

Overseas Market Information



Note on Armenia

Area	: 29,800 sq. km.
Capital	: Yerevan
Government Type	: Republic
Population	: 2.9 million (2004)
Religions	: Armenian Apostolic, other Christian, Yezidi
Languages	: Armenian, Russian
Neighbouring Countries	: Azerbaijan, Georgia, Iran, Turkey
Natural Resources	: Gold, copper, molybdenum, zinc, alumina
Currency	: Dram
GDP	: PPP US\$ 13.65 bn (2004 est.)
GDP - Real growth rate	: 9% (2004 est.)
GDP – per capita	: PPP US\$ 4,600 (2004 est.)
GDP Composition by Sector	
Agriculture	: 22.9%
Industry	: 36.1%
Services	: 41.1% (2004 est.)

Agriculture

Main agricultural products are fruits (especially grapes), vegetables, livestock.

Industries

Armenia was possibly the most industrialized of the former Soviet Republics, producing a range of light and heavy industrial goods. Main industries are diamond-processing, metal-cutting machine tools, forging-pressing machines, electric motors, tyres, knitted wear, hosiery, shoes, silk fabric, chemicals, trucks, instruments, micro-electronics, jewellery manufacturing, software development, food processing, brandy.

Foreign Trade

Exports	: US\$ 850 mn (2004 est.)
Imports	: US\$ 1.3 bn (2004 est.)
Principal Exports	: Diamonds, mineral products, food stuff, energy
Principal Imports	: Natural gas, petroleum, tobacco products, food stuffs, diamonds
Major Export Destinations	: Belgium, UK, Israel, Russia, Iran, US, Germany
Major Import Destinations	: Russia, Belgium, Israel, US, Iran, Germany, UAE, Italy, Ukraine

Bilateral Trade between India and Armenia

Armenia and India enjoy relationship based on strong foundations of traditional friendship. Trade ties exist since the period of ancient and medieval history. Armenians were very well established in all commercial centers of India by the 15th century.

India Armenia trade mainly goes through the Iranian port of Bandar Abbas. Armenian formally allied to join the May 2002 India-Russia-Iran North South Transport Corridor Agreement that seek a cheaper and faster alternative to the Suez route.

The growing but still low volume of direct bilateral trade is mainly due to irregular contacts, the blockade on the eastern and western borders by Azerbaijan and Turkey and import of Indian goods from Moscow or Dubai which are not reflected as Indian exports.

The bilateral trade between the two countries for the last three years is as follows :

	<i>(US\$ Million)</i>		
	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>
Exports	1.31	2.52	3.53
Imports	0.45	0.16	0.66
Total Trade	1.77	2.68	4.19
Balance of Trade	0.86	2.36	2.87

(Source : Ministry of Commerce, Govt. of India)

Major Items of India's Export to Armenia

Meat & edible meat offal, electrical machinery & equipments, pharmaceutical products, plastic & articles thereof etc.

Major Items of India's Imports from Armenia

Rubber & articles thereof, pharmaceutical products.

Focus Sectors

The focus sectors in which Armenia seeks India's assistance are small and medium industries (including light engineering), information technology, agriculture and science & development (including health), while the fifth sector is investment by Indian companies in export oriented industries in Armenia.

Diamond cutting and polishing (some 30 companies) contribute a fifth of Armenia exports. Raw diamonds were being imported from Russia earlier but Armenian factories are now importing from elsewhere. Indian investment in Armenia in gold & diamond sector is promising.



The Armenian textile sector offers some possibility for bilateral cooperation, since garments manufactured in Armenia enjoy duty and quota free access to CIS, and quota free access to Europe and North America.

Agriculture contributes approximately a quarter of Armenia's GDP. Four concrete areas in the agricultural sector have been identified for cooperation – rainwater harvesting, buffalo breeding, poultry farming and dry land farming. EXIM bank has launched a programme in association with the European Bank of Reconstruction and Development, London, to support Indian exports to CIS and East European countries. The programme envisages an EBRD credit enhancement facility to enable EXIM bank to confirm Letter of Credit from designated banks and covers all types of goods and commodities, transport and other services.

Important Contact Details

Embassy of India

Shri Deepak Vohra, Ambassador
Embassy of India
50/2, Dzorapi Street, Yerevan – 375019, Armenia
Tel. : 00 374 10 539173/4/5
Fax : 00 374 10 533984/539170
E-mail : ambassador_office@embassyofindia.am

Embassy of Armenia

H.E. Mr. Artyom Khachatryan, Charge d' Affaires
Embassy of Armenia
D 133, Anand Niketan, New Delhi - 110 021
Tel. : 24102851, 24102852
Fax : 24102853
E-mail : armemb@vsnl.com

(Source : Embassy of India, Armenia)