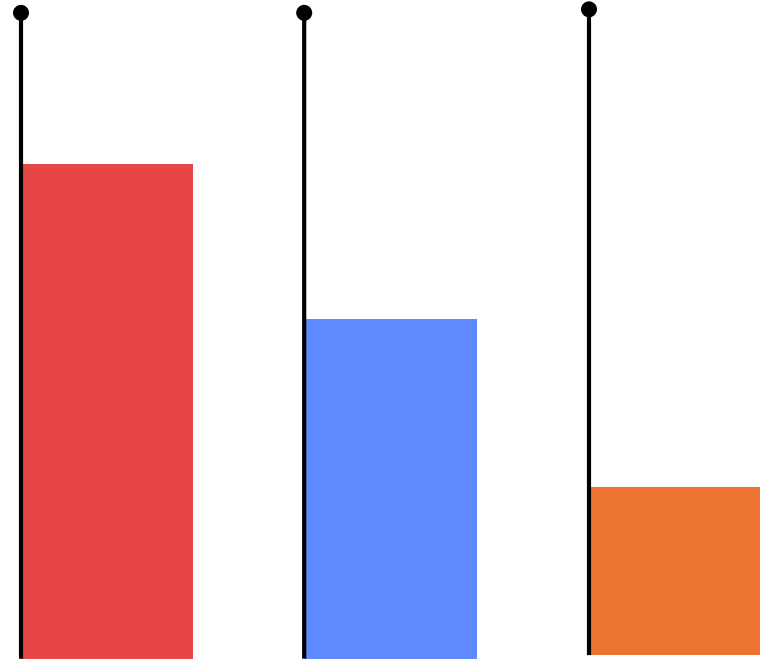


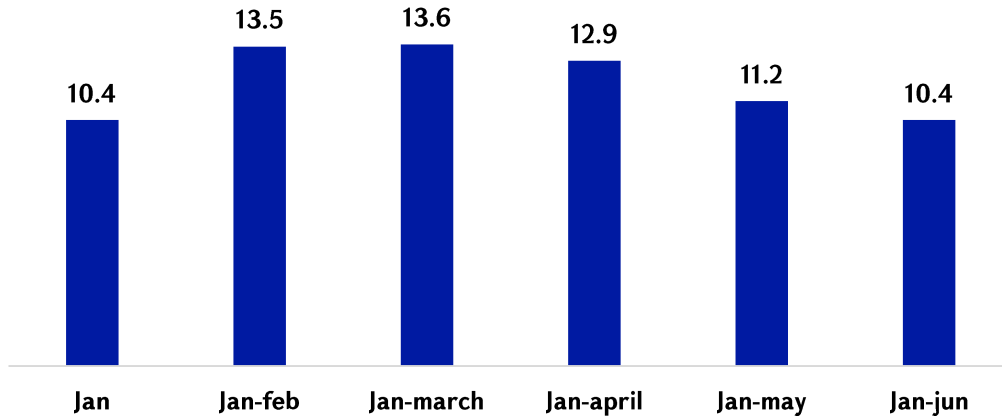
# Armenia: Economic Outlook

*January – June 2024*

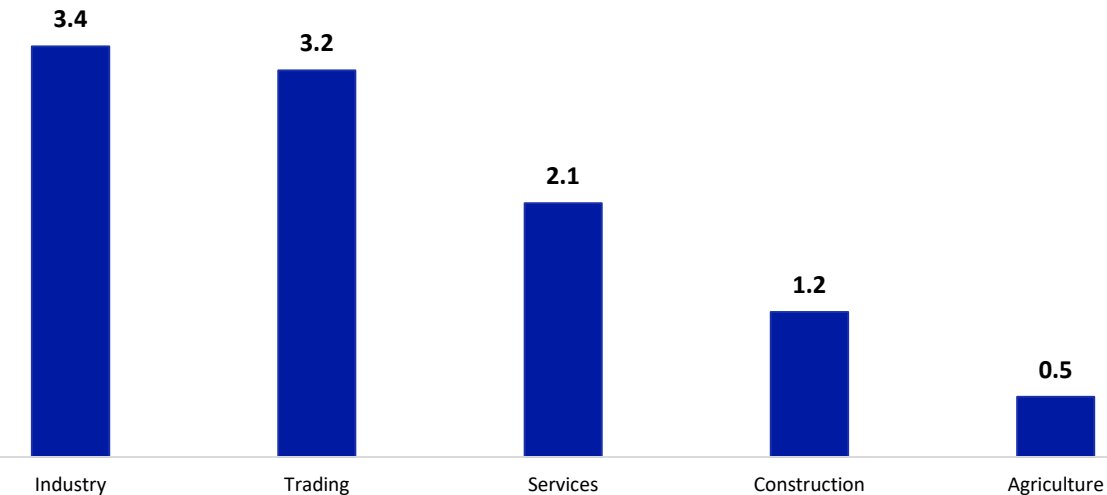


# Key Economic Indicators

**Figure 1. Indicator of economic activity  
January-June 2024, cumulative**



**Figure 2. The contribution of sectors to the growth of the indicator of economic activity, percentage point**



**Industry:** Industrial production saw a robust growth of 18.2% in January-June 2024 compared to the same period last year. This expansion was primarily driven by the manufacturing sector, which recorded an impressive 27.7% increase. Conversely, the mining industry exerted a downward pressure on overall industrial growth, contracting by 9.2%.

**Trade:** The domestic trade sector experienced a substantial increase of 22.9% in volume during the first half of 2024, year-on-year. However, the motor trade segment faced a decline, with a reduction of 8.7%.

**Agriculture:** The agriculture, forestry, and fisheries sector expanded by 4.3%, with agriculture alone growing by 4.0%. Notably, the following sub-sectors contributed positively to this growth: crop production (up 10.6%), animal husbandry (up 0.1%), forestry (up 7.1%), and fishing (up 7.2%).

**Construction:** The construction sector posted a 15.7% increase in work volume during January-June 2024 compared to the same period last year. The primary financial drivers of this growth were household investments, which surged by 58.2%, and state budget allocations, which increased by 58.8%.

**Services:** The services sector recorded a modest growth of 4.4% in the first half of 2024, compared to the same period in the previous year. While most sectors saw gains, the transport sector declined by 16.8%, and information and communications decreased by 8.3%. Positive growth was observed in accommodation and catering (up 8.2%), financial and insurance activities (up 19.0%), and culture, entertainment, and recreation (up 4.6%).

# Tourism

Figure 3. The number of international tourist arrivals, thousand

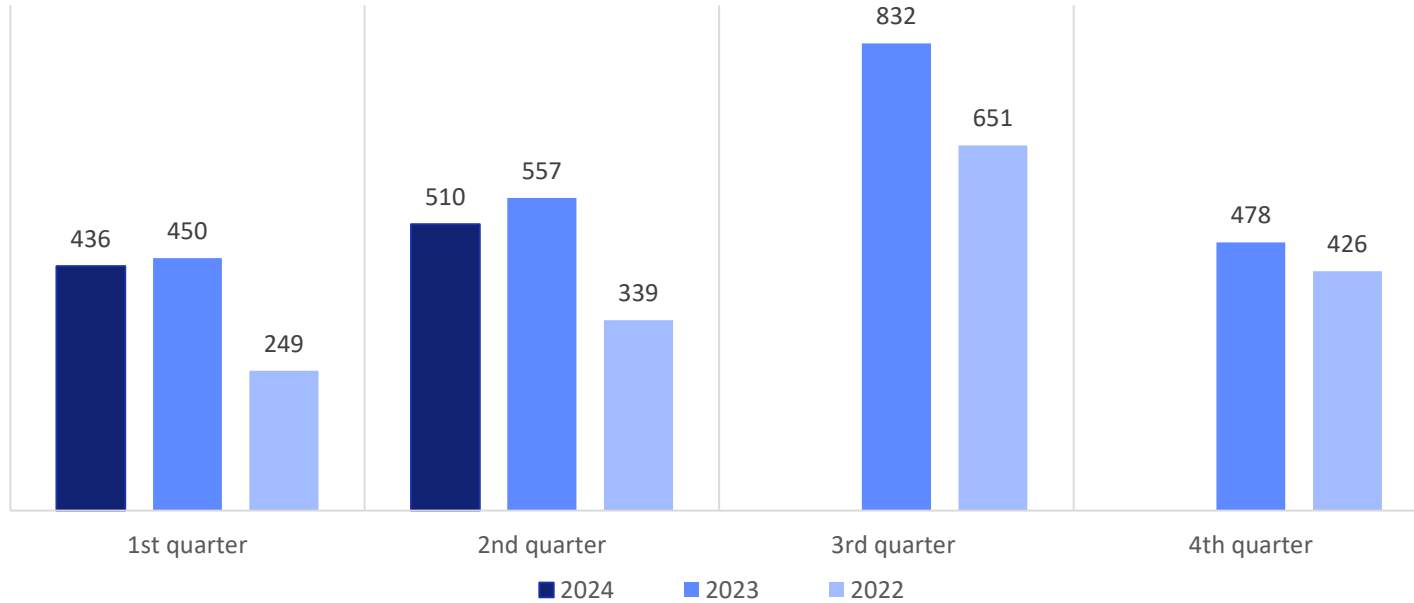
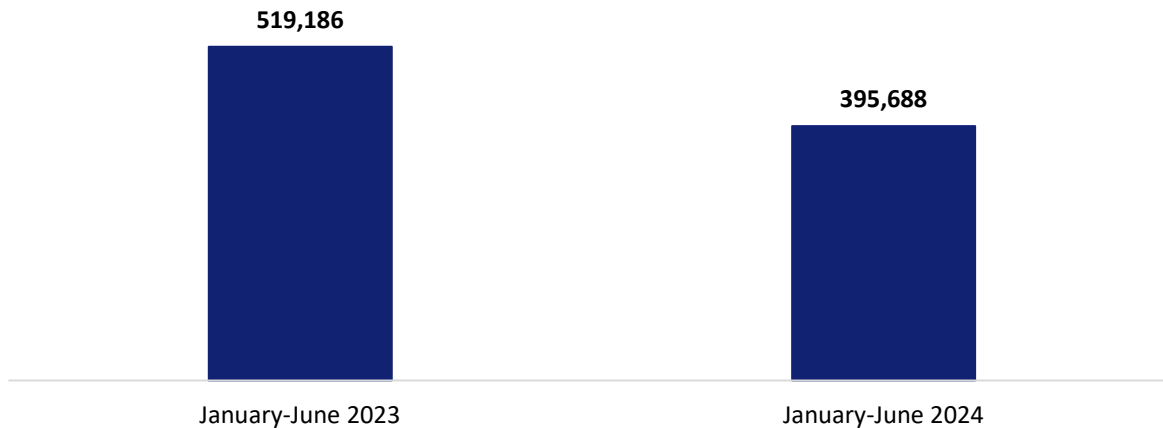


Figure 4. Number of tourists from Russia



## Tourism dynamics (1st half of 2023-2024):

In January-June 2024, the number of tourists totaled 946,162, marking a decrease of 6.1% compared to the same period last year.

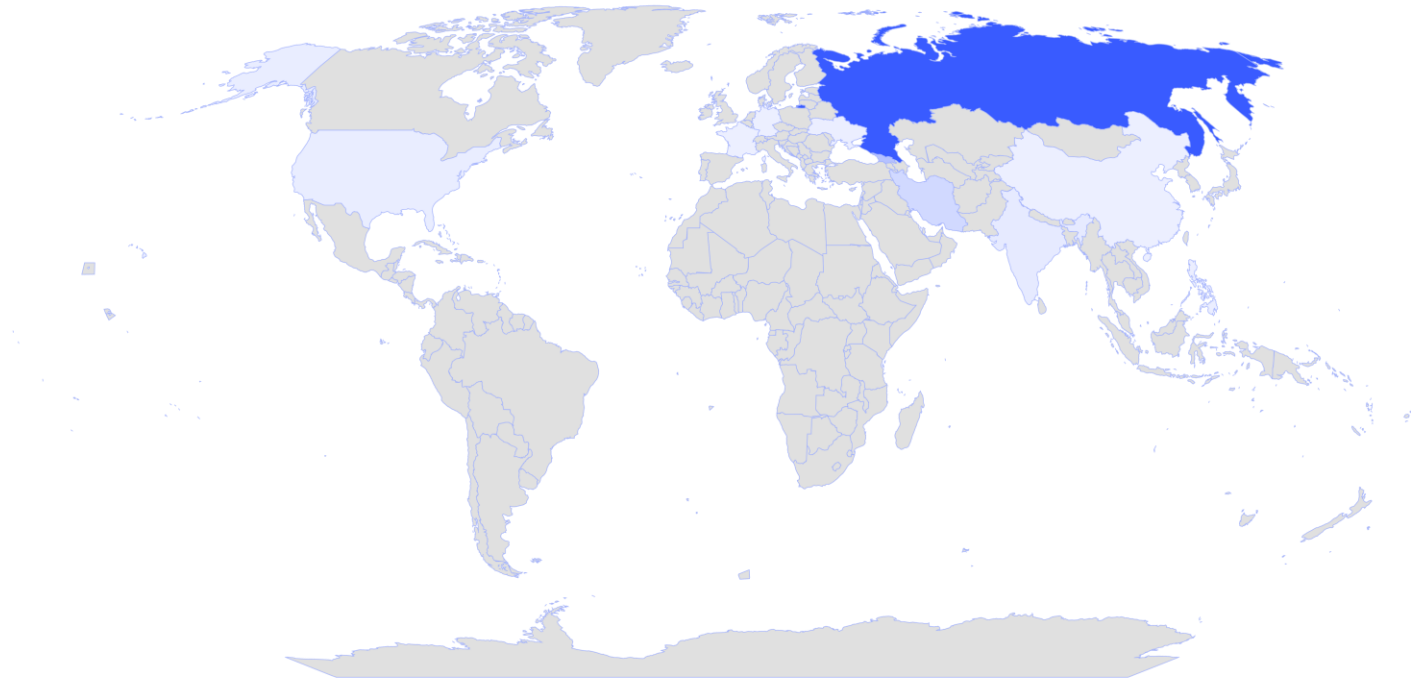
During the first half of 2024, tourists from Russia comprised 41.8% of the total entries, down from 51.5% in the same period of 2023.

The overall decline in tourist arrivals is largely attributable to the reduction in visitors from Russia, who represent the largest segment of the market.

# Tourism

## Country of origin

January - June 2024



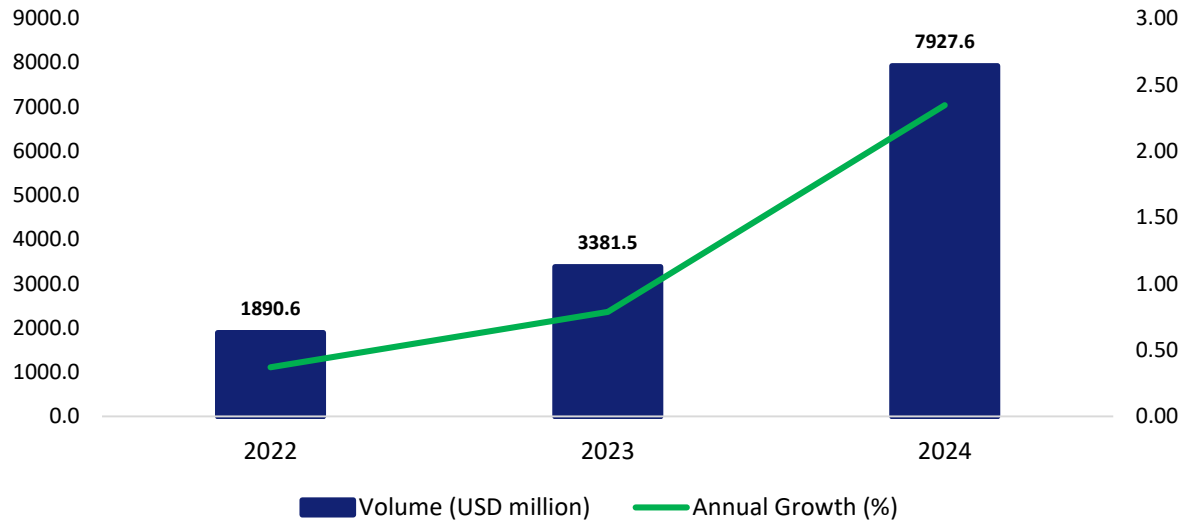
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Tourists  
11,032 395,688

Country	Number of Tourists	Increase/Decrease
Russia	395,688	-23.8%
Georgia	126,927	10.2%
Iran	69,252	18.3%
India	24,949	2.1 times
USA	17,042	3.3%
Philippines	13,183	49.4%
Ukraine	12,663	4.4%
China	11,473	2.1 times
Germany	11,082	11.1%
France	11,032	18.9%

# International trade – Export

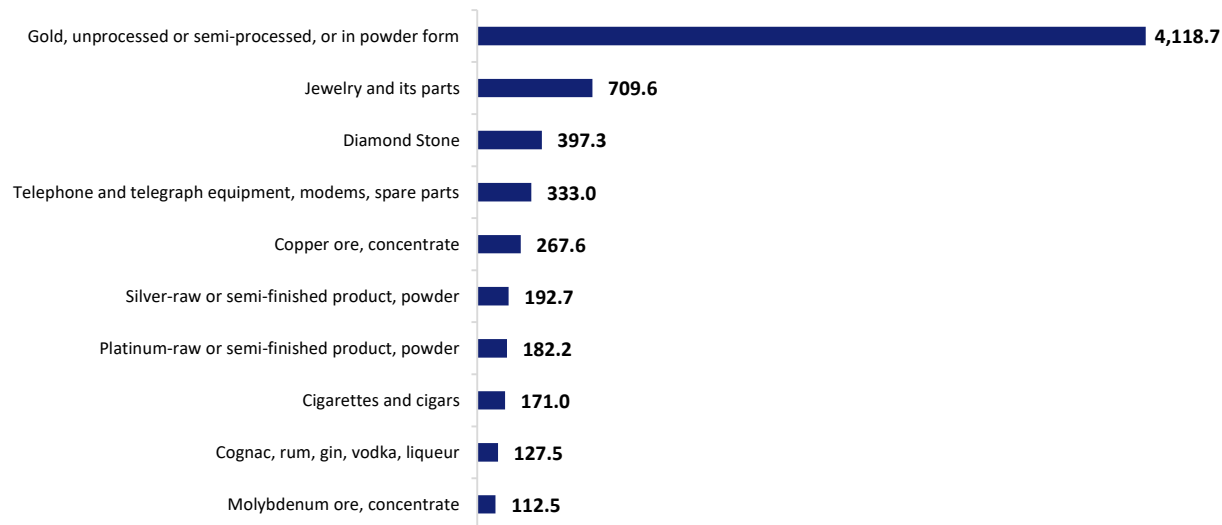
Figure 5. Export of goods  
January-June



Exports in January-June 2024 reached 7,927.6 million US dollars, reflecting an increase of 4,546.0 million US dollars, or a 2.3-fold rise compared to the same period last year. The primary goods comprising Armenia's exports during this period, along with their growth rates compared to the previous year, are as follows:

- Gold, unprocessed or semi-processed, or in powder form:** 4,118.7 million US dollars (a remarkable increase of 14.7 times)
- Jewelry and parts:** 709.6 million US dollars (a significant increase of 18.4 times)
- Diamond stones:** 397.3 million US dollars (an increase of 55.7%)
- Telephone and telegraph equipment:** 333.0 million US dollars (an increase of 55.5%)
- Copper ore, concentrate:** 267.6 million US dollars (an increase of 17.1%)

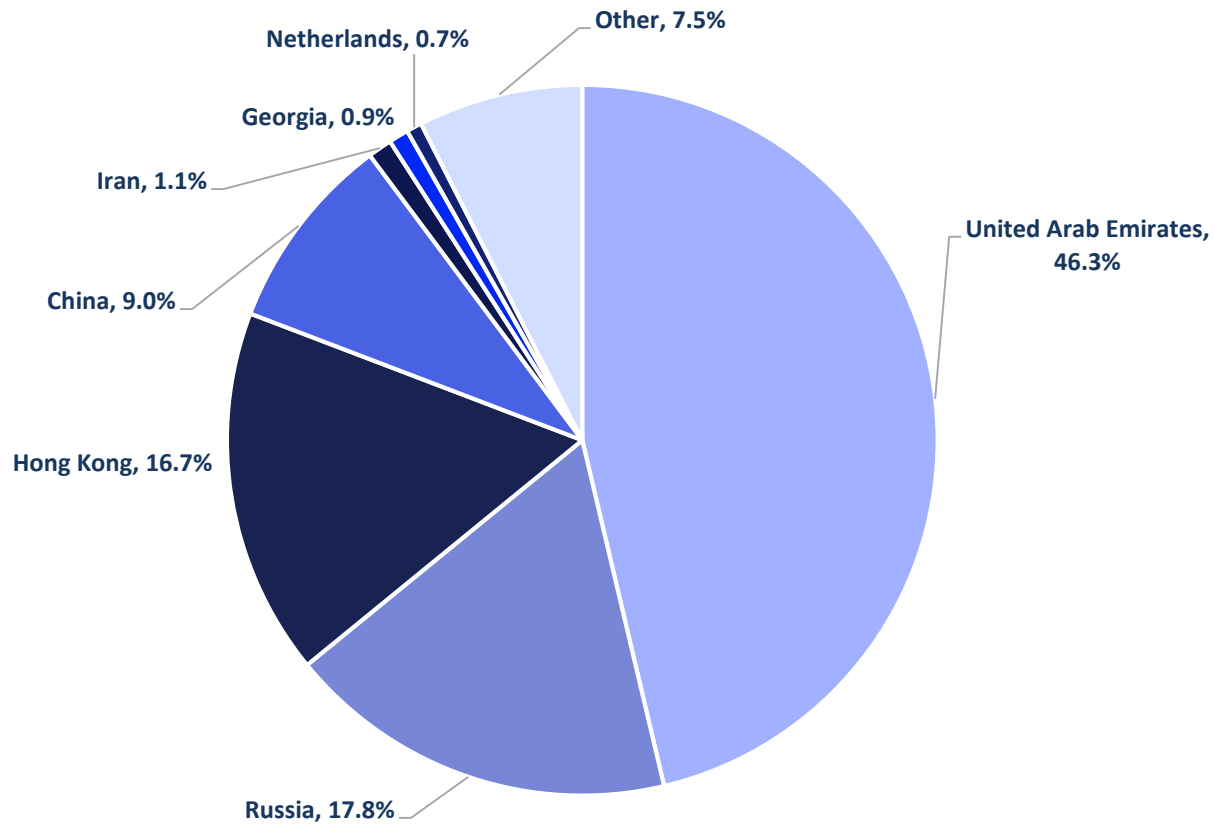
Figure 6. Exports by goods – Top 10  
January-June 2024, million US dollars



In the first half of 2024, these five product categories collectively accounted for 73.5% of total exports, with unprocessed or semi-processed gold alone constituting 52.0% of the total export volume.

# International trade - Export

Figure 7. Export volumes by country  
January-June 2024, share, %



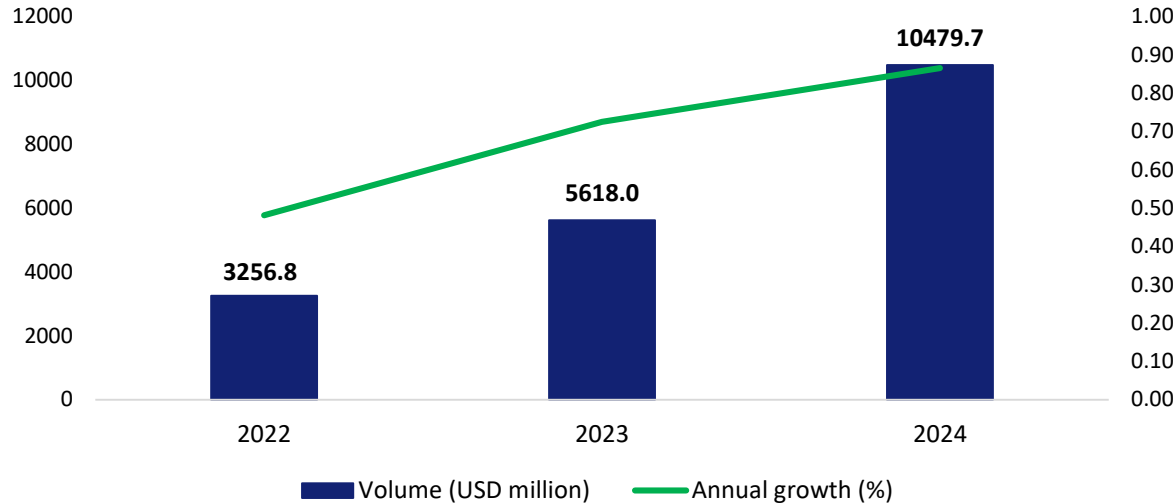
The main export trade partners in January-June 2024 were:

- United Arab Emirates:** Exports reached 3,666.6 million US dollars, reflecting an increase of 7.8 times.
- Russia:** Exports totaled 1,408.3 million US dollars, a decrease of 21.1%.
- Hong Kong:** Exports amounted to 1,322.6 million US dollars, marking a remarkable increase of 17.7 times.
- China:** Exports were valued at 714.3 million US dollars, an increase of 3.4 times.

Collectively, these four countries represent 89.7% of Armenia's export trading partners.

# International Trade – Import

**Figure 8. Import of goods  
January-June 2024**

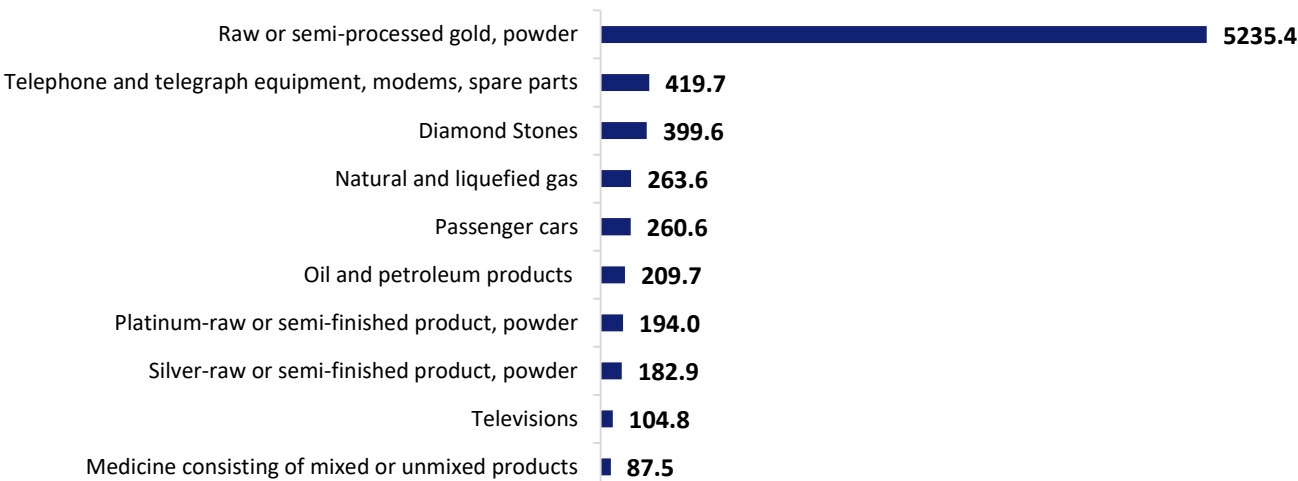


**Imports in January-June 2024 amounted to 10,479.7 million US dollars, an increase of 4,861.7 million US dollars or 86.5% compared to the same period last year.**

The main goods imported to Armenia in January-June 2024 (data is given relative to the same period):

- Gold, unprocessed or semi-processed, or in powder form: 5,235.4 million US dollars (an increase of 21.3 times)
- Telephone and telegraphic equipment: 419.7 million US dollars (an increase of 26.8%)
- Diamonds: 399.6 million US dollars (an increase of 56.0%)
- Natural and liquefied natural gas: USD 263.6 million (decrease by -2.1%)
- Passenger cars: USD 260.6 million (decrease by 2.9 times)
- Oil and petroleum products: USD 209.7 million (decrease of -8.0%)

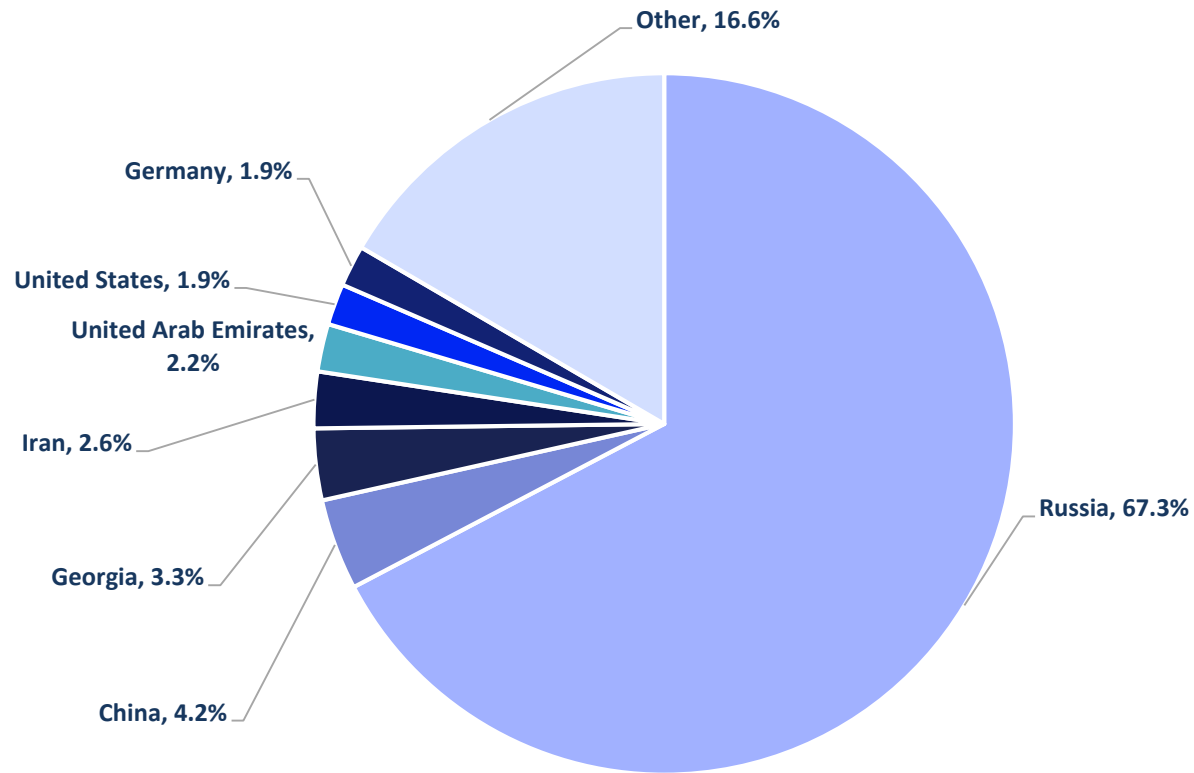
**Figure 9. Imports by goods – top 10  
January-June 2024, USD million**



In the first half of 2024, the above six goods together accounted for 64.8% of total imports, with raw gold or semi-finished products accounting for 50.0% of total imports..

# International Trade – Import

Figure 10. Import volumes by country  
January-June 2024, share, %



The main importing trading partners in January-June 2024 are:

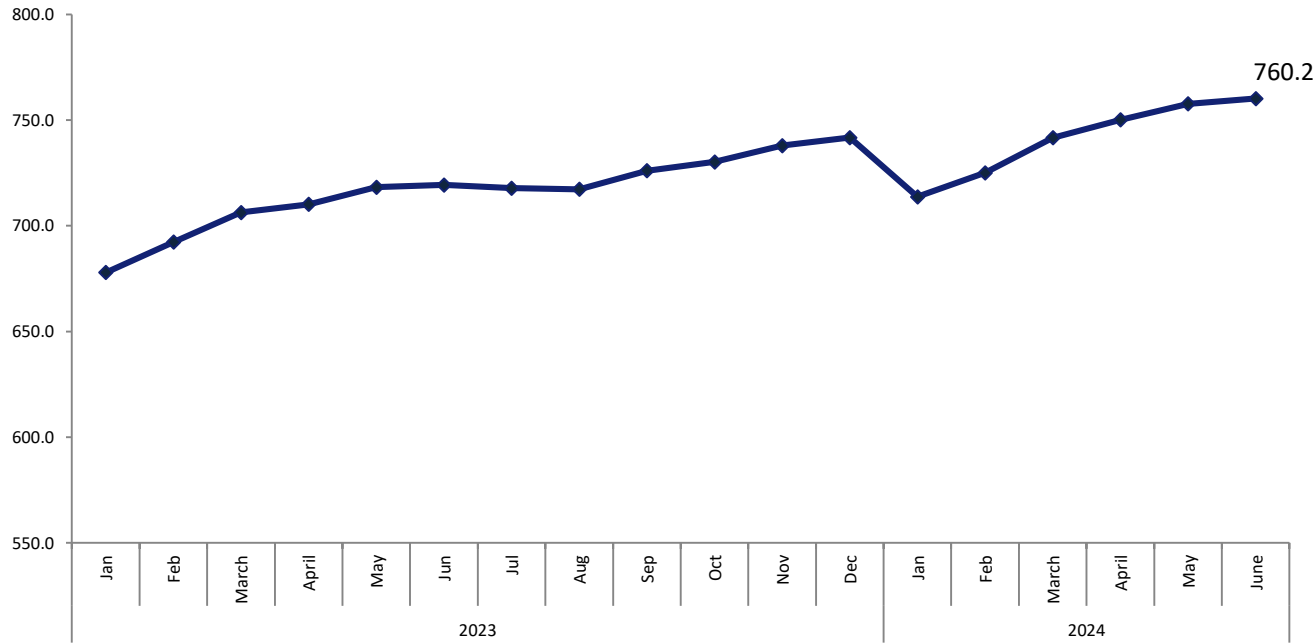
- Russia: 7,047.7 million US dollars, an increase of 4.7 times.
- China: 442.8 million US dollars, down by -1.0%.
- Georgia: USD 345.7 million, down by -31.4%.
- Iran: USD 273.2 million, down by -7.1%.

Together, the above 4 countries account for 77.4% of Armenia's import trading partners.



# Labor market: Formal Employment

Figure 11. Formal employment, thousand



The number of formally employed at the end of June 2024 reached 760.2 thousand people, an increase of 34.3 thousand compared to June 2023, or 4.7%.

The leading employment sectors at the end of June 2024 are:

- Wholesale and retail trade: 129.4 thousand employees.
- Education: 121.9 thousand employees.
- Manufacturing industry: 89.8 thousand employees.
- Public health and social services: 52.1 thousand employees.
- Information and communication: 44.9 thousand employees.
- Organization of accommodation and catering: 41.2 thousand employees.

Compared to June 2023, employment growth was recorded in almost all sectors of employment.

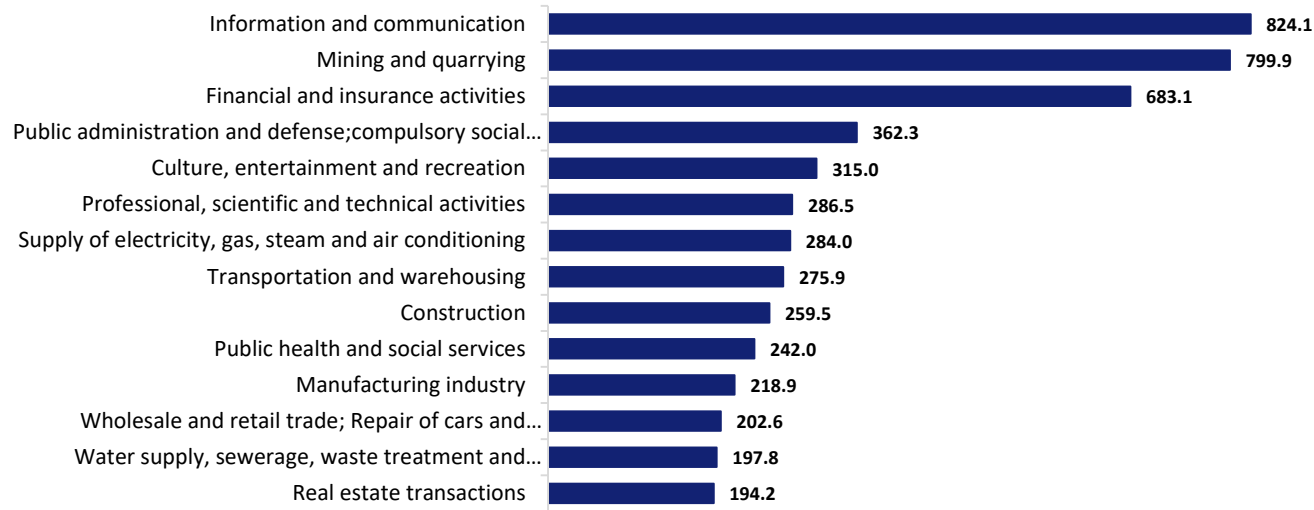
Figure 12. Formal employment (leading industries)  
June 2024, share, %



- Wholesale and retail trade; Repair of cars and motorcycles
- Education
- Manufacturing industry
- Public health and social services
- Information and communication
- Organization of accommodation and catering

# Labor market: Salaries

**Figure 13. Average salary by economic sector  
June 2024, thousand AMD**



The average monthly salary in June 2024 amounted to 275,654 drams, an increase of 3.0% compared to the same period last year, in particular, in the public sector, the average salary in June 2024 amounted to 215,521 drams (+5.7%), in the private sector – 299,395 drams (+2.1%).

Top 3 highest-paid industries in June 2024:

- Information and communication: 824,100 AMD
- Mining and quarrying: AMD 799,925
- Financial and insurance activities: 683,061 AMD

**Figure 14. Salary changes by economic sectors  
June 2024, %**

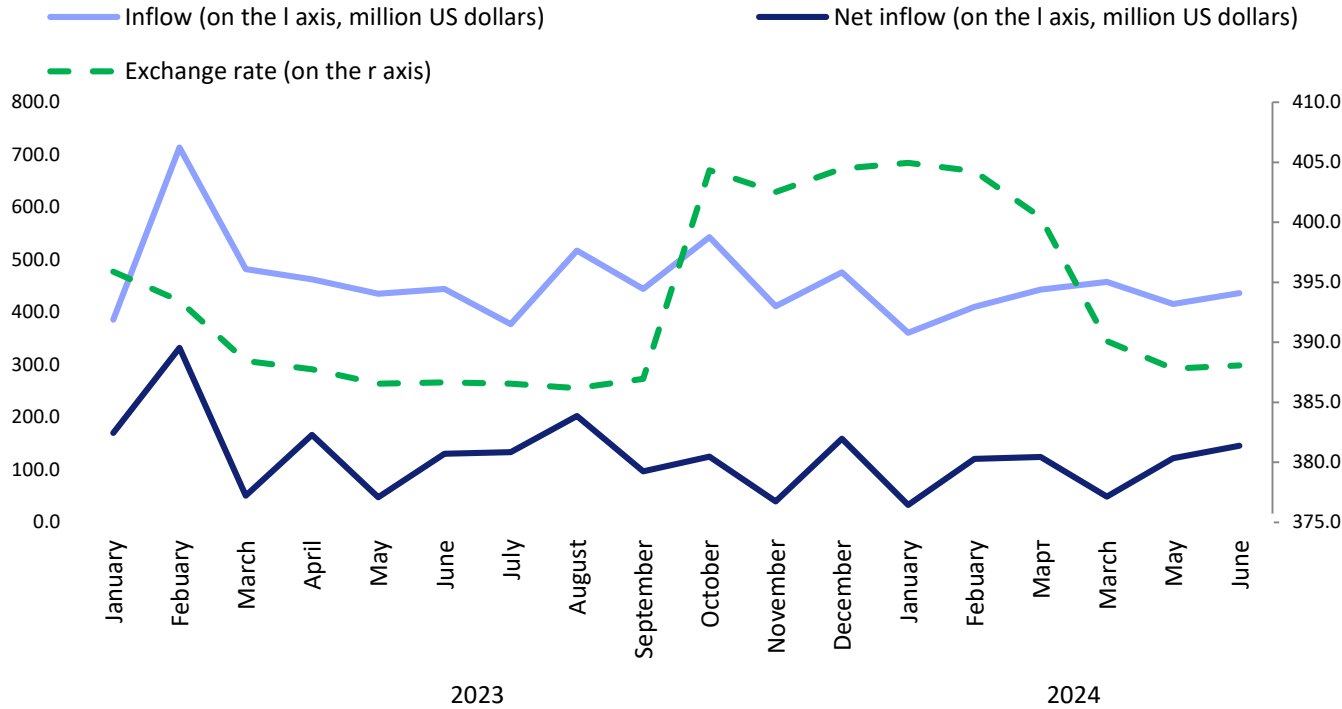


Compared to June 2023, an increase in average wages was recorded in all sectors of employment, with the exception of Mining and crater development public administration and defense. The highest growth was recorded in the following sectors:

- Agriculture, forestry and fishing: +15.3%.
- Financial and insurance activities: +12.8%.
- Electricity, gas, steam and air conditioning supply: +10.7%.

# Inflow of money transfers and exchange rate

Figure 15. Inflow of money transfers and exchange rate



The total inflow of money transfers in January-June 2024 reached 2,524.9 million US dollars, a decrease of -13.7% compared to the same period last year.

The net inflow of money transfers in January-June 2024 amounted to 595.4 million US dollars, a decrease of -33.7% compared to the same period last year.

The most money transfers were received from 2 countries, which account for 78.0% of the total inflow:

- Russia: 1,642.0 million US dollars (-23.0% compared to the same period last year).
- United States: 325.3 million US dollars (+5.3% compared to the same period last year)

Figure 16. Inflow of money transfers by country, USD

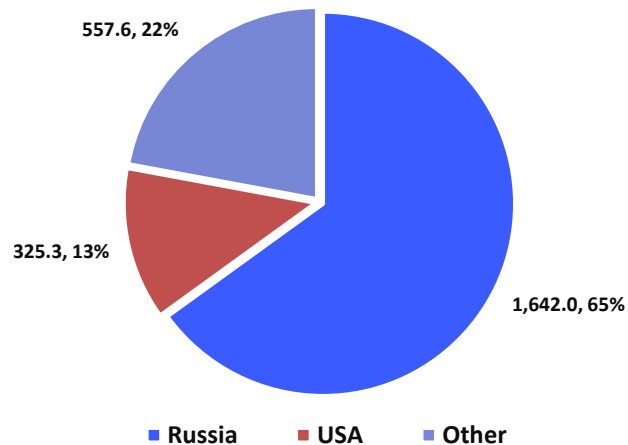
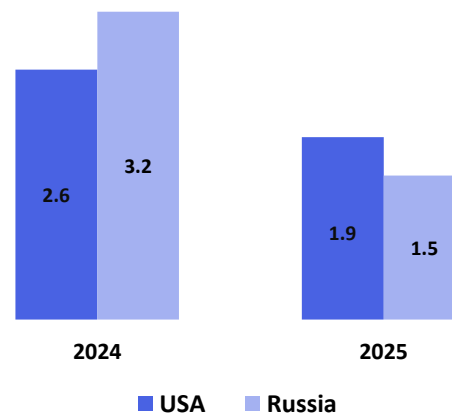


Figure 17: GDP growth forecasts %



According to the IMF's economic forecast, in 2024, economic growth in the United States and Russia will be 2.6% and 3.2%, respectively, and in 2025 – 1.9% and 1.5%, respectively.

# Inflation in Armenia and the world

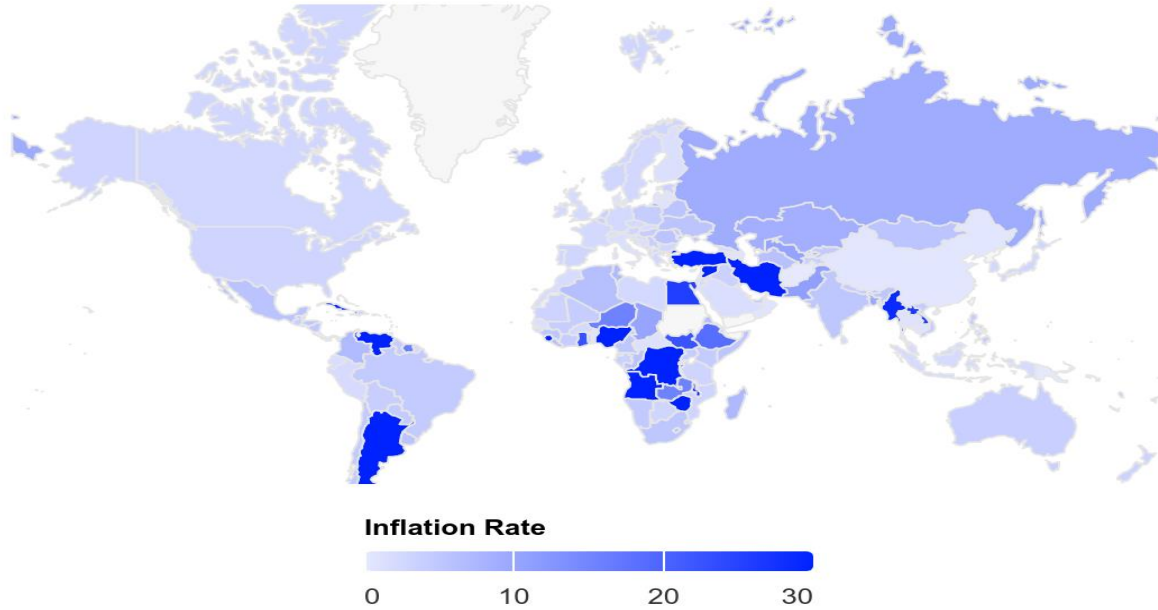
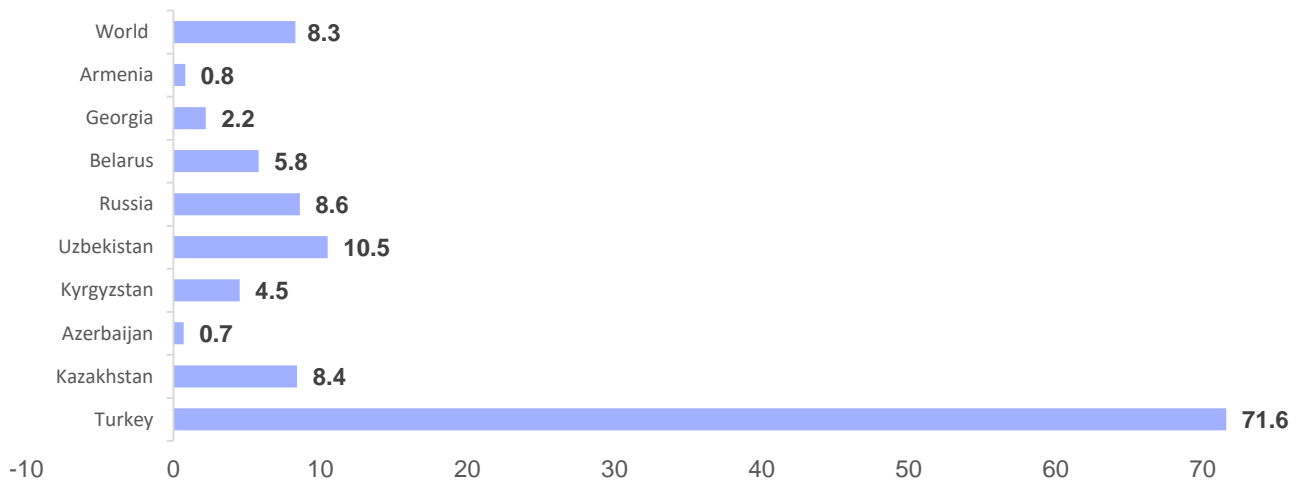


Figure 18. Inflation rate for June 2024, % annual change

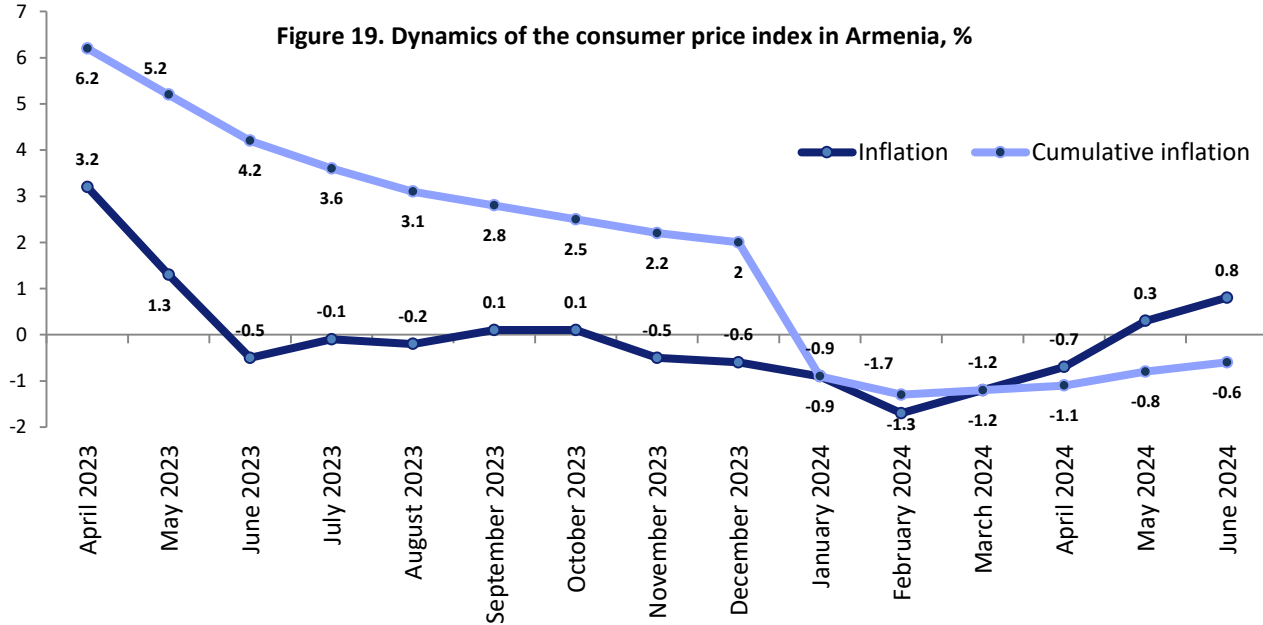
In the first half of 2024, inflation in Armenia continues to remain low. Information below provides some data on global inflation for June 2024:

- In the world (162 countries): 8.3%
- Asia (42 countries): 6.5%
- Europe (46 countries): 4.3%
- Armenia: 0.8%

Figure 18 shows that Armenia has the second lowest inflation rate in the region.



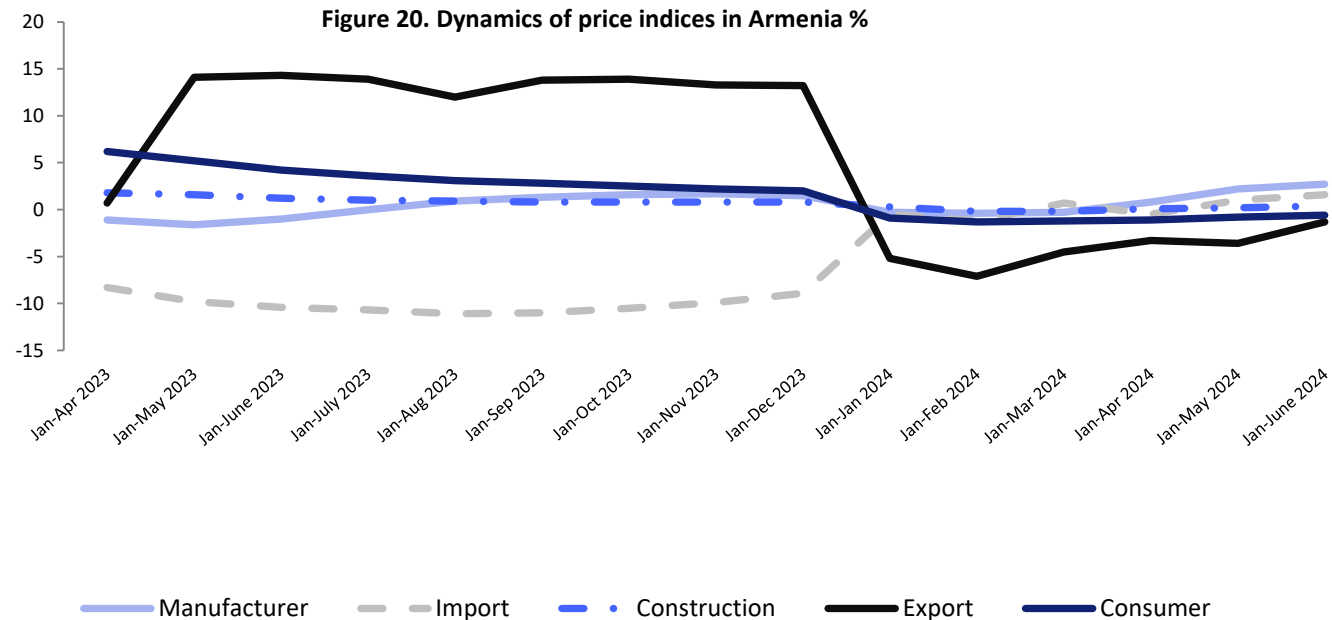
# Price Indices Dynamics



According to the Statistical Committee of the Republic of Armenia, the consumer price index (CPI) in January-June 2024 amounted to -0.6%, while in June 2024 the consumer price index amounted to 0.8%.

**Data on the consumer Price Index (CPI), according to the Statistical Committee of the Republic of Armenia:**

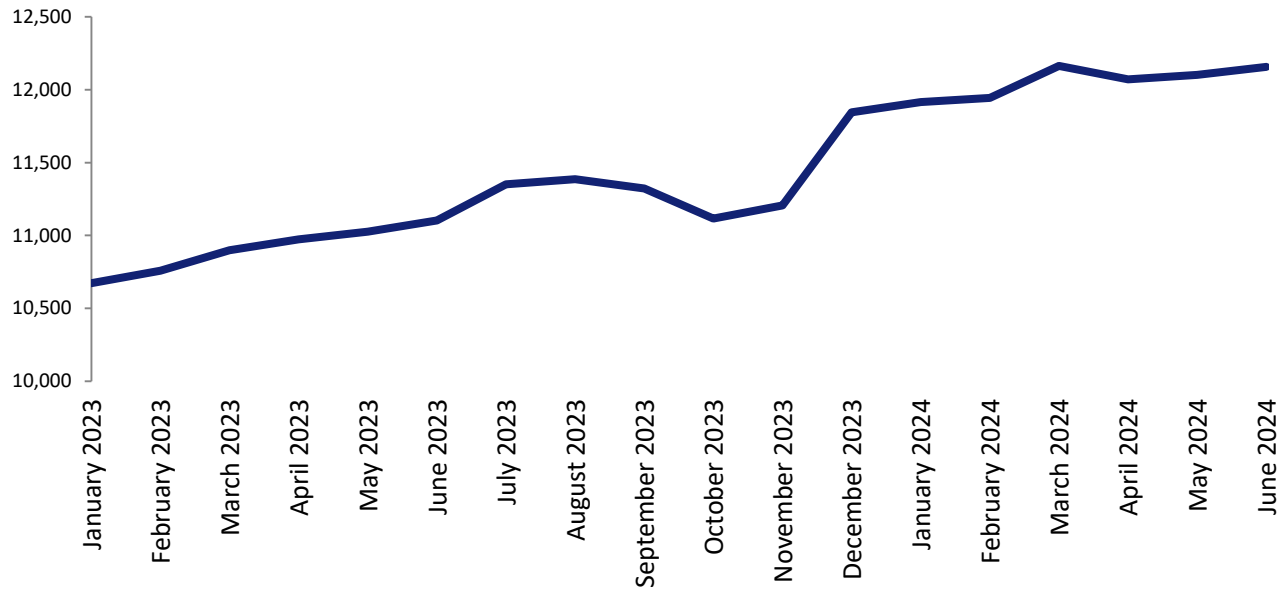
- Inflation: 0.8% (for June 2024)
- Cumulative inflation: -0.6% (January-June 2024)



The consumer price index is currently below the 4% target set by the Central Bank of Armenia (CBA). Most industry price indices in Armenia remained relatively stable from January to June 2024, with notable exceptions in the import and export sectors, likely driven by the increase in inflation during the first half of 2024. The import price index, which was negative throughout 2023, shifted to positive territory in the first half of 2024. Conversely, the export price index, which remained positive throughout 2023, experienced a significant negative shift in early 2024. However, there is a gradual reduction in these negative indicators, suggesting an emerging positive trend.

# The State Budget and the National Debt

Figure 21. The national debt of Armenia, million USD



At the end of June 2024, the national debt of Armenia reached **12,157.2 million US dollars**. In particular:

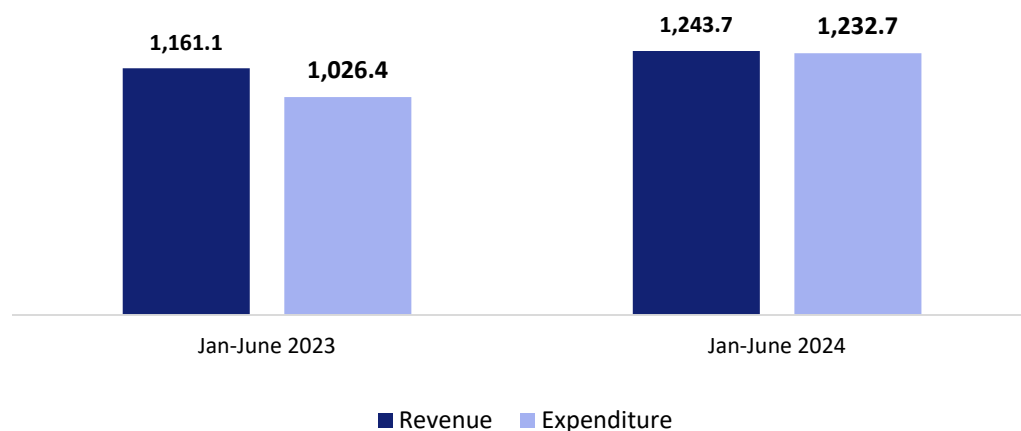
- External debt: 6,245.8 million US dollars (-3.0% compared to June 2023).
- Domestic debt: 5,911.4 million US dollars (+26.7% compared to June 2023).

The external debt consists of the following elements:

- Government debt: 91.9% of the total external debt (-2.6% compared to June 2023).
- Central Bank debt: 8.1% of the total external debt (-6.8% compared to June 2023).

The budget revenues of Armenia in January-June 2024 amounted to 1,243.7 billion drams (+7.1% compared to the same period in 2023). This increase is due to revenues from taxes and fees, which increased by approximately 7.6% over the same period, reaching AMD 1,187.6 billion.

Figure 22. Revenue and expenditure of the state budget, billion AMD



**Government spending in January-June 2024 amounted to 1,232.7 billion drams (+20.1% compared to the same period in 2023). Of which:**

**Current expenses:** increased by 18.2% (salaries of public sector employees, purchase of goods and services, payment of interest, grants, etc.).

**Non-financial assets:** increased by 35.3% (acquisition and other activities).