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# Main Obstacles To Development Of Armenia's Fine Organic Chemistry

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## **MAIN OBSTACLES TO DEVELOPMENT OF ARMENIA'S FINE ORGANIC CHEMISTRY ARE LOW LEVEL OF CUSTOMER SERVICING, IMPERFECT LEGISLATION ON SAMPLE EXPORT AND ABSENCE OF COMMERCIALIZATION INFRASTRUCTURES**

The main obstacles to development of Armenia's fine organic chemistry is the low level of services provided to foreign customers at the sector's companies and research institutes, the imperfect legislation on export of production samples and the absence of infrastructures for commercialization of developments, the director for investment attraction of the Armenian Development Agency (ADA) Natalia Artsruni told NT correspondent.

In her words, as far back as 2005, under the WB-financed program on export promotion and investment attraction and with the participation of foreign experts, the ADA developed a strategy of developing Armenia's fine organic chemistry sector, during implementation of which [www.finechemicalsmarket.com](http://www.finechemicalsmarket.com) website was created. The list of 5 thousand chemical substances, whose production may be organized by Armenian institutes and companies, is available on this website.

The country's capacities regarding the sector are also presented at exhibitions and business forums. However, according to N. Artsruni, very often Armenian organizations do not respond on time to the possible foreign partners' inquiries about the price and supply term of a substance as Armenian organizations do not have price-lists on supply of substances by their quantity and term, which should be constantly updated. "Those making an inquiry from abroad expect an answer to be received within 24 hours, which does not happen. Many companies need training on customer servicing.

We have potential, in which the world takes interest, however, we first of all need to do homework in order to realize this potential," the ADA's official pointed out, adding that "perhaps it would be better to present 3 thousand instead of 5 thousand substances but with confidence that we are always ready to supply the given substance at the indicated price and in the indicated period".

She considered as an objective obstacle the situation when for sending a 1 or 2-gram sample to the possible foreign partner for testing, the local company has to undergo an expensive and long procedure for certification and permission, which is also used for a large consignment to be sold abroad. It was mentioned that the certification price has no essential impact on the cost price of the exported commodity in case of exporting large consignments abroad, whereas in case of samples of chemical substances, the certification considerably increases the cost price of their export, as a result of which "we become absolutely noncompetitive". In the opinion of N. Artsruni, a legislative solution is necessary to rectify this situation. She expressed a hope that respective proposals will be worked out by thanks to the research on Armenia's business environment, which is being conducted by the Business Support Council (chaired by the RA prime minister, the secretariat is headed by the ADA) and the European Bank for Reconstruction and Development (EBRD).

N. Artsruni expressed an opinion that for efficient organization of commercialization of the indicated sector's scientific developments and for reduction of risks, it is necessary to set up a respective fund which, in particular, will assist scientists with commercialization of their

developments' patents. "It is often more beneficial for leading foreign companies to purchase the patent of the given scientific product than to spend money on research," she explained. She said that it may also contribute to Armenia's recognition abroad as a country of fine organic chemistry and to attraction of investments for production and research on this sphere.

According to the ADA's data, there are 4 institutes specialized in research on fine organic chemistry in Armenia. 5 companies with a total of about 200 employees operate in the production sphere.

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