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).

Key Economic Facts

Income Level (by per capita GNI): Lower Middle Income
Level of Development: In Transition
GDP, PPP (current international $): $28.33 billion (2017)
GDP growth (annual %): 7.50% (2017)
GDP per capita, PPP (current international $): $9,667.96 (2017)
External debt stocks, total (DOD, current US$): $10,334,717,738.50 (2017)
Manufacturing, value added (% of GDP): 10.23% (2017)
Current account balance (BoP, current US$): -$0.28 billion (2017)
Inflation, consumer prices (annual %): 0.97% (2017)
Labor force, total: 1,379,542 (2018)
Unemployment, total (% of total labor force) (modeled ILO estimate): 17.71% (2018)
Imports of goods and services (current US$): $5.72 billion (2017)
Exports of goods and services (current US$): $4.31 billion (2017)

GDP Composition %

<table>
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<th>Sector</th>
<th>Percentage</th>
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<td>Agriculture</td>
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<tr>
<td>Services</td>
<td>51</td>
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<tr>
<td>Industry</td>
<td>25</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10</td>
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</table>

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

Rankings

<table>
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<td>Corruption Perceptions</td>
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<tr>
<td>Global Competitiveness</td>
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<td>Global Enabling Trade</td>
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<tr>
<td>Index of Economic Freedom</td>
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<td>International Logistics Performance Index</td>
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<td>Inward FDI Potential Index</td>
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<td>KOF Index of Globalization</td>
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<tr>
<td>Networked Readiness Index</td>
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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

- Major mining resources (molybdenum, zinc, copper, gold)
- Significant financial support from international organizations and the diaspora
- Comfortable foreign exchange reserves and relative flexibility of the dram’s exchange rate
- Member of the Eurasian Economic Union (EAEU) and partnership agreement with the EU

Weaknesses

- Geographical isolation aggravated by a lack of infrastructure
- Highly dependent on Russia (trade: 20% of exports and 30% of imports, FDI, credit, migrant remittances)
- Highly dollarized economy (60% of bank deposits)
- Persistently high level of unemployment
- 30% of the population below the poverty line
- Conflict with Azerbaijan over Nagorno-Karabakh and an uneasy calm on the border with the Azeri enclave of Nakhchivan

U.S. Embassy

Embassy of the United States of America
1 American Avenue
Yerevan 0082, Republic of Armenia
Tel: (+37410) 464-700
https://am.usembassy.gov