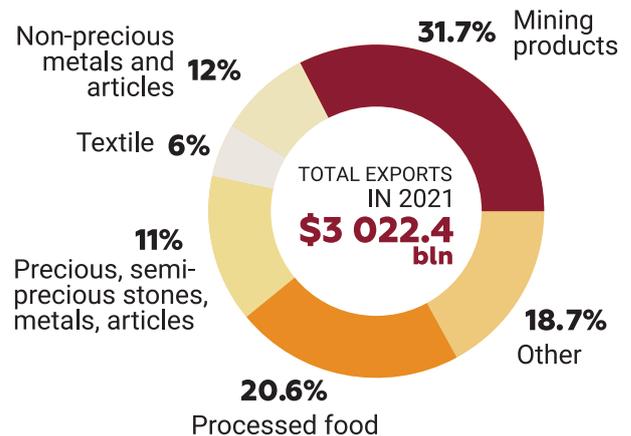
GSP REGIME  
**3.500 products**  
WITH USA, JAPAN, CANADA,  
SWITZERLAND, NORWAY

# FOREIGN TRADE

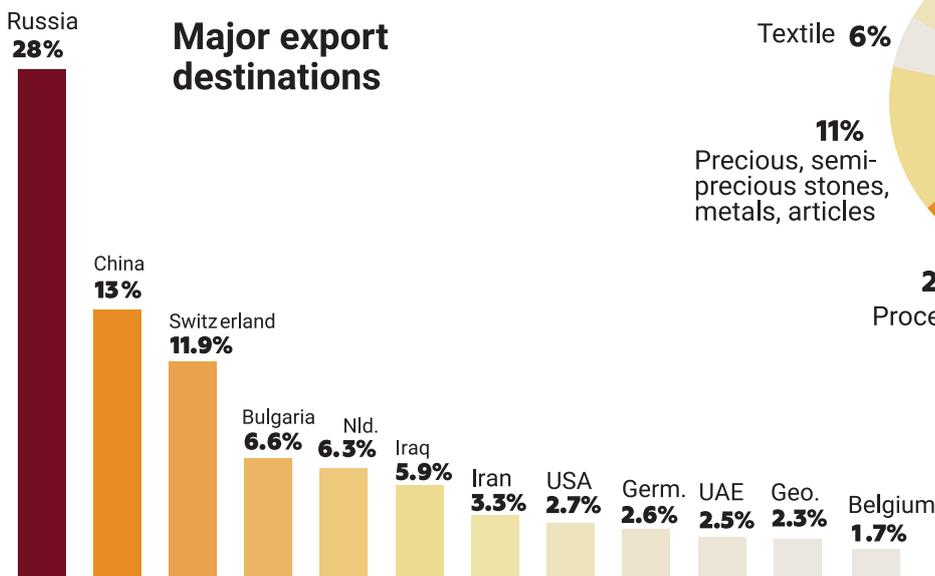
Export and Import, million USD, 2020



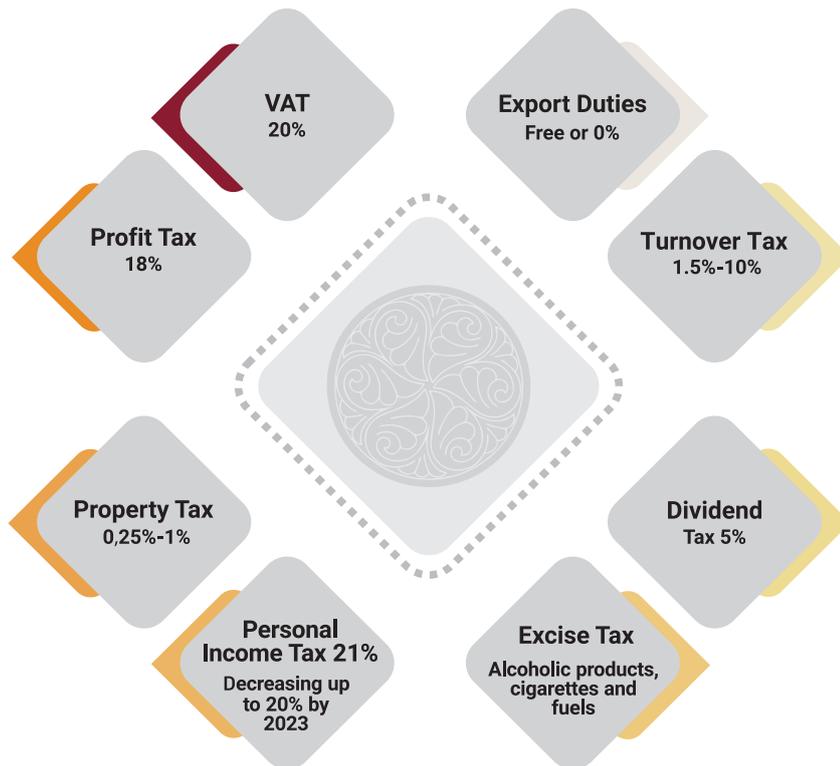
Main goods exported



Major export destinations



# TAXATION



# TAX INCENTIVES FOR INVESTORS



## TAX EXEMPTION FOR ACTIVITIES IN BORDERING AND OTHER COMMUNITIES

- Exemption from VAT
- Exemption from profit tax
- Exemption from personal income tax
- Exemption from VAT & Profit tax for operations in Dilijan community and adjacent territories of the Tavush marz of Armenia within the scope of projects approximately 4 million USD



## TAX BENEFITS FOR THE MEDICAL SECTOR

- Prosthetic and orthopedic accessories
- Medical equipment
- Sales of medical products
- Medical assistance services



## TAX BENEFITS FOR THE IT SECTOR

- Exemption from profit tax  
Reduction of income tax rate on employees' salaries (10%)
- 50% cash back mechanism from income tax for IT companies who relocate / register 50+ overseas employees to Armenia (during 2022)



## TAX INCENTIVES FOR IMPORT OF CERTAIN GOODS AND EQUIPMENT

- Customs duties exemption on import of equipment and
- raw materials from non-EAEU countries in the scope of export oriented investment projects  
0% VAT on most of the equipment for production as well as most of the raw materials imported for further processing.

# 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**

Yerevan

JEWELRY  
WATCHMAKING  
DIAMOND CUTTING

**"MERIDIAN" FEZ**

**SINCE 2015**

Yerevan

HI-TECH

**"ECOS" FEZ**

**SINCE 2018**

Hrazdan

INDUSTRIAL  
AND LOGISTIC

**"MEGHRI" FEZ**

**SINCE 2020**

Meghri

# 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](http://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.

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