

Introduction

Armenia is a landlocked country in Southwestern Asia or Eurasia. It is situated at the gateway between Western Asia and Eastern Europe and bordered by Azerbaijan, Georgia, Iran, and Turkey. Located in the Lesser Caucasus Mountains, Armenia is a mountainous region with fast-flowing rivers. The government system of Armenia is a republic; the president is the chief of state and head of government. Armenia has a mixed economic system which includes a variety of private freedom, combined with centralized economic planning and government regulation. Armenia is a member of the Eurasian Economic Union (EAEU).



Location: Western Asia

Capital City: Yerevan (+4 GMT)

Chief of State: President Vahagn Khachaturyan

Head of Govt.: Prime Minister Nikol Pashinyan

Currency: Dram (AMD)

Major Languages: <p>Armenian (official) 97.9%, Kurdish (spoken by Yezidi minority) 1%, other 1% (2011 est.)</p>

Primary Religions: <p>Armenian Apostolic 92.6%, Evangelical 1%, other 2.4%, none 1.1%, unspecified 2.9% (2011 est.)</p>

Calling Code: 374

Voltage: 220

Key Websites

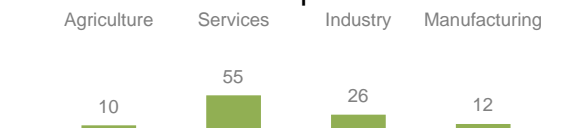
Main Government Page: gov.am

Commerce Ministry: mineconomy.am

Key Economic Facts

Income Level (by per capita GNI):	Lower Middle Income
Level of Development:	In Transition
GDP, PPP (current international \$):	\$52.67 billion (2022)
GDP growth (annual %):	12.60% (2022)
GDP per capita, PPP (current international \$):	\$18,941.53 (2022)
External debt stocks, total (DOD, current US\$):	\$13,818,477,363.20 (2021)
Manufacturing, value added (% of GDP):	11.71% (2022)
Current account balance (BoP, current US\$):	-\$0.17 billion (2022)
Inflation, consumer prices (annual %):	8.64% (2022)
Labor force, total:	1,386,376 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	12.56% (2022)
Imports of goods and services (current US\$):	\$9.90 billion (2022)
Exports of goods and services (current US\$):	\$9.30 billion (2022)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	57 / 178
Global Competitiveness Index	69 / 141
Global Enabling Trade Index	68 / 136
Index of Economic Freedom	50 / 176
International Logistics Performance Index (LPI)	92 / 160
Inward FDI Potential Index	73 / 139
KOF Index of Globalization	83 / 185
Networked Readiness Index (NRI)	56 / 139
Open Budget Index	31 / 114

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- Significant mineral resources (gold, copper, molybdenum, zinc)
- Comfortable foreign exchange reserves and relative flexibility of the dram exchange rate
- Significant financial support from international organizations, including the International Monetary Fund (IMF)
- Member of the Eurasian Economic Union (EAEU) and partnership agreement with the European Union (EU)
- Willingness to reform in terms of corruption, justice, and competition

Weaknesses

- Dependence on minerals (50% of exports and 10% of GDP), despite the ongoing diversification effort
- Strong dependence on Russia in terms of security, trade (largest partner), expatriate remittances (63% of total), and FDI (37% of total)
- Banking system still heavily dollarized (42% of deposits and 48% of credits)
- About 75% of Armenia's public debt is denominated in foreign currencies, making it vulnerable to exchange rate fluctuations.
- High and persistent levels of poverty (30% of the population) and unemployment (17%)
- Geographic isolation compounded by a lack of infrastructure and the closure of two out of four borders.
- Armed conflict with Azerbaijan over the Nagorno-

Karabakh enclave, which may lead to occasional clashes even after the 9 November 2020 cease-fire.

U.S. Embassy

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