

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

ARMENIA

Eurasia

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Yerevan	Capital; dominant commercial, financial, and tech hub; home to most of the country's IT sector	IT/software, financial services, fintech, real estate
Vanadzor / Gyumri (Shirak-Lori belt)	Secondary industrial cities with lower costs; traditional manufacturing base	Light manufacturing, textiles, agro-processing
Syunik Province (south)	Armenia's narrow land link to Iran; proposed route for the US-brokered TRIPP transit corridor to Nakhchivan	Transit infrastructure, mining, logistics
Ararat Valley	Core agricultural region; brandy, wine, and fruit production heartland	Agriculture, food/beverage processing
Lori / Kapan mining belt	Copper-molybdenum mining districts; historically significant export earner	Mining, metallurgy
Meghri (Syunik, Iran border)	Southernmost crossing point; central to both the TRIPP corridor and existing Iran trade route	Cross-border trade, transit logistics
Tsaghkadzor / Dilijan (Tavush/Kotayk)	Established and emerging tourism destinations; alpine and spa tourism	Tourism, hospitality, real estate

INVESTOR ENTRY ROUTES

- Enterprise Armenia and the Investment Support Center provide one-stop facilitation and incentive guidance for foreign investors
- Free Economic Zones (including the Yerevan-based tech-focused FEZ) offering tax and customs incentives for qualifying IT and manufacturing ventures
- Central Bank of Armenia oversight of banking and capital-account activity; the dram is freely convertible with no major repatriation restrictions
- EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA), in force since 2021, providing a framework for regulatory alignment ahead of any EU accession process
- Eurasian Economic Union (EAEU) membership, still in force, giving tariff-free access to Russia and Central Asian EAEU markets pending any future realignment
- World Bank and EBRD co-financing and technical-assistance programs supporting infrastructure, energy, and private-sector development projects

MARKET-ENTRY OBSERVATION

Armenia in October 2026 is navigating the most consequential geopolitical reorientation in its post-Soviet history, and doing so from a position of genuine economic strength. The economy has grown robustly for several consecutive years, with forecasters including the EBRD, S&P, Fitch, and the Eurasian Development Bank converging on 2026 growth estimates in the 5-6% range, among the fastest in the wider region. Prime Minister Nikol Pashinyan's Civil Contract party won Armenia's June 7, 2026 parliamentary election with just under 50% of the vote, securing roughly 64 of 105 seats, a reduced but functional majority that OSCE observers said reflected a

genuine democratic choice despite Russian pressure. In August 2026, Pashinyan went further than any Armenian leader before him, announcing in parliament that Armenia would formally prepare to apply for European Union membership, explicitly citing Russia's failure to guarantee Armenian security during the 2021-2023 conflicts with Azerbaijan as the catalyst, while stopping short of immediately withdrawing from the Russia-led CSTO alliance.

This reorientation is already visible in trade data: Armenia-Russia bilateral trade fell from roughly \$2.76 billion to \$2.2 billion in the first five months of 2026 compared with the same period in 2025, driven substantially by a sharp contraction in precious-metals and gemstone re-exports to the UAE (down from \$346 million to \$41 million in the first quarter alone), a trade flow that had reached record highs in 2023-2024 amid the Russia-Ukraine war and has since been winding down. Alongside the EU pivot, Armenia has become central to the US-brokered Trump Route for International Peace and Prosperity (TRIPP), a transit corridor through Armenia's southern Syunik province connecting Azerbaijan to its Nakhchivan exclave, agreed at an August 2025 Washington summit between Pashinyan, Azerbaijani President Aliyev, and President Trump, with substantive technical talks on implementation ongoing through 2026.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Unresolved peace treaty with Azerbaijan	Civil Contract fell short of the two-thirds parliamentary majority needed for the constitutional referendum Azerbaijan has demanded as a precondition for a final peace treaty	Monitor the constitutional-reform process closely; treat the peace process as a work in progress rather than concluded
Russia relationship deterioration risk	Russia's cool response to Pashinyan's EU announcement and warnings of "deep trade contradictions" raise the risk of economic retaliation or further trade disruption	Avoid overreliance on Russia-linked trade or energy arrangements; diversify supply chains given the stated EU-alignment trajectory
Russian railway and energy infrastructure dependency	Armenia's rail network remains under a Russian concession through 2038, and Armenia depends heavily on Russian energy and infrastructure	Factor continued Russian infrastructure leverage into logistics and energy planning until the concession question is resolved
TRIPP corridor implementation uncertainty	Border-control and sovereignty questions (customs checks, security arrangements) remain unresolved between Armenia and Azerbaijan despite the August 2025 framework agreement	Track technical-implementation talks before committing capital to Syunik-corridor-dependent logistics projects
Domestic political polarization	The election left Armenian society highly polarized, with opposition figures facing prosecution and Pashinyan's personal mandate described by analysts as weaker than his seat count suggests	Engage across the political spectrum where feasible; monitor for policy continuity risk around the EU-accession and peace-process agenda
Dual EU-EAEU alignment tension	Armenia remains an EAEU member even as it pursues EU accession preparation, creating a structurally ambiguous trade-policy position	Structure cross-border trade arrangements with awareness that EAEU preferential access could be at risk over the medium term
Small market scale	Armenia's domestic market is limited (under 3 million people), constraining scale for consumer-facing investment	Favor export-oriented, regional-hub, or niche high-value investment models over purely domestic-market plays

INVESTOR RISK NOTE

Armenia's risk profile has shifted markedly in 2026, from a country whose relative stability rested on careful balancing between Russia and the West toward one making a deliberate, publicly declared strategic pivot toward Europe. The economic fundamentals, robust growth, a freely convertible currency, and an increasingly tech-oriented export base, have remained solid throughout this transition, and the EU's Comprehensive and Enhanced Partnership Agreement already provides meaningful institutional scaffolding ahead of any formal accession process. The principal risks are now geopolitical rather than macroeconomic: an uncertain Russia relationship given Moscow's explicit warnings about trade consequences, an unresolved final peace treaty with Azerbaijan contingent on a constitutional referendum Pashinyan's government cannot yet call, and the practical implementation risk around the TRIPP transit corridor through Syunik. Investors should view Armenia as a country in active, positive transition whose medium-term trajectory looks considerably more Western-aligned than at any point since independence, while recognizing that the transition itself is not yet complete and carries real near-term friction.

MARKET ACCESS

Armenia's trade position is in active transition. It remains a full member of the Eurasian Economic Union (EAEU), giving tariff-free access to Russia, Belarus, Kazakhstan, and Kyrgyzstan, even as its political leadership has announced intent to pursue EU membership, a status that would ultimately be incompatible with EAEU participation. The EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA), in force since 2021, already provides preferential market access and regulatory cooperation with the EU short of full membership, and serves as the practical foundation for the accession process Pashinyan has now initiated. Armenia also maintains trade relationships with Iran via its southern border and, pending full implementation of the TRIPP corridor and any eventual peace treaty, could gain significantly improved regional connectivity to Azerbaijan, Turkey, and onward markets. The country is a World Trade Organization member, giving it standard multilateral trade protections independent of its regional bloc affiliations.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Office of the Prime Minister (Nikol Pashinyan, Civil Contract)	Sets the overarching reform, peace-process, and EU-accession agenda following the June 2026 election	Primary point of reference for understanding Armenia's strategic direction
Enterprise Armenia / Investment Support Center	Principal government body for foreign investment facilitation and incentive administration	Standard first point of contact for market entry
Central Bank of Armenia	Monetary authority; oversees a freely convertible currency with minimal capital-account restrictions	Relevant for banking-sector and currency-related queries, though repatriation is not a major constraint
Ministry of Foreign Affairs / EU accession taskforce	Leads preparation of Armenia's formal EU membership application and roadmap discussions with Brussels	Key channel for understanding the pace and substance of EU-alignment progress
EU Delegation to Armenia	Administers CEPA implementation and will coordinate any formal accession process	Important counterpart for investors structuring around EU-alignment opportunities
EBRD and World Bank country offices	Active co-financing and technical-assistance partners for infrastructure, energy, and private-sector projects	Useful partners for larger infrastructure and development-linked investment
US Embassy / TRIPP implementation team	Coordinates the US role in the Trump Route for International Peace and Prosperity corridor through Syunik	Relevant for any logistics or transit-infrastructure investment tied to the corridor

CURRENT INTERNATIONAL BUSINESS CHANNELS

The Union of Manufacturers and Businessmen of Armenia and the American Chamber of Commerce in Armenia (AmCham Armenia) are the leading business associations for market intelligence and government liaison, alongside a growing Armenian tech-sector association reflecting the country's increasingly prominent IT and software outsourcing industry. The Armenian diaspora, one of the largest relative to home-country population in the world, represents a distinctive and significant channel for both capital and business introductions, with diaspora-linked investment funds and business networks active particularly from the United States, France, and Russia. The EU Delegation and EBRD maintain active country offices given the current accession-preparation period, and their programming is a useful signal of where EU-aligned opportunity is likely to concentrate.

INVESTOR PROFILE BEST SUITED

Armenia currently suits investors comfortable with a country in active geopolitical transition but underpinned by genuinely solid economic fundamentals: technology and software investors can access an already well-established and growing IT outsourcing sector in Yerevan, export-oriented manufacturers can leverage EAEU access today while positioning for EU-aligned opportunities tomorrow, and infrastructure and logistics investors with patience and geopolitical risk tolerance may find significant long-term opportunity in the Syunik transit corridor once implementation details are resolved. Agriculture and food-and-beverage investors can build on Armenia's established brandy, wine, and fruit export traditions. Investors who require short-term regulatory and geopolitical certainty, given the unresolved Azerbaijan peace treaty and the still-forming EU-EAEU transition, should size positions accordingly and build in flexibility for Armenia's evolving external alignment.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Track the EU-accession preparation process

Monitor Armenia's formal EU membership application, Brussels' response, and the eventual referendum timeline, as this trajectory will materially reshape the regulatory and trade environment over the coming years.

STEP 2: Assess Russia-exposure in existing or planned operations

Given the Kremlin's warnings about trade consequences and the ongoing decline in Russia-linked re-export trade, evaluate and reduce dependency on Russia-contingent supply chains or financing.

STEP 3: Engage Enterprise Armenia and the EU Delegation in parallel

Build relationships with both the domestic investment-facilitation body and the EU Delegation to position for incentives available under both current and anticipated frameworks.

STEP 4: Monitor TRIPP corridor implementation before committing to Syunik logistics

Track resolution of border-control and sovereignty questions before finalizing investment plans dependent on the Armenia-Azerbaijan transit corridor.

STEP 5: Leverage diaspora networks for market entry

Engage Armenia's substantial global diaspora business networks, particularly in the US and France, as a distinctive channel for partnership identification and capital co-investment.

WAVERLEY'S ROLE

- Independent monitoring of Armenia's EU-accession process and its practical implications for trade, regulatory, and investment frameworks
- Direct liaison with Enterprise Armenia, the EU Delegation, and relevant ministries to position clients ahead of policy shifts
- Geopolitical risk assessment distinguishing Armenia's genuine economic strength from its unresolved external-alignment and peace-process uncertainties
- Introductions to Armenia's global diaspora business networks for clients seeking local partnership and co-investment

INVESTOR CALL TO ACTION

Engage Waverley for an updated assessment of how Armenia's EU-accession preparation and TRIPP corridor implementation are reshaping the investment landscape before committing capital.

Request a tailored briefing on structuring investment to benefit from Armenia's current EAEU access while positioning for its anticipated EU-aligned trajectory.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Armenia's clearest and most established opportunity remains its technology and IT outsourcing sector, centered on Yerevan, which has grown substantially over the past decade and continues to attract both international clients and a modest but growing wave of relocated tech talent. The TRIPP transit corridor through Syunik represents a longer-horizon but potentially transformative logistics and infrastructure opportunity, contingent on resolving outstanding implementation questions with Azerbaijan. Agriculture and food-and-beverage exports, particularly brandy and wine, offer an established and EU-market-ready opportunity as Armenia's trade orientation shifts westward. A fourth, nearer-term opportunity lies in advisory and professional services supporting Armenian companies and institutions through the EU-accession regulatory alignment process itself.

POSITIONING

Waverley views Armenia as a country making a genuine, high-stakes strategic pivot, from a security relationship anchored in Russia toward a European-oriented future, executed by a government with a real, if reduced, democratic mandate and underpinned by consistently strong economic growth.

For investors able to navigate the near-term uncertainty inherent in an unresolved Azerbaijan peace treaty and a still-forming EU-EAEU transition, Armenia offers a genuinely compelling medium-term opportunity, particularly in technology, trade-oriented manufacturing, and transit infrastructure, structured with the geopolitical-monitoring safeguards this briefing sets out.

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