



ARMENIA 2020 Q1: MACROECONOMIC REVIEW

June 15, 2020



1. Executive Summary

2. Recent Developments

3. Real Sector

- GDP dynamics
- GDP by Expenditure
- Industry Developments
- Labor market
- Inflation

4. Fiscal Sector

- Public Debt
- State Budget

5. Financial Sector

6. External Sector

- Current Account Deficit
- External Trade
- Remittances
- FDI
- Exchange Rates

7. Socio-Demographic Sector

8. Armenia's international ranking



Covid-19 situation	-Covid-19 cases worldwide continue to increase. If increase was higher in March-April in Advanced economies (Europe, etc), Developing and Emerging economies have their peak in April-June. After easing lockdown restrictions in May in Armenia, Covid-19 penetration peaked end-May/start-April. Slow decrease trend seems to be visible, but the decrease will take much slower (with ups and downs) due to decision of government to rely on population's consciousness to prevent Covid-19, rather than use strict measures. We believe Covid-19 cases will stabilize to lower levels earliest second half of July.
GDP	-TEXT
Inflation	-TEXT
External Trade	-TEXT
Current Account Balance(Deficit)	-TEXT
Remittances	-TEXT



Exchange rates	- AMD/USD have been stable as in last 5 years. It is the most stable currency in the region. After depreciation trends in March 2020 (as for all currencies in the region), AMD/USD rate stabilizes again. We do not expect depreciation of AMD in 2020 considering low imports and improvement in CAB. However, slow depreciation could have been contributing export after overall lockdown.
Labor market	-TEXT
Demography	-TEXT
State Budget	-TEXT
Public Debt	-TEXT



Main Macroeconomic Indicators

		Units	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019-3m	2020-3m	2020E
1	GDP	BIn AMD	3 141.7	3 460.2										1 245	1 267	
		MIn USD	8 648	9 260											2 556	2 627
	real growth	%	-14.1	2.2										7.4	3.8	
2	GDP per capita	USD	2 821	3 041										-	-	
3	Industry output	MIn USD	1 829	2 206										870	934	
		real growth	%	-7.5	9.7										2.0	8.7
4	Agriculture gross production	MIn USD	1 520	1 704										154	153	
		real growth	%	-0.5	-13.6										-0.2	4.5
5	Construction volume	MIn USD	1 596	1 576										98	91	
		real growth	%	-37.4	-2.5										10.8	-9.4
6	Trade turnover	MIn USD	4 331	4 844										1 338	1 363	
		real growth	%	-6.4	5.6										10.1	0.2
7	Volume of services(w/o trade)	MIn USD	2 030	2 117										865	936	
		real growth	%	0.9	3.4										17.7	5.5
8	CPI, annual average	%	103.4	108.2										101.5	99.9	
		CPI, end of period	%	106.5	109.4											
9	Average monthly nominal wages	USD	264	275										357	394	
10	External trade turnover	MIn USD	4 031	4 790										1 629	1 565	
11	Exports of goods	MIn USD	710	1 041										543	545	
		nominal growth	%	-32.8	46.6										-8.6	0.2
12	Imports of goods	MIn USD	3 321	3 749										1 086	1 020	
		nominal growth	%	-25.0	12.9										-3.1	-6.2
13	FDI inflow total (net)	MIn USD	760.0	529.3										-	-	
14	Current account balance/GDP	%	-16.5	-13.6										-	-	
15	External public debt / GDP	%	34.3	35.6										-	-	
16	Remittances/GDP	%	14.9	16.0										-	-	
17	Exchange rate (average)	AMD/USD	363.28	373.66										487.23	482.32	



Recent economic developments

Economic developments



- TEXT



- TEXT

Promising Events



- TEXT



- TEXT



-TEXT



- TEXT



- TEXT



-TEXT

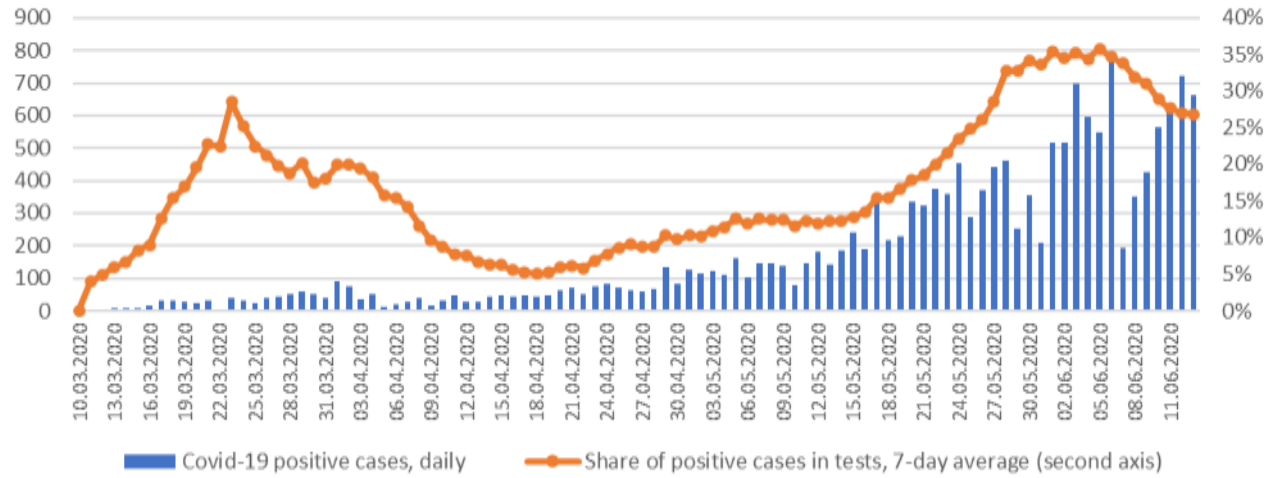


- TEXT



Covid-19 Outbreak and Economic Scenarios

Covid-19 positive cases and tests



- TEXT

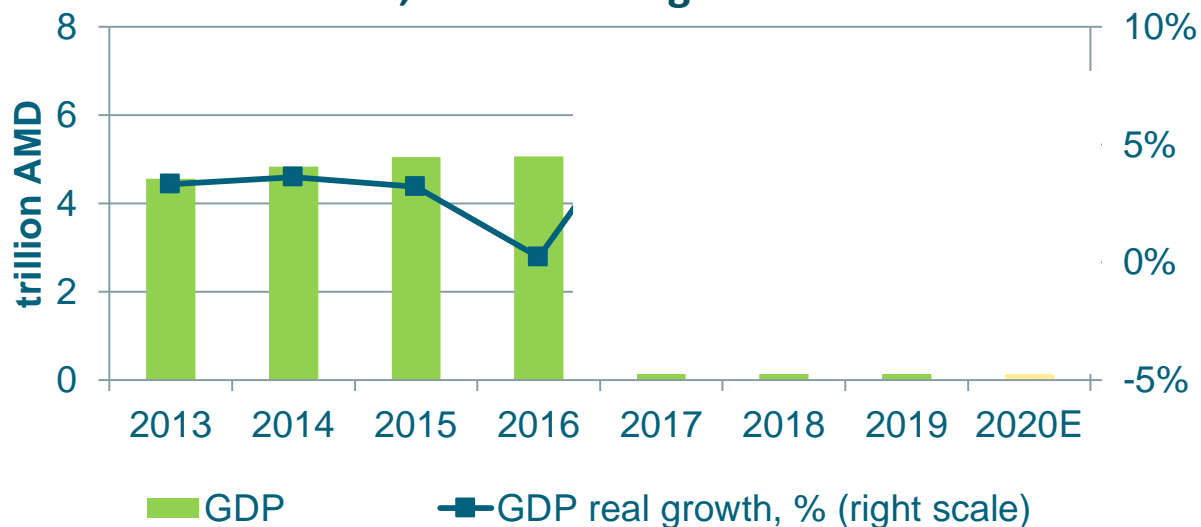
Covid-19 outbreak in Armenia

- TEXT

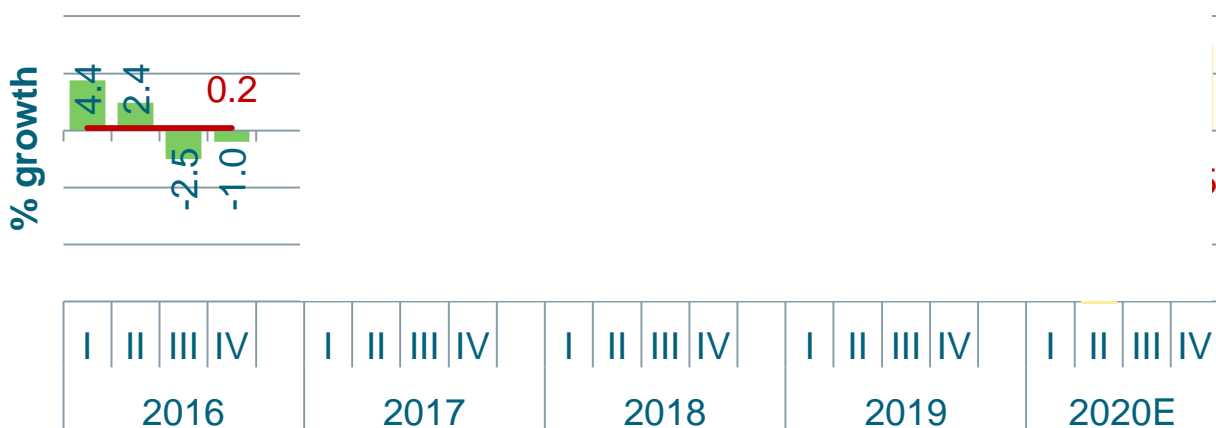


Real sector: GDP dynamics

Annual GDP, volume and growth



Quarterly GDP Real Growth (to same period of previous year)



TEXT

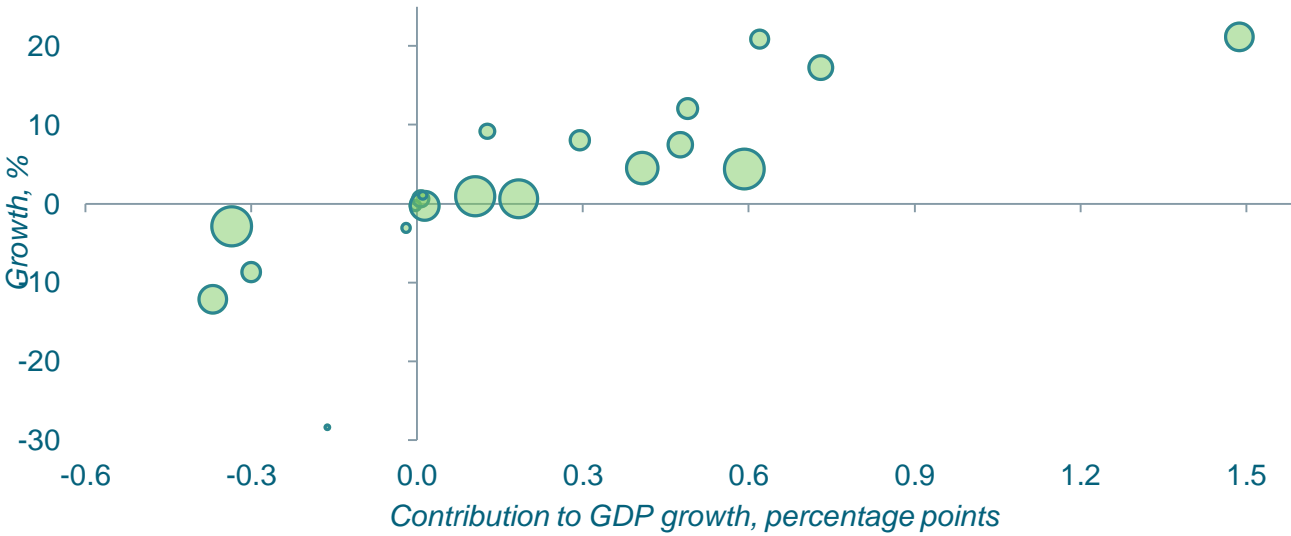
Real GDP in 2020Q1 grew by 3.8%. The economy grew by ~9% in first 2 months but declined in March by 4.4%, due to lockdown from March 15. The growth of Q1 in previous 3 years was higher than 7.2%. Performance of sectors in 2020Q1 changed significantly due to Covid-19. Manufacturing and Construction declined in Q1, which brought to decline of Investments to economy and exports. At the same time Agriculture which grew by 1.6-1.7% in Q1 of previous years, had larger increase in 2020Q1 (4.4%). The latter with the decrease in imports prevented the economy from higher slowdown in Q1.

TEXT



Real sector: industry developments

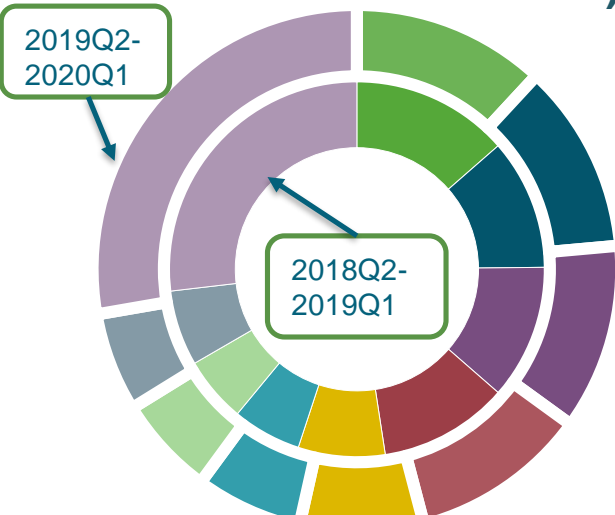
Contribution of Industries in GDP (2020Q1)



-TEXT

-TEXT

GDP: Structure by production (cumulative annualized)





Real sector: Covid-19 impact on industry developments

Performance of Industries during first months of Covid-19 outbreak and Impact (decrease risk) estimate

-TEXT

	Armstat data*			Ameria	Armstat*
	Output growth, over 2019 period			Decrease risk level	April/April 19
	2 months	3 months	4 months		
	-				
	36.5				
	9.5				
	18.6				
	-26.9				
	7.4				
	6.3				
	2.7				
	32.7				
	8.2				
	17.7				
	14.6				
	12.5				
	2.0				
	23.1				
	2.5				
	3.5				
	6.6				
	12.4				

-TEXT



Real sector: GDP by Expenditure

Use Structure of GDP, % to GDP total

	2014	2015	2016	2017	2018	2019
Final consumption	97.6					
Private consumption	85.5					
Gov't consumption	12.1					
Gross capital formation	20.9					
Fixed capital formation	20.0					
Exports/goods, services	28.6					
Imports/goods, services	-47.0					

-TEXT

-TEXT

Contribution to GDP growth from expenditure components (percentage points in GDP growth)





Real sector: regional comparison by GDP growth

Real GDP Growth 2012-2019 and forecasts for 2020-2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F
Emerging, Developing Europe	3.0	3.1	1.9							
Albania	1.4	1.0	1.8							
Bosnia and Herzegovina	-0.7	2.4	1.1							
Bulgaria	0.4	0.3	1.9							
Croatia	-2.3	-0.5	-0.1							
Hungary	-1.5	2.0	4.2							
Kosovo	2.8	3.4	1.2							
Montenegro	-2.7	3.5	1.8							
North Macedonia	-0.5	2.9	3.6							
Poland	1.6	1.4	3.3							
Romania	2.1	3.5	3.4							
Serbia	-0.7	2.9	-1.6							
Turkey	4.8	8.5	5.2							
Russia	3.7	1.8	0.7							
Belarus	1.7	1.0	1.7							
Moldova	-0.6	9.0	5.0							
Ukraine	0.2	0.0	-6.6							
subgroup Caucasus and Central Asia (CCA) within Middle										
Armenia	7.1	3.3	3.6							
Azerbaijan	2.2	5.8	2.8							
Georgia	6.4	3.6	4.4							
Kazakhstan	4.8	6.0	4.2							
Kyrgyz Republic	-0.1	10.9	4.0							
Tajikistan	7.5	7.4	6.7							
Turkmenistan	11.1	10.2	10.3							
Uzbekistan	7.4	7.6	7.2							
Iran	-7.7	-0.3	3.2							

-TEXT

-TEXT

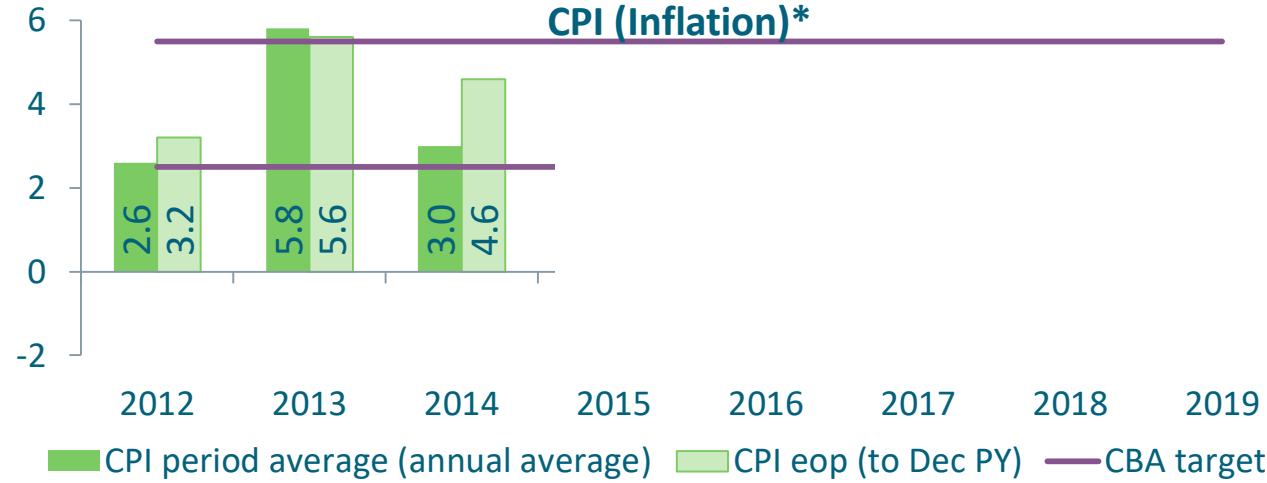
	2019Q1	2020Q1	2020m4*
Armenia			
Turkey			
Kazakhstan			
Russia			**
Kyrgyzstan			
Georgia			
Azerbaijan			
Belarus			

-TEXT



Real sector: level of inflation

CPI (Inflation)*



Inflation to remain in CAB target in 2020

-TEXT

	CPI mothly changes	-TEXT
2018		
2019		
2020		

CPI by Categories, 2020 vs 2019, May

	Change, %			
	CPI eop		CPI period average	
	(2019May/ 2018Dec)	(2020May/ 2019Dec)	(2019/2018)- 5months	(2020/2019)- 5months
CPI				2.0
food products				3.9
alcohol, tobacco				2.0
clothes, shoes				0.0
housing, fuel, electricity				-0.5
household goods				0.4
health				1.6
transport				2.9
communication				-0.1
recreation and culture				-0.2
education				0.1
hotels, restaurants				1.7
other goods and services				-0.1

-TEXT



Real sector: regional comparison by inflation rate

Inflation in 2012-2019 and forecasts for 2020-2021

	Average annual inflation										eop Inflation		
	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F	2019	2020F	2021F
Emerging, Developing Europe	6.2	5.6	6.5										
Albania	2.0	1.9	1.6										
Bosnia and Herzegovina	2.1	-0.1	-0.9										
Bulgaria	2.4	0.4	-1.6										
Croatia	3.4	2.2	-0.2										
Hungary	5.7	1.7	-0.2										
Kosovo	2.5	1.8	0.4										
North Macedonia	3.3	2.8	-0.3										
Montenegro	4.1	2.2	-0.7										
Poland	3.7	0.9	0.0										
Romania	3.3	4.0	1.1										
Serbia	7.3	7.7	2.1										
Turkey	8.9	7.5	8.9										
Russia	5.1	6.8	7.8										
Belarus	59.2	18.3	18.1										
Moldova	4.6	4.6	5.1										
Ukraine	0.6	-0.3	12.1										
Subgroup Caucasus and Central Asia (CCA) within Mic													
Armenia	2.5	5.8	3.0										
Azerbaijan	1.0	2.4	1.4										
Georgia	-0.9	-0.5	3.1										
Kazakhstan	5.1	5.8	6.7										
Kyrgyz Republic	2.8	6.6	7.5										
Tajikistan	5.8	5.0	6.1										
Turkmenistan	5.3	6.8	6.0										
Uzbekistan	11.9	11.7	9.1										
Iran	30.6	34.7	15.6										

IMF expects Armenia's inflation to remain at low level in 2020-2021

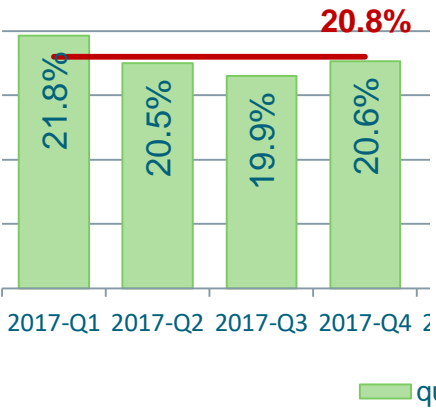
-TEXT



Unemployment Rate*

-TEXT

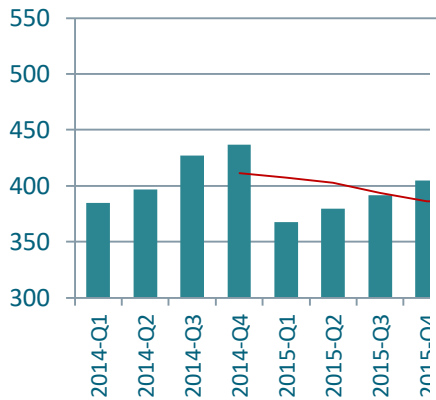
-TEXT



-TEXT

Average Monthly Wages**, USD

-TEXT





Fiscal sector: public debt

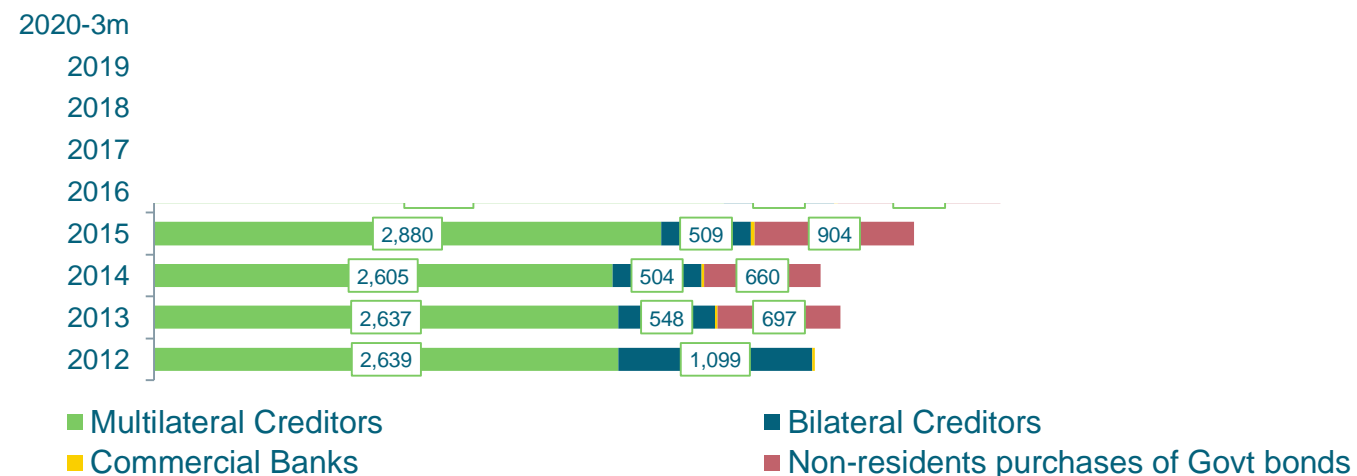
Public Debt to GDP%

	2012	2013
External debt	35.2	35.1
Internal debt	6.0	6.2
Total public debt	41.2	41.3
of which: Government debt	35.6	36.7

External Debt and Reserve Assets, mln USD

	2012	2013	2014
External debt	3 738	3 899	3 785
Reserve assets	1 799	2 253	1 489

Structure of Public External Debt by Creditors



Public Debt/GDP is expected to increase in 2020, but it will be still lower compared to 2017. Internal debt will increase.

New Eurobonds issued with lower than expected coupon rate. Government issue new 2025Eurobonds with 4.20% coupon rate in September 2019 to refinance \$500mln debt repayment of 2020Eurobonds (issued in 2015 with 7.15% coupon rate). The demand was even higher than \$500mln. As of May 2020 Eurobonds comprise 16.7% of total public external debt, so lower rates mean less burden on budget.

-TEXT



Fiscal sector: general government budget

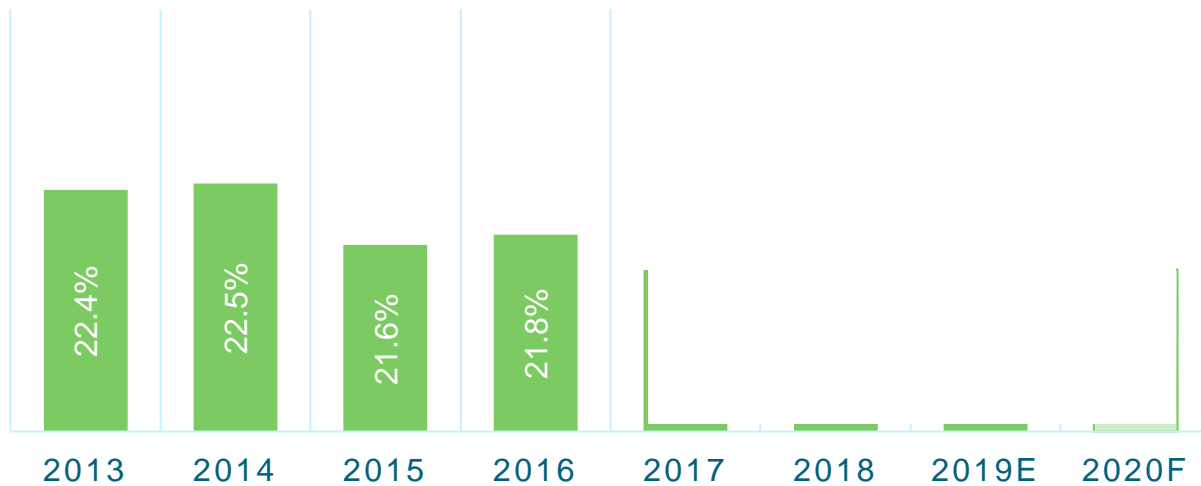
General Budget Deficit, % to GDP



General budget deficit/GDP to increase from 0.8% in 2019 to 4.5-5% in 2020

-TEXT

Taxes (Consolidated Budget) to GDP, %



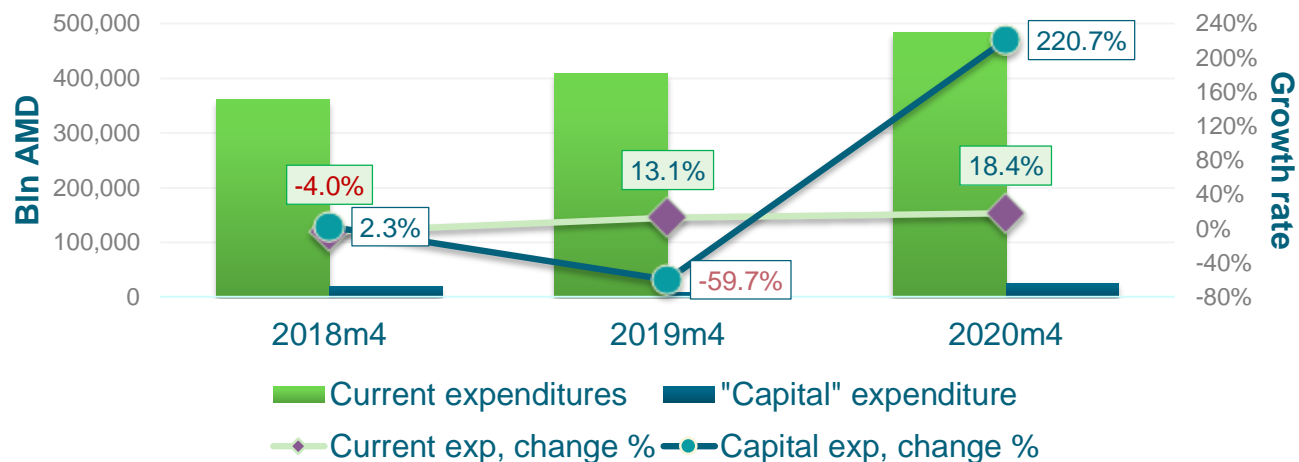
Tax/GDP ratio to decrease by 1.5pp in 2020

-TEXT



Fiscal sector: government budget expenditure

Current vs Capital expenditure



Larger capital expenditure in 2020 to support the economy under recession.

The government started to increase expenditure (especially capital expenditure) in March-April 2020. As response to Covid-19 outbreak and overall lockdown, the expenditure of Government increased. Around 20% of total expenditure growth in 2020m4 is explained by "Capital expenditure" (transactions with non-financial assets increased by 26% after 38% decrease in 2018). This is quite significant as share of Capital expenditure in total expenditure in 2018m4 was only 1.9%. The Capital expenditure will increase all over the year, but its growth rate will be slowed, as the government had significantly increased capital expenditure also in second half of 2019.

-TEXT

Expenditure by Functional classification: 2018-20, 4 months

	Structure, %			Growth over prev.year, %		
	2018m4	2019m4	2020m4	2018m4	2019m4	2020m4
10 Social protection	33.4	34.3	35.3	-4.5	12.8	26.1
01 General public services	21.1	25.0	23.0	11.6	30.7	12.6
02 Defence	13.4	11.3	14.2	-8.8	-7.6	54.5
03 Public order, security, justice	9.0	8.9	8.1	5.5	9.2	12.0
09 Education	8.5	7.9	8.1	2.5	2.0	24.6
07 Health	5.1	5.0	5.7	-5.8	7.5	41.8
04 Economic relations	6.2	4.9	3.3	9.5	12.6	18.6
08 Recreation, culture and religion	1.8	2.1	1.8	2.0	24.9	8.6
05 Environmental protection	0.4	0.4	0.2	29.7	30.8	45.0
06 Housing construction and utilities	0.4	0.3	0.2	-4.0	22.7	33.7



Fiscal sector: regional comparison by budget deficit

Budget Deficit/GDP 2011-2018 and Forecast for 2019-2020

	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F
Emerging, Developing Europe	-1.1	-1.9	-1.8							
Albania	-3.4	-5.2	-5.5							
Bosnia and Herzegovina	-2.7	-1.8	-2.9							
Bulgaria	-0.4	-1.8	-3.7							
Croatia	-5.4	-5.3	-5.3							
Hungary	-2.3	-2.6	-2.8							
Kosovo	-2.3	-3.3	-2.5							
North Macedonia	-3.8	-3.8	-4.2							
Montenegro	-5.8	-4.5	-0.7							
Poland	-3.7	-4.2	-3.6							
Romania	-2.5	-2.5	-1.7							
Serbia	-6.4	-5.0	-5.9							
Turkey	-1.8	-1.5	-1.4							
Russia	0.4	-1.2	-1.1							
Belarus	0.4	-1.0	0.1							
Moldova	-1.9	-1.6	-1.6							
Ukraine	-4.3	-4.8	-4.5							
Subgroup Caucasus and Central Asia (CCA) within Middl										
Armenia	-1.5	-1.6	-1.9							
Azerbaijan	3.7	1.6	2.7							
Georgia	-0.7	-1.3	-1.8							
Kazakhstan	4.4	4.9	2.9							
Kyrgyz Republic	-5.9	-3.7	-3.1							
Tajikistan	0.6	-0.9	-0.1							
Turkmenistan	7.5	1.5	0.9							
Uzbekistan	6.4	2.5	2.2							
Iran	-0.3	-0.9	-1.1							

-Text

General government deficit comparison shows that Armenia's indicators of 2011-2014 were in the middle group of indicators for the countries in the region. In 2015-2017 (for three consecutive years), budget deficit/GDP indicator worsened and was among 5 largest negative indicators within 25 peer countries in the region.

-Text



Financial sector: Financial and Monetary Indicators

Financial Soundness Indicators, %

	2012	2013	2014	2015	2016	2017	2018	2019m4	2019	2020m4
Regulatory capital to risk-weighted assets >12%	16.8	16.7	14.5	16.2	20.0					
Non-performing loans to total loans	3.7	4.5	7.0	8.0	6.7					
Return on assets	2.5	1.9	1.0	-0.5	1.1					
Return on equity	14.7	12.0	6.4	-3.5	7.0					
Liquid assets to total assets >15%	25.6	29.1	25.1	28.0	32.5					
Liquid assets to demand deposits >60%	126.1	142.3	129.4	142.4	170.8					

-Text

In 2019 vs 2018 banking system capital grew faster than the assets, which can be correlated with additional capital requirements under Basel 3 (for capital reservations, systematic banks and anti cyclic buffers).

-Text

Banking Sector Assets and Loans to GDP, %

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bank assets to GDP	54.0	61.8	69.0	70.1	68.7				
Bank loans to GDP	33.3	40.3	42.1	44.5	42.3				

Average Interest Rates, %

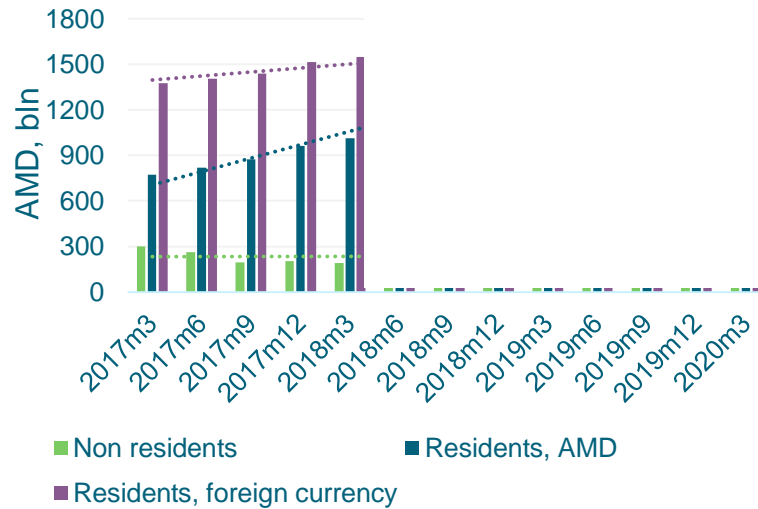
	2012	2013	2014	2015	2016	2017	2018	2019m4	2019	2020m4
loans	15.99	15.04	16.26	15.36	15.38	13.26				
deposits	10.06	10.42	10.95	13.33	9.82	8.41				
CB repo	8.00	7.75	8.50	8.75	6.25	6.00				

Source: Green-better than previous year, Red- worse than previous year

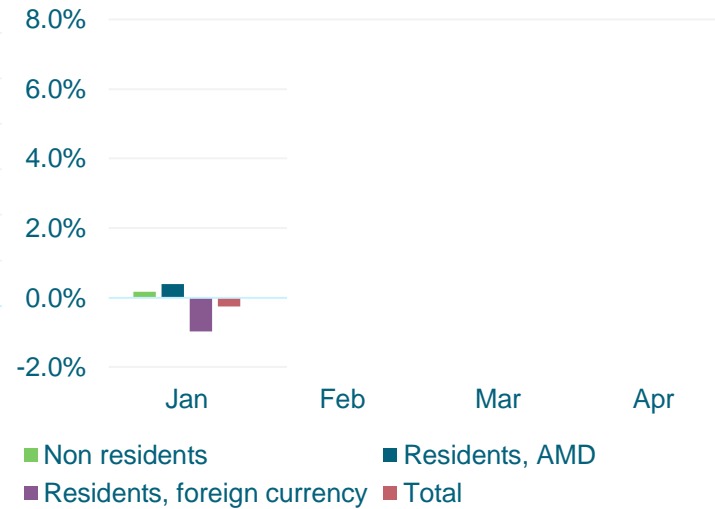


Financial sector: Financial and Monetary Indicators

Banking Sector Loans



2020 monthly changes (2019Dec = 0)



Loans continue to increase with slower rate, while Deposits decreased during 4 months of 2020.

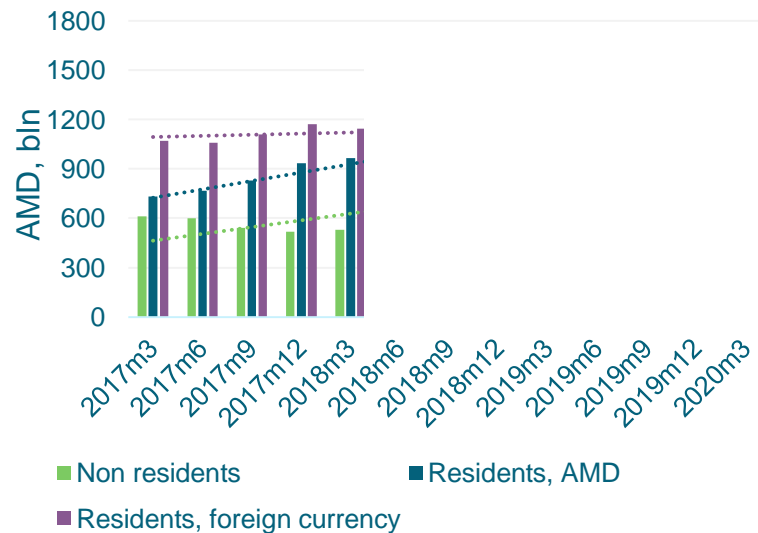
The volume of total loans to by banks and credit organizations reached **8.72bln USD** as of end of 2020m4. The share of loans provided by credit organizations was increasing during 2019 (due to 42.6% growth vs 16.9% growth in bank loans). The share decreased to 9.4% in April 2020 (due to 10.2% decrease April over December vs 3.6% growth in banks).

The volume of loans provided by Banks and Credit organizations increased by **16.0%** as of end of 2020m4 compared to 2019m4 (slowdown vs March-to-March's 19.4%). Loans to residents in foreign currency has slowed the most.

The volume of mortgage loans (banks and credit organizations) in April continued sharp increase over the 12-month period (37.3% vs 37.1% over 2019). Compared to March, the growth a bit slowed. Bank mortgage loans growth rate (April-to-April) is 40.8%, while Credit organizations' mortgage volume decreased by 5.2%. Consumer loans' growth (banks and credit organizations) slowed significantly (19.0% vs 30.5% in 2019).

The volume of total deposits in commercial banks reduced to **7.1bln USD** as of end of 2020m4 (7.4bln at end of 2019). The largest decrease is registered in non-residents' deposits, but residents' deposit volumes also decreased. During 2019 the volume of deposits from non-residents had increased sharply (47.5%).

Banking Sector Deposits



2020 monthly changes (2019Dec = 0)



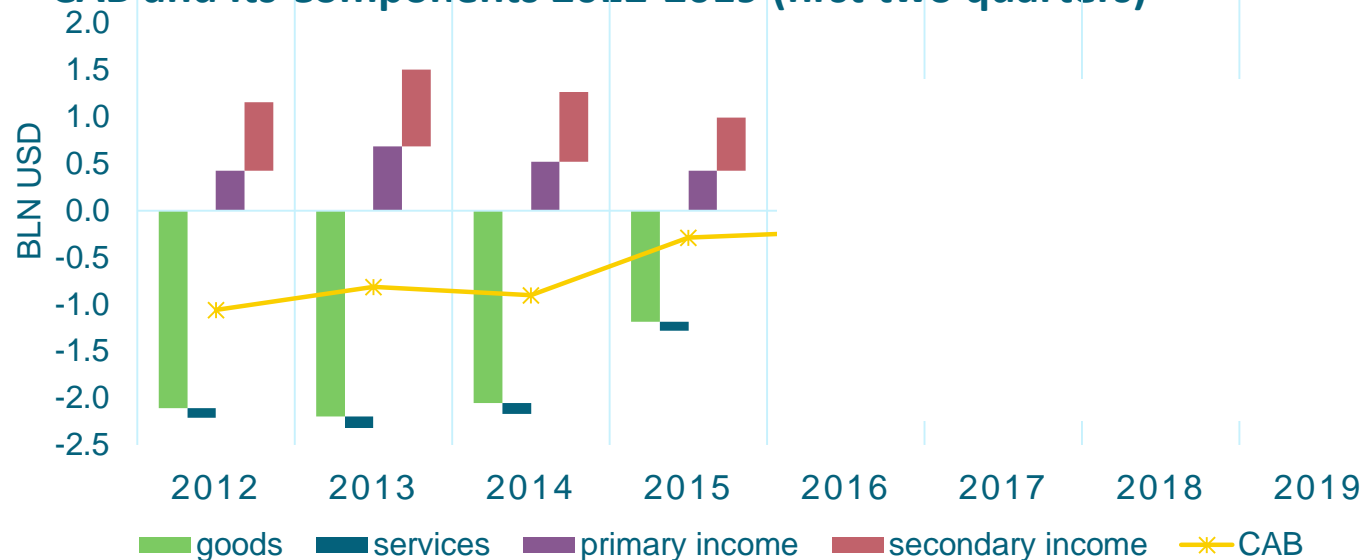
Source:

Please contact us to get the full version: mas@ameria.am



External sector: current account balance

CAB and Its Components 2012-2019 (first two quarters)

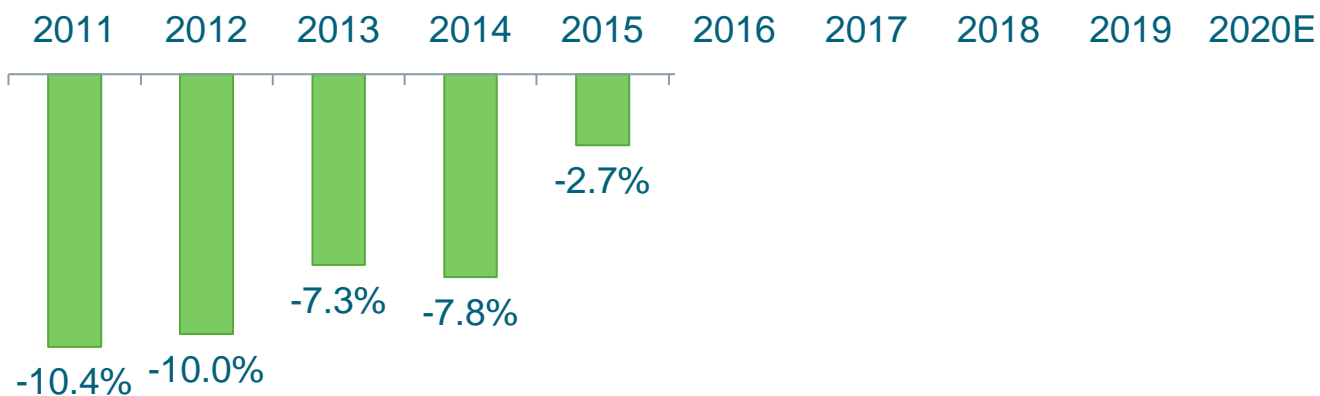


-TEXT

After significant improvement in Current account deficit to GDP ratio in 2015-2016 (mainly due to decline in imports of goods), it started to worsen again since 2017. 2018 negative CAB/GDP overpassed even the indicators of 2012-2014. In 2018 import's growth was much higher than that of export. Considering imports were ~2 times larger than exports, its impact on CAB deficit is obvious. Overall, CAB worsened by \$821mln in 2018 vs 2017, mainly due to negative balance in goods and decrease in primary income's positive balance (correspondingly by \$413mln and \$246mln).

-TEXT

CAB, % to GDP





External sector: CAB regional comparison

CAB/GDP 2012-2019 and Forecast for 2020-2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F
Emerging, Developing Europe	-0.6	-1.2	-0.2							
Albania	-10.2	-9.3	-10.8							
Bosnia and Herzegovina	-8.7	-5.3	-7.4							
Bulgaria	-0.9	1.3	1.2							
Croatia	0.3	1.3	0.3							
Hungary	1.5	3.6	1.3							
Kosovo	-5.8	-3.4	-6.9							
North Macedonia	-3.2	-1.6	-0.5							
Montenegro	-15.3	-11.4	-12.4							
Poland	-3.7	-1.3	-2.1							
Romania	-4.8	-0.8	-0.2							
Serbia	-10.8	-5.7	-5.6							
Turkey	-5.5	-5.9	-4.2							
Russia	3.3	1.5	2.8							
Belarus	-2.8	-10.0	-6.6							
Moldova	-7.4	-5.2	-6.0							
Ukraine	-8.1	-9.2	-3.9							
Subgroup Caucasus and Central Asia (CCA) within Middle										
Armenia	-10.0	-7.3	-7.8							
Azerbaijan	21.4	16.6	13.9							
Georgia	-11.4	-5.6	-10.2							
Kazakhstan	1.1	0.8	2.8							
Kyrgyz Republic	-15.5	-13.9	-17.0							
Tajikistan	-9.0	-10.4	-3.4							
Turkmenistan	-0.9	-7.3	-6.1							
Uzbekistan	0.9	2.4	3.3							
Iran	6.0	6.7	3.2							

-TEXT

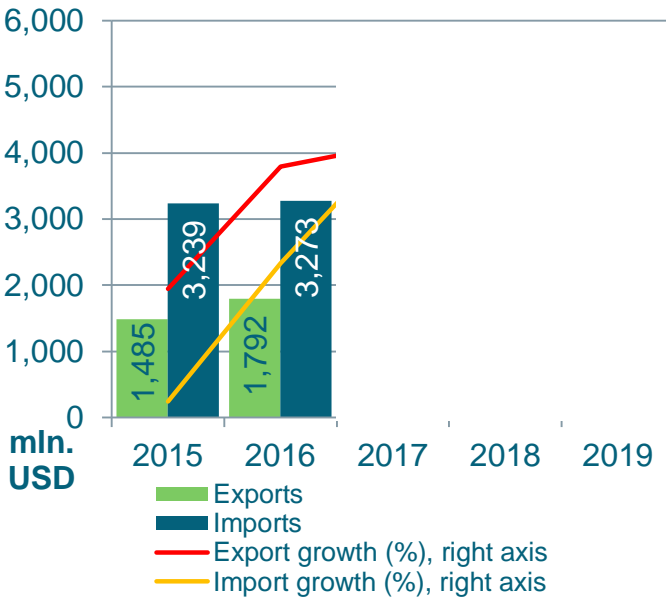
Armenia's indicators for 2018-2019 are among the worst 5 in the region. After large improvements in CAB noticed in 2015-2017, negative CAB increased mainly due to large increase in imports of goods. Unlike Armenia, CAB/GDP in Georgia slowly improved during last 4 years.

-TEXT

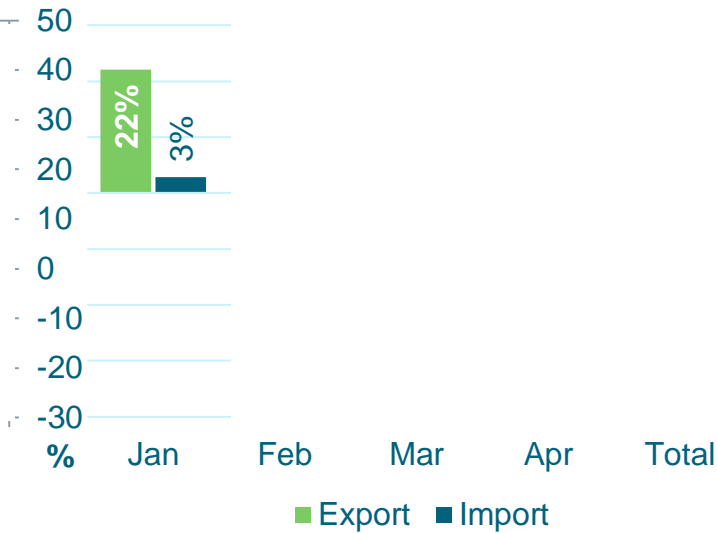


External sector: trade dynamics

Exports and Imports of Goods



2020m4 vs 2019m4, change %



-TEXT

-TEXT

Export by Top-7 commodity groups, 2020m4

	Structure, %			Growth, %	Contrib, pp	Apr/Apr growth.%
	2019m4	2020m4	change. pp			
Mineral production	26.5%					
Products of prepare food	23.9%					
Precious stones and metals	16.7%					
Base metals and articles thereof	11.4%					
Textile articles	7.5%					
Products of vegetables origin	3.7%					
Machinery and apparatus	2.0%					
Others	8.3%					

* Contribution to growth (decline) is estimated as percentage points in total growth.



2020Q1 data are not released yet

External sector: FDI pattern

Real sector FDI in 2019 was the lowest in the decade

FDI in Armenia is decreasing since 2008. Some growth was evidenced in 2016, due to financial sector, explained by the CBA requirement to increase the capital of banks by 2017. Real sector FDI decreased by more than 10% in 2016.

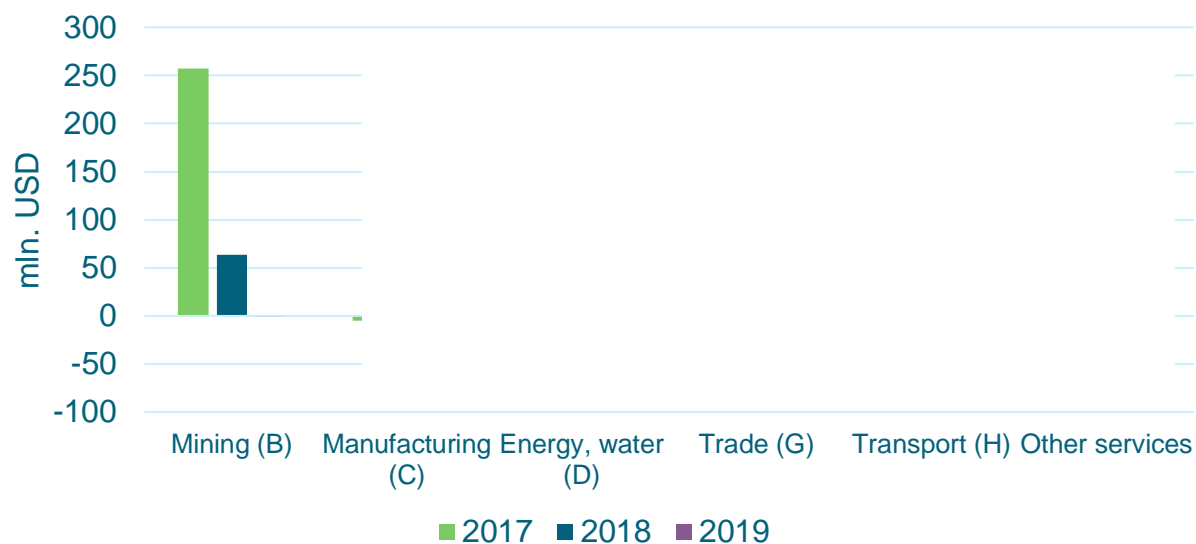
TEXT

FDI (inflow)



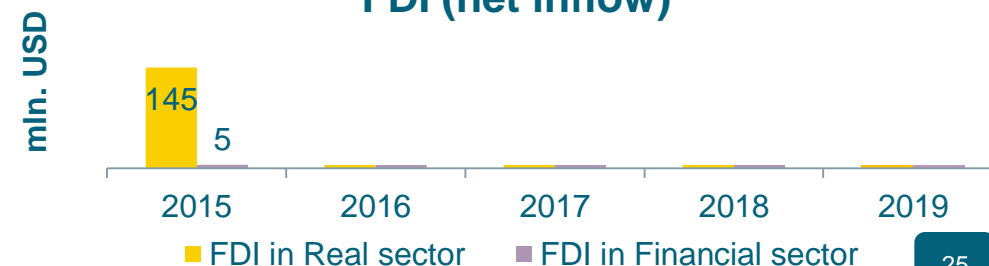
* Source: CBA.

FDI net inflow in Real Sector by economic sectors 2017-2019



* Source:

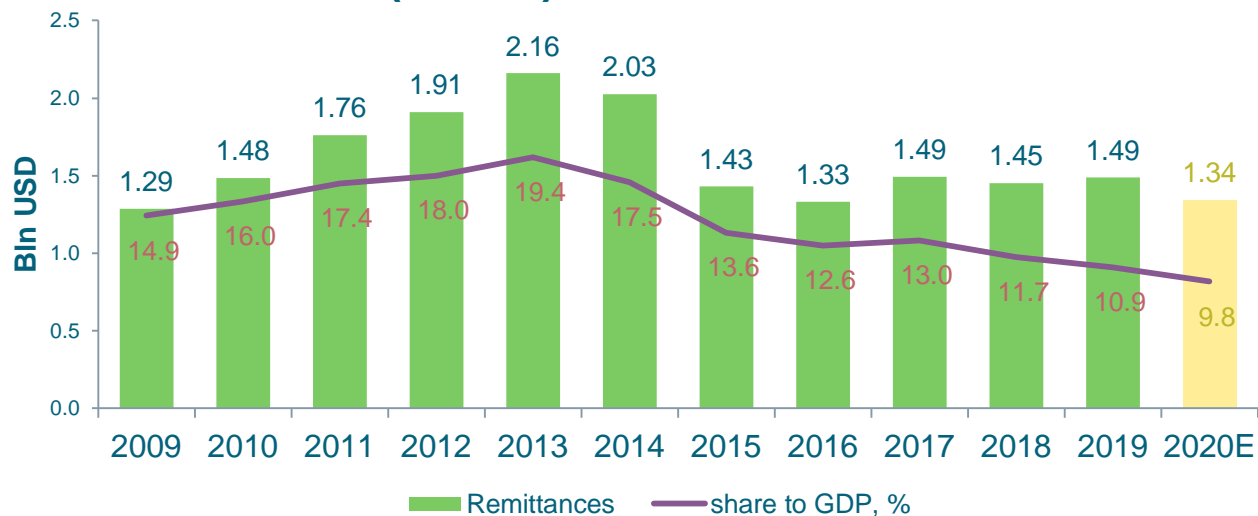
FDI (net inflow)





External sector: remittances flow

Remittances (inflow)



Remittances to decrease by around 10%, larger decrease in remittances from Russia is expected. Remittances/GDP to go below 10% in 2020.

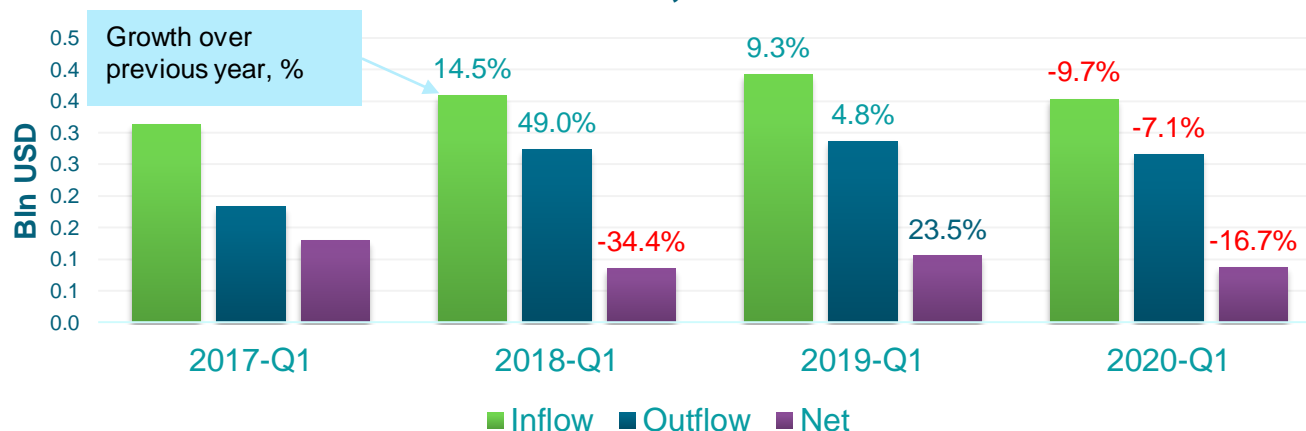
economic developments in Russia/oil prices (recession in Russia with unstable oil prices in 2020), migration (decrease in 2020 due to lockdown) and exchange rates (AMD stable vs USD, but appreciated vs RUB). All developments in 2020 predict decrease in remittances in Armenia.

After recovery growth in 2017, remittances in USD denominated absolute volume remained nearly stable in 2017-2019 (slight decrease by 2.8% in 2018 and 2.6% growth in 2019). In these recent years, remittances growth was always lower than growth in private transfers through banks as the latest include also commercial purpose transfers.

Inflow of total individual private transfers through banks (includes commercial purpose transfers) in 2020Q1 decreased by 9.7%, while net inflow decreased by 16.7%. The decline in remittances will be lower than that decline in total private transfers through banks in 2020, as commercial activity suffers more from Covid-19.

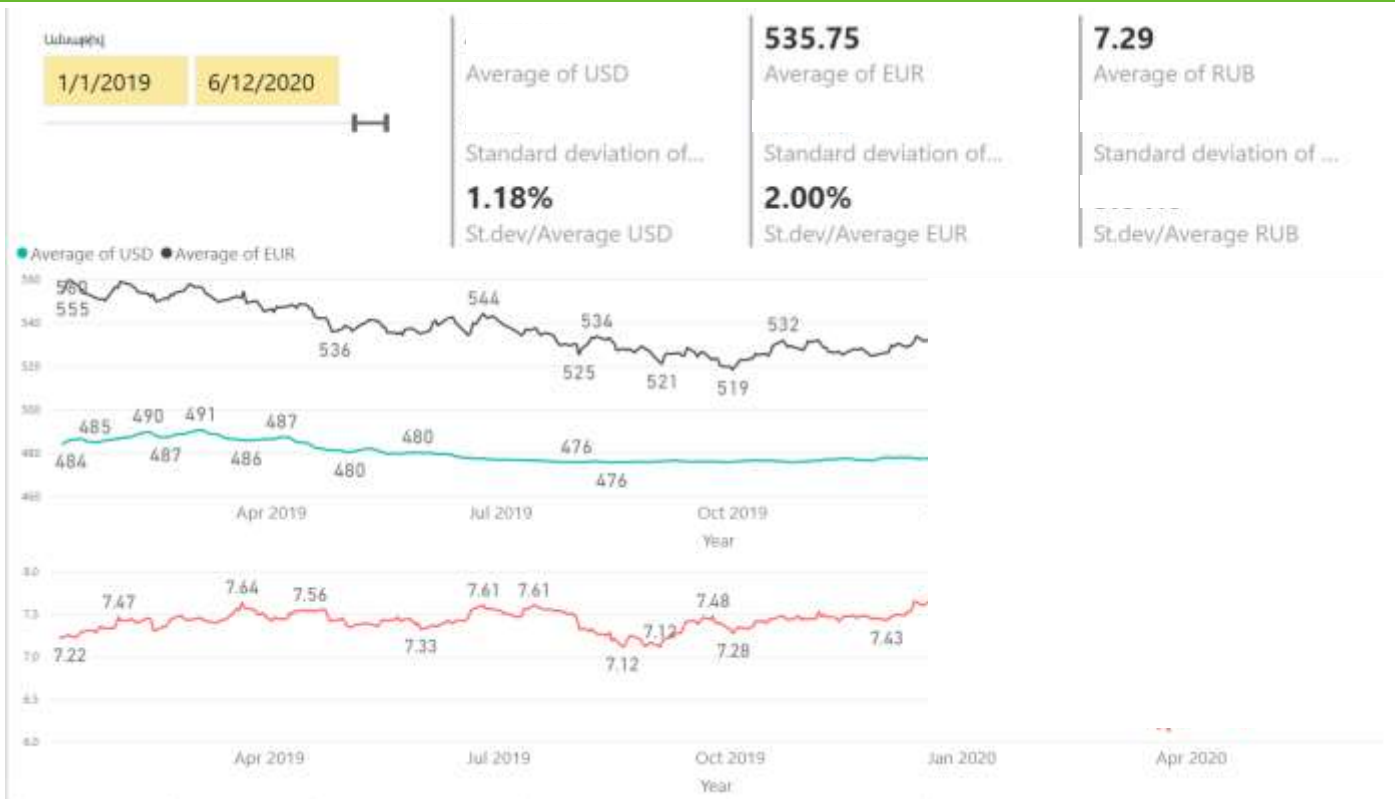
With our baseline scenario for 2020, we expect around 10% decrease in Remittances inflow and around 1.1pp decrease in Remittances/GDP indicator. We expect much larger decrease in remittances from Russia, due to lockdown fewer migrant workers will work in Russia, moreover ruble depreciation also usually brings to decrease in remittances denominated in USD.

Total individual transfers through banks 2017-2020, Q1





External sector: exchange rate dynamics



AMD has remained stable against USD since 2015

Impact of foreign trade and remittances along with still high rate of dollarization in savings makes exchange rate very important factor for the economy. The latest significant change of exchange rate of AMD/USD occurred at the end of 2014 (conditioned by depreciation of ruble, mainly as a result of oil price drop).

TEXT

AMD exchange rates changes – 2020Q1*



AMD annual average exchange rates

	2013	2014	2015	2016	2017	2018	2019
USD	409.63	415.92	477.92	480.49			
RUR	12.88	10.98	7.89	7.19			
EUR	544.12	552.11	530.60	531.85			

* Average exchange rates are a bit different from official annual, as here is daily average,

Please contact us to get the full version: mas@ameria.am



Socio-demographic factors: migration patterns

Population Dynamics

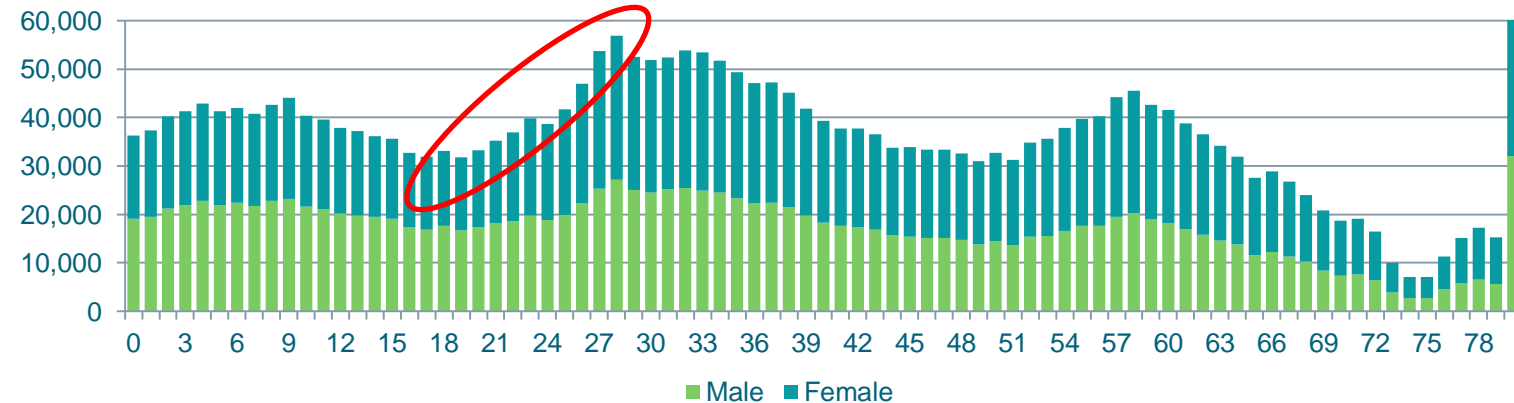
	2012	2013	2014	2015	2016	2017	2018	2019-m3	2019	2020-m3
Births	42 480	41 790	43 031	41 763	40 638	37 700	36 574	7 952	36 131	7 578
Deaths	27 599	27 196	27 714	27 878	28 129	27 157	25 751	7 307	26 252	7 289
Migration	-42 811	-31 188	-41 672	-43 438	-48 170	-26 897	15 317	-3 463	10 506	-11 752
Total Change	-27 930	-16 594	-26 355	-29 553	-35 661	-16 354	26 140	-2 818	20 385	-11 463

Marriages and Divorces

	2012	2013	2014	2015	2016	2017	2018	2019-m3	2019	2020-m3
Marriages	19 063	18 363	18 912	17 603	16 294	15 214	14 822	3 782	15 561	3 468
Divorces	3 250	3 756	4 496	3 670	3 648	3 940	3 819	850	3 879	893

* Red - worsening, Green – improvement vs previous year

Age structure of population, as of 01.01.2019



2019 – the second consecutive year with positive migration

“De facto” population of Armenia decreased by 11ths in 2020Q1 (based on information on natural growth and border crossings). This is the highest negative figure in Q1 for last 3 years, but it is still lower than before that period.

Negative migration trends are common for small countries in similar economic conditions. Particularly the same issues are in Baltic and East European countries. Work age population is under the risk of migration. Short-term positive migration registered in Armenia is a good sign, but large efforts are still needed to change negative trend in long-run period for Armenia.

Natural growth is again slower than previous years. This trend will continue also next years considering the population’s age structure. Changes in labor market are also expected considering low number of population at near 20-age compared to 30-age.

Permanent (“de jure”) population of Armenia is still decreasing: 2.957mln as of 01.04.2020 (decrease by 5.2ths compared with 01.04.2019). Decrease is slower than in same period 1 year ago (7.8ths).

We expect around 0 migration over 2020 considering lockdown and economic recession worldwide.



International ranking of Armenia

Main economic international rankings of Armenia

-TEXT

	Latest	Previous
Economic Freedom Index 2020		47 th (score 67.7)
Ease of Doing Business 2020		
Global Competitiveness Index 2019		
Human Development Index 2019		
August 2019 (previous change Mar 2018)		
Apr 2020 (previous change Nov 2019)		BB- Negative



International ranking of Armenia

Armenia vs. other countries Economic Freedom Index 2020

-TEXT



Armenia's rank vs. other countries Ease of Doing Business 2020



Armenia' rank vs. other countries Global Competitiveness Index 2019

