



XI Annual Conference on the Global Economy
«Re-balancing of the world economy: in search of new models for global development»
November 29–30, 2023

**ASSESSMENT OF INVESTMENTS OF RUSSIAN
COMPANIES IN THE ECONOMY OF
ARMENIA: RISKS AND BENEFITS.**

Mariam Voskanyan
DSc, Assoc. Prof.

Moscow, 2023г.



Economic growth in Armenia

2,5E+10

2E+10

1,5E+10

1E+10

5E+09

0

20,0

10,0

0,0

-10,0

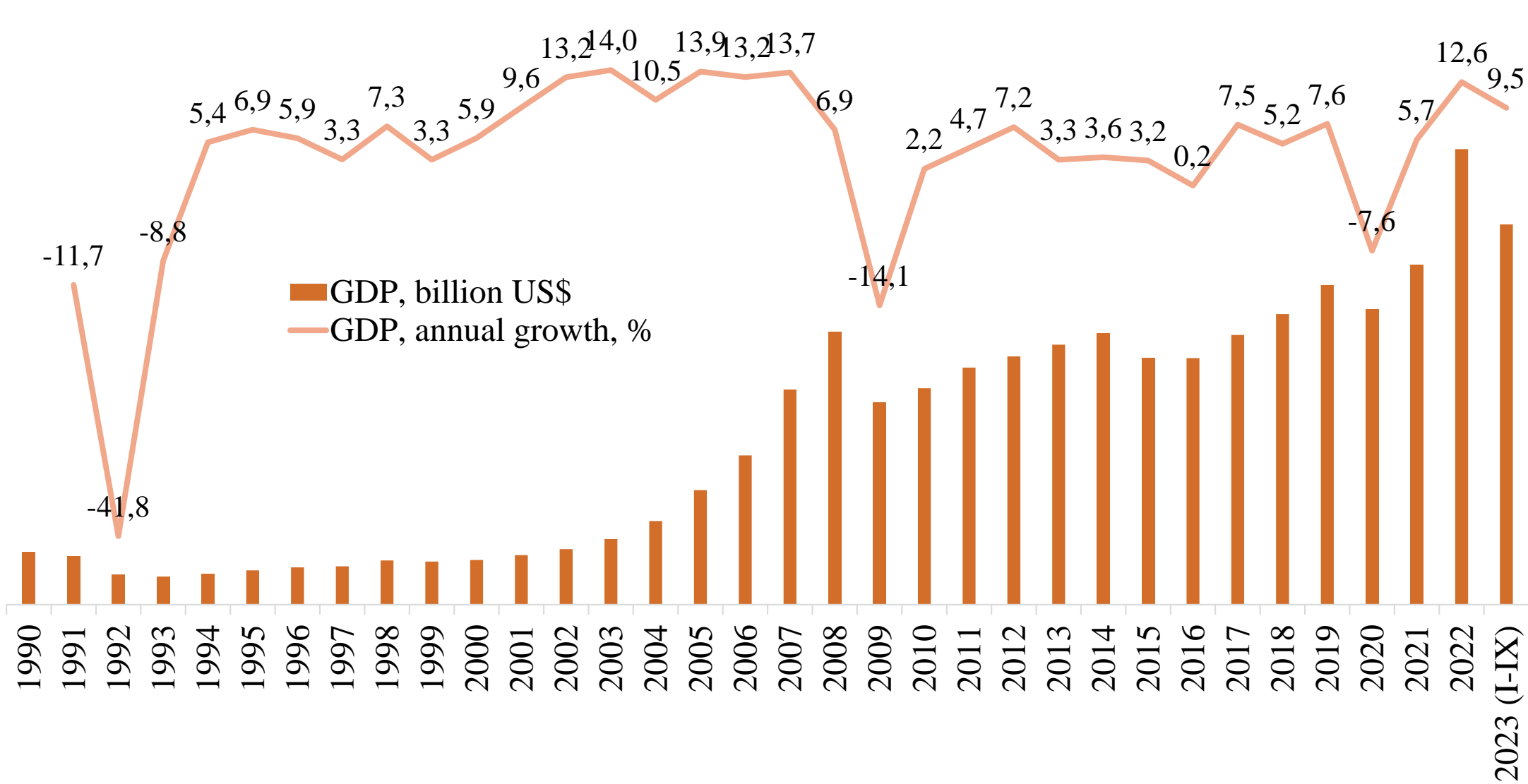
-20,0

-30,0

-40,0

-50,0

■ GDP, billion US\$
 — GDP, annual growth, %

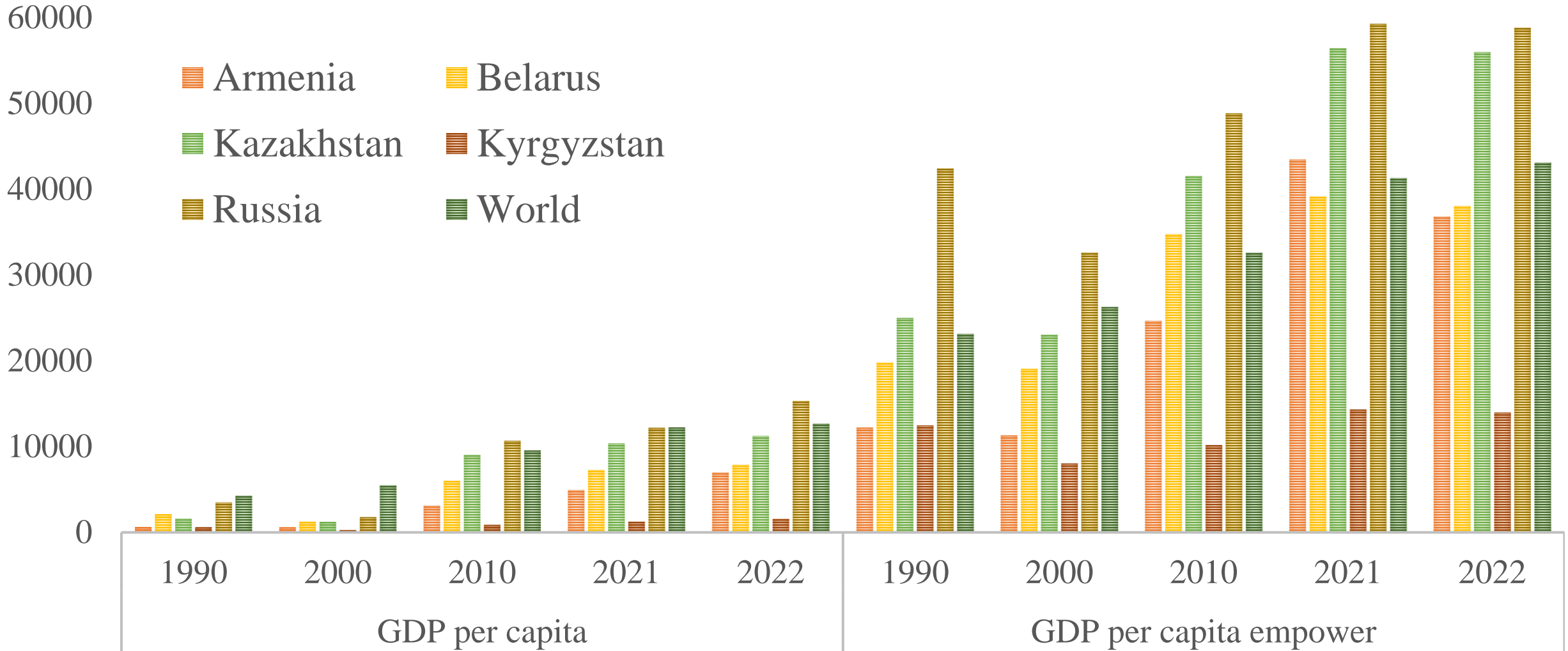


Source: WB Database - <http://data.worldbank.org/>





GDP per capita, US\$



Source: WB Database - <http://data.worldbank.org/>

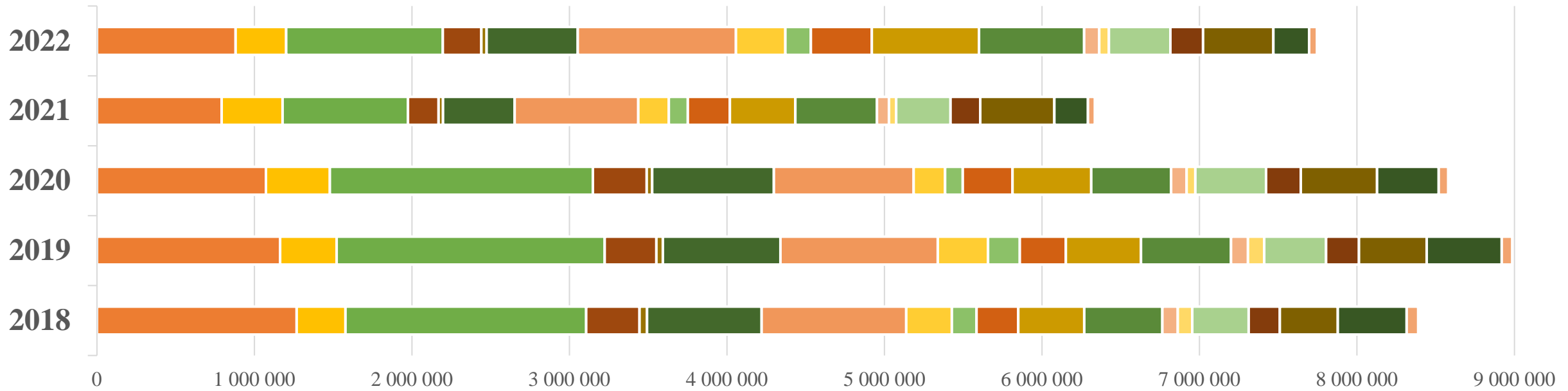
Mariam Voskanyan





GDP structure by industry, trillion AMD

- Agriculture
- Production
- Water supply
- Trade
- Activities of hotels and catering establishments
- Financial and insurance activities
- Professional, scientific and scientific-technical
- Public Administration and Defense. Mandatory social security
- Healthcare and social services
- Other service services
- Industry
- Providing electricity, gas and steam
- Construction
- Transportation and storage
- Activities in the field of information and communication
- Activities related to real estate
- Administrative and support activities
- Education
- Culture, entertainment and recreation

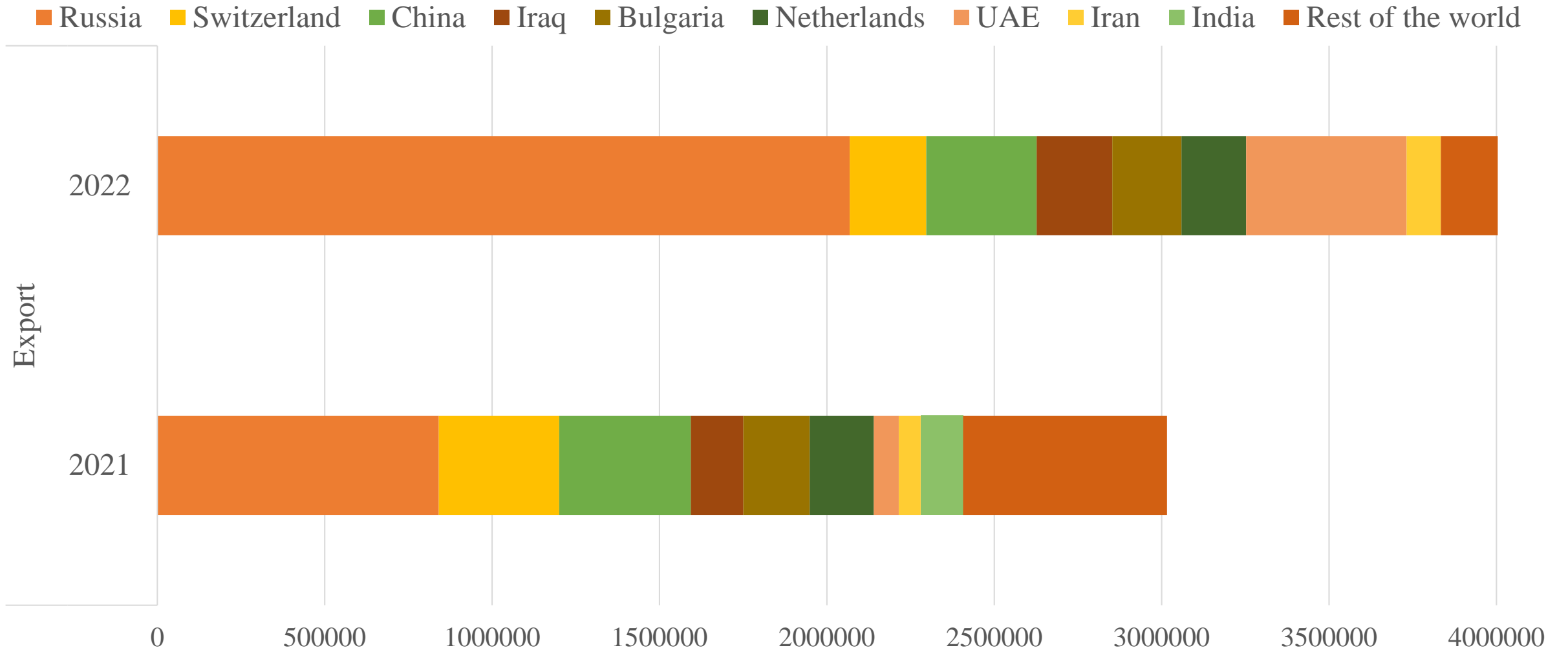


Source: Database of the National Statistical Service of the Republic of Armenia – <http://www.armstat.am>





Geographical structure of exports, billion US\$

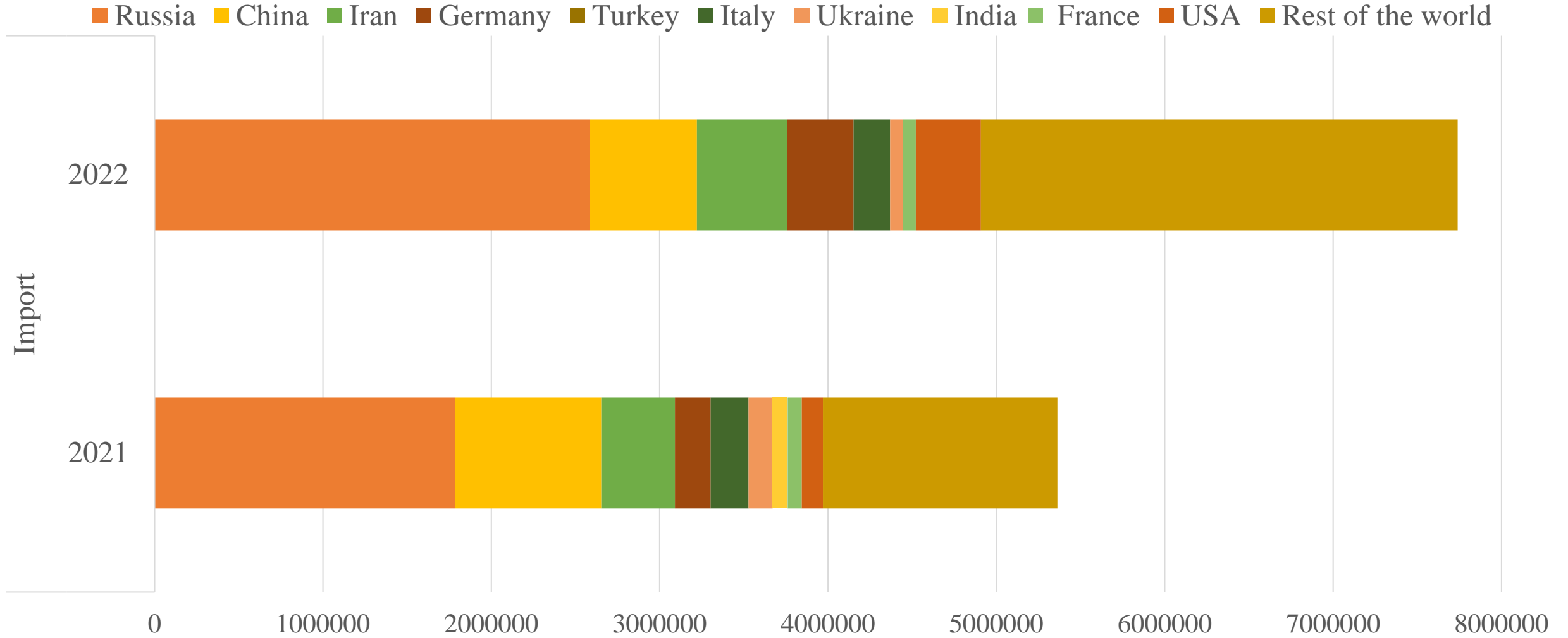


Source: Database of the National Statistical Service of the Republic of Armenia – <http://www.armstat.am>





Geographical structure of imports, billion US\$

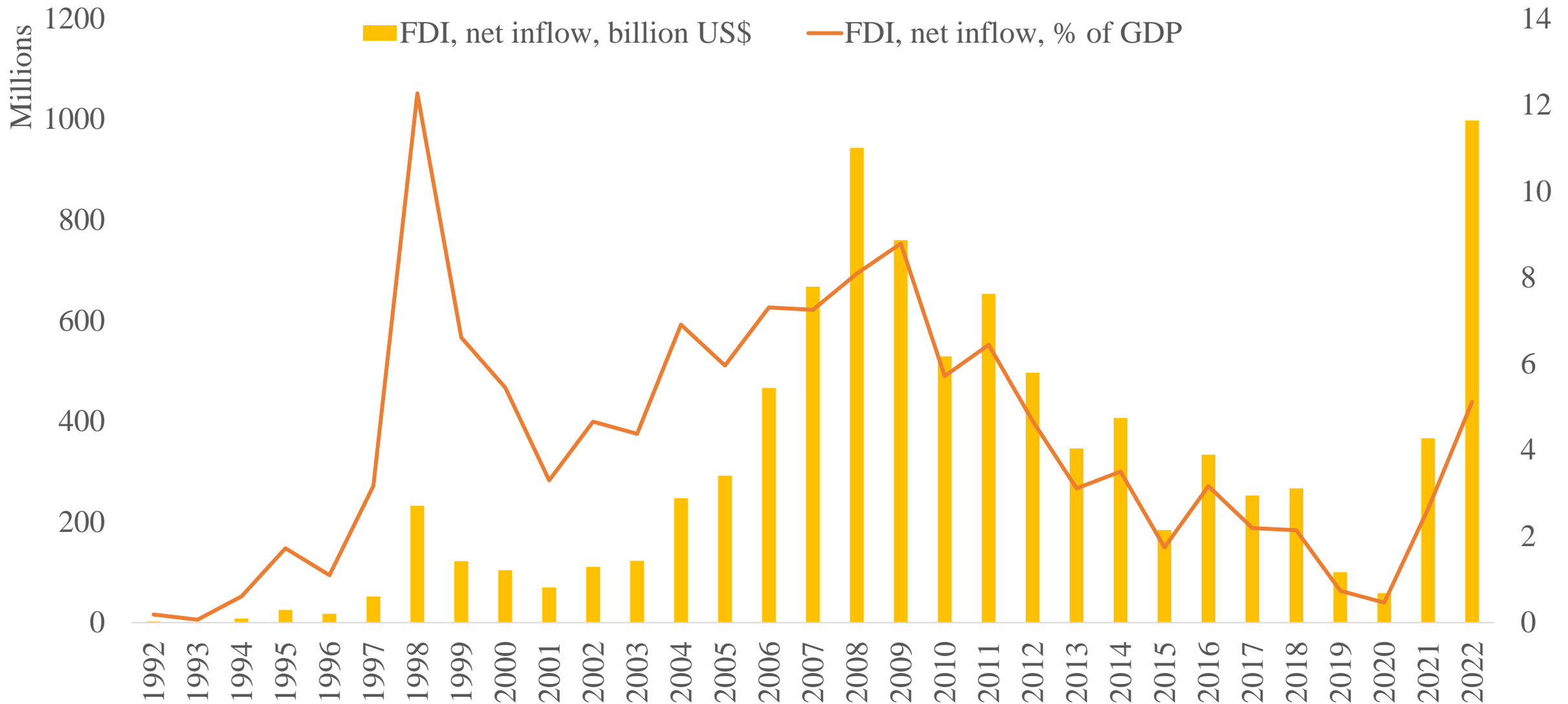


Source: Database of the National Statistical Service of the Republic of Armenia – <http://www.armstat.am>





FDI, net inflow

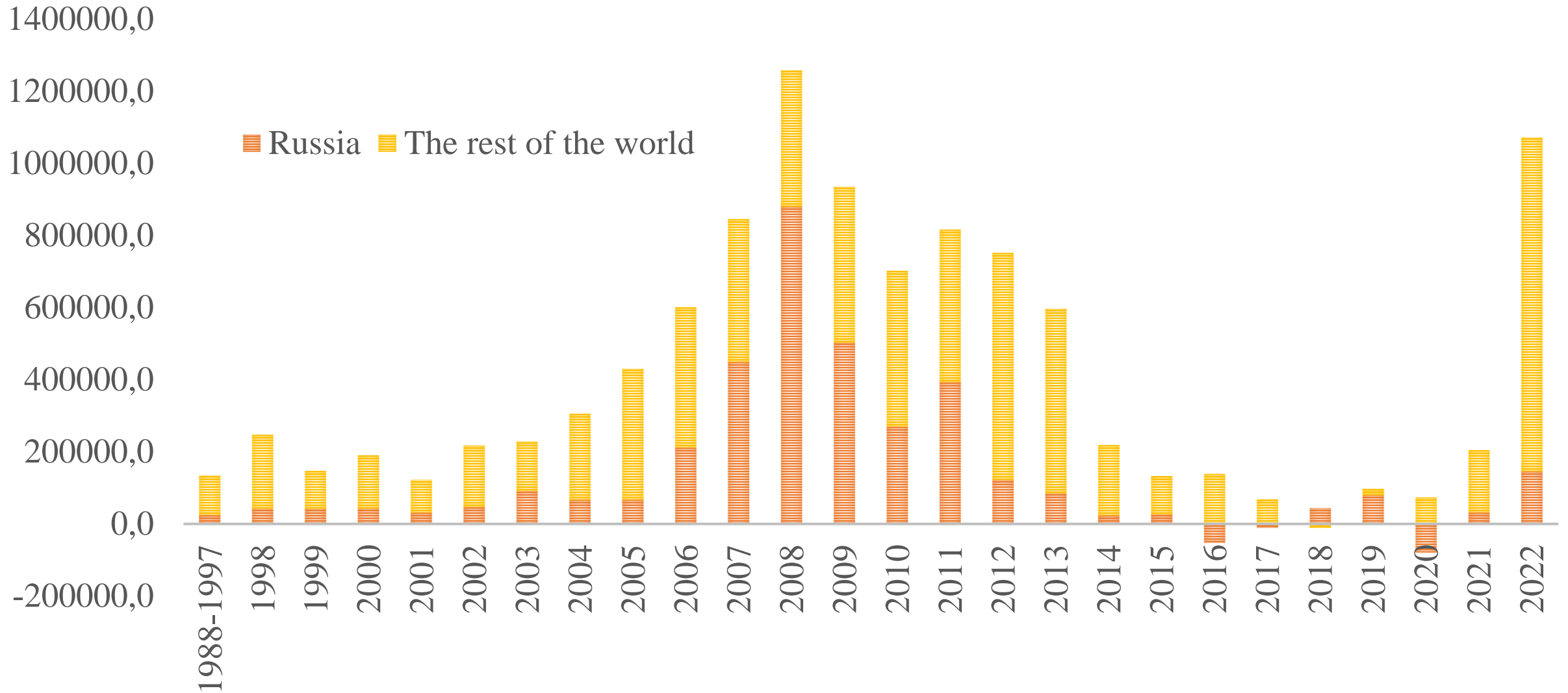


Source: WB Database - <http://data.worldbank.org/>





Foreign investment flows by country (thousand US dollars)

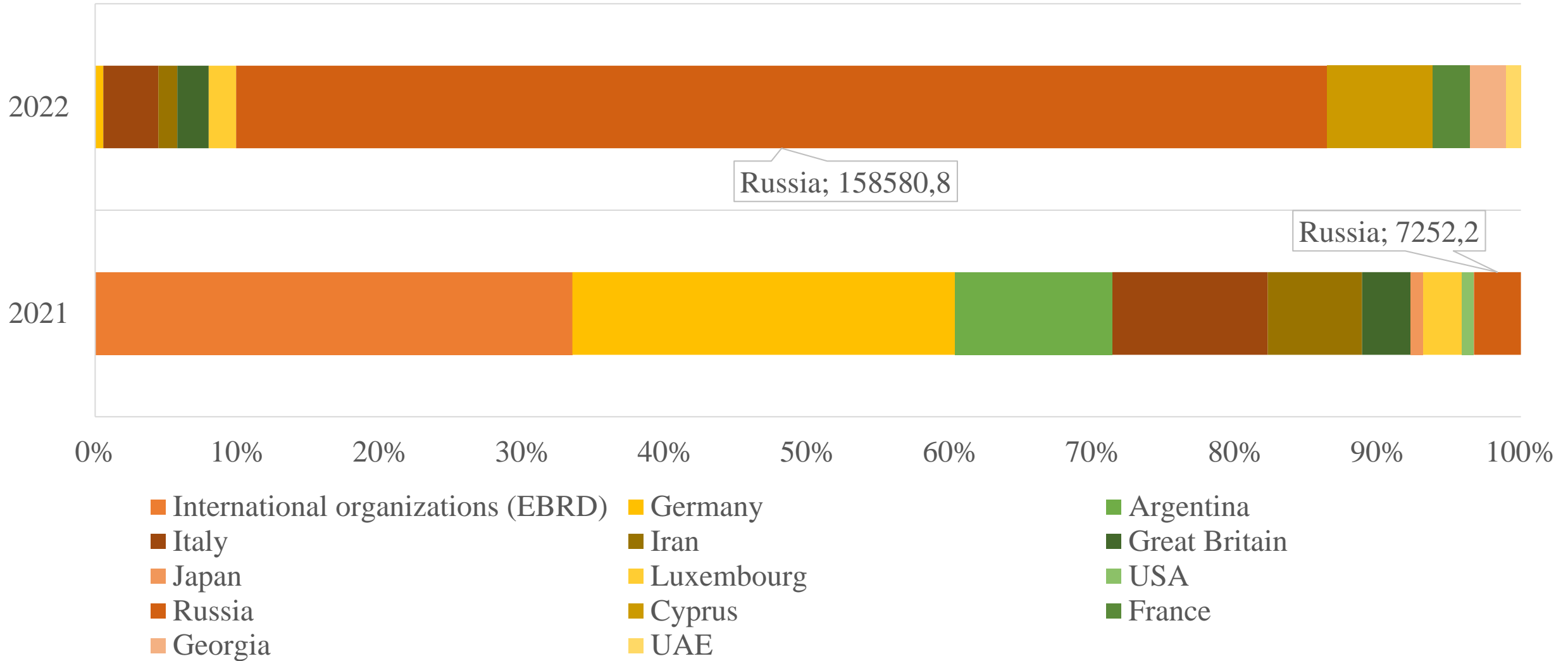


Source: Database of the National Statistical Service of the Republic of Armenia – <http://www.armstat.am>





Volume of net foreign investment flows in the real sector by country, million drams, TOP 10 countries

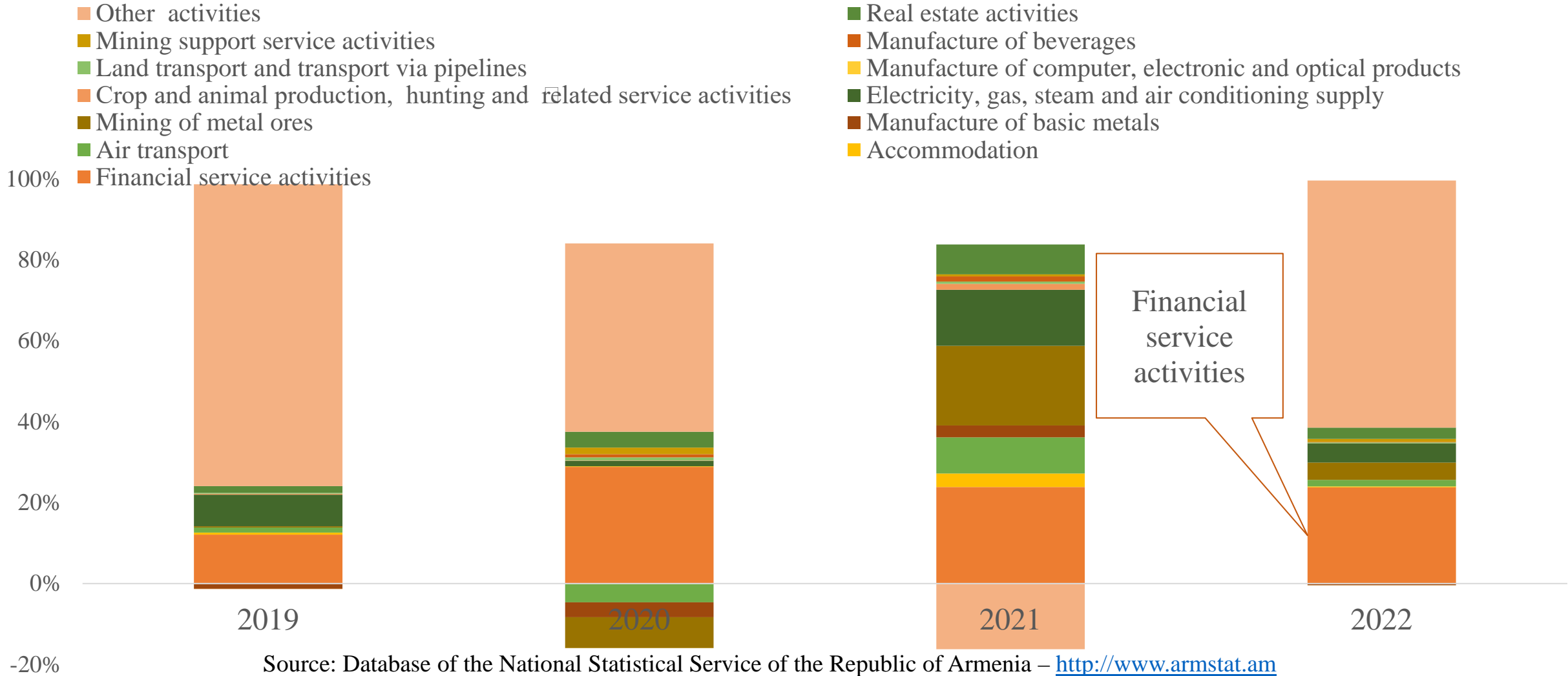


Source: Database of the National Statistical Service of the Republic of Armenia – <http://www.armstat.am>



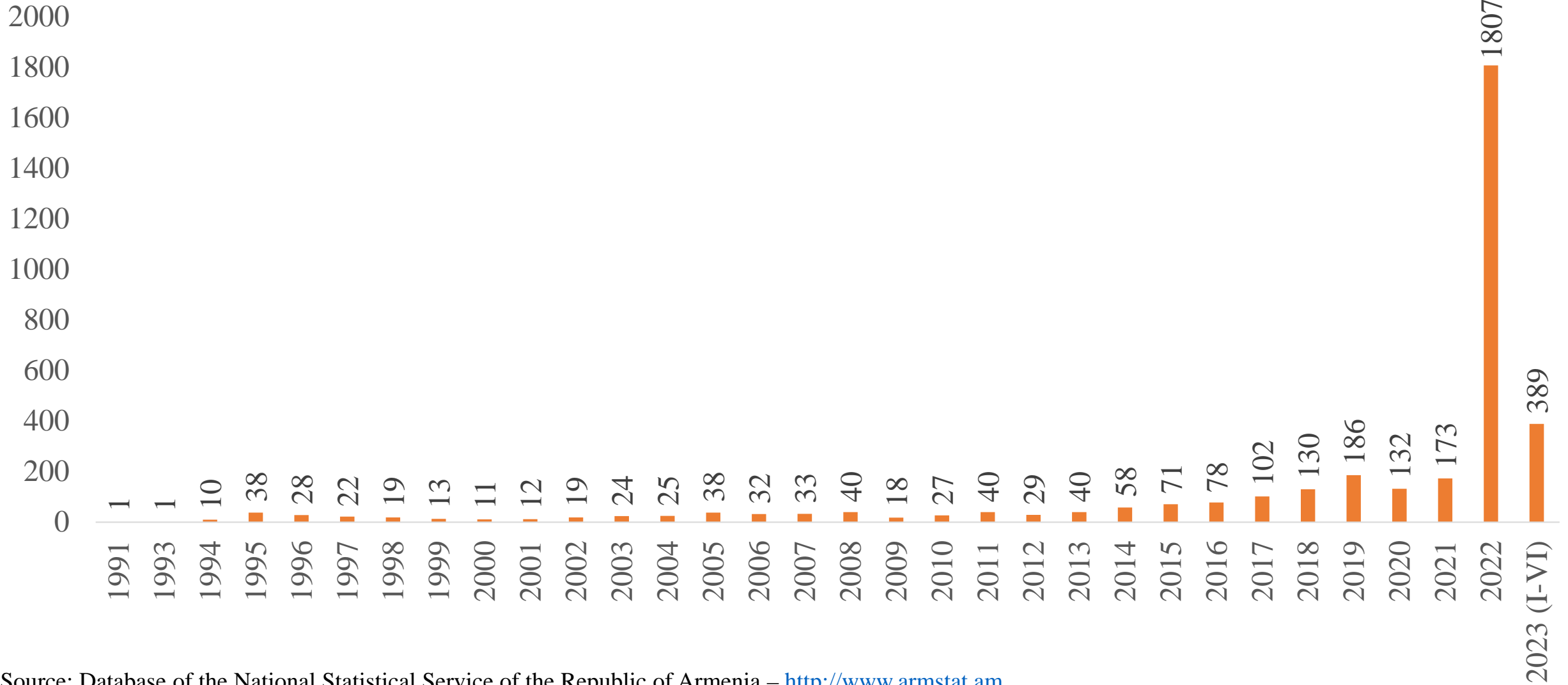


Net inflows of foreign direct investment (FDI) by type of activity of the Republic of Armenia





Number of newly opened companies with Russian capital participation

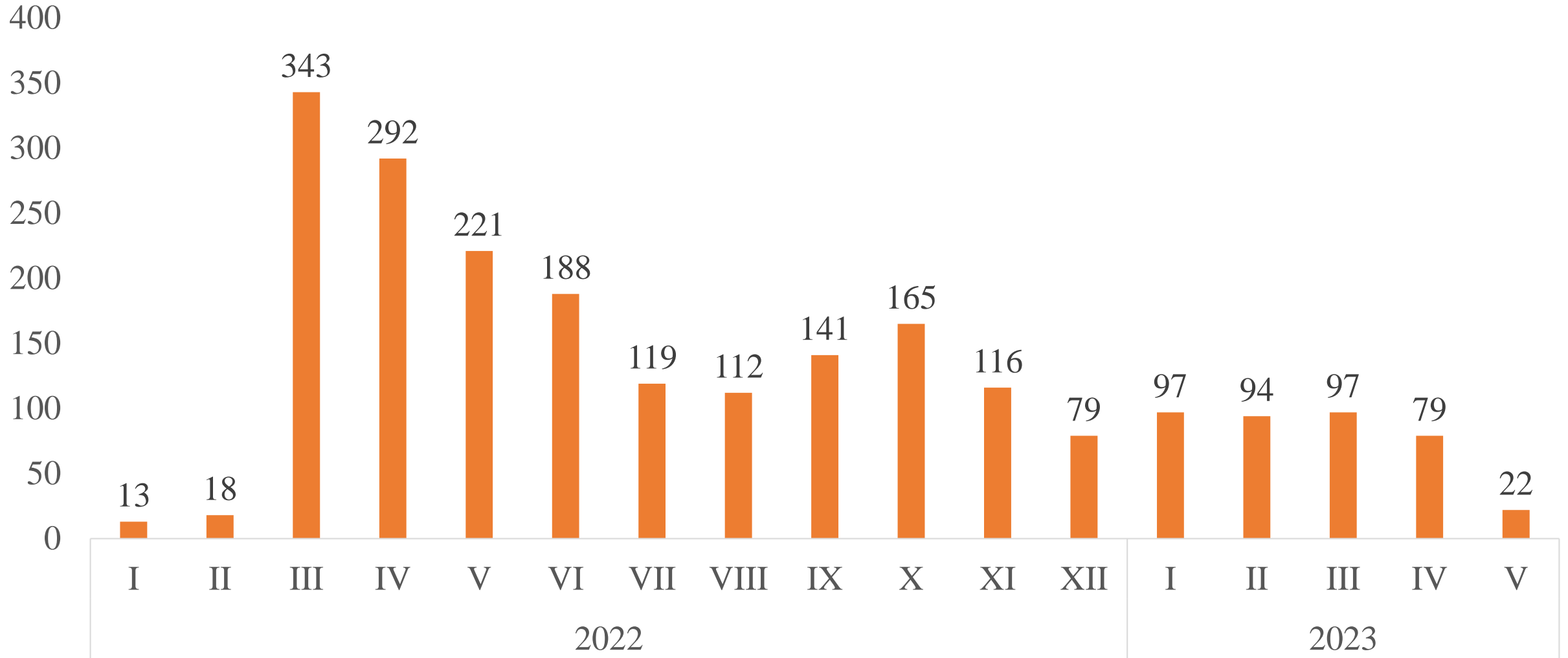


Source: Database of the National Statistical Service of the Republic of Armenia – <http://www.armstat.am>





Number of Russian companies registered in the Republic of Armenia 2022-2023.

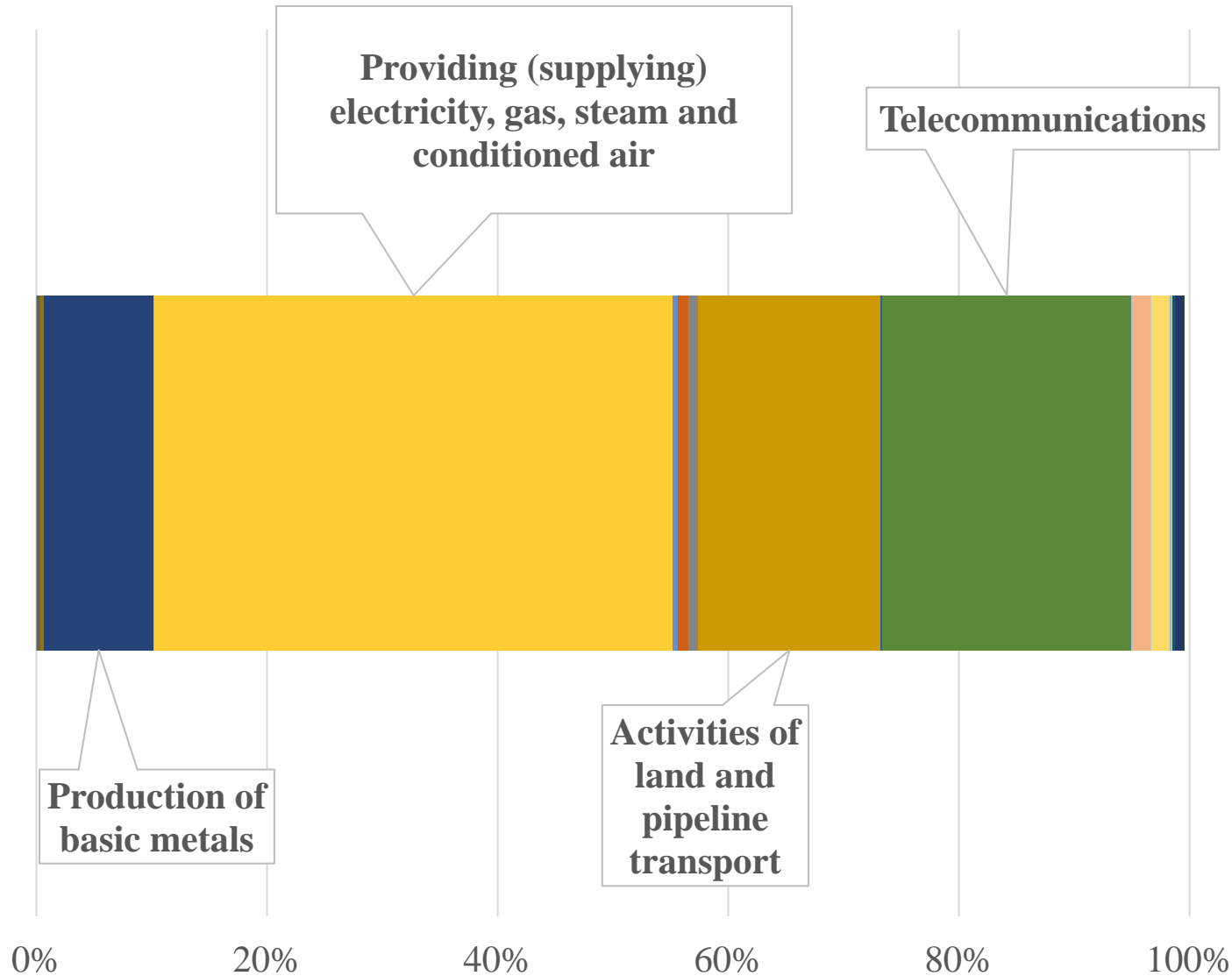


Source: Database of the National Statistical Service of the Republic of Armenia – <http://www.armstat.am>





Key sectors invested by Russian capital, in total for 2007-2021.



Most investments are short-term in nature and involve sectors that do not lead to sustainable economic growth in the long term.



Production of basic metals 9,6%



Providing (supplying) electricity, gas, steam and conditioned air 45%



Activities of land and pipeline transport 16%

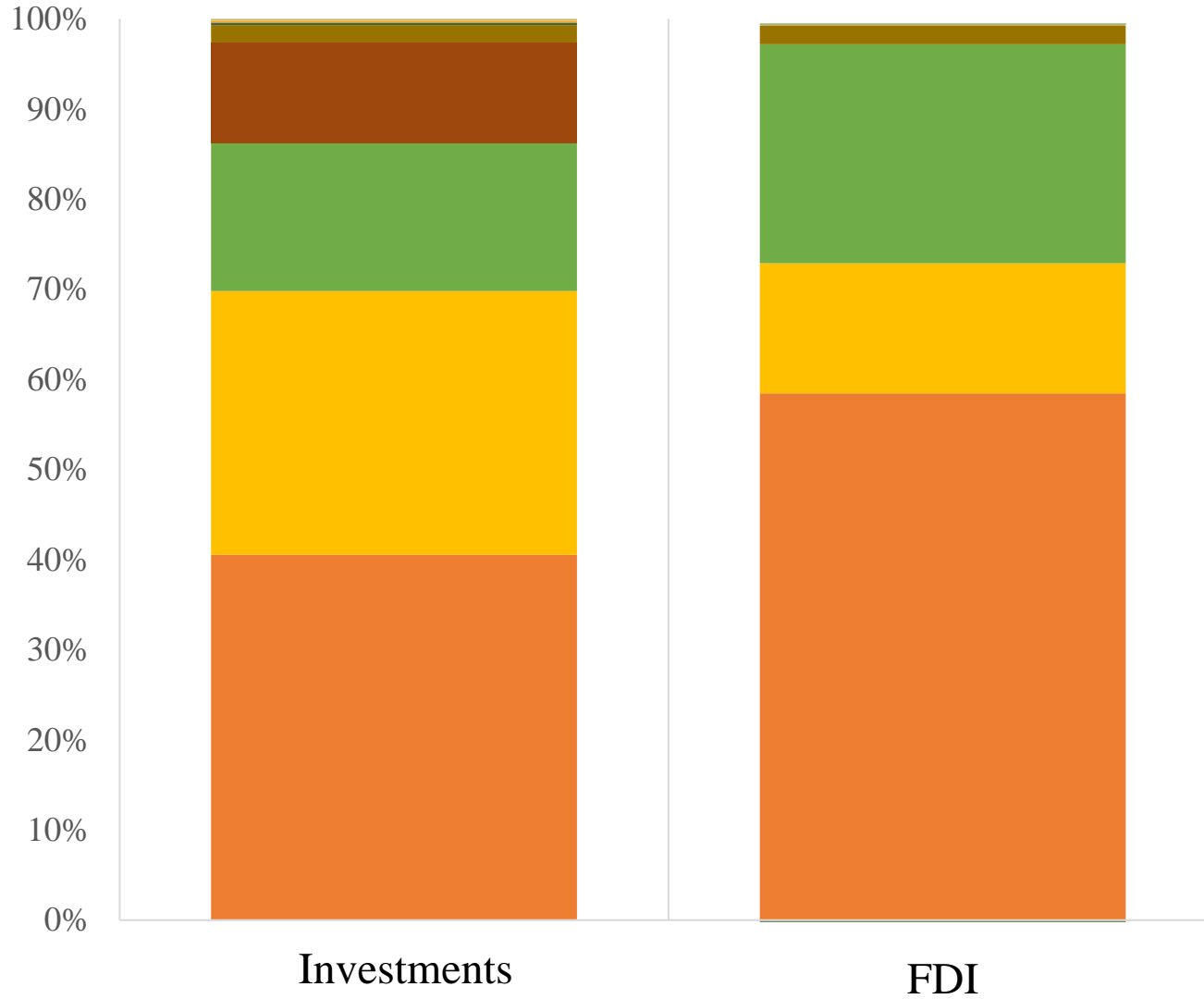


Telecommunications 22%





Key sectors invested by Russian capital, 2022



Investments in 2022 were mostly directed to the primary industries, as well as real estate.



Extraction of metallurgical ores 40%



Providing (supplying) electricity, gas, steam and conditioned air 22%



Activities related to real estate 30%



Telecommunications 9%





Conclusions

- There is no pure investment in fixed capital from Russia in Armenia.
- Most investments are targeted and short-term in nature.
- There is no long-term sustainable flow of investment into the Armenian economy from Russia.
- There is virtually no investment in human capital and innovative sectors of the economy.
- Investments are aimed at infrastructure, energy and trade. At the same time, these investments, not on a permanent and long-term basis, do not bring the desired positive effect to the Armenian economy.





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