INVESTMENT GUIDE

ARMENIA

2020

Investment
Support
Center

ARMENIA AT A GLANCE

COUNTRY OVERVIEW

Total area:
29,734 sq km

Population:
2,9 million

Capital:
Yerevan (1,074.3 population)

Other cities:
Gyumri, Vanadzor

Governance:
Parliamentary Republic

Currency:
Armenian dram (AMD)

Climate:
Continental

Languages:
Official: Armenian
Widely used: Russian, English

Time zone:
GMT +4

International airports:
Zvartnots International Airport
Shirak International Airport

RELIABLE PARTNERSHIP

EAEU
Since 2015

EU CEPA
Since 2017

United Nations
Since 1992

WTO
Since 2003

CIS
Since 1992

BSEC
Since 1992

Council of Europe
Since 2001

ICSID
Since 1992

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

34th
Mostly free (2020)

75 out of 100
INVESTMENT FREEDOM SCORE

OECD FDI REGULATORY RESTRICTIVENESS INDEX

10th
Among 70 countries including all OECD countries and G20

Ba3
(Stable)

B+
(Stable)

KEY ECONOMIC INDICATORS

Figure 1: Changes in Gross Domestic Product Real Growth Rate, %, 2019

- Currency: **Armenian dram (AMD)**
- Economic activity index 2019: **7.8%**
- GDP 2019: **$ 13.6 bln.**
- GDP Growth 2019: **7.6%**
- GDP per capita 2019: **$ 4.615**
- Main Sectors of Economy: **Industry, Agriculture, Services, Construction**
- Inflation rate 2019: **1.4%**
- AMD/USD average exchange rate 2019: **480 AMD**

Figure 2 : Structure of Gross Domestic Product by Classification of Economic Activity, %, 2019

ATTRACTIVE SECTORS FOR FDI

Innovative agriculture

Food processing

Beverages & winemaking

Tourism

High-tech & IT

Pharmaceutical

Textile & apparel

BPO

WHY ARMENIA?

FDI LEGISLATION

OWNERSHIP

100% OWNERSHIP OF RESIDENT LEGAL ENTITIES IS PERMITTED FOR FOREIGNERS

LAND OWNERSHIP

COMPANIES REGISTERED BY A FOREIGNER IN ARMENIA HAVE THE RIGHT TO BUY LAND. FOREIGN CITIZENS CAN HAVE LONG-TERM LEASE CONTRACTS

NO RESTRICTIONS

UNRESTRICTED ACCESS TO ALMOST ANY SECTOR AND GEOGRAPHIC LOCATION WITHIN COUNTRY

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

WHY ARMENIA?

- 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

GSP REGIME

3.500 products

WITH USA, JAPAN, CANADA, SWITZERLAND, NORWAY

GSP + REGIME

6.400 products

WITH EU COUNTRIES

FOREIGN TRADE

Figure 3: Export and Import, million USD, 2019

MAJOR EXPORT DESTINATIONS

Russia 27.8%, Switzerland 17.3%, Bulgaria 7.6%, China 7.3%
Iraq 6.7%, Netherlands 5.8%, Germany 2.6%
Georgia 2.6%, UAE 2.2%

Figure 4: Main goods exported

TAXATION AND INCENTIVES

VAT
20%

Profit Tax
18%

Dividend Tax
5%

Excise Tax
Alcoholic products, cigarettes and fuels

Personal Income Tax
23%
decreasing up to 20% by 2023

Property Tax
0%-1%

Import Duties
Depends on goods EAEU regulatory

Export Duties
Free or 0%

- **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)**
- **Accelerated depreciation on capital assets**
- **Simplifed 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 4.1 million USD**

FREE ECONOMIC ZONES

LAW ON FREE ECONOMIC ZONES

FROM JUNE 2011

0%

Value-Added Tax

Customs Duties

Profit Tax

Property Tax

HI-TECH
INDUSTRIAL
PRODUCTION

"ALLIANCE" FEZ
SINCE 2013

JEWELRY
WATCHMAKING
DIAMOND CUTTING

"MERIDIAN" FEZ
SINCE 2015

HI-TECH

"ECOS" FEZ
SINCE 2018

REGISTER YOUR BUSINESS

Types of legal entities

- Individual Entrepreneurship
- Limited Liability Company
- Joint-Stock Company
- Partnership
- Cooperative
- Branch of Foreign Company
- Non-Profit Organization
- 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

Investment Support Center

Investment Support Center is a governmental authority for investment and foreign trade. Functioning as a "one-stop-shop", ISC provides comprehensive support to local and foreign businessmen in Armenia.

Investment Support Center aims to promote and facilitate investments and provide aftercare services to the investors.

Acting as a liaison between public and private sectors ISC provides immediate assistance to the problems arrising during the investment activities to ensure investors' satisfaction.

Investment Support Center

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