ARMENIA

Statistical Profile

Compiled by Shoghik Hovhannisyan

INTRODUCTION TO ARMENIA

Armenia declared its independence from the collapsing Soviet Union on September 23, 1991 and formed a republic with a presidential governing system. The Republic of Armenia lies in a triangular section of the Transcaucasus, bordered by Azerbaijan, Iran, Turkey and the Republic of Georgia. With an area of 29,800 square kilometers (11,490 square miles), the landlocked country is just about the size of Vancouver Island. One of the world’s oldest civilizations, Armenia once included Mount Ararat, which biblical tradition identifies as the mountain that Noah’s ark rested on after the flood. It was the first country in the world to officially embrace Christianity as its religion (c. 300). According to the Ministry of Foreign Affairs, “an estimated 60% of the total eight million Armenians worldwide live outside the country, with one million each in the U.S. and Russia. Significant Armenian communities are located in Georgia, France, Iran, Lebanon, Syria, Argentina, and Canada. An Armenian Diaspora has existed throughout the nation’s history mostly formed by survivors of 1915 genocide of Armenian population by Ottoman Turkey, when 1.5 million people perished in the first genocide of the 20th century.”

Since it independence, Armenia has struggled to overcome the challenges of seven decades of Soviet rule by embarking on an ambitious program of democratic and economic reforms. In the waning days of the Soviet Union, Armenia was drawn into a war with neighboring Azerbaijan over control of the mostly Armenian-populated region of Nagorno-Karabakh, a historically Armenian enclave that was arbitrarily detached from Armenia and transferred to Azerbaijani rule by Soviet leaders. Although the war was ended with a ceasefire agreement in 1994, relations between Armenia and Azerbaijan remain tense over this unresolved conflict, exacerbated by Azerbaijan’s loss of several districts to Armenian forces during the war. That conflict also continues to impede the economic development of Armenia, as both Azerbaijan and Turkey imposed a blockade of Armenia that continues to this day. The blockade of landlocked Armenia, bolstered by the disruption of all trade and energy links, in addition to the closure of Armenia’s borders with both Azerbaijan and Turkey, remains a significant obstacle to regional stability and security.
LABOR FORCE HIGHLIGHTS

- 40.5% of the total Armenian population is employed. 
- The labor force is projected to increase from 1.284 million in 2006 to 1.337 million in 2020. 
- The 2006 official unemployment rate was 7.5% and 27% according to Labor Force Surveys. 
  (At present the unemployment level in the country is estimated in two different ways. The first one is the official unemployment, which is about the unemployed registered in the employment service. The second one is the real unemployment, which is received through alternative labor market surveys and is mostly consistent with ILO criteria.)
- In 2006, the average hours worked by Armenian employees was 45.23 hours per week.
- In 2005, 23% of the employed was working part-time.
- 5.33% of the total employed labor force reported being self employed in 2006.

Figure 1. Employment/population ratios in 2004 in Armenia and Georgia, and in some European countries.

As noted in Figure 1, 40.5% of the Armenian population is in the labor force, compared to 52.5% in Georgia and 65% in EU countries.

Figure 2. Employment/population ratios in Armenia, within age groups, 2004.


Figure 3. Current and projected economically active population in Armenia, within age group, 2007 and 2020.

Source: International Labor Organization.

Figure 3 compares current economically active population in 2007 for the different age groups in Armenia with the projected estimate for 2020.
**Economic Snapshot**

The Government of Armenia has been able to carry out wide-ranging economic reforms that have resulted in steady growth since 1995. New sectors, such as precious stone processing and jewelry making, information and communication technology, and tourism have begun to supplement more traditional sectors such as agriculture in the economy. Armenia has developed a varied and flexible economy, due to the transportation limitations caused by the economic blockade imposed by two of its neighbors, Turkey and Azerbaijan. Armenia’s steady economic progress has earned it increasing support from international institutions. The International Monetary Fund (IMF), World Bank, as well as other international financial institutions and foreign countries have extended considerable grants and loans, which have given the Republic a strong hand in improving its infrastructure and economic atmosphere.

In fact, Armenia’s GDP, which has experienced double-digit growth for the past 6 years, is one of the fastest-growing in the world. The government has also controlled inflation (only 2.9% in 2006) and substantially reduced its rates of poverty (from well over 55% in 1996 to 34.5% in 2005). Armenia joined the World Trade Organization (WTO) in 2003, further solidifying its position among the free markets of the world.

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**figure 4.** Projections of the development of economy sectors as a share of GDP, %.

[Bar chart showing the percentage of different sectors (Industry, Agriculture, Construction, Services, Net indirect taxes) in GDP from 2005 to 2021.]


**figure 5.** Projections of change as compared with the previous year: % of economy sectors in GDP, %.

[Line chart showing the percentage changes in different sectors (Industry, Agriculture, Construction, Services, Net indirect taxes, GDP) from 2005 to 2021.]

ECONOMIC HIGHLIGHTS

- The 2006 gross domestic product per capita in Armenia was the equivalent of $1,982.8. This compares to $43,968 in the United States.
- The economic growth for 2002, 2003, 2004, 2005 and 2006 was respectfully 13.2%, 14.0%, 10.5%, 13.9% and 13.3%.
- Armenia’s external debt in 2005 was $1,099 million, which accounts for 22% of GDP.


figure 7. Armenia’s External Debt Indicators, 1999-2005

Source: Poverty Reduction Strategy of the Republic Armenia.
Armenia’s Export and Import Specifics

Armenia’s export has been steadily growing over past five years mirroring the high economic growth in the country. Its main export partners are the EU, Russia, Israel, Iran, and the US. In 2006 the export of goods and services accounted for $986 million including: precious metals and products made of them – 30.5%, non-precious metals and products made of them – 28.5%, mineral products -13.9, ready food product – 9.6%, textile – 3.7%, and equipments – 2.1%.


The main imports partners of the country are Iran, Russia, Israel, Italy, Germany, France, US and United Arab Emirates. In 2006 the import of goods and services accounted for $2,191 million including: precious stones and metals and products made of them – 16.7%, mineral products – 14.3, non-precious metals and products made of them – 13.9, textile – 7.5, ready food product – 6.8%, equipments – 5.1, goods made of plastic and rubber – 3.6 and others – 32.1%.


Business Environment

In recent years the business environment in Armenia was quite favorable. In 2006 Armenia with the quality of overall business environment was 39th in the world, 6th among the transition countries in Europe and Central Asia (ECA) and with easiness of title registration - 1st in ECA countries and 4th in the world.

Table 1. Comparison of Armenia’s business environment quality assessments with the assessments of other transition countries’ business environment in 2006.

| Country             | Total | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  |
|---------------------|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Estonia             | 17    | 20  | 14  | 156 | 21  | 48  | 33  | 31  | 7   | 29  | 50  |
| Georgia             | 18    | 10  | 11  | 4   | 11  | 48  | 33  | 102 | 64  | 42  | 105 |
| Latvia              | 22    | 30  | 82  | 96  | 85  | 13  | 51  | 20  | 19  | 3   | 64  |
| Lithuania           | 26    | 57  | 57  | 124 | 4   | 36  | 83  | 71  | 23  | 18  | 31  |
| Slovakia            | 32    | 72  | 50  | 75  | 5   | 7   | 98  | 122 | 90  | 50  | 36  |
| Armenia             | 39    | 47  | 73  | 48  | 2   | 36  | 83  | 143 | 118 | 64  | 42  |
| Hungary             | 45    | 67  | 87  | 81  | 96  | 26  | 107 | 127 | 45  | 12  | 53  |
| Bulgaria            | 46    | 100 | 103 | 57  | 62  | 13  | 33  | 88  | 89  | 90  | 72  |
| Romania             | 48    | 26  | 90  | 145 | 123 | 13  | 33  | 134 | 38  | 37  | 81  |
| Mongolia            | 52    | 62  | 43  | 64  | 18  | 68  | 19  | 90  | 168 | 27  | 115 |
| Slovenia            | 55    | 120 | 62  | 166 | 99  | 68  | 19  | 63  | 69  | 79  | 34  |
| Chech Republic      | 56    | 91  | 83  | 55  | 54  | 26  | 83  | 113 | 30  | 97  | 108 |
| Kazakhstan          | 71    | 57  | 173 | 22  | 72  | 48  | 51  | 44  | 178 | 28  | 100 |
| Poland              | 74    | 129 | 156 | 78  | 81  | 68  | 33  | 125 | 40  | 68  | 88  |
| FUR Macedonia       | 75    | 21  | 76  | 128 | 91  | 48  | 83  | 104 | 72  | 84  | 127 |
| Montenegro          | 81    | 98  | 113 | 98  | 103 | 84  | 19  | 129 | 113 | 131 | 41  |
| Serbia              | 86    | 90  | 149 | 110 | 115 | 13  | 64  | 121 | 58  | 101 | 103 |
| Moldova             | 92    | 81  | 153 | 93  | 46  | 97  | 98  | 111 | 122 | 17  | 82  |
| Kirgizia            | 94    | 49  | 152 | 74  | 16  | 68  | 33  | 152 | 177 | 32  | 128 |
| Azerbaijan          | 96    | 64  | 159 | 80  | 56  | 26  | 107 | 141 | 173 | 30  | 75  |
| Croatia             | 97    | 93  | 162 | 139 | 99  | 48  | 122 | 43  | 96  | 45  | 78  |
| Bosnia and Herzegovina | 105 | 150 | 150 | 114 | 144 | 13  | 83  | 142 | 53  | 126 | 61  |
| Russian Federation  | 106   | 50  | 177 | 101 | 45  | 156 | 83  | 130 | 155 | 19  | 80  |
| Belarus             | 110   | 119 | 94  | 43  | 94  | 115 | 98  | 178 | 137 | 16  | 69  |
| Albania             | 136   | 123 | 168 | 109 | 82  | 48  | 165 | 118 | 70  | 74  | 178 |
| Uzbekistan          | 138   | 54  | 145 | 67  | 119 | 170 | 107 | 159 | 165 | 48  | 119 |
| Ukraine             | 139   | 109 | 174 | 102 | 138 | 68  | 141 | 177 | 120 | 46  | 140 |
| Tajikistan          | 153   | 161 | 166 | 125 | 43  | 135 | 176 | 155 | 176 | 23  | 99  |
| Place of Armenia    | 6     | 6   | 7   | 4   | 1   | 10  | 12  | 23  | 18  | 19  | 5   |

The respective figures characterize the respective quality of business environment (place of country among the surveyed 178 countries) in the following areas: 1 – creation of new enterprises (companies); 2 – licensing processes; 3 – employment regulation; 4 – title registration; 5 – access to credits; 6 – protection of investors; 7 – payment of taxes; 8 – international trade operations; 9 – application of contracts and 10 – liquidation of the company.


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DEMOGRAPHIC HIGHLIGHTS

™ In 2006, the average number of Armenian population was 3.2 million compared to 4.4 million for the Georgia and 9.7 million for Belarus.  


™ The life expectancy at birth for the Armenian population was 73.3 years in 2006, 70.0 years for men and 76.4 years for women.

figure 11. Life expectancy at birth, selected countries, 2006.

97.9 percent of the population was of Armenian descent, with the remaining being Yezeds: 1.3 percent, Russian: 0.5 percent, Assyrians: 0.1 percent, Kurd and Ukrainians: 0.04 percent and “other.”

In Armenia there were 40.7 live-births per 1000 females at the age of 15-49 in 2006. Assuming that current demographic trends continue, Armenia’s population is expected to decrease steadily to about 2.952 million by 2020.

In Armenia, 9.0 percent of the male population and 12.6 percent of the female population is 65 or older. In comparison:

- In Belarus, 10.2 percent of the male population and 18.5 percent of the female population is 65 or older.
- In Ukraine, 12.0 percent of the male population and 20.1 percent of the female population is 65 or older.
- In Czech Republic, 11.5 percent of the male population and 17.0 percent of the female population is 65 or older.

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**Figure 12a. Population Distribution by age, Armenia, as of January 1, 2007.**

![Population Distribution by age, Armenia, as of January 1, 2007.](source: National Statistical Service of the Republic of Armenia)


REFERENCES


Shoghik Hovhannisyan, a native of Armenia, majored in Economic Cybernetics at the Yerevan State Institute of National Economy. Working with the Armenian Ministry of Finance and Economy for six years, she ultimately functioned as Head of Working Groups, coordinating the work of twelve regional units. Shoghik also attended the Terry Sanford School of Public Policy at Duke University and, since 2005, has consulted for various organizations including the World Bank, Urban Institute, the Duke Center for International Development, and the Center for Retirement Research at Boston College. Shoghik is currently pursuing a PhD in Economics at Boston College while actively collaborating with the Sloan Center on Aging & Work.

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