

H.E. TATOUL MARKARIAN AMBASSADOR OF THE REPUBLIC OF ARMENIA

“ARMENIA... WHERE EUROPE
ENDS OR RATHER STARTS...”

It would be difficult, perhaps, to find the annals of a nation less stained with crimes than those of the Armenians, whose virtues have those of peace, and their vices those of compulsion. But whatever may have been their destiny – and it has been bitter – whatever it maybe in future, their country must ever be one of the most interesting, on the globe; and perhaps their language only requires to be more studied to become more attractive.

Lord Byron

ANCIENT HISTORY, RICH CULTURE AND A STRIKING NATURE!

It is not enough to say that Armenia and Armenians are ancient, but one should say that Armenians are one of the oldest civilizations inhabiting our planet, with a history that dates back to the ancient Kingdom of Urartu, that existed in IX-VI centuries BCE. The Kingdom of Urartu was located in the Armenian Highlands. While the history of the Armenian civilization itself dates back to IX-VI centuries BCE, the first evidence of human settlements in Armenia date back to a much earlier period. Some ancient historical scripts dub it even as the cradle of human civilization.

Archeological excavations have revealed some of the oldest historical artifacts on the territory of Armenia, such as the world's oldest leather shoe (5,500 years old), petroglyphs with depictions of agriculture (7,500 years old) and wine-making facility (6,100 years old). Meanwhile, the capital of Armenia founded by King Argishti the Great in 782 BCE is one of the oldest continuously inhabited cities in the world. And yes, we are proud of it! Last year our beautiful capital which has a landscape featuring the magnificent biblical

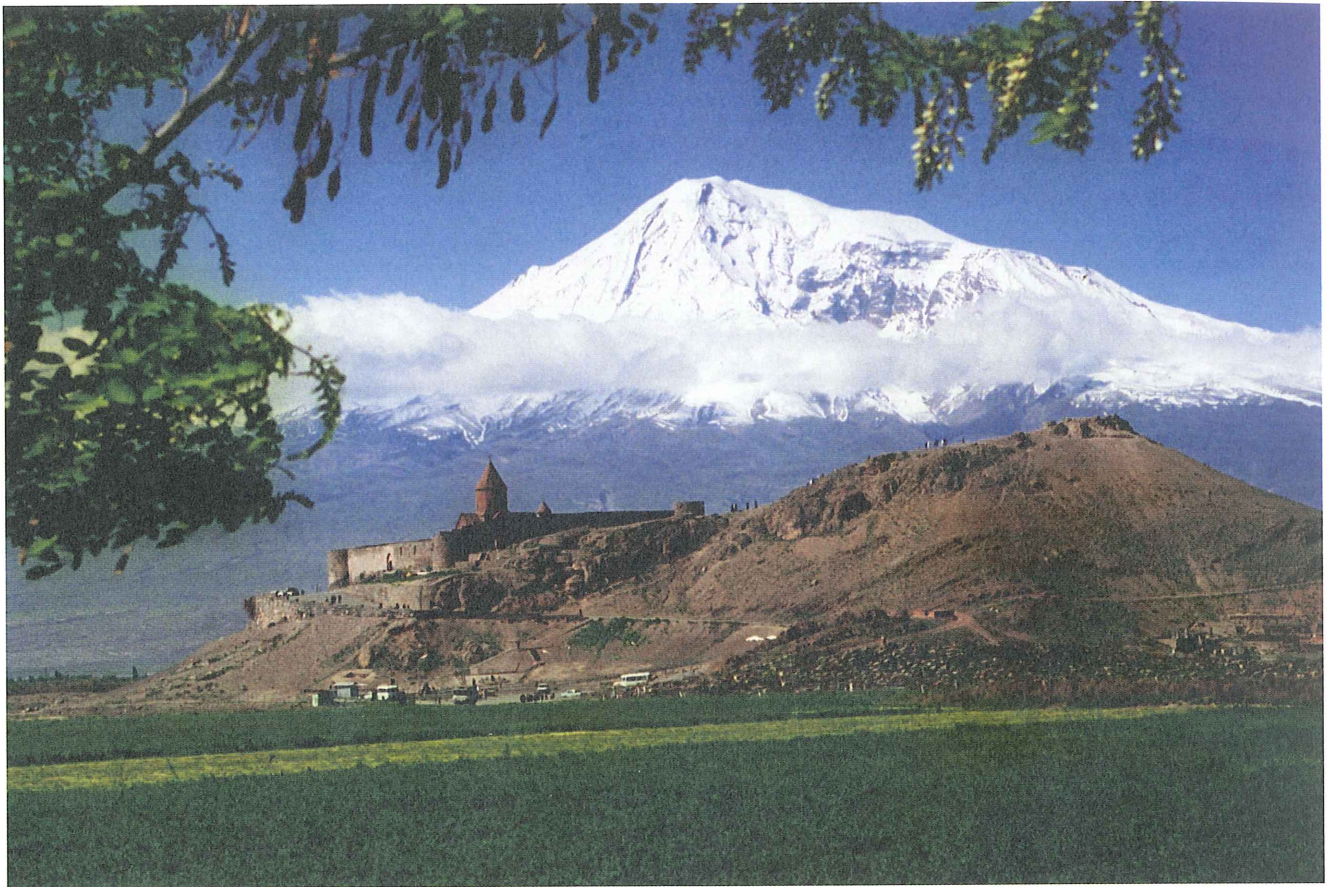


Mount Ararat marked its 2800th anniversary – young and vibrant as ever.

Located at the crossroads of the East and West, since the ancient times Armenia has been a melting pot and a meeting point for the representatives of many different cultures and civilizations. This unique strategic and geographic location has left its significant trace during centuries on our culture, which has always remained unique, however open to new ideas and perspectives.



Lake Sevan



Khor Virap

When we speak about Armenia and Armenians two things are of utmost importance with regard to our national identity – our religion and language, including our unique script.

In June 2016 we hosted His Holiness Pope Francis in Armenia. The official motto of his visit was “Visit to the First Christian Nation.” Truly, the year 301 marked the adoption of Christianity as a nation, thus Armenia becoming the first country to adopt it as a state religion. One century later – in the year 405 the Armenian alphabet was created by Armenian linguist and ecclesiastical leader Mesrop Mashtots. Even though the spoken language, which belongs to the Indo-European family, had existed for many centuries, the invention of the Alphabet was a truly revolutionary event in the history of the Armenian people.

Each year our country hosts tens of thousands of tourists from all parts of the world that come to communicate not only with its ancient history, but also to enjoy its rich cultural life, hospitable people, delicious food and striking nature. Yerevan, with its numerous theatres, museums, concert halls, festivals is a heaven for the lovers of art and culture. Throughout centuries Armenia and the Armenians have been famous with their arts and crafts, including the

carpet making. The works of modern Armenian artists as well are abundantly available in many different shops and the famous open-air market of “Vernisage”.

Those visitors that are tired of the noise of big cities and urban life can always find a tranquil paradise in the beautiful nature of Armenia. The country not only is a wonderful place for trekking and hiking but it is a hidden jewel for the lovers of extreme tourism, that can profit from its numerous mountains and zip-lining, off-road driving, paragliding facilities.



Panoramic view of Yerevan

We are also happy to note that Armenia is one of the safest countries in the world to travel as also recognized by many reputable international sources.

Last year, among many visitors of our country, was His Royal Highness King Philip himself and the Royal family of Belgium that had decided to spend part of their summer holiday in Armenia, getting acquainted with our rich history and ancient culture. In this context, I am happy to note as well that since the opening of direct flights between Brussels and Yerevan in 2017, operated by Brussels Airlines, the tourism has grown quite considerably. In 2017 we recorded some 20% growth of tourism already.

THE REPUBLIC OF ARMENIA, YOUNG BUT ANCIENT!

Compared to the long history of the Armenian people and statehood, the third Republic of Armenia itself is still quite young, nevertheless, it's a full-fledged member of the international community, with a vibrant society always looking into the future and keeping up with the requirements of modern times.

On September 21st, 1991 more than 99% of the citizens of Armenia casted their firm votes in favour of independence and independent statehood. Since then the men and women of Armenia ventured upon a road of democratization and state building in an international environment that was living through an era of unprecedented global transformation itself. The road to restoration of independent statehood was never easy.

It was marked by conflicts, blockades and sharp economic decline. Despite these hardships, in a bit more than a quarter of a century with the support of our international partners we succeeded to create an increasingly secure, peaceful and democratic environment, and better social and economic conditions for our citizens.

The latest domestic political developments in our country vividly demonstrated that the people of Armenia take the ideas of democracy to their hearts and are fully committed to them. The recent non-violent political changes in Armenia, in the spirit of tolerance and solidarity also demonstrated the democratic maturity that our country has achieved. Not surprisingly the Economist Magazine named Armenia as the country of the year in 2018.

Today Armenia is an active member of the international community that engages dynamically in various regional integration processes and multilateral frameworks.

In October 2018 we hosted the 17th Summit of the International Organization of Francophonie. Over 5000 guests, hundreds of delegations and participants from all member and observer states, over 30 heads of states and governments among them also the Belgian Prime Minister Charles Michel visited Armenia. The Summit was carrying the important message of multiculturalism and peaceful coexistence.

On 2 January 2015 Armenia became a member of the Eurasian Economic Union. The membership to the EAEU ensures access to a market of around 200 million consumers and immense resources.

As the Head of the Mission of Armenia to the EU I am glad to note that among its other international partners, Armenia has been dynamically developing relations with the European Union. The EU is a key trade partner for Armenia, as well as the primary donor. While maintaining an active political dialogue based on common values, we expand and strengthen cooperation in all areas of mutual interest. The new Comprehensive and Enhanced Partnership Agreement (CEPA) between Armenia and EU, provisional application of which started from 1st of June 2018, is a substantial document, that along with the issues regarding the Armenia-EU political dialogue, refers to a considerable number of sectoral issues such as trade, taxation, investments, energy, transport, education and culture, civil society, health and environment, agriculture, banking, research and innovation, tourism and many others.

It ensures a better regulatory environment for economic operators in such areas as trade in services and goods, setting up and running companies, capital movements, government procurement and intellectual property rights, sustainable development, and competition.

In addition to that, it is important to note that since 2009, Armenia has been granted the EU's Generalised System of Preferences (GSP+). Through this scheme Armenia is allowed to export goods of more than 6000 tariff lines to the EU with zero or reduced tariffs.

Among other important issues, CEPA also contains provisions regarding the launch of the visa liberalization



Geghard Monastery

dialogue with Armenia, whereas it is important to note that the citizens of the European Union can already travel to Armenia without any visa requirements. There are several direct flights connecting number of European capitals with Yerevan.

INVESTING AND DOING BUSINESS IN ARMENIA

The Government of the Republic of Armenia is aimed at implementing economic revolution by creating more favorable conditions for the business community and investors. Regarding the investments Armenia has declared an “open door” investment policy, which is defined in the law “On Foreign Investments” and in the Investment Policy of Armenia. The Republic of Armenia has one of the most open investment regimes. The law “On Foreign Investments” provides guarantees for national treatment and non-discrimination for foreign investors, whereas the laws applied to foreign investments cannot be less favorable than the laws governing the property rights and investment activities of citizens and legal entities of Armenia. Foreign investors are free to participate in any economic activity in Armenia or on the percentage of ownership of a local business that foreign investors can acquire.

Currently there are four Free Economic Zones in Armenia: Alliance (specialized in ICT, engineering and pharmaceuticals), Meghri (on the Armenian-Iranian border with no sector limitations), Meridian (specialized in jewelry

making), and Hrazdan (specialized in development of high technologies). Residents of FEZ are exempt from all taxes except payroll taxes which creates additional incentives. There are also on site “one stop” services and custom registrations.

THE PRIORITY AND TRADITIONAL SECTORS OF THE ARMENIAN ECONOMY

The economic development of a country requires a constant search of new opportunities and ideas. Innovative approach is the most important factor for the progress and development. Even the most traditional fields quite often require such an innovative approach.

Since the Soviet times Armenia has been labeled as a Silicon Valley. Currently it is being transformed into a global IT HotSpot. We are happy to note that the information technologies are one of the fastest growing industries in Armenia. Among others the IT sector has found its place in the list of priorities of our Government. This year Armenia will host a world class event on IT – the World Congress on Information Technologies (WCIT).

Each year more and more startups are emerging, whereas the major part of the ICT sector is being exported to the US, Canada and Europe. Main products and services include: embedded software development, semiconductor design, customized software, outsourcing, financial



Yerevan at night

software, multimedia, web design, information systems, system integration.

It is important to note also that the existing environment for the innovative technologies is even more favorable due to additional measures taken by the Government. It provides access to finances via venture capital funds, support of donor organizations (USAID, EBRD, EU), loan guarantees provision for small and medium size companies.

In this sphere one of our success stories that we can surely say has turned into a national brand is the TUMO Centre for Creative Technologies. Since its establishment in 2011 it has provided thousands of young people from 12 to 18 with a unique opportunity to learn animation, game development, web development, computer programming and digital media. TUMO is a non-profit venture founded by Sam and Silvia Simonians who give this unique opportunity to the younger generation of Armenians. And in this context it is even more encouraging that TUMO is not staying strictly Armenia-centered but is expanding towards Europe as well. TUMO Paris Center that opened its doors on 25 September 2018 will be providing free education to around 1500 French teenagers.

Based on the country's tradition of being a knowledge-based economy, research & development hub Armenia continues to develop its High Tech industries. Not surprisingly, the Government has announced the IT and High Tech as the priority sector for the country.

In one word we believe in our IT and High Tech future!

Another flourishing sector of the economy in Armenia includes the pharmaceuticals and life sciences, with the main products being the vaccines, generics and herbal medicines. In this field likewise with IT the key is the workforce. In addition to this the Government has created favorable taxation conditions to attract more investors into the field. An additional incentive could become the fact of Armenia being a part of the EAEU, which provides a common pharmaceutical market with 0% customs duties.

Further on the excellent climate conditions with around 307 sunny days a year and rich water resources, as well as availability of skilled and affordable labor force, both agriculture and food production as well as the production and processing of beverages are among the most promising sectors for investment in Armenia.

Armenian people are also very famous for their hospitality.

Armenia is also famous for its legendary Armenian cognac! It is the region's first and one of the largest world exporters of brandy. Armenia has millennia old traditions of winemaking. Some consider it one of the cradles of winemaking. I am happy to note that the Armenian wine market is expanding and it already includes CIS countries, Europe, the US and China.

A short walk in the History Museum of Armenia will make it clear why we claim that Armenians have a long history of jewelry production. Throughout the centuries Armenian goldsmiths and jewelry traders have been famous well beyond the borders of Armenia and the region. Many Armenian goldsmiths and jewelry craftsmen have exported their rich traditions to different countries and regions of the world, including to Europe. Not surprisingly in Belgium, famous as a center of diamond production, we also see names of successful Armenian entrepreneurs and craftsmen. Today the jewelry production in Armenia remains one of our economy's traditional and developing branches.

As I mentioned before the world's oldest leather shoe (5,500 years) was found in Armenia, well I must add that the world's second oldest garment, a 5,900 year old skirt was also found on the territory of Armenia. Thus, it will not be surprising if I mention that the leather and shoes production are one of the oldest and fastest growing industries of the Armenian economy.

However, the one thing that we are especially proud of are our carpets and carpet making traditions, with its unique techniques and styles dating back to ancient times. Walking around Yerevan one can find numerous stores and open air markets that offer Armenian carpets and rugs. Indeed, the colors of Armenia are best reflected in its carpets. Modern Armenian rugs designed with old traditional ornaments have high demand in the USA, Russian Federation and Europe.

Another important sector that I would like to touch upon is the energy. Along with the traditional energy sources, the favorable natural conditions and renewable energy capacities make Armenia a land of many opportunities also in this field. The Armenian Government via its policies emphasizes the importance of renewable energy and energy efficiency in addressing energy security and

prioritizes it as an investment field. In order to boost the investments in this sector there are favorable laws and regulations in place.

This, certainly, is not an exhaustive list of successful fields of our diverse economy, but just an introduction for those who would like to further explore.

BETTER TO SEE ONCE, THAN TO HEAR ABOUT IT A THOUSAND TIMES...

Indeed, with its rich culture, history and economy Armenia is a difficult topic to exhaust. Hence, the best way to learn about it would be visiting the country itself, discovering by one's own eyes its ancient history and vibrant culture and experiencing first-hand the hospitality of its people, and enjoying its delicious food. Armenia is surely a rewarding experience!

For the Europeans this small in size but rich with its marvels country located at the border of Europe may represent interest both to those that are traveling for new and different experiences, as well as to those that are looking for unexplored opportunities to practice their entrepreneurial skills.



H.E. Tatoul Markarian, Barbara Dietrich and Davy Wauters