



# HIGH-TECH AND ICT

## SECTOR BRIEF OVERVIEW



# HIGH TECH AND ICT SECTOR



## EMERGING TECHNOLOGICAL HUB



World-class R&D capabilities in engineering, computer science, physics, and mathematics



Well-educated and talented workforce with technical skills and English language proficiency



Strong university programs with specializations in IT and related sciences



Solid government support for the sector



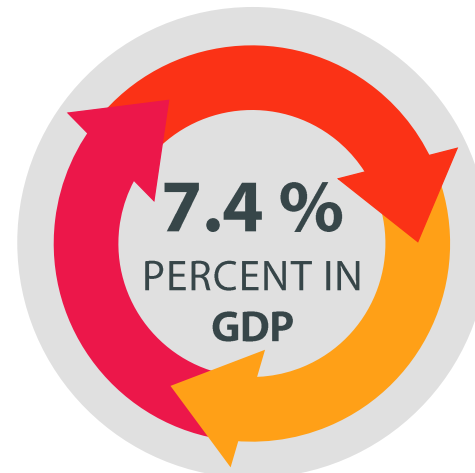
Sustainable and continuous growth in the IT sector



Extensive experience with large multinational companies



Highly competitive labor costs and low operating costs



# ARMENIA IN THE GLOBAL RANKINGS 2020



**GREAT COUNTRY,  
SMART  
OPPORTUNITIES**



## **FAVORABLE REGULATORY LANDSCAPE**

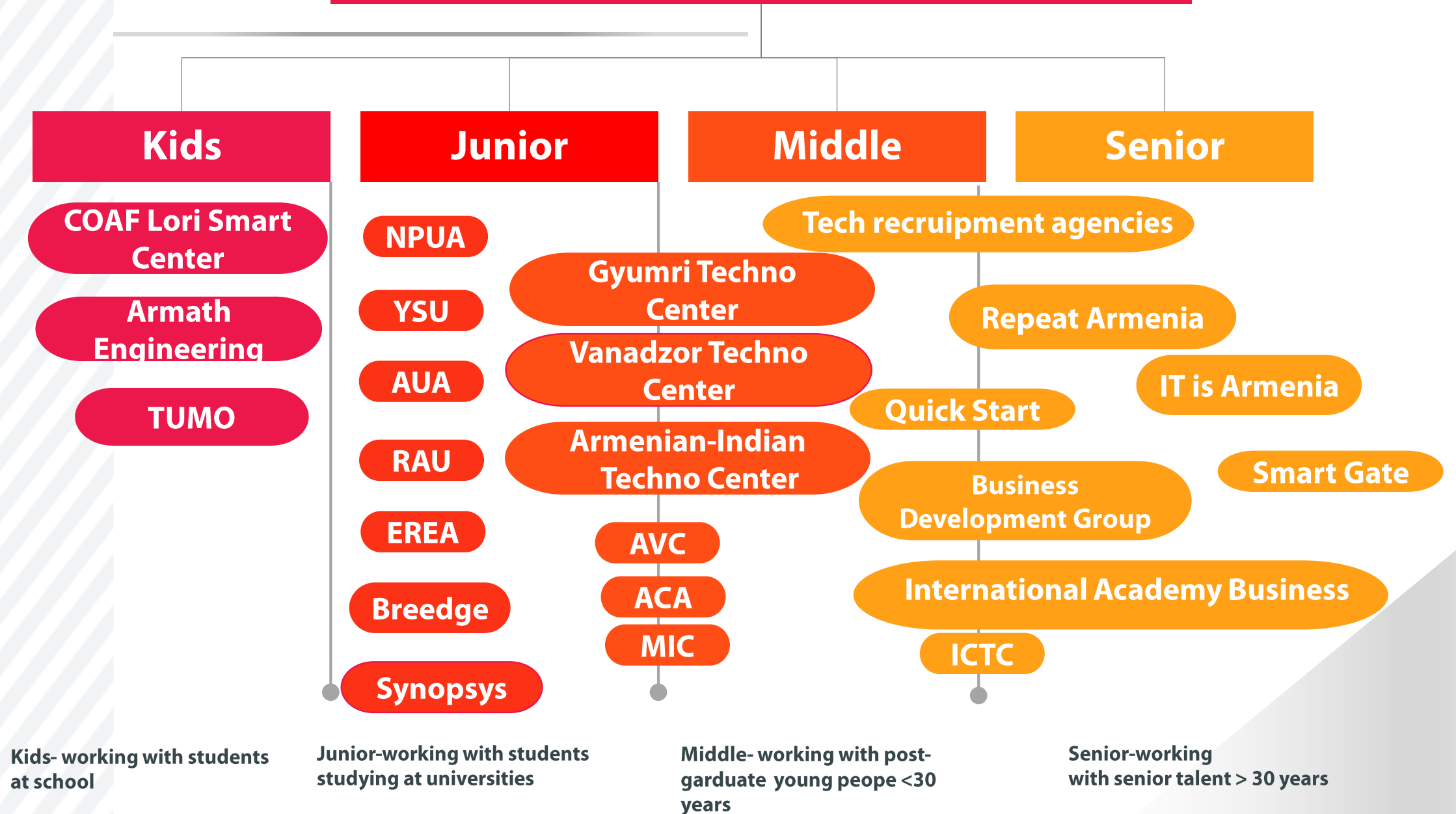
### **5-year state aid to accredited Data Science startups**

**10% income tax rate for IT specialist workforce vs. 28% average income tax for other sectors**

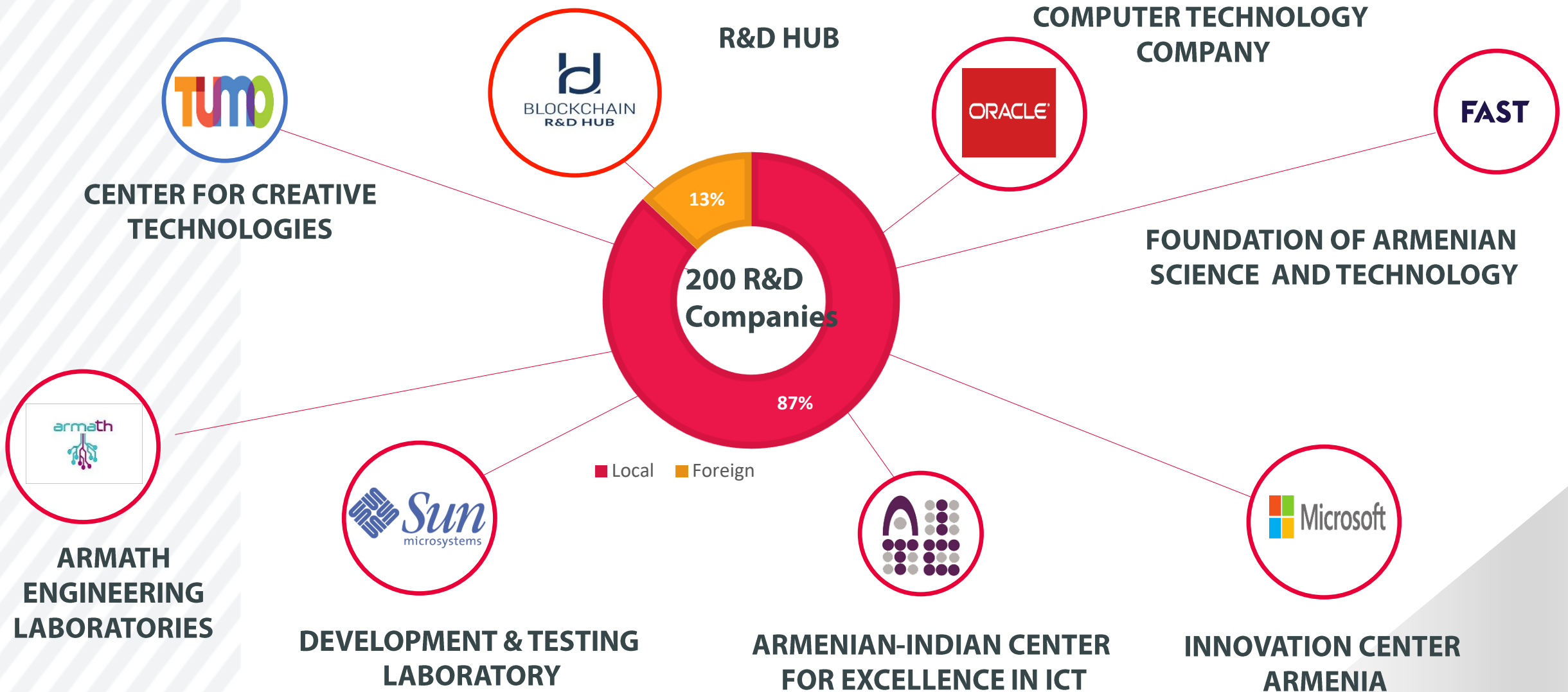
**0% on profit tax for companies with <30 employees**

**0 % VAT on exports for all businesses, if the principal market is outside Armenia**

# Labor, Education and talent



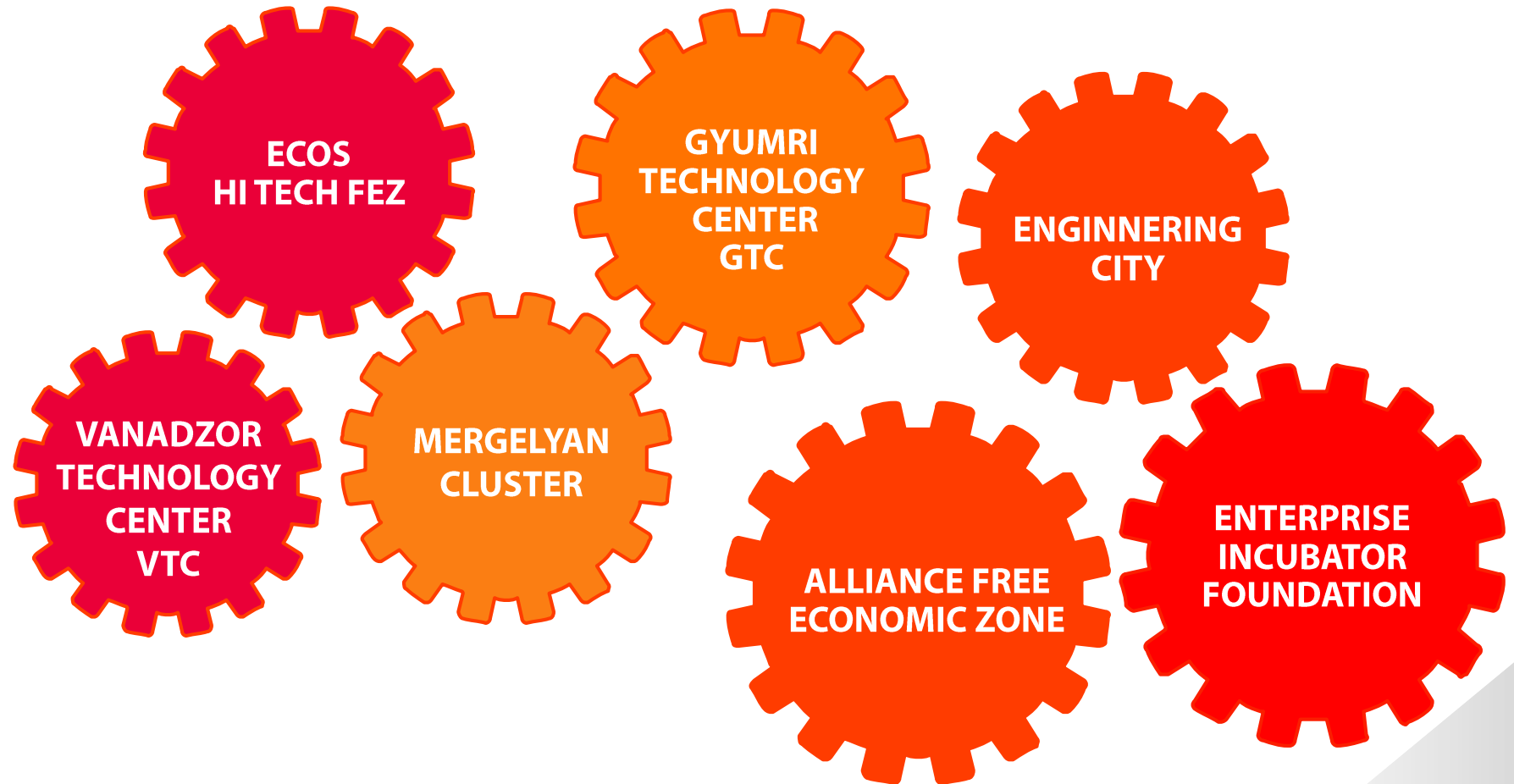
# RESEARCH & DEVELOPMENT



# TECHNOPARKS, FREEZONE, INCUBATOR

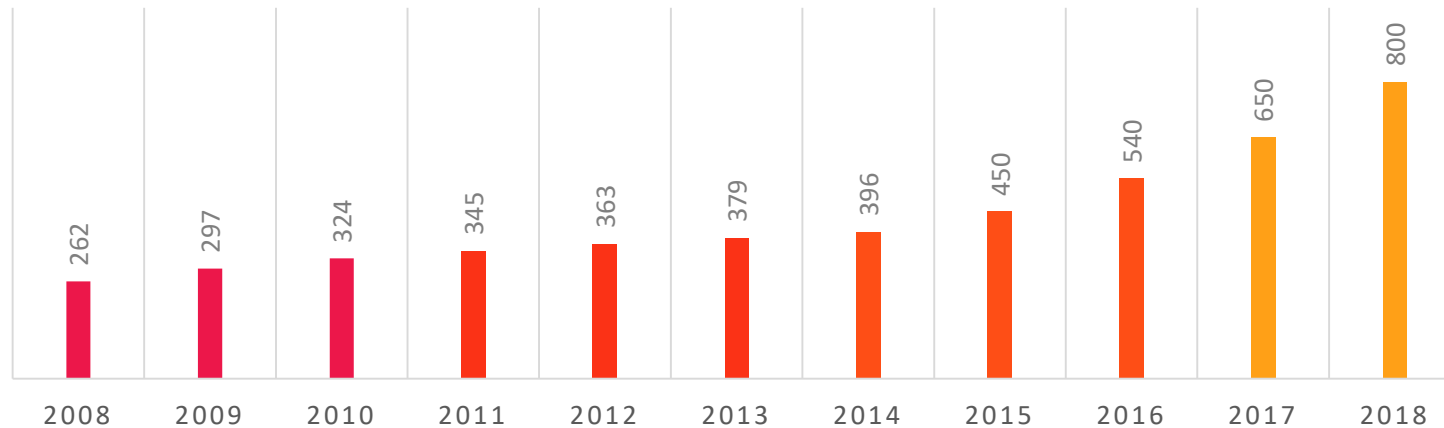


**TECH HUB &  
INVESTOR  
GOLDMINE**



# ICT COMPANIES IN ARMENIA

## TOTAL NUMBERS OF ICT COMPANIES 2008-2018



**EMERGING  
TECHNOLOGICAL  
HUB**

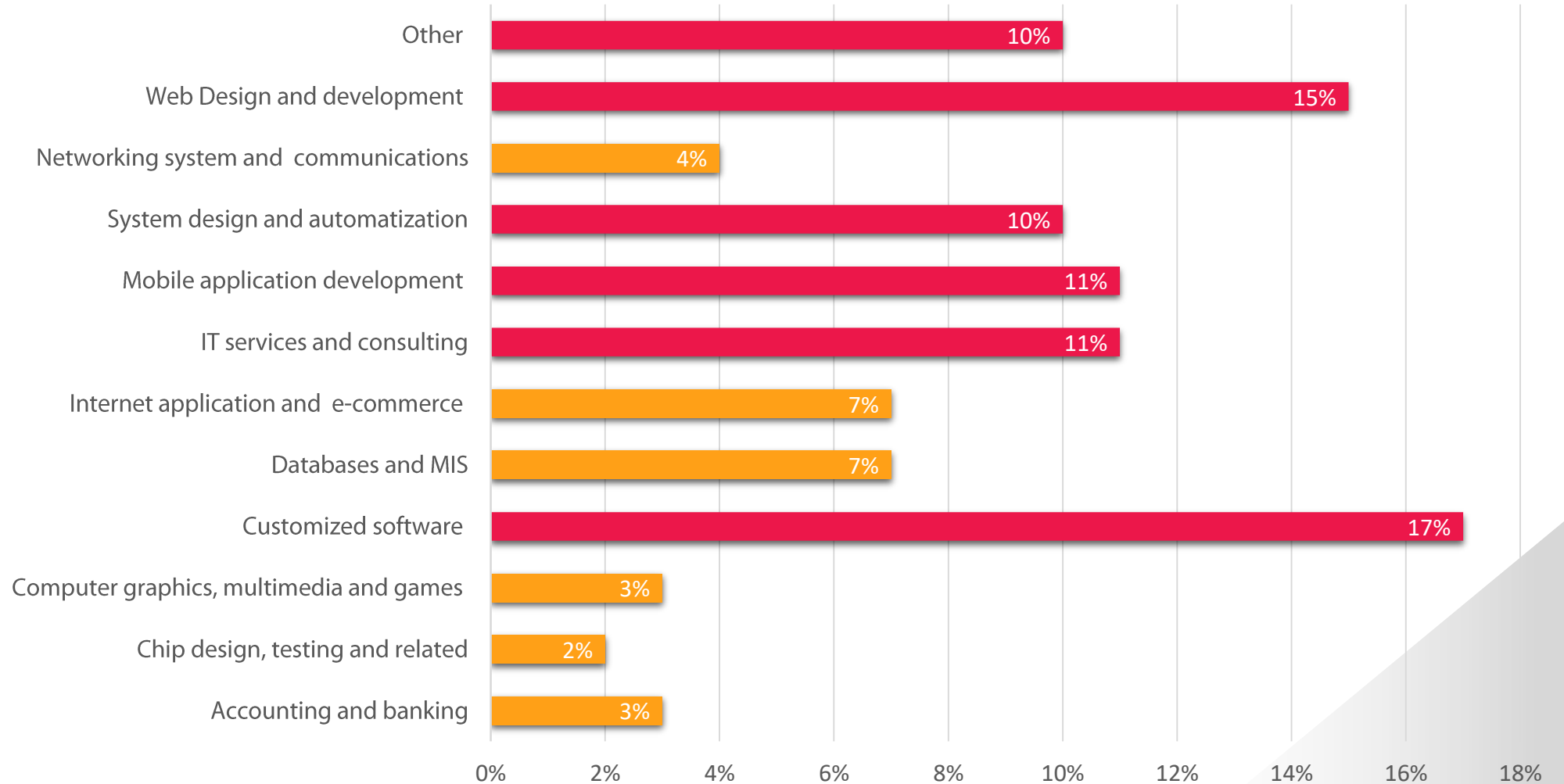


# THE MAIN SPECIALIZATION OF ICT COMPANIES



**ARMENIA HAS  
MADE  
SIGNIFICANT  
GAINS IN  
CREATION OF  
INTELLECTUAL  
PROPERTY**

## Distribution of companies by specialization



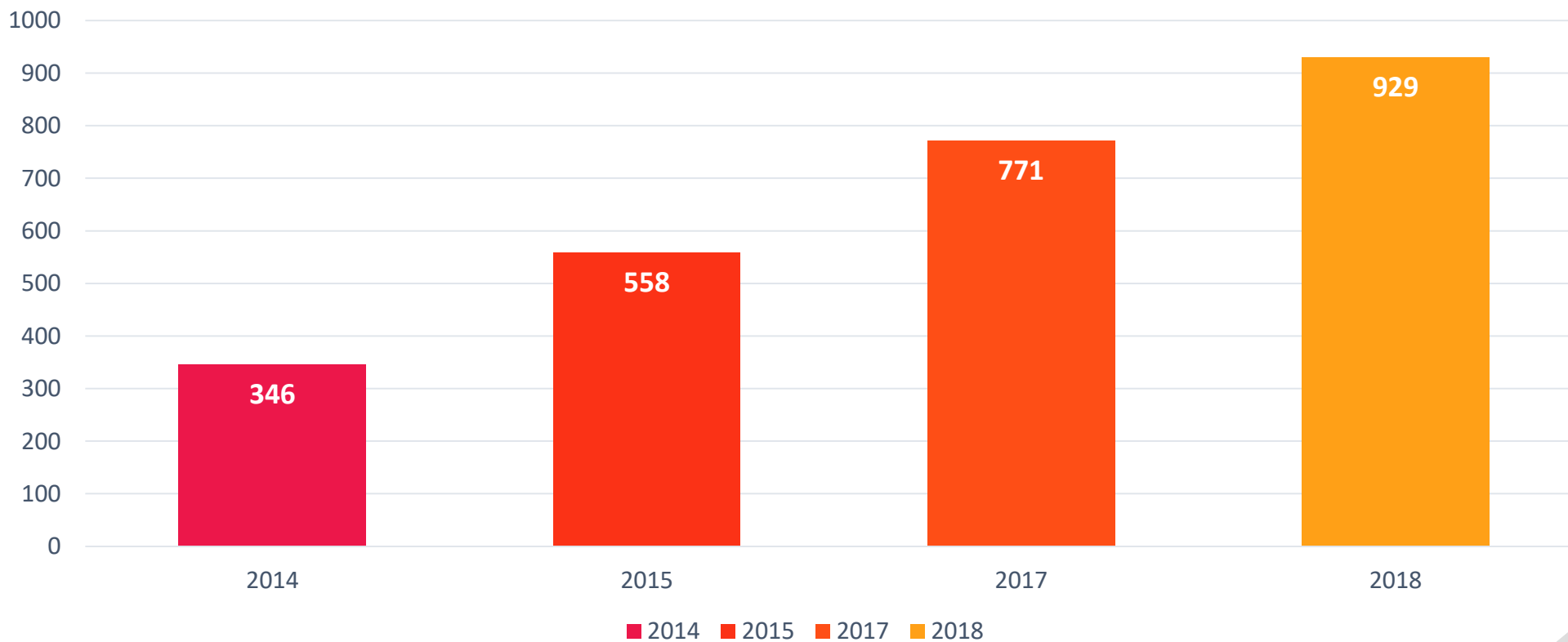


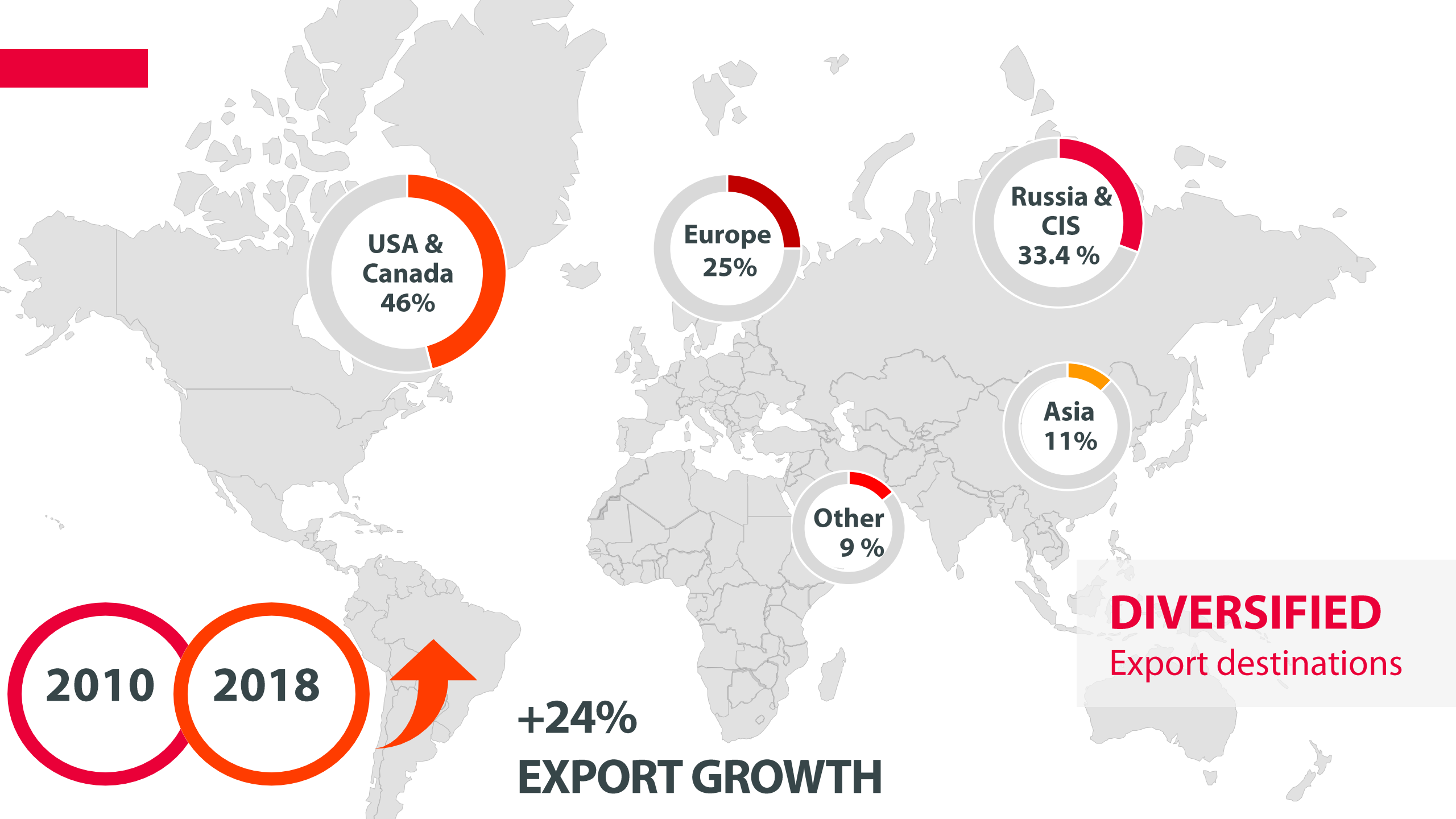
# TOTAL REVENUE OF ICT SECTOR



**Growth 2.65  
times**

## TOTAL REVENUE OF ICT SECTOR MLN \$

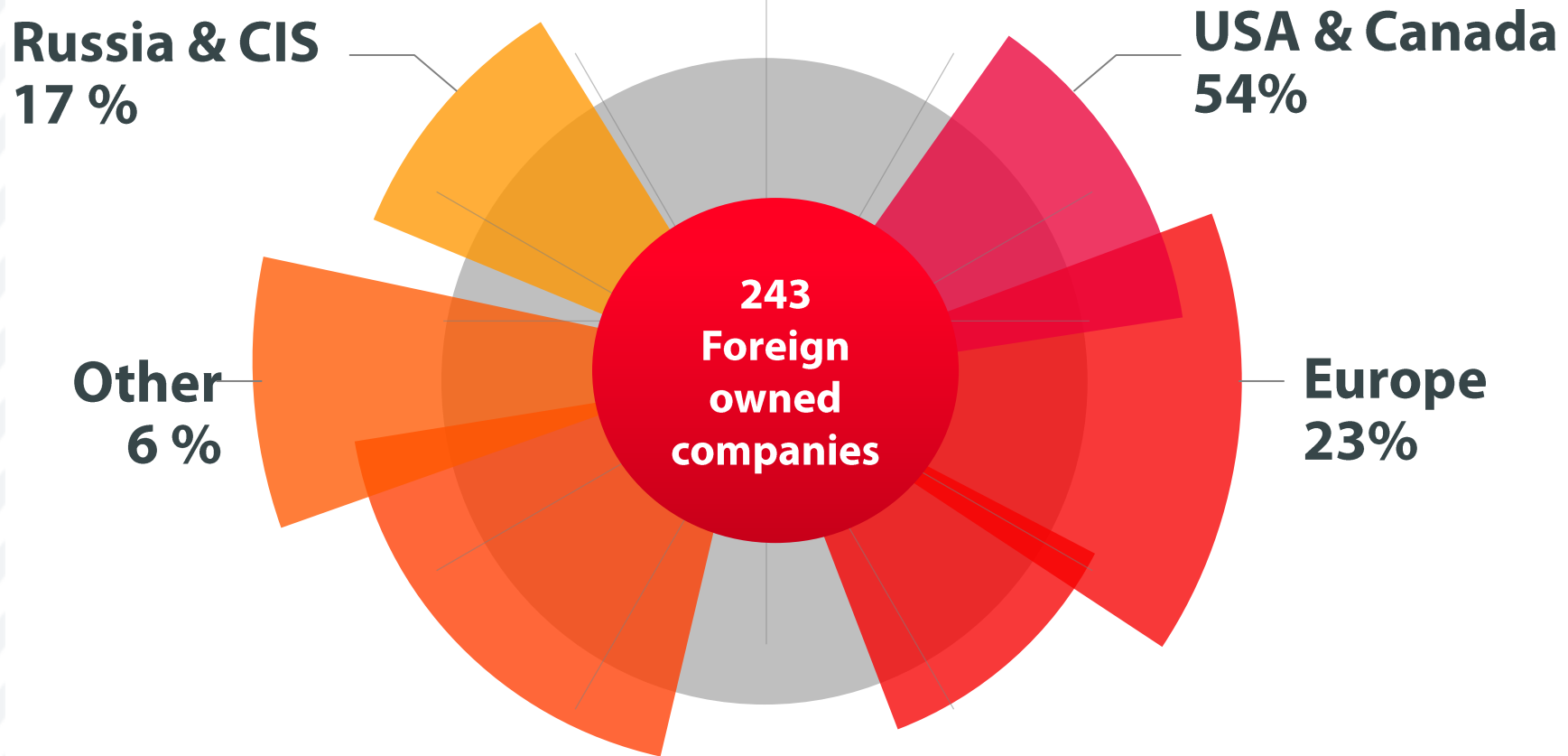




# FOREIGN OWNED COMPANIES



**SILLICON  
VALLEY OF  
THE  
CAUCASUS**



## ICT COMPANIES IN ARMENIA

**SYNOPSYS**  
Accelerating Innovation

**NATIONAL  
INSTRUMENTS**

**Mentor  
Graphics**

**CISCO**

**IBM**

**PicsArt**

**Joomag**  
DIGITAL PUBLISHING SOLUTIONS

**vmware**

**ORACLE**

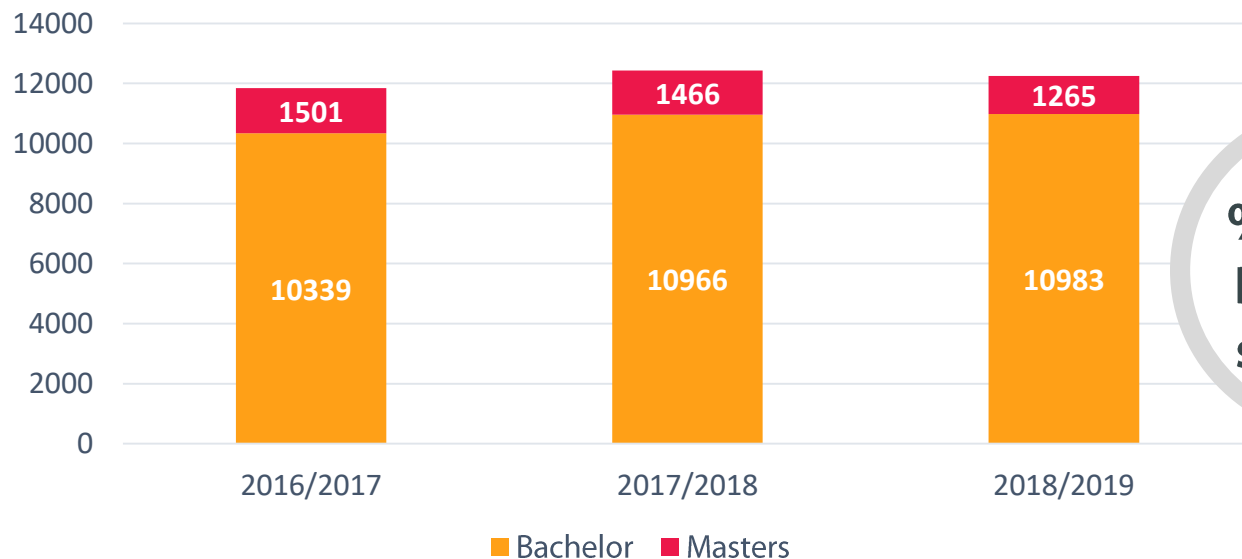
**Microsoft**

**krisp**

# STEM EDUCATION IN ARMENIA



**STEM Students number in 2016-2018**



**% of Total Bachelor students**

**12.4 %- 2017**

**13.7 %- 2018**

**15.5% -2019**

**The State Engineering University of Armenia**

**Yerevan State University**

**American University of Armenia**

**Armenian-Russian (Slavonic) University**

**National University of Architecture and Construction of Armenia**

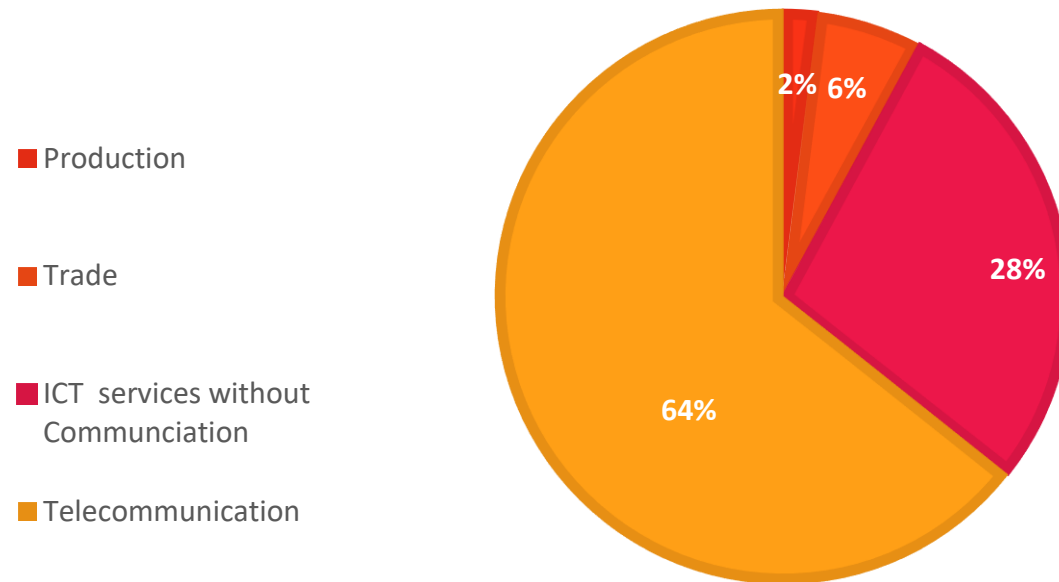
**French Higher Institute of Engineering in Armenia**

# WORKFORCE DISTRIBUTION



**HIGHLY  
PRODUCTIVE  
LOW-COST  
LABOR**

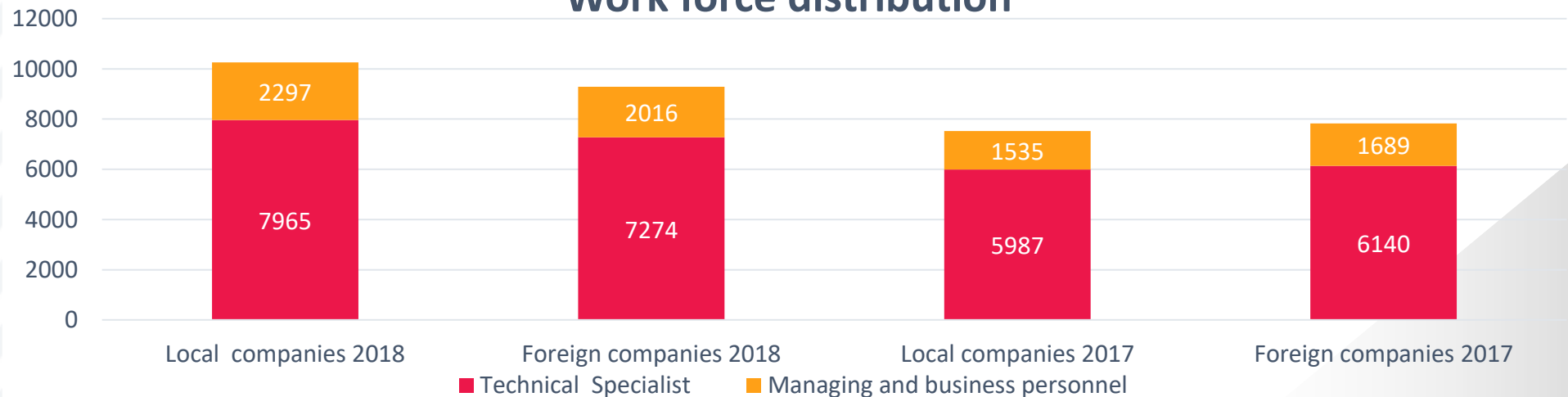
Distribution of employees by sub-sectors



**20.000  
Employees**

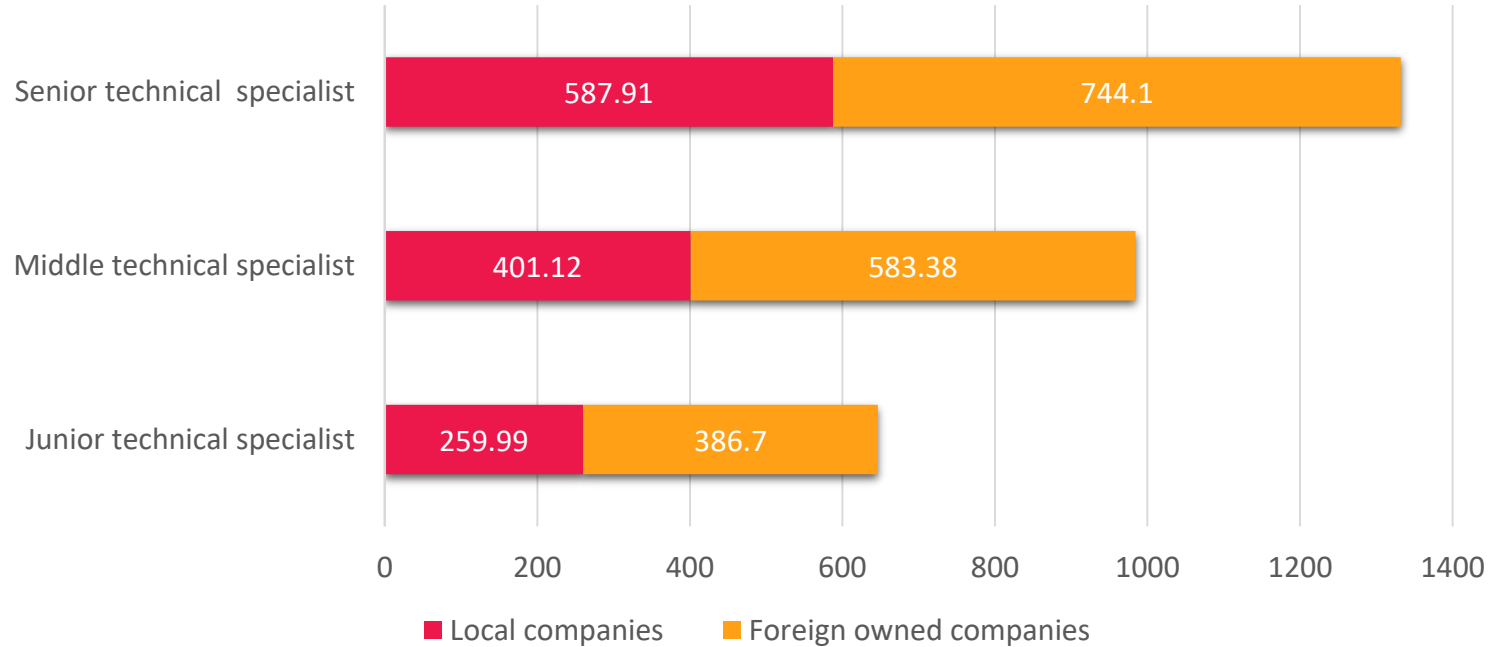
**+4200 ICT JOB**

Work force distribution



# LABOR COST

Average salary at Armenian ICT companies USD



**50,700\$**  
annual  
productivity  
of the  
technical  
specialist

**43 % ICT workforce  
hold bachelor's  
degree**

**11% of workforce  
are students**

**41 % hold masters  
or higher degree**

**Technical employees' salaries are correlates with work experience as  
opposed**

# WHY ARMENIA

## FDI LEGISLATION

### OWNERSHIP



100% ownership of resident legal entities is permitted for foreigners

### EQUAL TREATMENT



Legal regime no less favorable than the one for nationals, unless a more favorable regime is provided by a respective treaty

### NO RESTRICTIONS



Unrestricted access to almost any sector and geographic location within country

### LAND OWNERSHIP



Companies registered by a foreigner in Armenia have the right to buy land. Foreign citizens can have long-term lease contracts

- ✓ Free exchange of foreign currencies
- ✓ No restrictions on staff recruitment

- ✓ No restrictions on remittances
- ✓ Free repatriation of profit

# COUNTRY RATING

## DOING BUSINESS INDEX 2020

Among 190 countries

47



WORLD BANK GROUP

## OECD FDI REGULATORY RESTRICTIVENESS INDEX 2019

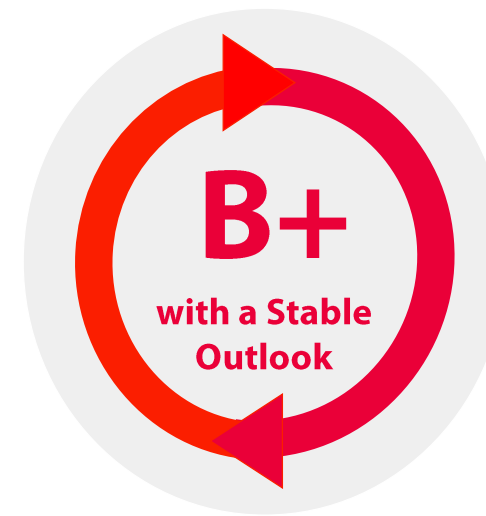
Among 70 countries

10

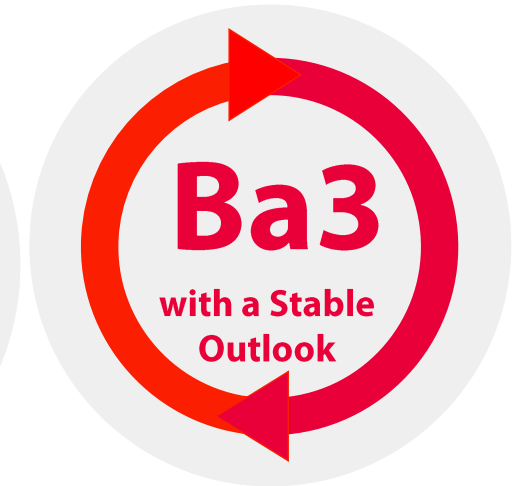
Including all OECD  
countries and G20



OECD



FitchRatings



MOODY'S

## ECONOMIC FREEDOM INDEX 2020

Among 186 countries

34

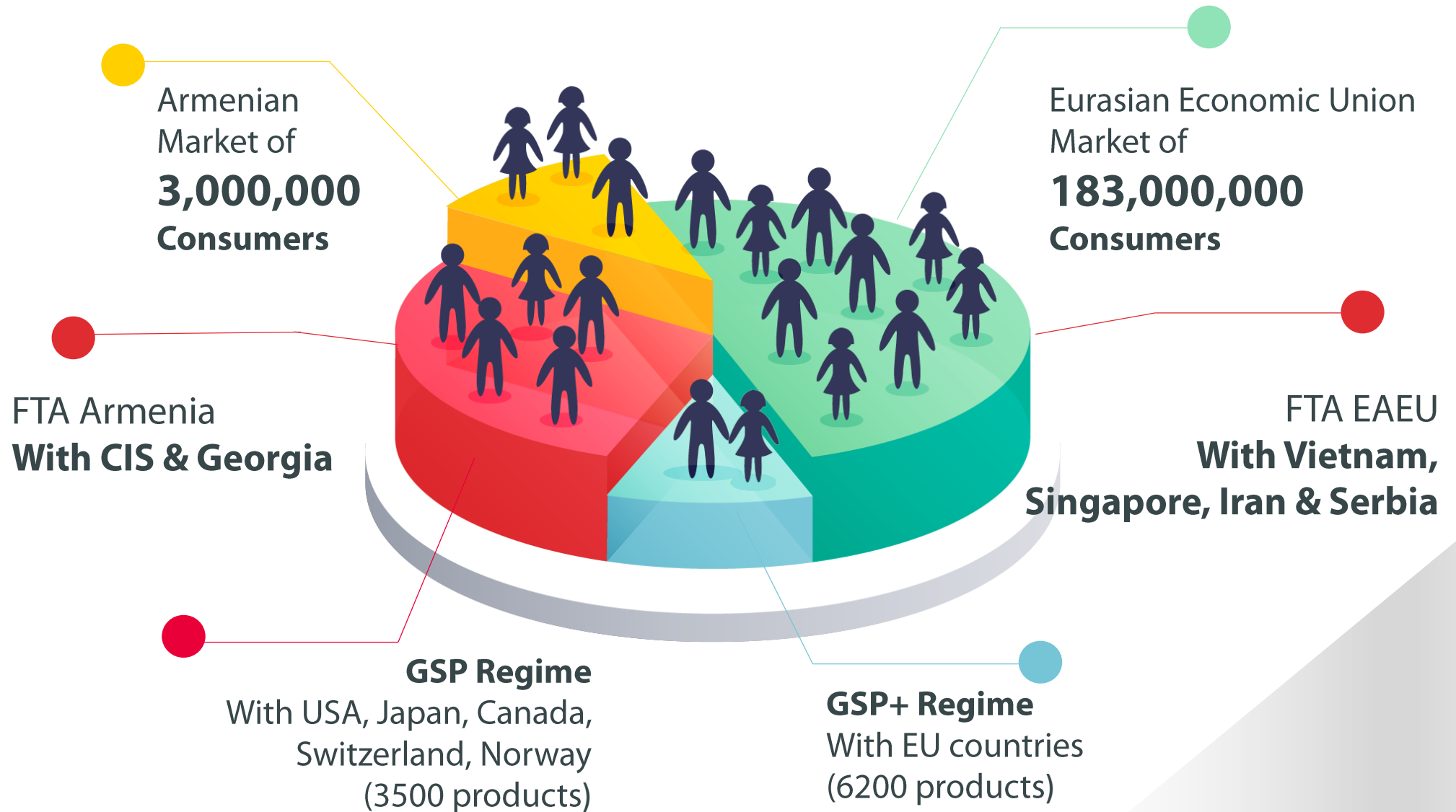
The  
Heritage Foundation



# MARKET & TRADE



**GATEWAY TO  
MAJOR MARKETS**



# CONTACT US

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5a, Mher Mkrtchyan St.  
0010 Yerevan, Armenia



[onewindow@isc.am](mailto:onewindow@isc.am)  
[www.enterprisearmenia.am](http://www.enterprisearmenia.am)

