



**MINISTRY OF ECONOMIC DEVELOPMENT AND
INVESTMENTS OF THE REPUBLIC OF ARMENIA**

MEGHRI

2017

**FREE
ECONOMIC ZONE**



TAX INCENTIVES



Following tax incentives are applied:

- ✓ Residents are exempted from **VAT** when delivering services and supplying goods in FEZ territory
- ✓ Residents are exempted from **profit tax**
- ✓ Industrial buildings that belong to or are used by FEZ residents in FEZ territory are exempted from **property tax**
- ✓ No **customs duties** for importation

LAND AND READY INFRASTRUCTURE



- ✓ Land plots can be leased or purchased
- ✓ Ready office spaces can be leased
- ✓ Competitive prices which are negotiated on case-to-case basis

DIVERSE TRADE REGIMES | MARKET ACCESS



- ✓ Membership to EAEU – Access to **180 million market with a GDP of 3 trillion USD. No customs duties and customs clearance formalities.**
- ✓ FTA with Georgia and most of CIS countries
Duty free access to a market of 270 million consumers
- ✓ GSP+ regime with EU
Since January 2009, Armenia is enjoying the “Generalized system of preferences +” (GSP+) trade regime of the EU. The GSP+ is granted for good governance and sustainable development. Armenia is among 10 countries that have been granted the regime. Under the GSP+, to more than 6400 goods of Armenian origin exported to the EU zero or reduced customs duties are applied.
- ✓ GSP regimes with Canada, Switzerland, Japan, Norway, US
More than 3500 goods of Armenian origin exported to the mentioned countries zero or reduced customs duties are applied.

LOCATION



The marz of Syunik is situated in the south of the Republic. In the North the marz borders with Vayots Dzor, in the South it borders with Iran. Syunik has strategic and geographic-political important position and is one of the biggest administrative and economic regions of the Republic. **FEZ will be located straight near the Iranian border.**

COOPERATION WITH “ARAS” FEZ



High-level negotiations has been started with “Aras” FEZ on possible cooperation in terms of mutual trade and activities facilitation. The distance to the Aras FEZ is around 2 km.

TEMPORARY FTA BETWEEN EAEU AND IRI



Negotiations on signing the temporary free trade agreement are underway, which will result in establishing more attractive trade regime between the countries.

ELIGIBLE SECTORS



In comparison with already functioning FEZs in Armenia, **there are almost no sectoral limitations** for future residents in “Meghri” FEZ. Furthermore, eligible sectors include economic activities like trade, tourism, hotel construction and entertainment industry.

FAVORABLE INVESTMENT & BUSINESS CLIMATE



Armenia has one of the most open investment regimes among CIS countries, having bilateral investment promotion and protection treaties in place with more than 40 countries. According to the law “On Foreign Investments”, in the event of amendments to the foreign investment legislation of Armenia, the legislation that was effective at the moment of implementation of investments shall be applied, upon the request of a foreign investor, during a five years period from that moment. There are attractive investment conditions and simplified procedures created for doing business, equal treatment for local and foreign investors, free expatriation of capital, no limitation on foreign ownership, no export duties, a highly skilled and cost-effective labor force, many other attractive enabling environment features and favorable investment opportunities.

A series of reforms have been carried out in recent years in order to improve the investment and business climate and the results are evident.

According to the:

- ✓ Doing Business Report 2017 annually issued by the World Bank, Armenia is **ranked 38th from among 190 countries**
- ✓ Heritage Foundation’s report, Armenia is the **33rd among 186 countries** in the 2017 Index of Economic Freedom.

COST COMPETITIVE LABOR FORCE



According to the World Bank analysis, the **adult literacy rate in Armenia is 99.8%**. Armenia has one of the most educated populations among the CIS countries. Its labor force ranks second (and among top ten in the world) behind Russia, with around **50% having a tertiary education**. At the same time average monthly salary in 2016 in Armenia was around **390 USD**.

INFRASTRUCTURE



1. *Industrial / Production area*
 2. *Office area*
 3. *Trade area*
 4. *Warehouses / Logistics*
 5. *Parking area*
- ✓ *Services delivered in the free economic zone on behalf of the state bodies are realized on “one stop shop” basis.*
 - ✓ *Banks, insurance companies, notarial services will be available on the territory of the FEZ*
 - ✓ *FEZ territory will be provided with uninterrupted water supply and wastewater collection system, telephone line, high speed internet, uninterrupted natural gas and energy supply (high-voltage, three-phase).*
 - ✓ *Solid waste disposal will be carried out in accordance with the requirements of the legislation of the Republic of Armenia.*

NORTH-SOUTH ROAD CORRIDOR



*The North-South Road Corridor investment project is aimed at reconstruction of the currently used carriageway which runs 560km from Bavra to Agarak. The project aim is to upgrade it to a **470km-long carriageway with a speed limit of 100-110km/h**, making it possible to cross this section **in half the time (4.5-5h instead of the current 9.5-10h)**. The corridor will be a part of a road network connecting the Persian Gulf (Bandar Abbas) with the Black Sea (Batumi and Poti) and further on to Europe.*

GOVERNMENT ASSISTANCE



- ✓ *Government of the Republic of Armenia has initiated the project of FEZ establishment and is fully committed to the implementation of the project. The Government is ready to provide its full assistance to the operator and residents of the FEZ by facilitating all processes and granting special preferences.*
- ✓ *Individual approach, based on the needs of investor is applied towards every investment project, every investor is provided with the necessary support and assistance and is offered a wide range of privileges and incentives.*
- ✓ *Facilitated procedure for obtaining resident permission.*

