Armenian Foreign Policy. Combining interests and opportunities

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The Great Silk Road (IV BCE – XVIII CE)
Armenia’s economy: 1945 - 1991

- chemicals
- synthetic rubber
- electronic
- jewellery
- machinery
- processed food
- and textiles
- energy
Armenia’s economy after 1991

- mining (copper, zinc, gold and lead)
- jewellery (gold and diamonds processing)
- food processing
- textiles
- energy
  - Metsamor nuclear power plant (Nuclear fuel from Russia)
  - gas power plant (Gas from Russia and partly from Iran)
  - hydroelectric (the only energy based on domestic source)
Basic facts

• 149th country by its size (29,800 sq.km)
• 136th country by Population (around 3 mln)
• 90th largest export economy in the world
• Export - $2.3 bln: copper ore ($370 mln.), rolled tobacco ($210 mln), hard liquors ($147 mln), gold ($140 mln), diamonds ($106 mln)
• Import - $3.19 bln: ($ 0.9 bln negative balance) petroleum gas ($347 mln) refined petroleum ($198 mln) various goods ($146 mln) raw diamonds ($125 mln) packaged medicaments ($85.9 mln)
• Top export partners: Russia ($372 mln), Bulgaria ($163 mln), Georgia ($141 mln), Iraq ($140 mln) and Germany ($135 mln)
• Top import partners: Russia ($957 mln), Germany ($206 mln), Georgia ($150 mln), China ($111 mln) and Italy ($104 mln)
Armenia’s economy in absolute figures 2014-2017

• economy growth: by 7.5% (2017)
• GDP $11.5 (2017)
• GDP Per Capita: $3880 (2017)
• PPP (purchase power parity) : $9,098 (ranked 111 by IMF)
• Georgia - 105th with $ 10,644
• Ukraine - 114th with $8,656
• Moldova - 132th with $5,657
<table>
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<tr>
<th>Country/period</th>
<th>2014</th>
<th>Growth rate in %</th>
<th>2015</th>
<th>Growth rate in %</th>
<th>2016</th>
<th>Growth rate in %</th>
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Armenia’s key mid-term objectives

• Ensuring a robust and sustainable economic development, this can be translated into a rise in the general living standards of our people

• Continuing to promote the rule of law and democratic governance to secure full participation by Armenia’s citizens in the process of governance and to improve our government’s accountability to its electorate

• Addressing national security challenges, including
  • Political resolution of the Nagorno-Karabakh conflict
  • Improving relations with its neighbors and the end of the economic blockades
  • Participation in international security arrangements
Armenia at CIS
(Commonwealth of Independent States)

• Joined the Commonwealth of Independent States in 1991 on equal basis
• Armenia’s Defense coherence with Russian Federation
• Russian and Armenian border guards are responsible for the protection of the Soviet-era border of Armenia with Turkey
• upon request of Armenian side Russia maintains a military base in Gyumri, second Armenian city north of Yerevan; in 2010 the relevant treaty was extended until 2044
• Russia supplies Armenia with weapons and military hardware, assigning soft long-term credits for those purchases
Armenia at CSTO
(Collective Security Treaty Organization)

• Armenia signed the Collective Security Treaty in 1992
• Armenia co-established the Collective Security Treaty Organization in 2003
• Armenia was the chairman country of the CSTO in 2015
• Armenia’s priorities in the CSTO:
  • Improving and harmonization of Defense legislation,
  • Working out mechanisms of cooperation and expansion of the practical cooperation in the military-industrial sphere
  • Combatting international terrorism
  • Holding military capacity-building activities (trainings, military exercises etc)

Since 2017 the former chief of Staff of the Republic of Armenia, army general Yuri Khachaturov is the Secretary General of the CSTO
Armenia – NATO

- Armenia joined the North Atlantic Cooperation Council in 1992
- Armenia joined the Partnership for Peace programme in 1994
- Armenia engaged in the Individual Partnership Action Plan (IPAP)
- Partnership and Review Program (PARP) with NATO
- NATO supports introduction of civilian personnel to the Armenian Ministry of Defence
- NATO – led peacekeeping operations in Kosovo and Afghanistan
Armenia in international peacekeeping

• Since 2004: 34 peacekeepers were detached within the Greek unit in Kosovo (KFOR)
• 2005-2009: Armenian AF peacekeeping unit joined the multinational peacekeeping mission in Iraq within the Polish unit
• Since 2010: Armenian AF peacekeeping unit was included in the ISAF (International Security Assistance Force) in Afghanistan under the command of Germany
• Since 2014: Armenian platoon participates in peacekeeping in Lebanon under the auspices of the UN (UNIFIL)
Armenia at the EAEU (Euro-Asian Economic Union)

• The Customs Union has been launched since 2010
• In September 2013, President Sargsyan has declared that Armenia will join the Customs Union and take part in formation of the Eurasian Economic Union
• EEAU counts 5 members: Armenia, Belarus, Russian Federation, Kazakhstan and Kyrgyzstan
• Freedom of movement of goods and services, capital and labor,
• Implementation of coordinated or united policy in various branches of economy
• Rotational basis of the Presidency in the Supreme Council, Intergovernmental Council and Council of the Commission (on the level of Deputy Prime Ministers)
• Russian Federation assumed presidency in EAEU in 2018 and in the next year of 2019 will pass it to Armenia

The former Prime-minister of Armenia Tigran Sargsyan is the first chairman of the Board of the Eurasian Economic Commission for the period from 2016 until 2019
Armenia and the EU

• Partnership and Cooperation Agreement between EU and Armenia was signed in 1996 and entered into force in 1999

• negotiations over the EU-Armenia new agreement, designed to replace the overdue document of 1996, has started in 2010, reaching its final step in 2013

• Council of the European Union authorized the European Commission and the High Representative to open negotiations on a new, legally binding and overarching agreement with Armenia in 2015

• Negotiation were concluded in early 2017 and Comprehensive and Enhanced Partnership Agreement (CEPA) between Armenia and the EU was signed in November 24, 2017
CEPA
(Comprehensive and Enhanced Partnership Agreement)

cooperation between Armenia and the EU in the areas of
• Political dialogue
• Trade and economy (including trade in goods, provisions affecting business and investment, cross-border supply of services)
• Law making
• Culture and education
• Prevention of illegal activities and control of illegal immigration
• Financial cooperation in the field of technical assistance
• Legislative cooperation
Prospects for Armenia and its partners

• Armenia benefits from EU's General Scheme of Preferences plus (GSP+) arrangement

• Armenian exports access to the EU market by allowing complete duty suspension across ~66 % of all EU tariff lines

• Armenia's GSP+ utilisation rate is high: around 93%.

• allows to export to both EU and US markets around 6000 items produced in Armenia with 0% custom tariff

• Armenia will contribute to harmonization of trade legislations, exchange of information, experience and expertise, formation of the mutual trust environment to enhance of the scope of possible cooperation between EU and the EAEU
Questions?