

- Investment
- Support
- Center

# HIGH-TECH AND ICT

## SECTOR BRIEF OVERVIEW





## EMERGING TECHNOLOGICAL HUB

# HIGH TECH AND ICT SECTOR



World-class R&D capabilities in engineering, computer science, physics, and mathematics



Well-educated and talented workforce with technical skills and English language proficiency



Strong university programs with specializations in IT and related sciences



Solid government support for the sector



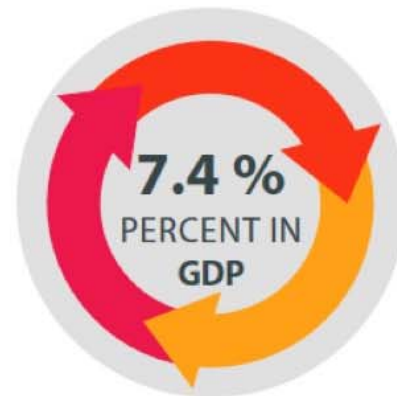
Sustainable and continuous growth in the IT sector



Extensive experience with large multinational companies



Highly competitive labor costs and low operating costs





**GREAT COUNTRY,  
SMART  
OPPORTUNITIES**

## ARMENIA IN THE GLOBAL RANKINGS



### FAVORABLE REGULATORY LANDSCAPE

#### 5-year state aid to accredited Data Science startups

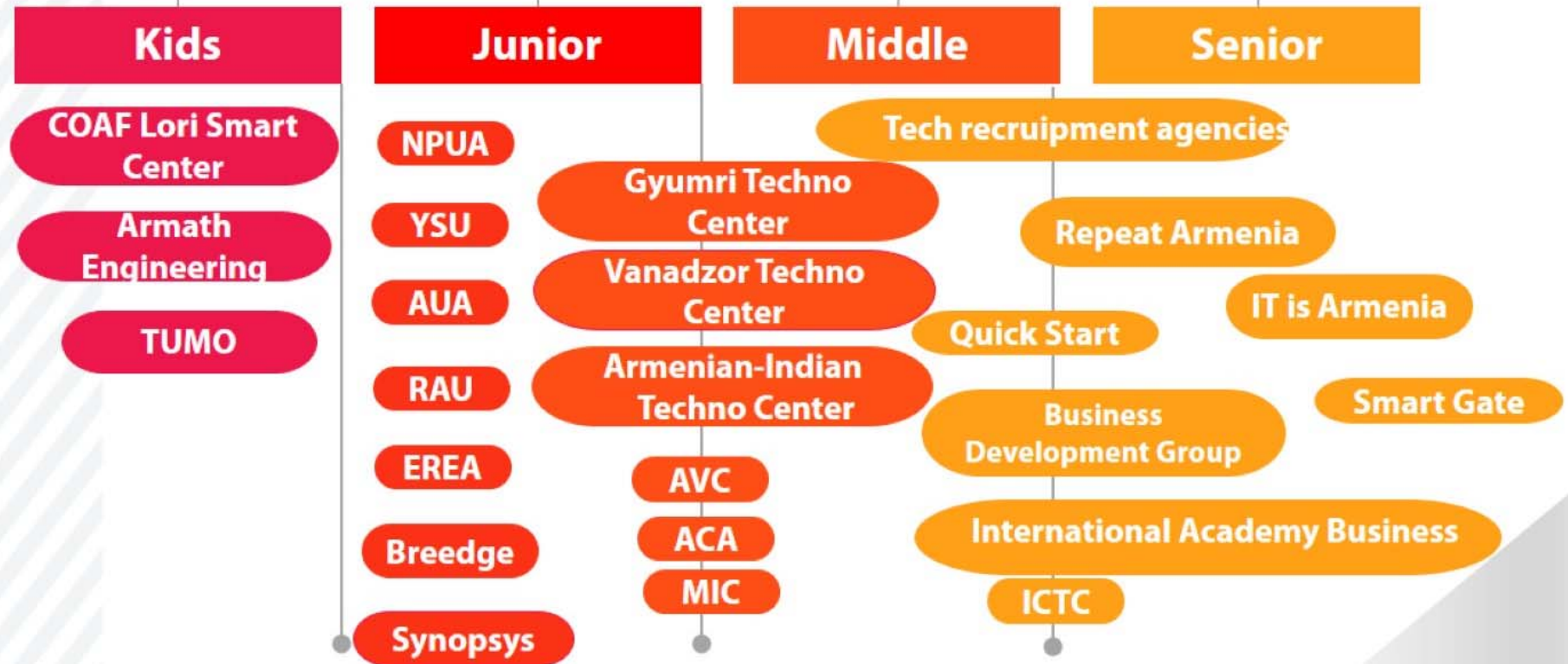
10% income tax rate for IT specialist workforce vs. 28% average income tax for other sectors

0% on profit tax for companies with <30 employees

0 % VAT on exports for all businesses, if the principal market is outside Armenia



# Labor, Education and talent



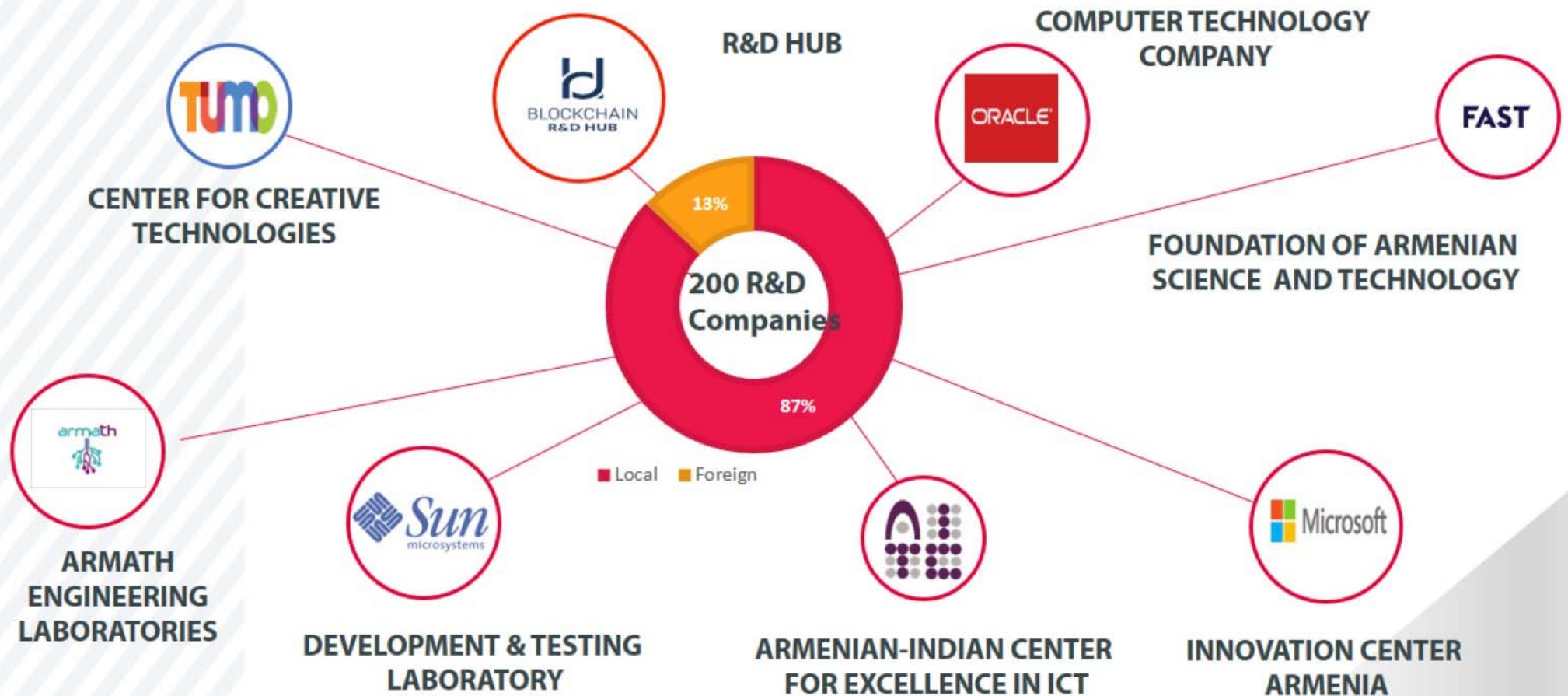
Kids- working with students at school

Junior-working with students studying at universities

Middle- working with post-garduate young peope <30 years

Senior-working with senior talent > 30 years

## RESEARCH & DEVELOPMENT



## TECHNOPARKS, FREEZONE, INCUBATOR

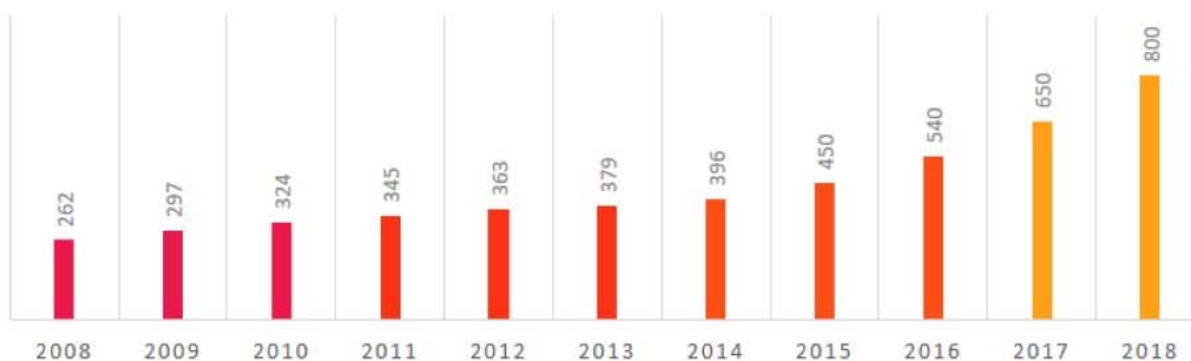


**TECH HUB &  
INVESTOR  
GOLDMINE**



# ICT COMPANIES IN ARMENIA

## TOTAL NUMBERS OF ICT COMPANIES 2008-2018



**53.8**

New companies annually

**25**  
**%GROWTH**  
In 2018

**52.5 %**

Local companies



**EMERGING  
TECHNOLOGICAL  
HUB**

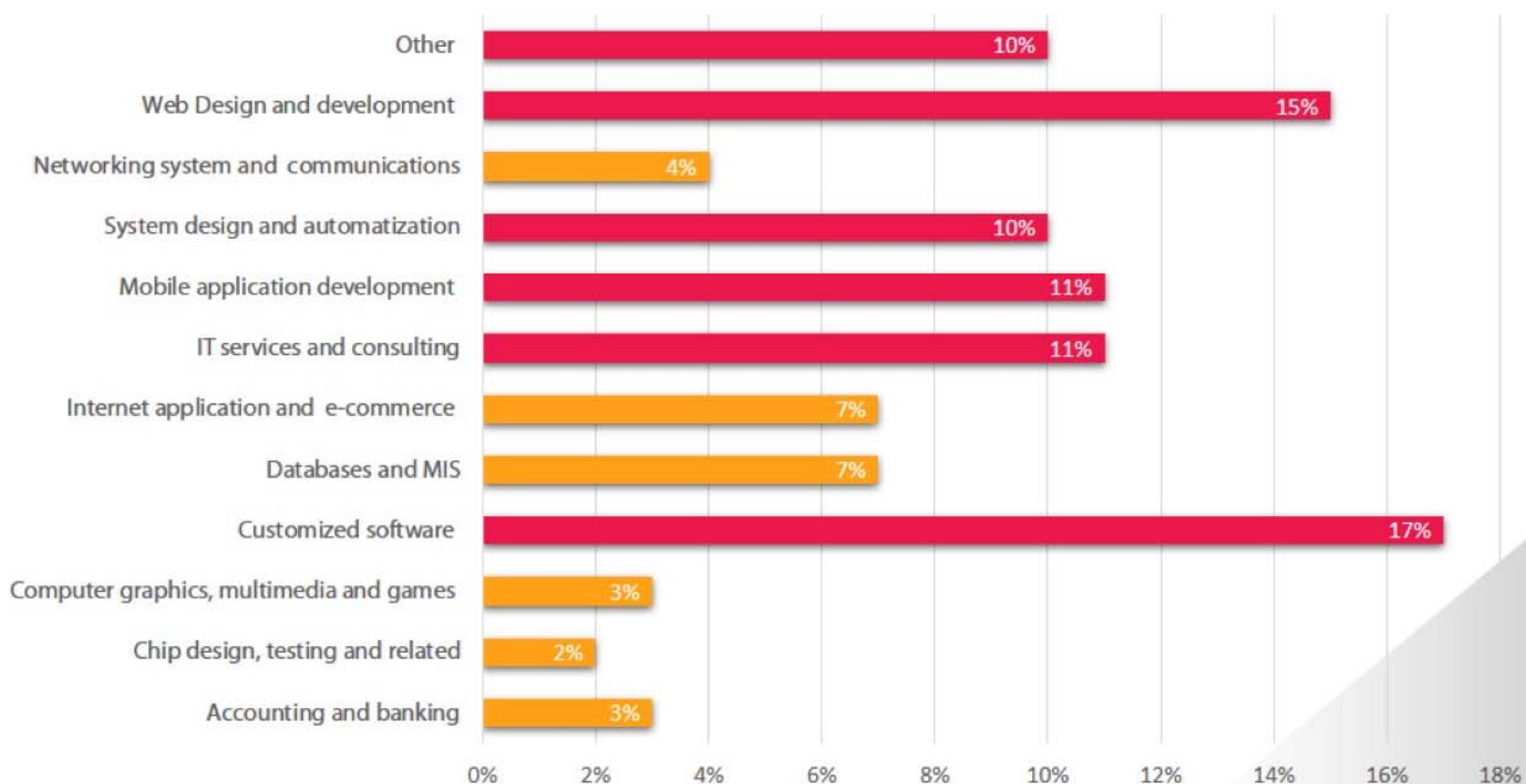




**ARMENIA HAS  
MADE  
SIGNIFICANT  
GAINS IN  
CREATION OF  
INTELLECTUAL  
PROPERTY**

## THE MAIN SPECIALIZATION OF ICT COMPANIES

**Distribution of companies by specialization**



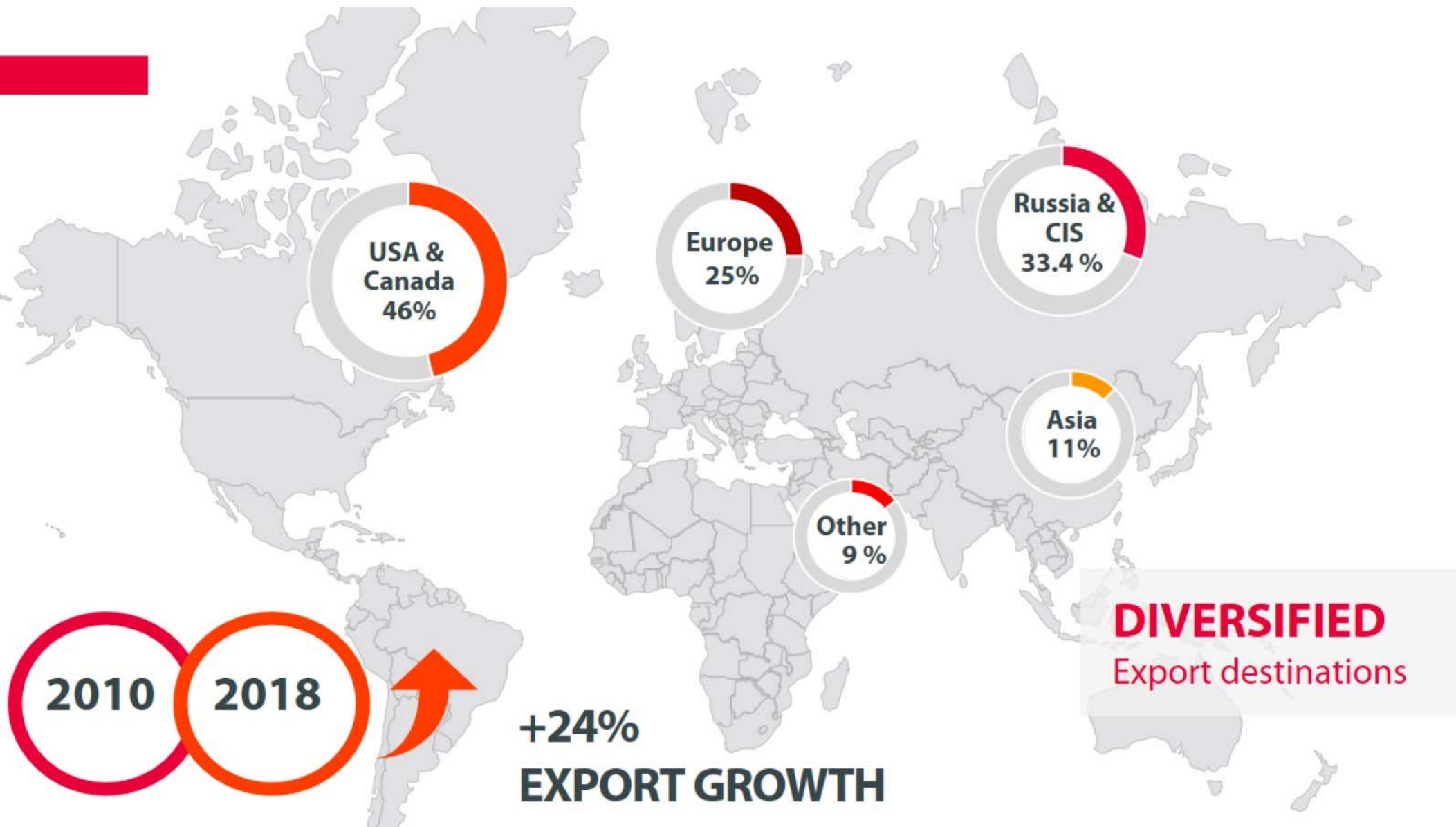


## TOTAL REVENUE OF ICT SECTOR

TOTAL REVENUE OF ICT SECTOR MLN \$



Growth 2.65  
times



## FOREIGN OWNED COMPANIES



### ICT COMPANIES IN ARMENIA

**SYNOPSYS**  
Accelerating Innovation

**NATIONAL  
INSTRUMENTS**

**Mentor  
Graphics**

**CISCO**

**IBM**

**PicsArt**

**Joomag**  
DIGITAL PUBLISHING SOLUTIONS

**vmware**

**ORACLE**

**Microsoft**

**krisp**



**SILLICON  
VALLEY OF  
THE  
CAUCASUS**



# STEM EDUCATION IN ARMENIA



STEM Students number in 2016-2018



% of Total  
Bachelor  
students

12.4 %- 2017

13.7 %- 2018

15.5% -2019

**The State Engineering University  
of Armenia**

**Yerevan State University**

**American University of Armenia**

**Armenian-Russian  
(Slavonic) University**

**National University of  
Architecture and  
Construction of Armenia**

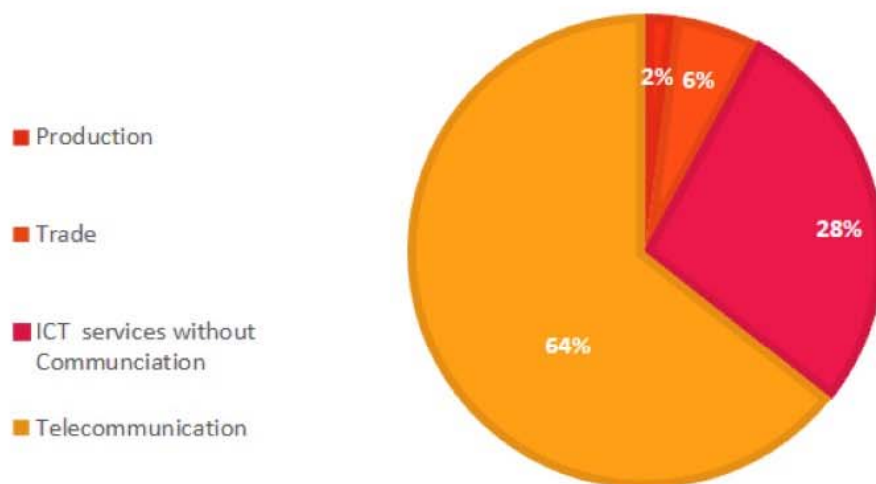
**French Higher Institute of  
Engineering  
in Armenia**

## WORKFORCE DISTRIBUTION



**HIGHLY  
PRODUCTIVE  
LOW-COST  
LABOR**

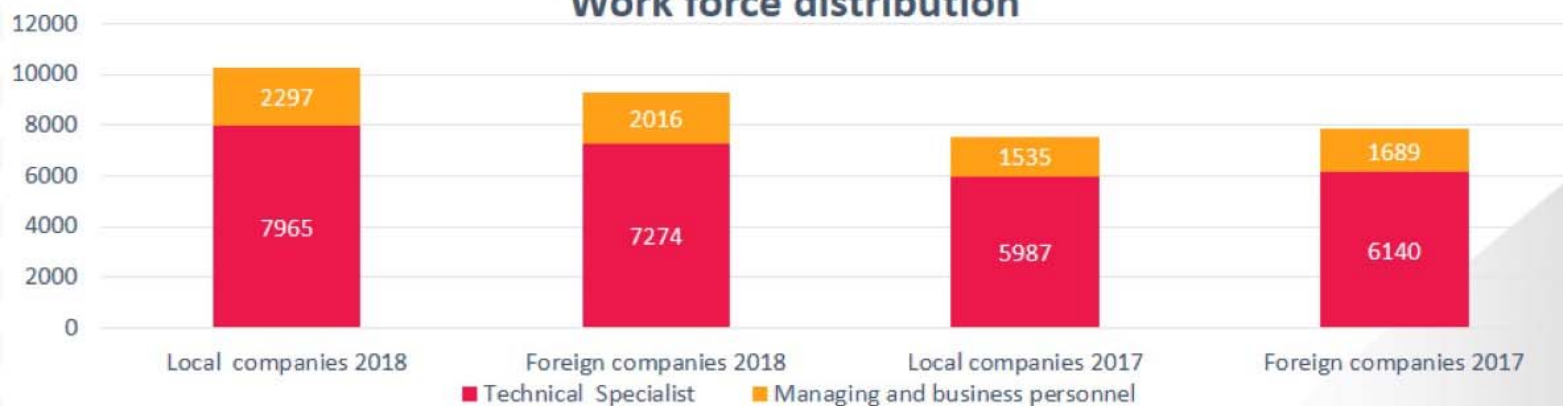
Distribution of employees by sub-sectors



**20.000  
Employees**

**+4200 ICT JOB**

Work force distribution



## LABOR COST

Average salary at Armenian ICT companies USD



**50,700\$**  
annual  
productivity  
of the  
technical  
specialist

Technical employees' salaries are correlates with work experience as opposed

43 % ICT workforce  
hold bachelor's  
degree

11% of workforce  
are students

41 %hold masters  
or higher degree



# WHY ARMENIA

## FDI LEGISLATION

### OWNERSHIP



100% ownership of resident legal entities is permitted for foreigners

### EQUAL TREATMENT



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

### 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

- ✓ Free exchange of foreign currencies
- ✓ No restrictions on staff recruitment

- ✓ No restrictions on remittances
- ✓ Free repatriation of profit

## COUNTRY RATING

### DOING BUSINESS INDEX 2020

Among 190 countries

47



WORLD BANK GROUP



FitchRatings



MOODY'S

### OECD FDI REGULATORY RESTRICTIVENESS INDEX

Among 70 countries

10

Including all OECD countries and G20



OECD

### ECONOMIC FREEDOM INDEX 2020

Among 186 countries

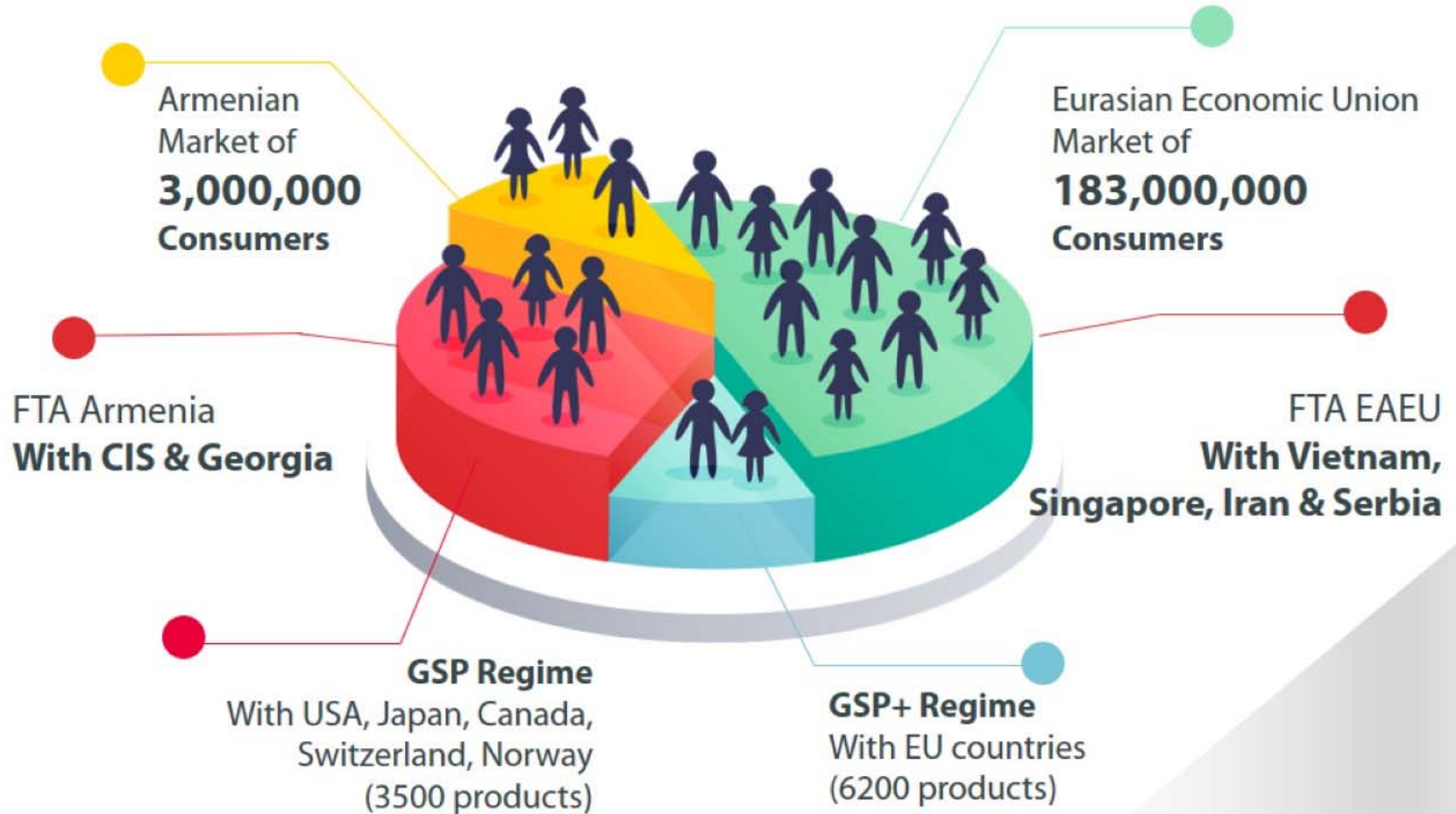
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The Heritage Foundation

## MARKET & TRADE



**GATEWAY TO  
MAJOR MARKETS**





## CONTACT US

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