

Armenia: Market Profile

Major Economic Indicators

	2015	2016	2017**
Population (000)	2,900 [#]	2,991 [#]	2,991
GDP (US\$ bn)	10.529	10.499 [#]	10.741
Real growth (%)	3.0	0.2 [#]	2.9
GDP per capita (US\$)	3,521 [#]	3,511 [#]	3,591
Inflation – CPI index	3.7%	-1.4% [#]	2.0%
Unemployment rate	18.5%	18.8% [#]	18.9%
Exports (US\$ bn)	1.487	1.783	N.A.
YoY growth (%)	-2.1	19.9	N.A.
Imports (US\$ bn)	3.254	3.293	N.A.
YoY growth (%)	-26.1	1.2	N.A.
Average exchange rate (Dram per US\$)	477.9	480.3	483.7 ^{##}

Note: # estimate, ## Jan-Jul 2017, ** forecast

Source: IMF, WTO, Central Bank of Armenian

- Located in the Southwest Caucasus region, Armenia lies at the crossroads of Europe and Asia, bordering Georgia, Azerbaijan, Iran and Turkey. Armenia's mountainous terrain is rich in mineral resources such as iron, copper, molybdenum, lead, zinc, gold, silver, antimony, aluminium, as well as other rare metals. Besides, some of its cities are well known for the medicinal and organoleptic qualities of their waters.
- As a way station along the ancient Silk Road, Armenia is engaged in a number of large infrastructure projects to restore its importance as a commercial link between Europe and Asia. These include a planned new rail link to Iran and a new North-South highway which will enable safe and fast transportation of goods between Armenia's southern border to the Georgian border and beyond to the Black Sea ports, principally Batumi and Poti in Georgia.
- The Armenian economy has traditionally been driven by investment in industry. The long-term goal of Armenia's export-led industrial policy is to form new export frontiers by expanding not only current export industries but also those with major export potential. These include principally 11 sectors namely wine, brandy, diamond processing, clockware, textiles, biotechnology, pharmaceuticals, canneries, mineral water, juice bottling and precision engineering.



- For the purposes of developing and expanding trade, Armenia joined and became the fourth member of the Kremlin-led Eurasian Economic Union (EAEU), along with Russia, Kazakhstan, Belarus and Kyrgyzstan, on 2 January 2015. Since that date, the country has enjoyed free access to the EAEU single market of more than 170 million people.
- To attract foreign investment, the Armenian government has put in place investment incentives including deferred VAT payments for imported goods for investment projects and a five-year “grandfather clause” to allow foreign investors to choose which law to use for up to five years in case of any changes in legislation. More information can be found at the [Invest in Armenia](#).
- The inflows of foreign direct investment (FDI) to Armenia amounted to US\$178 million in 2015. As of the end of 2015, China’s total stock of FDI to Armenia topped US\$7.5 million, up from US\$1.3 million in 2006. Investment from Hong Kong, however, is far from significant.

Hong Kong’s Trade with Armenia

(US\$ million)	2015		2016		Jan-Jun 2017	
	Value	Growth	Value	Growth	Value	Growth
Total Exports	11.261	-28.4	15.003	+33.2	5.548	+15.0
Domestic exports	Nil	-100.0	0.043	=	Nil	Nil
Re-exports	11.261	-28.2	14.961	+32.9	5.548	+15.0
Imports	4.762	+363.0	55.505	..	0.153	-99.6
Total Trade	16.023	-4.4	70.509	+340.0	5.702	-86.8

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.. over 1,000% increase

Source: Hong Kong Trade Statistics, Census & Statistics Department

More Information

More information on the Belt and Road countries’ economic and investment environment, tax and other subjects that are important in considering investment and doing business are available in [The Belt and Road Initiative: Country Business Guides](#).

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