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## USA - Armenia Diamond Trading -10 per cent in 2006

By Jeff Miller

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RAPAPORT... The United States has made a concerted effort to help Armenia during transition from totalitarianism and a command economy into democracy and open markets. Under government sponsored programs the United States has provided nearly \$1.5 billion in humanitarian and technical assistance for Armenia in the past 15 years.

In 1992 Armenia signed three agreements with the United States affecting trade between the two countries. The United States considers that diamond trading between the two nations is an important player in commerce. The agreements were ratified by Armenia's Parliament in September 1995 and entered into force in the beginning of 1996. They include an "Agreement on Trade Relations," an "Investment Incentive Agreement," and a treaty on the "Reciprocal Encouragement and Protection of Investment."

Armenia's diamond trade overall however has hit a rough patch in the past two years. Armenia reported a 35 percent decline in rough imports from all nations for the first couple of months in 2007, following an overall diamond export drop of 20 percent in 2006 to \$212 million.

Interestingly enough, diamond imports and exports between Armenia and the United States experienced a transition in 2006. Overall diamond trade fell 9.8 percent to \$9.9 million. Armenia exported \$1.7 million in polished goods to the United States, a drop of 78 percent from 2005. And yet polished exports from the states to Armenia in 2006 rose 196 percent to \$8 million. Rough imports from the states dropped 76 percent to \$170,000. A slight majority of goods traded were in excess of 0.50 carats.

So far in 2007 (January through April) polished imports from Armenia to the United States is flat at about \$421,000. Polished exports to Armenia from the states has dropped 59 percent to about \$273,000.

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