
Businessmen - Willing To Make Investments

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Promises to invest 700 million US Dollars and even more

Responding to the appeal of the President of the republic, around a dozen of Diaspora Armenian businessmen (whose number increases gradually) have expressed willingness to invest a sum of more than 700 million Dollars in the economy of Armenia.

And if these promises, at least half of them, become a reality, this will be quite a serious sum for the small economy of Armenia. It may greatly contribute both to the extension of the economic activeness and the opening of new workplaces.

In this regard, let's recall what developments occurred in the country due to the investments of the "Linsi" foundation (200 million Dollars).

Whereas the conversation at this moment goes around a sum which exceeds those investments by 3-4 times. From the economic viewpoint, it doesn't actually matter that those sums, like the investments of the "Linsi Foundation", are not gratuitous allocations.

>From the angle of the effectiveness of business programs, it is very important that they are going to be direct investments rather than loans.

Investments are the most effective financial means of economy. Although the bank capital increases in Armenia by every year, it is not yet powerful enough to provide loans for the economy at low interest rates. The bank loans chiefly include expensive sums which in most cases do not contribute to the implementation of long-term economic programs.

As to the issue in what sphere those investment proposals will be implemented, it is not entirely clarified yet. Anyway, certain trends are being sketched now. Although, regardless the spheres, the entrance of such sums into the economy may lead to an investment boom and economic activeness.

As we know, Samvel Karapetyan, an Armenian businessman residing in Russia, was the first to respond to the President's appeal. He expressed willingness to invest 250 million US dollars, envisaging the major part of the sum, 200 million US Dollars, for business and social programs. S.

Karapetyan promised to allocate USD 50 million for the implementation of some symbolic program in Armenia, for instance, the opening of the Pan-Armenian Bank, a project that is envisaged for the end of the current year or the beginning of next year.

Businessman Ara Abrahamyan, Head of the Union Armenian Businessmen in Russia, proposed an investment program in the amount of 150 million US Dollars. Mr. Abrahamyan intends to direct those sums to the implementation of the initiatives of the President, continuing the funding of different social programs initiated in the past. Head of "Bamo" holding expressed willingness to make investments in the amount of 120 million Dollars in the town-building programs. Proposals were made on making investments in the spheres of mineral industry, insurance etc. In case these proposals are implemented, the economic situation in the country may essentially change.

Clearly, each of the authors of this initiative has become specialized in some sphere of economic activity. So, it is possible to assume that in separate cases those spheres will be maintained during the implementation of new programs in Armenia as well.

Nevertheless, the Government has serious tasks in terms of making maximum use of the above-mentioned sums. And the implementation of such tasks is incumbent upon the Armenian Development Agency which, apart from introducing the advantages of the economy of Armenia to the financial investors, is also obliged to propose business programs and specify the trends which may be favorable for the financial donors.

In this respect, certain steps are already being implemented. Recently, a group of Diaspora Armenian businessmen were invited to Armenia and familiarized with the process of the reforms implemented here.

The legislative field in Armenia is favorable for investments. But there are a great number of problems towards achieving their realization, and they often push aside the investors, no matter whether they are our compatriots or foreigners. These problems make themselves obvious first of all in the spheres of taxation and customs services, as a result of which the competitive environment of the country suffers losses. Naturally, no one will be willing to make investments or be engaged in economic activity in an environment creating unequal conditions between himself and the other competitors.

With the purpose of solving the problems in the economic sphere, several measures have been undertaken during the recent months, and, as mentioned by the businessmen who have expressed willingness to make investments, these have inspired them with enthusiasm. At the same time, it is very important for the investments not only to continue but also cover other spheres in which there are quite a lot of problems related to entrepreneurial activity.

Of course, the economy of Armenia has certain branches which may be favorable for new investments and economic activities. In the meantime, it is very important for at least some part of the investments to be made in the sphere of industry and have tendencies for export. An urgent issue for Armenia is the increase of the export volumes, and the invested sums may contribute to this process.

Especially considering that the businessmen who have expressed willingness to make investments, have serious ties on the foreign markets, and can contribute to the process of realizing the products.
