

REGIONAL POST

Spring / 2022

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MUSCARI
Caring for Land, People & Culture

Gyumri Ceramics

Revival of Armenian ceramics in the 21st century

The Family Care Foundation and the Muscari Association are working together to improve the life conditions in Armenia. Their activities are concentrated especially in Gyumri, which has an invaluable historical, patrimonial and cultural wealth. After the earthquake of 1988, which caused the death of tens of thousands of inhabitants, this city tries to get up and regain its once undeniable radiance.

Following this tragic event, the Family Care Foundation was created by the will of implementing projects for the economic and cultural development of Armenia in the fields of tourism, art, handicraft and restoration of traditional values with a strong ethical requirement.

Regarding Muscari, created in 2016, its purpose is to valorise Armenian culture and French-Armenian exchanges. It works for education in France and Armenia and it promotes a better knowledge of peoples, cultures and languages.

This complementarity gives life to projects such as the ceramics workshop in Gyumri, which allows currently many families to live with dignity, thanks to arts and crafts inspired by among others Armenian potters from Kütahya in the former Ottoman Empire, the golden age of their activity being in the 18th century. Always having the desire of revitalizing and valorisation of Armenian material and immaterial heritage, special energy is devoted to the architectural restoration of the city's historic buildings.

The ceramics of Gyumri's workshop are on sale in the following addresses in Armenia:

- o Villa Delenda : 22 Yeznik Koghbatsi Str., Yerevan*
- o Villa Kars : 182 Abovyan Str., Gyumri*

www.familycarearmenia.org / www.muscari.fr

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 7th issue of the magazine created by the Deem Communications.



VAHAN KEROBYAN:

“WE HAVE TO INVEST IN SCIENCE AND EDUCATION”

Regional Post met Minister of Economy of the Republic of Armenia Vahan Kerobyan and discussed his transition from the private sector to the Ministry, the benefits of the long-term peace, and the importance of supporting local producers.

INTERVIEW : ARSHAK TOVMASYAN / PHOTO : MINISTRY OF ECONOMY OF RA



Mr. Kerobyan, you were appointed on November 26th, 2020, in a quite difficult and turbulent period for Armenia, to say the least. What made you agree to take on this position?

— Prior to my appointment as Minister of Economy of Armenia, I had never been involved in politics; instead, I was actively involved in civic life and took part in various initiatives launched in the country. I came from the private sector but working for the benefit and prosperity of my country has always been an essential part of my job. When the 44-day war started, my brothers and I went to Artsakh. On November 18 we were still at Khntsa-berd when I got a call and had to return to Yerevan. I was invited to meet the Prime Minister, and he offered me this position.

What I saw during the war and when I returned to Yerevan, made it obvious to me that Armenia is in a quagmire. I realized that the time has come to make all possible efforts and overcome those adversities. Not everyone is lucky enough to be given the chance and opportunity to support their country facing such enormous challenges. Turning down this offer would have been an unforgivable mistake, especially if you can actually manage it. I see this position as a continuation of my service for my homeland.

As you mentioned, by the time you accepted the office of the Minister, you had already had a lot of experience and contribution in the private sector. Was it possible to fully apply the knowledge and experience gained in the ministerial work?

— My former experience helps me a lot. I would even say that to work at a governmental institution, especially in the sphere of economics, having prior experience in the private sector is a must. When you are in the public sector for a long time, it becomes harder to connect with your actual beneficiaries. Meanwhile, in the private sector, you vividly see and interact with your customers, and providing quality service is the key goal here. In my opinion, we have already managed to bring positive changes to the Ministry. It has become more consumer-centered, aimed at solving the problems, without an overflow of bureaucratic paperwork. What I have seen in the “streets” now helps me to do my work in the cabinet. In this routine of a Minister, it is easy to lose touch with reality. But you can ask ordinary citizens only a few questions and gain an understanding of how your economy performs at that moment.

NOT EVERYONE IS LUCKY ENOUGH TO BE GIVEN THE CHANCE AND OPPORTUNITY TO SUPPORT THEIR COUNTRY FACING SUCH ENORMOUS CHALLENGES

In your speech summarizing the performance in 2021, you said that the Ministry managed to launch a number of important projects to improve the post-war economic situation as much as possible. You emphasized the laws on holidays and subsoil assets. Why exactly did you single out namely those two? And would you please sum up the results of 2021?

— We love saying that our nation is very hardworking, and I believe that this new change in the law on holidays is aimed at rejuvenating the diligent spirit of Armenians. We currently have issues with discipline such as constant lateness, failing to follow deadlines, and performance at unsatisfactory levels of quality has become business as usual among us. But in my personal opinion, discipline is the guarantee of success. The government has announced that in the upcoming years it will ensure an average 7-percent growth and this also



requires discipline, as the government now has to direct all its efforts and resources on reaching that goal. As to the subsoil assets law, it is well known that for decades these resources were utilized not for the benefit of the country. In this regard, since the implementation of this law, the tax incomes from the mines have tripled. The GDP calculation for 2021 has shown a real GDP growth of 5.8 percent. Many people did not believe that we would have such results, but I preferred staying optimistic. We had 22 billion AMD surplus income in the first trimester and I did my best to convince the partners that there will be an even bigger growth. Last year, more than 100 billion AMD went to Artsakh, and a lot of finances went to other important causes. We also solved the bank guarantee issue regarding state procurement, which enabled us to invest around 100 billion additional AMD into the economy.

How can Armenia be made attractive for investments, taking into account the epidemic and the tense situation on the border?

— The most important prerequisite for active investment flow is ensuring long-term peace. The latter was rarely the case for Armenia throughout history but is the main political commitment of our government. If we take a look at countries such as Switzerland that have not seen war for 600 years, we will see that even being a small nation they have successful companies with enormous amounts of income. This has been achieved due to long-term peace. While Armenian businessmen make their investments regardless of the political situation in order to prevent the country from existential challenges, foreign investors need rock-solid guarantees.

In 2021, we focused not only on foreign investors but mostly on collaborating closely with local and diaspora investors. Our work towards these two directions gave results that will be visible soon. We had some success with foreign investors as well, but it is still far from reaching the goals set by our Government. The capital stock of our country is fairly limited, barely reaching 5 billion dollars. In order to increase it, the government turned various projects into final decisions. All this is for the purpose of making Armenia an investment-friendly country.

Which branches of the economy can become the guarantee of future development? Is it IT, tourism, or maybe some other direction, that should be promoted?

THE MOST IMPORTANT PREREQUISITE FOR ACTIVE INVESTMENT FLOW IS ENSURING LONG-TERM PEACE. THE LATTER WAS RARELY THE CASE FOR ARMENIA THROUGHOUT HISTORY BUT IS THE MAIN POLITICAL COMMITMENT OF OUR GOVERNMENT

— Besides IT, which amounts to around 4 percent of our GDP, we also have large industries such as construction, mining, processing, and agriculture, each accounting for 10-12 percent of GDP. The biggest transformation we want to achieve is the development of the manufacturing sector. The high manufacturing potential is the only guarantee of a long-term advancement. This is a part of our Armenia 2050 transformation project strategy. We have defined the 2020s as industrial development years and the 2030s will be years of a knowledge-based economy. But in order to have an

economy where science has its rightful share, we have to invest in science and education right from this moment on. In the past years, our budget for education increased by 46% and for science, it rose up to 83%. When tackling the capital stock we also have to bear in mind that our human capital needs to be reinvigorated as well. Thus healthcare, and again, education requires massive investments.

One of the noticeable campaigns of last year was dedicated to the promotion of Armenian products. How would you assess the results of the campaign - the activity of Armenian producers in general, their role in the local market, and how can that sphere be encouraged?

— This is just the beginning. A lot of time is required before we succeed in the right positioning of products made in Armenia. As a small country, we can never be in the low-price segment thus we have to make a major focus on the quality of products and services produced in Armenia. Besides being a PR campaign, there is also an internal philosophy aspect to it. When the team realizes that it has to work towards the development of local products it becomes a part of our identity. For the past 30 years Armenia has been a country for importers. Now we want to follow the opposite logic by protecting the local market,

Vahan Kerobyan (1976) was born and raised in Yerevan, Armenia. He studied at Yerevan State University receiving a degree in mathematics. Prior to his appointment as a RA Minister of Economy in November of 2020, Mr. Kerobyan started his career in the information and technology industry, holding positions at “Arminco” LLC and at the Network information Division of the Government-affiliated Information and Publishing Agency. In 1998 he was the Chief Specialist of the Computing Division of “Hayastan” All-Armenian Fund Executive Board. From 1998 to 2004 Mr. Kerobyan was involved in the banking field, working first at the “Trustbank” CJSC and then serving as Head of Department at the “HSBC Bank Armenia”, Trading-Lending Unit. In 2005, Vahan Kerobyan paved his path in the business sector working for a year at “Valletta” LLC, and “Star” as a Project Manager. From 2006 to 2012 he was the Executive Director of “Star Divide” CJSC. Finally, in 2012 Mr. Kerobyan founded “Menu Group - Menu Group UK Ltd”, and was the Director of the company up to his appointment at the Ministry.



prolonging the value chain, and supporting local production in all possible ways. We position ourselves as an ‘Ethno -Technological’ nation, and it is our goal for the coming years.

How do you envision the Armenian economy in 5 years?

— Armenia was an industrial country during the Soviet period, on the same level with such countries as

Canada and Turkey. Currently, we have 5 priority areas including heavy and light industries, pharmacy, equipment, and food production. Within this framework, we will do our best to develop as much as possible. We want to foster new approaches centering on local manufacturers. In terms of tourism, we always tried to attract more visitors, which means more people are involved in the tourism industry.

The new president of the Tourism Committee Sisian Boghossian who repatriated to Armenia from Canada offered an idea to view diaspora Armenians as potential tourists and target them in the future. According to our estimates, we hope to make it possible to attract around 1 million diaspora Armenians to visit Armenia yearly. It will be easier to attract them to come to and reconnect with their homeland. This is where we are headed. ♦



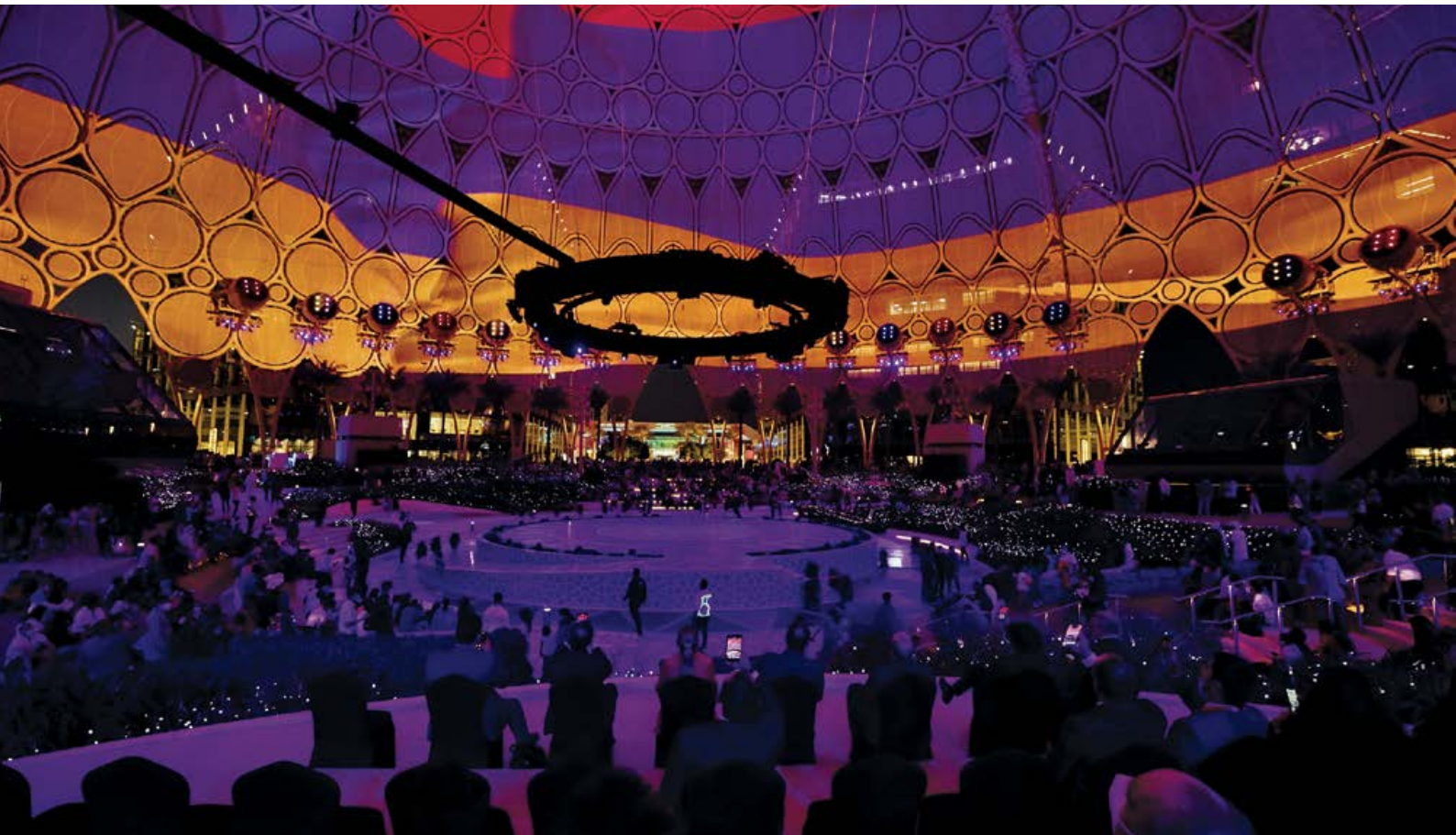
INVEST IN ARMENIA



ARMENIA AT DUBAI EXPO

Since 1851, every four or five years, countries around the world present their products and achievements at the World Expo. Last year another expo opened in Dubai. 192 countries are represented at Expo 2020 with their own pavilion, including Armenia. “The participation of Armenia in such large-scale exhibitions is crucial in terms of raising awareness about the country, establishing new corporations, and strengthening diplomatic relations,” the RA Minister of the Economy has underlined. On January 30, 2022, he participated in the events of the National Day of Armenia at the World Expo. They started at the central square of the expo, Al Wasl Plaza (only orchestras from five countries had received such an opportunity). The cultural evening was opened by the State Symphony Orchestra of Armenia, which presented the “Khachaturian Jazz” concert program.

PHOTO : MINISTRY OF ECONOMY OF RA



> Cultural performance during the Armenia National Day Ceremony at Al Wasl Square

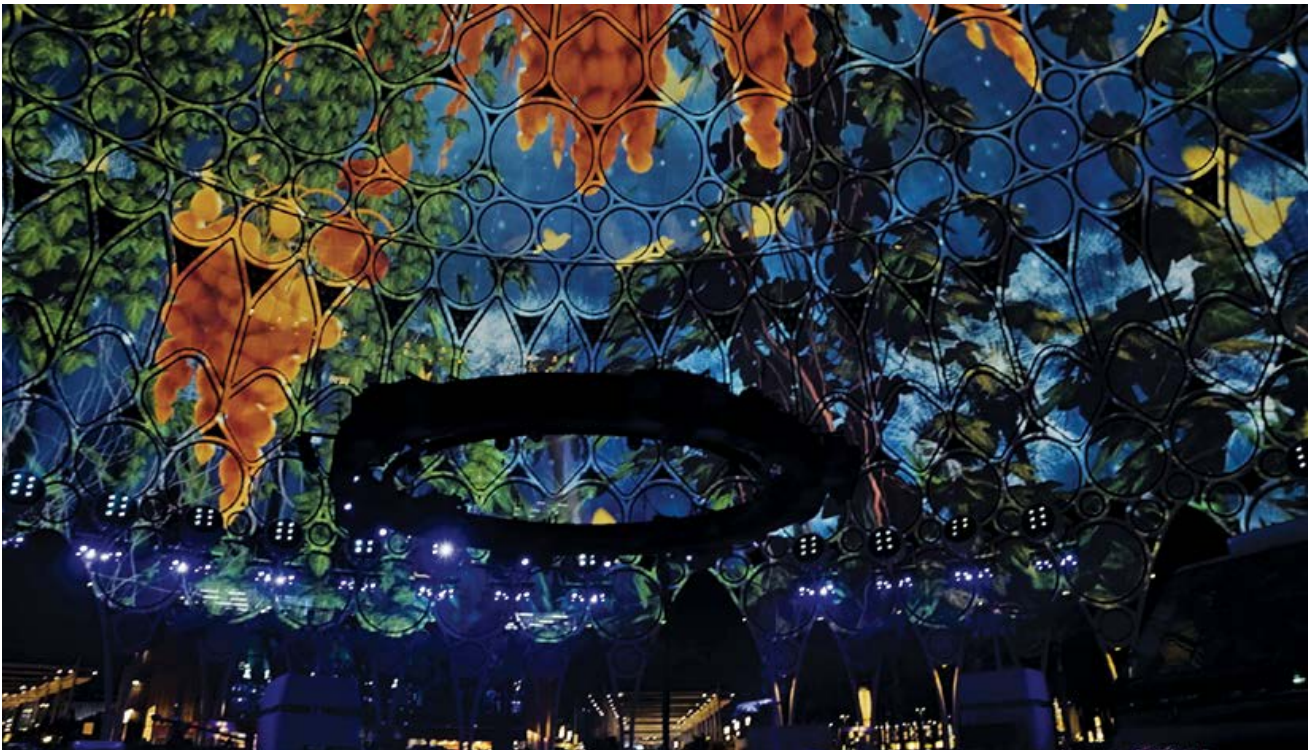


^ Armenian Colours Performance at Dubai Millennium Amphitheatre

< Minister of Economy Vahan Kerobyan outside the UAE Pavilion during Armenia National Day



A light show "From the creation of the world to the digital world"





Armenian State Symphony Orchestra perform Khachaturian Jazz at Al Wasl



Visitors of the Armenian State Symphony Orchestra's performance

THE NOW IS GREEN

Regional Post talked to the Armenian Deputy Minister of Economy Ani Ispiryan about the approaches fostered by the RA Government to color the local economy green.

INTERVIEW : GAYANE HARUTYUNYAN / PHOTO : MINISTRY OF ECONOMY OF RA





What do you imply by saying “green economy”?

— To be honest, there is not a single definition of “green economy” in the world. It can be viewed from various perspectives, starting from ecology and ending with technology. In our case, the green economy is a direction of economic development which also supports the protection of the environment. However, first of all, it is about new directions and opportunities for the economic advancement of our country.

Are we talking about the efficient management of the available resources?

— Yes, but that is only one of the directions. The factories in Armenia, just like anywhere in the world, produce a large amount of waste. These emissions are simply thrown away, while they could be used as a resource not once but several times. In the world, they call it a circular economy – an economy without waste – and this is what we aim to achieve.

^ Ani Ispiryan and minister Vahan Kerobyan (on the left) during work discussion

TO BE HONEST, THERE IS NOT A SINGLE DEFINITION OF “GREEN ECONOMY” IN THE WORLD. IT CAN BE VIEWED FROM VARIOUS PERSPECTIVES, STARTING FROM ECOLOGY AND ENDING WITH TECHNOLOGY

What about solar energy? Are we using it properly?

— Of course. Armenia has a huge amount of solar energy resources, given its geographic location and weather tendencies. However, we fail to properly use it. You might have noticed solar panels on the roofs of houses, but this is a new practice in Armenia and we still have a long way to go. We prioritize not only the placement of these panels and the acquisition of energy, but we also emphasize the production and export of solar panels and energy. These steps are already recorded in the government’s programs for the upcoming years. Finally, the third target of our operations is the development of electric transport, vehicles and engines. Here again, we’re not talking about importing these solutions but their domestic production and export. It may take us long to achieve the desired outcome but as a result we will build a sustainable green economy for Armenia. >

You've mentioned the programs of the Government for the further establishment of the green economy. Can we say that the green economy is the future of Armenia?

— The directions I've mentioned before are just three approaches we're currently trying to adopt. At the same time, the Government of Armenia took the responsibility to prepare a strategic plan for the development of the green economy in Armenia, setting particular goals, guided by a precise road map. The strategy will include not only those three directions but also certain steps regarding international cooperations. We already have the TOR and currently work on the content.

The current issue of the Regional Post is titled "Invest in Armenia". In the context of the green economy, what are the areas where the investments are needed and justified right now?

— The production of solar panels as well as electric vehicles is one of the most promising areas in Armenia at this moment. We are currently working with international companies to enable the local market to have its own production of these solutions or at least, be able to develop parts for those products. There are only several companies producing solar panels, but unfortunately, most of the panels on the roofs of local houses are imported from foreign producers.

THE PRODUCTION OF SOLAR PANELS AS WELL AS ELECTRIC VEHICLES IS **ONE OF THE MOST PROMISING AREAS** IN ARMENIA AT THIS MOMENT. WE ARE CURRENTLY WORKING WITH INTERNATIONAL COMPANIES TO ENABLE THE LOCAL MARKET TO HAVE ITS OWN PRODUCTION OF THESE SOLUTIONS



>
Ani Ispiryan



How does the Ministry support such initiatives of local producers?

— We provide the producers with certain privileges that are recorded in the corresponding decrees of the Government. There have been most favorable terms for importing electric cars and electro mobiles which are in force since several years. Those exempt the importers from paying the VAT for certain vehicle types and Customs duty. The project was set to expire this year but the government extended it with several changes in the conditions. This was regarding the import, but as I said, we are focusing on production. The Government is currently working on establishing industrial parks with favorable tax regime. We are planning to offer international technological companies ready-made spaces for them to establish their production here, in Armenia. This may attract international investments in Armenia.

In Armenia we have a couple of cases, including the change of water level of Sevan lake and the deforestation tendencies, illustrating that the local residents view nature from a consum-

eristic standpoint. Can the locals ever change their approach?

— Your first question was about the definition of the green economy. You've mentioned resources and all other aspects. Here I will ask myself a question and will immediately respond to it. What is the economy itself? What does this word mean? It is the most efficient utilization of limited resources. It is this problem that the science of economics tries and solves. If we want to be efficient and witness rapid economic advancements we have to use the resources wisely. That's the only way leading this field to success.

Why did the Ministry focus on the green economy in particular?

— We can view this question from two angles: economic and environmental. Armenia previously joined the Paris Agreement and the Kyoto Protocol on the protection of environment. Today, the world is witnessing the issue of climate change and Armenia is no exception. Moreover, Armenia is one

of the leading countries in the region in terms of vulnerability to climate change. Regarding the economic perspective, the green economy is a resource itself. There are many foundations and companies that are ready to finance green projects and we have to make use of them.

What is your message to the business people and investors?

— The green agenda is leading in the world, international banks and organizations redesign their profiles, directing huge parts of their operations and finances to green projects. They say the future is green, but we say that the now is green and it is high time to put your business on green rails. One can ask, why is Armenia attractive in this sense? We have the solar resource, the human resource, and the privileges that will be maximized for the local producers soon. The economy desires to walk hand in hand with the private sector, stepping up the development of both the country and the business, creating a win-win situation for all sides. ♦

THE UNTAPPED AGRICULTURAL POTENTIAL

Regional Post talked to Armenian Deputy Minister of Economy Arman Khojovan about the investment potential of agriculture in Armenia and the prospects of a triumphant entry of the Armenian wines into the European market.

INTERVIEW : MARGARIT MIRZOYAN / PHOTO : MINISTRY OF ECONOMY OF RA





What is the general situation regarding agriculture in Armenia?

— Over 36% of the rural population in Armenia is directly or indirectly involved in agriculture and around 22% of the total population actively practices agriculture. Agriculture has a huge role in the local GDP by means of primary production (11-13%) and processing of agricultural produce (8-11%), comprising around 20-22% of it.

What are the factors contributing to these numbers?

— Several factors contribute to this. First of all, there are many sunny days in Armenia, to be more precise, 307 sunny days, which means 2,280 hours of sunshine. Doubtlessly, this creates favorable conditions for the development of agriculture. The same can be said for viticulture, as unlike many other countries producing wine, the weather conditions in Armenia enable planting own-rooted vineyards, which is highly important competitive advantage. In 2020, agricultural insurance was introduced, indeed a crucial step for minimizing

the risks in the sphere. Previously, it was risky to invest in agriculture as, obviously, no one could control climate change and similar anomalies, but the insurance program came to improve the situation and most importantly bring change in the agro culture in Armenia. Currently, the insurance covers around 11 crop types, but, to our satisfaction this number keeps growing and we

are committed to enlarge the list of risks, such as hail, frostbite, fire and we also consider including drought risks in the upcoming year. The above mentioned stimulates favorable investment conditions for the sector. It is interesting to note, that if in other countries there is a lack of arable lands for practicing agriculture, in Armenia over 50 percent of these lands is not being used. This also makes Armenia more attractive for investors, taking into account the relevant law which allows foreign companies to purchase lands in the territory of the country.

OVER 36% OF THE RURAL POPULATION IN ARMENIA IS DIRECTLY OR INDIRECTLY INVOLVED IN AGRICULTURE AND AROUND 22% OF THE TOTAL POPULATION ACTIVELY PRACTICES AGRICULTURE. AGRICULTURE HAS A HUGE ROLE IN THE LOCAL GDP

What about the investment programs available at this moment?

— Currently, we have 14 ongoing investment programs. Speaking of the results, there is a demand for fresh fruits and vegetables in the markets where we are actively involved and year by year the number of our fruit and vegetable exports increases. For instance, in 2021 we exported around 200,000 tons, compared to 145,000 tons for the previous year. The Government of Armenia also provides a special mechanism covering 50%



of overall investment expenditures, as well as a tool for soft loans for 8 years with 5 years grace period to those who want to establish orchards/vineyards, with which means that the borrower does not pay any money to the Government until the first harvest, to ensure that there is a possibility to sell and have some income. Within the frames of this loan, the farmer can establish the orchards and vineyards, install drip irrigation systems, build water reservoirs, place anti-hail nets and etc. Lately, we have also added high-value crops such as kohlrabi, Brussels sprout, asparagus to the loan program, extending our support to producers of those specific crops as well. The next question in the logical chain is what if I need to purchase equipment? Today, the Government has a program specifically designed for purchasing agricultural equipment. Within the frames of this program, we subsidize interests on loans and leasing contracts of up to

500,000 USD worth. Additionally, we can make arrangements with banks to provide the borrower with 6 months grace period yearly.

Let's imagine that to this point the farmer has established the orchard and has the necessary equipment. What to do next?

— There are two options for the further steps: Either to process the crops or to establish refrigerated or non-refrigerated agricultural warehouses, store the produce there, and sell them later. The Government has relevant programs for these scenarios also and it is worth mentioning that all these programs are interconnected, which means one and the same entity can benefit from several of them. If we are talking about an individual investor, (s) he has to be a resident of Armenia, and as for a company, it should be registered in Armenia but can have a foreign rightsholder.

The Government can provide a support of up to 2 million AMD for leasing a warehouse or refrigerated storages, thus enabling entrepreneurs to sell their produce in off-season times as well. This leasing instrument is also available for the purchase of processing equipment or greenhouses. Another component of the Government support programs is subsidizing agricultural loans of around 15 million AMD for the acquisition of circulating capital in order to purchase fertilizers, seeds, etc. Regarding cattle breeding, we also have a lot to offer for the purchase of the cattle and building barns.

Is there an interest to invest both locally and from abroad?

— We have developed all these initiatives as we have seen the demand and the potential as well as the increasing volume of exports vividly indicating an interest in the Armenian agricultural

ANOTHER COMPONENT OF THE GOVERNMENT SUPPORT PROGRAMS IS **SUBSIDIZING AGRICULTURAL LOANS** OF AROUND 15 MILLION AMD FOR THE ACQUISITION OF CIRCULATING CAPITAL IN ORDER TO PURCHASE FERTILIZERS, SEEDS, ETC

produce, both processed and unprocessed. Also, as mentioned, there is a huge untapped potential. Again bringing the example of cattle breeding, Armenia has a total of 1.7 million acres of pastures which are utilized only partially. On the other hand, we have all the necessary prerequisites for successful husbandry including diversity of climatic conditions, alpine zones which are unique opportunities to be used. Each year 36 thousand people benefit from these subsidized loans. As to foreign investors, they contact our Ministry via the Enterprise Armenia investment support center and we link them further with other relevant institutions and organizations that can assist in the process. The interest is certainly there.

Finally, which particular direction of agriculture can be defined as the key element contributing to our economy?

— Viticulture is the key component of our economy. Although Armenia has been known for its brandy production since long, winemaking is intensively developing as well. We are committed to recover the winemaking traditions of our nation and currently witness high increase in the number of wine producers as well as in the volume of investments in viticulture and wine production. Also, during the past 5 years, the number of wine lovers surged in Armenia. It reached 3.5 liters from 1.5 liters per capita a year.

Besides, we began mapping vineyards and seedlings, assessing the varieties available and the overall potential of this branch of agriculture.

In addition, Vine and Wine Foundation of Armenia significantly promotes the process of winemaking policy elaboration, supporting various events and initiatives, and helping the producers to present and sell their products in the market. We have developed a wine tours application, informing people about relevant events in vineyards and wineries across the country. Another digital initiative was the launch of armenianwines.store: online platform for foreigners which enables to purchase Armenian wines from a warehouse in Berlin we have recently installed, rather than carrying bottles of their favorite wines from their touristic visits to Armenia.

Our European warehouse offers delivery for 87 different wines from 24 local producers. ♦



SISIAN BOGHOSSIAN: “ARMENIA PROVIDES OPPORTUNITIES FOR MANY KINDS OF TOURISM”

Regional Post met with the newly appointed Head of the Tourism Committee of the Republic of Armenia, Sisian Boghossian, and talked about the tourism potential of Armenia, as well as the directions in which the Committee intends to lead the local tourism industry.

INTERVIEW : MARGARIT MIRZOYAN



How do you assess the current state of affairs in the field of tourism in Armenia? Do we use our potential efficiently?

— Armenia has a huge potential that is yet to be fully utilized. Previously, Armenia heavily relied on drawing visitors from the diaspora to see family and friends. In recent years, there has been a significant increase in the number of arrivals in Armenia for vacation or other leisure purposes. International arrivals to Armenia increased to 1.9 million in 2019,

a substantial gain over arrivals that were less than 600,000 almost a decade ago. At this moment, Armenia's key target markets for inbound tourism include France, Germany, Russia, Iran, and the United States (Diaspora). In this regard, Armenia first needs to develop a strong tourism identity to attract tourists who are ready to explore Armenia. Armenia's ancient heritage, pristine nature, and rugged landscapes, combined with its hospitality, and rich culinary scene all at an affordable

price is what sets it apart from other destinations. It is an undiscovered gem with a positive vibe, providing tourists with authentic experiences off the beaten path. This is how we are positioning Armenia.

What should be our next steps?

— Overall, the marketing efforts will primarily be directed at those key target markets mentioned that already know about Armenia, but there is room for improvement for

more targeted promotions. Our goal is to also attract new markets that have not been thoroughly explored so far but have all the favorable conditions to be regarded as target markets with growth potential to attract international tourists, like the UAE. Besides marketing efforts, Armenia's tourism offerings have to be diversified to meet the needs of different travel segments, both adult and young. The tourism products that have been developing recently place Armenia not only as a cultural heritage destination but also as a gastro-wine and adventure route, as well as a perfect spot for experiential travel through authentic local experiences. Armenia's beautiful and pristine scenery and landscapes also provide the perfect backdrop for those that want to be one with nature. Combined with hospitality, the visit to Armenia can turn into a unique journey as after the pandemic, people are looking for more authentic experiences and this is something we can provide.

What are the most important directions in which tourism in Armenia should develop?

— Armenia provides opportunities for many kinds of tourism that are interesting both for international and local travelers including cultural, religious, eco-, agricultural, recreational, culinary, nature, adventure,



and so on. We want people to come to Armenia for an adventure; it can be hiking, paragliding, ziplining, hot air balloon rides, water rafting, winter sports, and many more. The world is shifting towards an experiential type of tourism and so are we. However, certain directions need further improvements for the development of local and international tourism, such as improving accessibility and transportation, tourism infrastructure, working towards higher quality services, improving destination management, business, and investment opportunities.

Many people do not understand the area of function of the Tourism Committee. So, what exactly do you do?

— The Tourism Committee is the government's official tourism agency that was established back in 2016. It has a policy function and is working towards adopting a new strategy for tourism promotion in Armenia that will highlight different areas, including adventure, eco, gastro as well as spiritual and cultural tourism. The Tourism Committee covers several areas, including developing Armenia's value proposition and defining its product and service offerings, prioritizing target markets and continuously studying their growth tendencies. It is also responsible for developing destination branding for Armenia as a country that offers stable and safe conditions for entrepreneurship, investments, and international tourism. The Committee also contributes to the improvement of accessibility, transportation, and infrastructure through targeted investments and improvement of the legal framework to provide higher quality and a greater number of accommodations and other infrastructures. The tourism industry in Armenia is very rich; we have various federations and associations for tour operators, hotels, restaurants, and a specific tourism division in the Yerevan municipality, and many more. I would like the Committee to become a hub that creates open communication and collaboration between all these organizations. >



What is more important, internal or external tourism? How did the pandemic transform the overall scenery?

— Armenia has registered some impressive gains over the course of the past decade as its tourism industry begins to recognize its full potential. In 2020, Armenia was emerging as a popular tourism destination. However, COVID-19 reduced tourism in Armenia, with the country registering an 80 percent decline in 2020, going from 1.9 million arrivals in 2019 to just 360,000 in 2020. In 2021 we saw a slight recovery in the sector as the number of foreign tourists reached over 870,000, nearly half of the number in 2019. Due to international travel restrictions, local tourism was the first to start recovering, which somehow, of course not fully, compensated for the loss of international travel arrivals for businesses, especially in the regions. Locals started to explore the country more, and its offerings and traveled to the regions that were less popular in the previous years. As a result, outdoor tourism attractions became of interest among local travelers that were previously more demanded by internationals. However, domestic tourism is not sufficient to ensure tourism growth and recovery. The



country's economy is dependent on international travel and the recovery of international tourism flow is of utmost importance for the sector.

Traditionally, Armenia has been offering tourists its cultural heritage and beautiful landscapes. Can we ever become a hub for adventure and youth tourism as well?

— The country features a variety of cultural, natural, and historical sites, including three UNESCO World Heritage sites, medieval monasteries, churches, and fortresses, which are interesting for the youth as well. However, all these should be combined with local authentic experiences, and adventure activities that young peo-

ple are keen to explore while visiting a new destination. Armenia has it all, the goal is to communicate and promote them more actively using traditional and new media channels, utilizing the potential of digital platforms that are especially popular and effective among youth.

Armenia is a perfect choice for a summer vacation; however, we can see certain efforts being done to promote winter tourism attractions as well. What potential do we have in that sense?

— The first choice is Tsaghkadzor, a ski resort town located a one-hour drive from Yerevan. It brings a significant number of international and domestic tourists, particularly in winter. But today Armenia's winter tourism options go beyond skiing in Tsakhkadzor. Jermuk is also popular among tourists due to its natural resources and beautiful winters. Winter sports such as snowkiting, snowshoeing, and ski touring has also been growing by offering sports activities in Shirak, Gegharkunik, Aragatsohn, and other regions that have favorable climate and conditions for winter sports. Rafting in Lori has become very popular in recent years, during the warm season, attracting especially young tourists looking for adventure. However, this year winter rafting has been offered, thus, attracting the amateurs of this extreme type of activity also in winter.





Sisian Boghossian was born in Iran and moved to Toronto, Canada in 1998. She previously visited Armenia several times (the first time in 2008) and since 2019, when she traveled here within the framework of the Birthright Armenia program, Ms. Boghossian got acquainted with the country not as a tourist but as a local and fell in love with the lifestyle and nature of Armenia. In September of 2021, as she kept wanting to come back, Ms. Boghossian finally moved to Armenia. She has 15 years of experience in marketing and product management.

How do you envision the future of tourism in Armenia?

— Armenia has several regions with high-quality tourist potential that still lack up-to-date accommodations, restaurants, and services. Together with international partners, we have been addressing the need to develop regional infrastructure, and ensure the growth of guest houses/B&Bs up to a sufficient standard for attracting and hosting international tourists. The government has been developing investment master plans around strategic corridors, focusing on underdeveloped southern regions of Syunik and Vayots Dzor, as well as Gyumri and Dilijan, in Armenia's north. Several international partners, including the World Bank and United Nations Development Program, have invested in supporting the development of Armenia's tourism sector through market analyses, infrastructure investment, skills development, product development, and investment potential in selecting possible sites for tourism advancement. There are continuing opportunities for investment and business expansion in Armenia to support the steady increase of tourists.

The growing international flight connections will also have a tremendous impact on the development of the tourism industry in Armenia in the future. More focused government policy interventions will help grow Armenia's tourism sector, and the government is keen to increase sector jobs and revenues. Additionally, more direct flights have become available for Armenia recently and this is a huge growth opportunity as the first question tourists ask is: Is there a direct flight or is it affordable to get there?

What are your favorite locations in Armenia for traveling?

— I love nature, I love being in nature. Hiking in Lori and Tavush regions in the summer months is perfect for me. I am from Canada, and this might sound like an oxymoron, but I hate the cold. In Armenia, we have longer warm periods when one can enjoy the outdoors. I also love Sevan. These are the places where I usually like to de-stress. There are many places here where it is only you and the mountains and that isn't something that is available in every country. ♦

NOT FOR MASS MARKET: THE ECONOMIC POTENTIAL OF ARMENIA

Regional Post talked to the Investment Director of Enterprise Armenia Aram Vardanyan about the investment potential of Armenia and its stake in the global market.

TEXT : MARGARIT MIRZOYAN / PHOTO : ENTERPRISE ARMENIA

OVERALL SNAPSHOT

For the last two years the world has been trying to recover from the health-care and economic crises, which flooded all countries without exception. The global economic scenery has changed. An unprecedented decline in foreign direct investments could be observed everywhere, amounting to a global total of half a trillion dollars. "Such a low level was last seen in the 1990s and is more than 30% below the investment that followed the 2008-2009 global financial crisis," says Aram Vardanyan, the Investment Director of Enterprise Armenia, "If before the pandemic, thriving companies that had large production would consider expansion to other countries, currently, they are consolidating their investments and production in their own countries, to avoid logistical issues." For example, European brands having a part of their production in Asian region, faced serious supply chain problems when the borders got shut down. They started concentrating their finances and production capacities inside their own countries or considering closer locations.

Even though the situation in Armenia was quite difficult also due to the war that broke out in Artsakh in the autumn of 2020, the global shift in the geography of large production companies opened a window of opportunities for such relatively small and flexible country like Armenia. According to Mr.



Armenian pavilion at the Annual Investment Meeting 2022

Vardanyan, being logistically closer to European markets, having favorable business environment, it became possible for Armenia to gain the attention of global companies, who would previously locate their production facilities further away looking for cheaper workforce. Of course, it would be impossible to transfer the bulk of production capacities to Armenia, but at least it became possible to call the attention of such companies to the country. The fact that Armenia had only one month of Covid lockdown since the pandemic broke out, has also contributed to the fast recovery of the economy. As a result, the economy in Armenia worked non-stop since March 2020 and recorded a continuous increase from that moment on. Armenia also had quite a liberal approach in terms of tourism. Almost all countries in the world had established very strict limitations for travel, while Armenia's approach was lighter, albeit balanced with healthcare regulations. "Quite interestingly none of the projects Enterprise Armenia had been working on with foreign investors was terminated on the grounds of the war or the pandemic. Of course, there were some interruptions due to the limitations, however, the projects resumed their activities at a normal pace," mentions Mr. Vardanyan, "The local investors did not stop their proj-



NONE OF THE PROJECTS ENTERPRISE ARMENIA HAD BEEN WORKING ON WITH FOREIGN INVESTORS WAS TERMINATED ON THE GROUNDS OF THE WAR OR THE PANDEMIC

ects either and now when the situation is much more stable, it is possible to put all the operations back on track".

ENTERPRISE ARMENIA

Enterprise Armenia is the national authority for investment promotion and investor support established by the Government of Armenia. The Board of Trustees of EA is chaired by the Prime Minister of the Republic of Armenia. The organization has three major ob-

jectives the first being providing support to foreign and local investors in all stages of the investment process. "The potential investors get in touch with Enterprise Armenia with a certain project, we look through it and identify what support they might need and what incentives they can be eligible for. It can be, for instance, land allocation, tax holidays, licensing, obtaining permits, or, perhaps acquiring state property. EA comes up with an exact roadmap of steps to be taken and the investor is not left alone on this road," explains Mr. Vardanyan.

The second objective of the organization, very relevant to the post-crisis time, is the support of foreign investors already operating in Armenia. This is a proactive process. The EA contacts those companies, asking three main questions: what urgent problems do they currently experience due to the pandemic? What institutional issues do they face in the legal field? Do they have plans for new investments? The overall aim is to significantly increase the investor satisfaction level and to create all the necessary preconditions for foreign



Armenian pavilion at the Annual Investment Meeting 2022



ENTERPRISE ARMENIA'S REPRESENTATIVES MAKE CONSIDERABLE EFFORTS TO CONNECT US TO POTENTIAL INVESTORS, CENTERS AND INTERESTED PARTIES

companies to consider reinvestments in Armenia. Through the function of policy advocacy, institutional concerns that these companies are having are being collected and provided to the relevant state authorities with the aim to further improve investment climate.

The third and most multidimensional objective of Enterprise Armenia is the attraction of new foreign direct investments. It is quite a challenging and time consuming process as the time between the idea to invest and the actual investment may take years. Each company considering an expansion first has to understand the potential of the country, assess its positive and negative aspects, and only then make a final decision.

Enterprise Armenia uses a specific set of toolkits to ensure the inflow of new foreign direct investments to Armenia. The first tool is the establishment of an institutional infrastructure abroad. Here we are talking about the diplomatic corps, including both the Armenian embassies abroad and

the embassies of foreign countries in Armenia. "Often, the first institution the potential investor contacts with is the embassy of the country of their interest, or the embassy of their own country abroad. Thus we make sure that the domestic and foreign diplomatic missions are fully aware about our organization, its mission services," says Mr. Vardanyan.

The second important direction is cooperating with similar overseas organizations. In all countries, there are centers affiliated with the government for the promotion of foreign investments and business support. Aram Vardanyan believes that while one might think that these types of organizations should be rivals, as all of them aim to attract investments, in reality the cooperation between these organizations is vital as it enables the domestic companies to expand to other countries. Besides, usually, the investment initiatives start with testing the ground, touristic visits, and by creating an institution system of cooperation with

similar centers. In this regards, EA plays a vital role in linking the interested businessmen with relevant stakeholders from the given industry abroad, and provides services to all the interested parties.

It is worth marking that during the crisis, the Armenian Diaspora also took the path of consolidation, realizing the importance of the economic development of Armenia, and directed investments to the establishment of productions in the homeland.

Another vital mechanism for the attraction of foreign direct investments is the support of the Armenian diaspora. Currently Enterprise Armenia has representatives working on voluntary basis in around 10 countries. "We call them the "business ambassadors" of Armenia and our organization. Being well-established businesspeople with extensive networks in the countries they are based in, Enterprise Armenia's Representatives make considerable efforts to connect us to potential investors, centers and interested parties",- Mr. Vardanyan is highlighting.

Another tool in Enterprise Armenia's arsenal is organization and participation in various relevant events. Last year there were certain problems in this regard including the pandemic, however in view of positive trends of vaccination the situation is changing for the better.

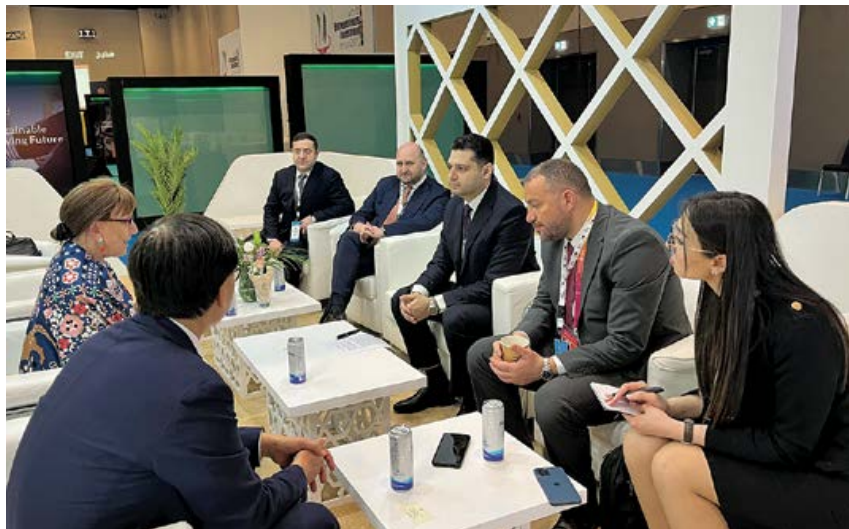
Finally, EA considers digital marketing as an effective means for the further promotion of Armenia's attractiveness among foreign investors. "Of course, you might not convince the businessmen to invest only via social media presence, but you can direct their attention towards your country and trigger a primary interest. For this purpose we have prepared a wide range of promotional materials, including a comprehensive country presentation, video marketing materials and digital publications which are being distributed widely among the targeted audience and all the interested parties," says Mr. Vardanyan.



Enterprise Armenia's CEO Levon Ohanesyan, Deputy Prime Minister of Armenia Hambardzum Matevosyan, Minister of Economy of Armenia Vahan Kerobyan and the Governor of the Central Bank of Armenia Martin Galstyan held a working meeting with Rebecca Greenspan, Secretary-General of the United Nations Conference on Trade and Development in UAE

POTENTIAL INVESTMENT AREAS

Now, when an investor already has the interest and has gotten in touch with Enterprise Armenia, the next step is to identify the primary interest areas that are full of potential and waiting for the investor, both local and foreign. Just by walking around in Yerevan, it becomes clear that a considerable amount of local investments go to the construction industry. The main reason for this are the state-subsidized mortgage programs and the fast development of the middle class, which has created a certain demand in the country. From the standpoint of real production, the first area with high potential is smart agriculture. "Armenia has always had favorable prerequisites like fertile soil, good climatic conditions and rich water resources. However, there has never been a tendency of modernizing the production," says Mr. Vardanyan, "It is only during the past couple of years that the government has set up beneficial policies, dozens of supporting, financing and subsidizing programs. As a result, large-scale initiatives are being implemented in Armenia in areas like greenhouse construction, intensive orchards, intelligent cattle houses, etc." Naturally, foreign investors notice such economic activities and consider it as a potential. This interest is also conditioned by the availability of export markets, as the internal market of Armenia itself cannot be of great interest to a large-scale investor.



"In our case, these are the markets of the Eurasian Economic Union and the European Union. It should be noted that thanks to the state policy of export market diversification, nowadays the markets of China and the Middle East are also on their way of becoming important export destinations for the Armenian products", - Aram Vardanyan adds. Although being not a capital-intensive one, the sector of Information Technologies is becoming a major economic driver in Armenia. It has a different magic. "When a huge IT company comes to Armenia, the capital expenditures or investments are not that big. They do not build factories or purchase large amount of machinery or equipment. The spec-

ificity/benchmark of IT is the high salaries for the local employees which affect the development of the middle class in a chain reaction, enabling them to afford apartments in the newly constructed buildings and to boost trade and services sector", - says Mr. Vardanyan. He also implies that even though Armenia might not be the best place for outsourcing due to limited talent pool, we can conquer the global IT industry with our own products. As an example, the first Armenian unicorn - Picsart, and many other emerging startups like Krisp and Sololearn. Another promising sphere, linked with agriculture, is the food processing which has a huge added value. The wine industry and bottled water industry are also potential areas of interest for investors. Another new economic tendency is the development of the textile industry, as we already have famous brands outsourcing their productions to Armenia. Quite importantly, Armenia is also quite advanced in terms of ethical treatment of its workforce and for large-scale companies, and it is very important preconditions/impressive achievement. "We always say that Armenia is not a mass-market hub when it comes to various production industries, tourism, wine, textile, etc. It has to occupy its own niche" Mr. Vardanyan underlines. ♦



The opening ceremony of the new office of the Korean company Arctx.co in Yerevan. Enterprise Armenia provides post-investment services to ArctiX since October 2021

TAVUSH AND LORI DMO: THERE TO UNLOCK THE REGION'S TOURISM POTENTIAL

DMOs, Destination Management Organisations, operate around the world and have now also been established in Armenia to promote tourism development on a regional level. With a focus on the three northern regions of Armenia, the EU4Business “Innovative Tourism and Technology Development for Armenia” (ITTD) project also supports the development of the tourism sector and, among other things, collaborates with the Tavush and Lori DMOs. Hovhannes Kandiljyan, Advisor to the Tourism Component of ITTD, shares his thoughts about the role and functions of a DMO, the Tavush and Lori DMOs’ current work, and also further needs for support.

TEXT : YANA SHAKHRAMANYAN / THE INTERVIEW WAS ORIGINALLY PUBLISHED IN THE MEDIAMAX.AM. / PHOTO : EMIN ARISTAKESYAN

Dear Hovhannes, to start with, could you please explain what a DMO is?

— To understand the meaning of DMO, we need to look at the acronym – DMO stands for Destination Management organisation. Consider it a coordinating body that brings together tourism sector stakeholders in a particular defined geographical region, e.g. a Marz or one or several communities, a platform that encourages and facilitates cooperation between relevant organisations from the private and public sectors as well as from academia and civil society. In more academic terms and based on the United Nations World Tourism Organisation’s (UNWTO) definition, a DMO is an organisation that coordinates tourism experiences, skills, infrastructure, and professionals in a region under a coherent strategy in pursuit of a common goal. Its membership base can vary. In our cases, for example, the Tavush DMO is more public sector oriented, as its board members are the representatives of municipalities, whereas private sector organisations predominate in the case of the Lori DMO.

What are the roles and functions of a DMO?

— We view DMOs as organisations which fulfill a range of defined functions among them coordinating



➤
Hovhannes Kandiljyan,
Advisor to the Tourism
Component of ITTD



tourism stakeholders in a specific region or, as you could also say, a tourism destination,-says Hovhannes. Basic functions of a DMOs also include the development of a tourism concept or strategy and marketing plans or the facilitation of that process, as well as conducting sector-specific studies and analyses of collected or acquired data to base decisions on.

A DMO also brings together all stakeholders to focus on a common goal, the entire destination's development and positioning it on the market for the benefit of all stakeholders including the local population.

Another key function of a DMO is quality assurance. A DMO is constantly seeking to improve the quality of products and services provided in the destination by assessing relevant needs, delivering respective trainings and advise and, if feasible, introducing and managing quality standard systems.

Could you please tell us more about the cooperation with the ITTD project?

— Support provided to the Tavush and Lori DMOs in the frame of our project is aimed to assist the DMOs in their organisational development. We especially help to cover costs for office and staff but also for activities related to building capacity and promoting the organisations among potential members. In this regard we provide assistance and invite local and international experts to conduct various trainings and discussions aimed at the further development and sustainability the organisations. One key characteristic of our assistance is to also raise the capacity of

the DMOs to be able to raise additional funds, to become self-sustained after our project will have ended.

The Lori DMO, for example, was established with the support of the USAID-financed My Armenia project in 2020. With the project coming to an end, the organisation's future was not clear. With that in mind, now we are working with the DMO's team on different models for financial sustainability so that regardless of our support, the organisation can further operate independently.

The Tavush DMO was established much earlier, in 2013, with the support of the "Good Governance for Local Development in South Caucasus" Project implemented by the GIZ. The organisation was also set in close cooperation with the District Regen of Bavaria in Germany. There have been constant mutual visits and trainings during the past years.

To continue the work done we also plan to invite an international expert soon who has extensive experience of working with DMOs in different countries around the world. He will deliver training courses on DMO development which will address specific needs of the organisations and include topics such as marketing and strategy development.

What is the main purpose of a DMOs?

— I would say the main goal is to provide networks and facilitate sector coordination.

If you would use the term Tavush DMO, that would probably not ring a bell with many, but if you use Visit Tavush, it will probably evoke certain associations. As a matter of fact, the concept of "Visit Tavush" was developed by the Tavush DMO itself. That example shows quite clearly what a DMO does.

We can say the most significant result these organisations deliver is the network they have set up and further build – a networking, which includes all tourism stakeholders of a region and providing a platform for continued exchange and cooperation. Building on such a network, stakeholders do not need to attempt to solve all their problems on their own, but rather in coordination with others and also based on public-private cooperation. It goes without saying that the work a DMOs does, also advances the recognition and visibility of a tourism destination, be it a marz, a city or a village. Building on thorough analysis they help to understand the tourism potential of a region and how to tap into it. If not for a DMO there would not be many alternatives to do this job, especially as often local public agencies still do not have at hand sufficient human and financial resources to do so. ♦

A COUNTRY FOR STARTUPS

Regional Post talked to Mariam Babayan, Project Advisor for Entrepreneurship Ecosystem Development and Tech Ventures at GIZ about the startup ecosystem in Armenia and the newly established SAP Startup Factory by BANA (Business Angel Network of Armenia).

INTERVIEW : GAYANE HARUTYUNYAN / PHOTO : MARIAM BABAYAN'S ARCHIVE



Why is startup field development important for the GIZ?

— In 2020 GIZ started implementing the EU-funded Innovative Tourism and Technology Development project. Within the technology component of the project, the EU-ITTD program has a specific focus on startup development. GIZ also supports the Horizon Europe project, which is one of the key funding programs of the EU for research and innovation, with around a 100-billion-euro overall budget. Armenia is a partner of this project and can benefit from its financing opportunities. Startup development has intensified during recent years and GIZ has been involved right from the beginning, supporting relevant initiatives. We believe that startups/future SMEs (small and medium-sized enterprises) are very important and promising elements of the Armenian economy. Having in mind the technological heritage of our Soviet past, Armenia is rightfully considered as a tech country, that has a tech society. In the previous decades, our engineers, startups, and developers have succeeded not only in Armenia but also abroad. Silicon Valley is full of Armenian

IT people. I say all this to emphasize that our country was initially a tech country, then there was a very harmful break, but now we are back on track.

How is GIZ involved in the field?

— The startup lifecycle has three major stages. Starting from talents and idea generation, developing the startup, and then getting the knowledge and skills to develop into an SME. Within the ITTD project, I can proudly say that we cover all the cells of this cycle, supporting the Armenian startup ecosystem with a holistic approach. For the first phase, we organize startup bust weekends, hackathons, and work with universities, to ensure the involvement of students. Last October, we had two parallelly running hackathons, one in Vanadzor and the other one in Gyumri. The participants went through various coachings on relevant need-based topics. In the end, six very promising local startups received prizes. As to the second phase of developing the ideas, we are supporting several acceleration projects. Groups come with initial ideas, participate in training, and turn their ideas into a startup. GIZ puts an

emphasis on entrepreneurial education and also has allocated funds for the startups that successfully graduate from the pre-acceleration and acceleration programs supported by us. For developing ideas for startups there are up to 10,000 EUR grants (for 6 months) available and the already existing startups getting a new level of development are eligible for our 50,000 EUR grants (for one year). Of course, these grants have co-financing elements, which means that the startup should be able to contribute 5 percent of the amount in the case of 10,000, and 50,000 startup needs to contribute another 50,000. So far we have distributed 17 grants and we have another cycle to go.

But is the Armenian market ready for such a bust of startups?

— The Armenian market is too small and closed for the Armenian potential. If we are tackling technological startups, their approach is broader and they need a broader market. The local market is not enough for big startups to develop. Our goal is to position Armenia in the international market as a startup developing country.

The initiative to open an SAP Startup Factory in Armenia belongs to the Business Angels Network of Armenia. BANA team, led by Director Grigor Hovhannisyian, was introduced to the SAP delegation during an event at TUMO. At that time, SAP had its program integrated only into five countries: Germany, the US, Japan, Singapore, and Israel. And now Armenia got a chance to join this community. For half a year, BANA with the support of GIZ was negotiating to make this project a reality. Now, when SAP Startup Factory is already operating, BANA also manages the whole process. The opening of the factory brought with it a number of benefits for the local market. First of all, Armenian startups received resources that would be harder to get otherwise. The SAP provided its specialists and knowledge-base to the local teams for them to have a better understanding of the international market and create connections. The local startups also got a chance to become a partner of the SAP international platform and work with the already existing customer base of the latter.

“Today, when the only SAP accelerator is located in Armenia and we’re planning to open another one on a regional level, Armenia itself will soon become a regional center for innovative technologies, which, in its turn will have a huge effect on our startup ecosystem, showing its huge potential,” says Mr. Hovhannisyian.



Thus we started looking around, thinking about how to support local startups. Eventually, we start cooperating with a big German multinational company SAP. According to the agreement, GIZ supports the development of startups here in Armenia. The latter creates a final product, which is then sold on the SAP worldwide platform. The selection process is very competitive, because not any product is appropriate for the SAP platform.

But how did you manage to get the attention of a company of this caliber?

— Several years ago, an SAP team visited Armenia to meet their clients. They were impressed how the technology development in Armenia was growing and were negotiating cooperation with BANA. GIZ and EU decided to bundle all this into one package and take the cooperation from the zero point to the establishment of a new unit – SAP Startup Factory by BANA. We already knew how to develop startups and would make our contribution to this part and BANA was responsible for the development of the knowledge base. A Cooperation

Memorandum was signed in the summer of 2021. For the first cohort of the Factory, 10 local startups and 5 incubation period groups were selected by an independent jury. 8 out of the 10 graduated from the program and 7 out of these 8 received a chance to integrate their products on SAP platforms. This result is very encouraging, taking into account that in the beginning, we thought that it would be a success if we manage to have at least 2 products on the SAP platform. We are now engaged in the selection for the second cohort.

On the practical level, how does it work? How is the program designed?

— First, the program organizes an open call for applicants, then the jury selects the ones that are eligible to proceed to the next level. The selected companies undergo an in-depth needs assessment to identify what their product needs to develop and become suitable for the SAP platform. Finally, a specific capacity development program is designed based on the results. For one company it can be a marketing promotion course, while

another would need more technical assistance. The courses are implemented by BANA, SAP and international mentors from Germany and Netherlands hired by GIZ.

What are the further steps in the cooperation with SAP?

— We have a very ambitious goal: which is to transfer the SAP Startup Factory by BANA to a regional hub for Eastern Europe and CIS countries. In this regard, we have to ensure the sustainability of the Factory running. BANA is the only place in CIS countries, where SAP has put its logo and wants to have a representation. Thus we think to develop this Factory into a regional hub, that not only Armenian startups could come to get training and be incorporated into SAP platforms, but that startups from Eastern Europe and other CIS countries could also join the Factory. They would not need to travel here; they could even take those courses online. This will enrich the portfolio of the SAP Startup Factory by BANA and put it on the international map of the startup-producing countries. ♦

IDRAM: THE STORY OF INCEPTION

The Director of Idram payment system, Arsen Kdenyan, and the Business Development Director at IDBank Karen Nalbandyan sat with Regional Post to talk about the story of Idram's inception.

TEXT : MARGARIT MIRZOYAN / PHOTO : IDBANK

NOT LEATHER BUT AN ONLINE WALLET

Today, in the third decade of the 21st century, we can truly leverage the advantages of online transactions, express loans, and overall cashless daily life. But back in the beginning of the 2000s, the world was just starting to discover these possibilities and inventing solutions to nourish the coming trends and innovations.

In the same period, namely in 2004, a group of enthusiasts came up with the idea to create an online payment platform in Armenia. Edram.am, which came to be the result of this risky but visionary initiative, provided its users with online wallets, which they could use to make utility payments and for online shopping.

Within the next couple of years, Edram has paved its way from a startup project to a full-fledged online resource. In 2008, Idram LLC was registered in the State Register, where the relevant line defined the company's activity area as "payment system operator".

"A year later, the Central Bank gave the company a money transfer license, but Idram also needed authorization for issuing electronic money to operate at full capacity," recalls Arsen Kdenyan, "At that period, the platform had around 30-40,000 registered users, but only 3-4 thousand of them were active. To balance the ratio of these numbers, the company needed a swift advancement." The good news came in 2012. Matching all the technical requirements, the company finally received a license to issue electronic money, thus becoming the first such company in Armenia.

THE BREAKTHROUGH

In the coming years, the breakthrough in technological solutions turned smartphones into an essential part of daily life, and the time was right for Idram to launch its mobile application. It did not take long, and already in the same year, the company has introduced its app both for iOS and Android operating systems. In a couple of months, the Idram application gained 3000 active users.



The application did not only make payments more "mobile" but expanded the list of services. For example, Idram would enable its users to pay utility and state fees and make money transfers abroad. In addition, realizing the need to regularly top up the online wallet, the bank created the option of attaching a bank card to the account.

Soon Idram started opening branches around the city, reaching a total number of 55 by 2019. "The demand was there because if people wanted to transfer, receive or cash out the money, they would need a place to go and do it," says Mr. Kdenyan, "These branches were also of great use for the elderly people who were not very keen on using mobile applications."

Today, most of those branches no longer exist as the need for physical presence to make transactions gradually decreased. As a result, the company, which once was just an infatuating idea in the minds of a handful of people, turned into a leader in the field, continuously introducing innovative solutions to the market.

WHEN FINTECH MEETS THE BANKING

Idram from the 2000s and Idram that we know today are entirely different companies in scale and functionality. A lot of it results from the strategic partnership between the application and IDBank.

"The idea of banking and fintech cooperation is very popular worldwide," indicates Karen Nalbandyan, "The most successful fintech solutions are those that either receive banking license or those who start cooperating with a bank." The formality of the bank system offers a certain level of sophistication to innovative solutions that add up their flexibility and accessibility. At the beginning of 2017, this was the core scheme of the new shareholders who acquired Anelik bank and rebranded it into IDBank. The former epitome of traditional and solid banking preserved its values and put new objectives before its team, namely, to become modern, gain the attention of the youth, and uncover the comfortable side of dealing with financial matters.

NO NEED TO REINVENT THE WHEEL

The partnership with Idram became a critical component of the bank's larger plan of rebranding and aspirations for complete digitalization. IDBank wished to move the interaction with the consumers to an online platform, and noticed the presence of Idram in the local market, which had already accomplished what the bank had envisioned for itself.

"The cooperation started, and a joint digital platform was established that would include the already existing toolkit of Idram and the new capacities brought by the bank," says Mr. Kdenyan, "First, the platform offered only basic options like ordering cards and applying for loans. But the number of users was growing, and we decided to pursue our innovative efforts even further. On Idram&IDBank digital platform each of the partners provides its own solutions and products via single mobile application and web interface, as well as third-party services via API integrations are provided". "In fact, in cooperation with Idram, we have created a complete digital financial ecosystem around the needs of customers," adds Mr. Nalbandyan.

Today Idram has the most extensive toolkit in the local financial market, lacking only the operations with cryptocurrency, which the team ensures will be available once the Central Bank approves it in the territory of Armenia. Idram is the only such platform requiring complete identification, ensuring the security of its user's identity on 99%. There are over 9000 stores pay via Idram QR code and about 850 online shops with Idram web and mobile checkout. Another result of bank and payment system symbiosis is the Rocket Line digital installment, which follows the well-known "Buy now, Pay later" pattern. Idram provided the



flexibility that the banks of that time would not have been able to do. "We aim to make people's lives easier, and we believe that the future of banking is digital to a greater extent," says Mr. Nalbandyan, "We provide a lot of innovative solutions to nurture this process, including contactless and flexible payments."

DANCE, PAY, AND HELP

Both Mr. Kdenyan and Mr. Nalbandyan underline that Idram is for everyone – both young and old – but they put a lot of emphasis on the early adopters, for whom this type of solution is not an innovation but a lifestyle. This is one of the reasons we can see the orange and grey logo of Idram at almost all popular events taking place in the country. Now people can dance and enjoy their time having purchased tickets via Idram and paying for their drinks on the spot, again via Idram. "We want you to remember us not only when you need a loan or you've got to pay your bills, but also when you enjoy your time," says Mr. Nalbandyan. Moreover, this cashless solution is also beneficial for the hosts, as they do not need to deal with cash at all.

The name of Idram is also visible when it comes to various social causes as it continuously implements support projects. One such example is "The Power of One Dram" initiative, in which Idram and IDBank transfer one AMD from their own funds from each transaction made by users, making a purchase of a single cup of coffee into a benevolent action. The amount donated by the companies has reached a total sum of 75 million AMD so far.

The Armenian government also intends to put all financial circulation within the country on a digital track these days, striving for transparency, which in its turn will make the tax field more regulated. The infrastructure that Idram and IDBank have jointly created definitely promotes this process on the country's level and makes financial transactions less of a burden to consumers. ◆

TOWARDS ARMENIA, TOWARDS HOPE

William Saroyan once said: “It is simply in the nature of Armenian to study, to learn, to question, to speculate, to discover, to invent, to revise, to restore, to preserve, to make, and to give.” Albeit not mentioned, of all the virtues Armenians manifest, hopefulness is one of their best. Few programs bring such a feeling of hopefulness to the hearts and minds of its participants as well as to the nation it seeks to serve and cherish. Fewer yet resemble the likes of the H. Hovnanian Family Foundation-supported sister organisations, or more accurately, sister programs, Armenian Volunteer Corps and Birthright Armenia.

TEXT : ZAREH-SEVAG SARKISSIAN / PHOTO : BIRTHRIGHT ARMENIA

BIRTHRIGHT ARMENIA

“Armenia is not just a place where you emigrate from,” said Sevan Kabakian, director of Birthright Armenia. Birthright Armenia is a non-governmental organisation (NGO) whose core mission is to recruit young descendants of Armenians worldwide between 21 to 32 years of age and to reintegrate them into Armenian society via an internship and volunteer-based community service program. All this is meant to bring Armenia and its diaspora together for the betterment of both. The idea of Birthright began with a certain dedicated patriot, Edele Hovnanian. Prior to launching Birthright, she was already involved and was one of the leaders of the Land and Culture

Organisation (LCO), another NGO that for around 30 years has organised summer camps for volunteers from the diaspora and Armenia. Thus, she gained a lot of experience from there. In 2003, Ms. Hovnanian wanted to have a more impactful program and thus founded Birthright Armenia. A program that is not seasonal but year-round, not just based on renovation or manual labour, and that has a pre-planned itinerary of where the volunteers will work depending on their personal preferences and in their field of expertise that they can be most productive in. The thing that fuelled her determination was her firm belief in Armenia, in the potential of the diaspora’s untapped manpower, especially the young adults whose life is ahead of them.

This is essentially a program that remains with a participant at every step of the way. “We provide the platform that people can use to immerse themselves into the country,” said Sevan no stranger to the experience of moving from one country to another, from helping in learning the language, deciding where to volunteer, selecting a host family, to participating in gatherings and weekly excursions all over the country. It is a unique program that has set itself apart from other NGOs in Armenia and even throughout the globe in that it does not charge participants, but even goes further to reimburse the travel expenses of the volunteers/participants should they meet the



◀
Eva Minassian,
AVC alumna from
France, Costume
Designer

PROGRAM INFORMATION

Volunteering program for diaspora Armenians aged between 21 and 32

INFO@BIRTHRIGHTARMENIA.AM
WWW.BIRTHRIGHTARMENIA.ORG

f @ i n

The same program for older Armenians, retirees and non Armenians over 21

INFO@AVC.AM
WWW.ARMEIANVOLUNTEER.ORG

f @ i n

➤
Birthright and AVC program volunteers
with Mount Ararat in the background

terms. This makes the experience affordable to all. The option of living with a host family is an extremely immersive and gratifying feature, popular with the majority. A screened local family hosts a volunteer for as long as needed, and in turn essentially becomes a second family to them.

One of the important attributes of the program is the amazing support that Birthright Armenia provides even long after completion of the program. People who have not been to Armenia before or spoken a word in the Armenian language are not going into a foreign environment and getting lost, but quite the contrary. This applies mostly to the alumni of the program i.e., an even more important component for Birthright. Since at its core, the idea of Birthright is not about volunteering for a few months in Armenia, but an opportunity for volunteers to see how they can engage in Armenian affairs after they finish volunteering.

For them, the “Pathway to Armenia” and “Next Step” programs have been set, where alumni are given nearly free accommodation and are aided in seeking work or advancement in career through the help of a full-time dedicated staff respectively. As of now, 13% of the 2000+ alumni permanently reside in Armenia. Birthright Armenia continues to challenge itself to increase number, expand, and scale and might soon add a residential component in Gyumri, as well as relaunch its Vanadzor program that had not been operating for the past two years due to Covid.

NAZUK

On Tigran Mets Avenue, in faraway Gyumri, you would find a charming little café bistro called Nazuk. The café’s owner is none other than Birthright Armenia (BR) alumna Zaruhi Karapetyan.

Ironically, or perhaps by fate, Zaruhi is originally from Gyumri where she was born. However, her family left for Moscow three years following the devastation and hardships of the Spitak earthquake in 1988. She was raised and educated in the vast metropolis of Moscow, naturally spending most of her life there. She always had her homeland in mind, and when motivated by a colleague who was volunteering at Birthright to join the program, she did so in 2018. She tried



volunteering at a café in Yerevan but no one would take her on. The organization exactly found her what she was looking for up north, in Gyumri, the second largest city in Armenia. At first, she wasn’t sure if she would integrate into the quiet and comparatively laidback life of Gyumri, which was not what she had been accustomed to in fast-paced Moscow. Nevertheless, after spending time working there amidst the company of her host family, she fell in love with the city. “Moscow is a huge place, and here it is really calm compared to that, and despite not knowing if I will like it here in the beginning, I realised I did eventually.”

Her encouragement to open a café and bakery emanated from the experience she gained during her time volunteering and her fond hobby of cooking. This gave her enough momentum to go forth with her plan and in 2020, despite the pandemic and ensuing lockdowns, she opened and has been doing relatively well ever since.

Her purpose with her business was never to make a large profit, rather in her words, “I wanted to bake good quality cakes for people to enjoy; even if once a month, as long as they are not eating less healthy or lesser quality options more.” In essence, high quality and resiliency are what matter most to her, and are in her opinion what she wishes to promote in Gyumri, and then step by step, in all of Armenia.

ARMENIAN VOLUNTEER CORPS

The Armenian Volunteer Corps (AVC) is the brainchild of a former Peace Corps volunteer based in Armenia, Jason Demirchian, who later came to be Father Hovnan. At that time, Peace Corps typically did not send volunteers to a country of their ethnic background. Jason was an exception and loved his experience. He wanted to start a similar project in Armenia to help bridge the gap with the Diaspora, developing a commitment to community service. Through great effort, and with support from attorneys Thom J. Samuelian and Tamar Hajian, the concept of AVC became a reality in 2000; and in 2001, it accepted its first group of volunteers.

At its inception, AVC provided its participants with an immersive experience that gave them more of Armenia. They did not just come as tourists, rather they experienced living and working in the country through customized volunteer placements. That concept continues to grow and evolve

◀
Zaruhi Karapetyan’s Nazuk
café&bakery, Gyumri



even today. It now encompasses not just Armenians older than 32, but foreign volunteers as well. AVC, unlike its sister organization Birthright Armenia, welcomes non-Armenians. It hosts literally everyone 21+, offering a customized experience in their fields of expertise and/or scope of interest. It includes a Volunteer Corps, Professional Corps, and newly launched Senior Corps. The Volunteer Corps offers internship and volunteering opportunities to International applicants 21 and above to entice students to garner hands-on work experience. The Professional Corps is for applicants with at least five years of work experience in their field of expertise and can host both Armenians and non-Armenians. The Senior Corps is pleased to welcome retirees who can contribute their vast knowledge and honed skill sets to the betterment of Armenia. International applicants learn about AVC through many channels, but most commonly by word of mouth from its former volunteers or cherished alumni who now serve as ambassadors for the country. Since its start in 2001, more than 1,100 volunteers have impacted Armenia from over 50 countries. In 2021 alone, 77 volunteers visited Armenia from 25 countries ranging from the United States, France, Canada, Russia, Lebanon, Egypt, Myanmar, Australia, Poland, Germany, Philippines, Israel, and more. One recent success story is the newly hired AVC Executive Director herself, Arina Zohrabian. She came to Armenia for the first time in 2002 as an AVC volunteer. The program changed her life completely. Her experience of seeing the country, living with her host family, and working with amazing organizations prompted her to stay. She never looked back. She found work at several prominent institutions such as IREX Armenia and the American University of Armenia, married and built a family, and now finds herself back where it all started, albeit this time at the forefront of it.



◀ Arina Zohrabian, Executive Director of Armenian Volunteer Corps

CANNES EN ARMÉNIE

Following the 2020 Artsakh War, French-Armenian costume designer Eva Minassian had a calling to return to her homeland and to bridge the gaps between Armenia and the film industry abroad. It is her fundamental belief that a local endorsement of the film industry in Armenia would greatly attract foreign film productions and thus be greatly rewarding in creating new jobs, learning from foreign expertise, and improving the quality of local productions themselves. Searching for a way to contribute in Armenia, Eva found AVC; who then connected her with Order Film Production in Yerevan. The opportunity helped Eva grow immensely in her profession. “If you’re not born into it or have strong connections, it’s extremely difficult to get into,” says Eva. An essentially difficult and closed industry to work in, she managed to manoeuvre her way up the artistic ladder during her time living in Germany. A period during which she was introduced fully into the film industry while transitioning from fashion designing and marketing. One of the Order Film Production’s latest projects, which is also a joint project with Doping Creative Agency, focuses on sex-selective abortion; an uncomfortable subject for Armenia that has become a significant topic of discussion the past few years. “There are five countries in the world that have the highest rate in sex-selective abortion and unfortunately Armenia is one of them,” said Eva, who believes such a morally-controversial issue in an already depopulated country needs to be promptly addressed. As a highly endangered ethnic-religious group, the Yazidi community is the focus of another documentary project for the team, which plans to visit communities not only in Armenia but also in Georgia, Iraq, and Syria to showcase and demystify their culture, history, and religion. Eva is also involved in two films in the post-production phase. One of them is the newly premiered Zulali based on a namesake novel by Narine Abgaryan. Eva wrote the French synopsis for the film and translated the subtitles into English. She is now supervising the application process of Zulali to various international film festivals. The other is a documentary about Armenian composer Maestro Tigran Mansuryan to which Eva is trying to find distributors in Europe as best she could. Eva is determined to create a film commission in Armenia, which would centralise the logistics via several departments for any



◀ Narine Poladian, Birthright Armenia alumna from Lebanon is the first woman to make khachkars

foreign production that will be interested in filming in Armenia that includes accommodations, local technicians, all sorts of catering, and talent and production locations. She has drawn all this from the Czech Republic's example, which departmentalized its film industry and is now reaping the benefits of having highly skilled technicians, crew members, and other stakeholders. This will indirectly boost tourism to the country and contribute to the development of other spheres. "When the Game of Thrones decided to do shooting in Jordan, that country created a film commission, as one did not exist," explained Minasian. "The series has long finished, but people are still travelling there to visit the place where filming took place." Eva is cooperating with Armenian Public TV to conduct research, collect data and develop a business plan to 'market' Armenia as a filming destination by the end of 2022. She extended her volunteer experience with AVC through December 2021 and plans to return to the homeland soon to follow through on her long-term film projects.

IMPRESSION OF HOPE

Throughout the years, Birthright Armenia and AVC have formed partnerships with more than 1,100 organisations across Armenia and that list grows daily. Presently, they have partners in every single field whether it is education, engineering, IT, natural sciences, health, mental health, arts, music, and the options also continue to expand on a year-to-year basis. This allows volunteers to connect with those organisations based on preference and expertise, always taking into account Armenia's needs. Hence, the customisation is really



▲ Eva Minasian, AVC alumna from France, Costume Designer

◀ Sevan Kabakian, Country Director of Birthright Armenia



important and makes for an amazing experience with the partner as well as the volunteer. Neither program has ever had the intention to replace or disregard the knowledge and skills that native Armenians have and contribute. In contrast, their efforts complement resources that are already on the ground. Local people who are getting exposure to different perspectives from volunteers from that many countries are learning something as well. The volunteers are experiencing new things from their exposure in Armenia. This mutual exchange and learning processes have been Birthright Armenia's and AVC's key to success and meaningful impact and something they proudly continue to promote. Residents of Armenia often face challenges that are frustrating and take a toll on motivation. Yet, there is also another hidden side. Showing the motivation and will of people physically wanting to be in Armenia whether from within or the diaspora has been one of AVC and Birthright's greatest achievements. These organizations have done an amazing job in helping shift that narrative. And if one decides to move to Armenia, Repat Armenia, a partner organization of Birthright Armenia and AVC and a part of H. Hovnanian Family Foundation offers one-on-one consultations on various aspects of integration, networking opportunities during informal events and helps to connect to the community of repats, expats, Diaspora Armenians and local Armenians. Besides, the organization assists with employment and job matching, provides reliable service providers for setting up a business and much more. ♦

◀ Saturday excursion to Noravank for Birthright Armenia and AVC volunteers

ARAM KHACHATRYAN:

“INVESTING IN ARMENIA IS FIRST OF ALL A DUTY”

Aram Khachatryan is the co-founder and CEO of Galaxy Group of Companies, a multi-industry corporation headquartered in Armenia. He is in charge of strategic management and organizational development of the group. Regional Post discusses with Mr. Khachatryan models of business operation and engagement in Armenia's economic agenda by the example of Galaxy Group.

INTERVIEW : ARSHAK TOVMASYAN / PHOTO : GALAXY GROUP



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Galaxy Group
Annual Leadership
Meeting 2021

Investing in Armenia, how and why – if you could define what are the motivations and aspirations of Galaxy Group as a case for others to get inspired from.

— Behind the formation of the current profile of our Group, lies over 20+ years of continuous efforts in creating businesses from scratch. All of our companies operating under Galaxy Group were formed through the idea-concept-project model. And the path of development of this kind further strengthens the connection with the businesses beyond the commercial dimension.

Thus, we have created over 15 businesses, and the Group, through its goods and services, currently penetrates every third household in Armenia, having consistently ranked as one of the top taxpayers in the country. With around 3000 employees and a huge customer base, reflecting significant socio-economic impact of the Group other than the quantitative indicators, we feel duty to those families and the communities.



◀
Aram Khachatryan, the
co-founder and CEO of
Galaxy Group of Companies

and mechanisms to ensure effective business eco-system within the Group.

The multi-sectoral involvement drives exchange of experiences, enhancing knowledge in planning and implementing business strategies. This may also include a bulk of opportunities, from the negotiations with suppliers to the labor market.

Also, we take care of the business impact to be of the public interest and the interests of all stakeholders in the society. That is why we have a tradition to publish an annual social and economic impact report, releasing key data on taxes, loans, salaries and employees' distribution across the Group industries, purchases, etc.

While the reporting of this kind, for which, by the way, no special requirement exists, is aimed at ensuring a high level of transparency, our strategy is also aimed at reflecting Group capacities in the form of our collective impact on the economy. At the same time, the contribution of each and every employee in the socio-economic development agenda is emphasized.

So, looking back, what has made us successful in not deviating from our path of doing business, has been the immersion in business generation, the belief in goals and their truthfulness, and in our mission towards creating value for the country.

Could you please outline the culture of a conglomerate? What is the model in Armenia by the example of Galaxy Group of Companies? (Note: the Galaxy is the first public reporting holding company in Armenia).

— Our Group operates in diverse industries, such as commercial real estate, entertainment and hospitality, retail, IT and Telecommunication. And each company is unique in its busi-

THE MULTI-SECTORAL INVOLVEMENT **DRIVES EXCHANGE OF EXPERIENCES**, ENHANCING KNOWLEDGE IN PLANNING AND IMPLEMENTING BUSINESS STRATEGIES

ness portfolio and the game-changing nature. Thus, in outlining strategic paths, the role of Galaxy is crucial, in terms of ensuring the business operations are in line with the principles and values preset, and providing development guidelines thereof.

In building supporting engagement to our companies, we guarantee compliance with high international standards of corporate governance, developing and bringing in policies

Talking about the role of employees, it is interesting to learn more about the values that are forming the corporate environment in the Group, as a multi-industry corporation in Armenia.

— In our undertaking of the advancing business strategies, we are firmly attached to our mission and principles and our corporate values.

One of them is continuous learning. As we have tried much in building this Group, we have learned much too.

➤ Teryan 5 is a real estate development project encompassing a 75 meters tall 22 story building in the heart of Yerevan

The new knowledge has driven us in setting strategies that are ambitious in their essence, and reasonable in bringing them to life. We are keen in learning from each other too, which form distinctive synergies within the Group. This, in turn, enriches our team insight toward providing solutions to nowadays non-routine challenges and increasing overall business efficiency. Especially, through the burden of unprecedented challenges of last years, we were able to come out due to the team spirit and consolidated efforts of our companies.

On the other layer of learning, we attach special attention to continuing education, contributing to our team members to advance their knowledge and skills in top universities, such as Sheffield, Oxford, Columbia, Stanford, Harvard. Forward thinking is another value we hold. As we live in uncertain times, we constantly improve our level of adaptability in order to effectively plan and implement risk mitigation strategies. Hence, through a think tank style model, we utilize future-oriented scenario-based planning, which helps us identify the factors and conditions that could form the future market.



THE PANDEMIC, THE WAR AND THE CRISES HAVE INTRODUCED A NEW AGENDA OF RESPONSES, HIGHLIGHTING THE NEED OF BRINGING PROACTIVE ENGAGEMENT IN ECONOMIC DEVELOPMENT AND MULTILATERALISM IN ACTION

One of the values incorporated in our business culture is the game-changing. With each company we build, we aim to bring disruptive concepts and innovation in the relevant industry we enter. On the operational level too we are continually enhancing our inno-

vative capacities, such as advancing digital transformation tested to be effective during the pandemic. We also set up new benchmarks in business. Among the feats we take pride in is that we managed on “exporting” our powered-by-Galaxy business concept outside Armenia, through establishing TI’ME and Chronograph brands in Georgia and Belarus.

“Development Projects Armenia 2022”: How has the framing been formed, and what are the actual projects within that framework?

— The pandemic, the war and the crises have introduced a new agenda of responses, highlighting the need of bringing proactive engagement in



◀ Galaxy Group celebrated its 22nd anniversary with a rock-classical concert performed by the State Symphony Orchestra of Armenia



◀ The first PAUL in Armenia will be located at 8 Abovyan street, combining architecture of the old Yerevan and the culture of French bakery

GALAXY GROUP OF COMPANIES | BUSINESS OVERVIEW

Galaxy Group of Companies is a multi-industry and multinational conglomerate headquartered in Yerevan and operating in three countries. The Group stands as one of the largest corporations in the region, having consistently ranked among the top taxpayers in Armenia, and comprises 15 companies, each positioned as a leader in its respective industry.

Besides the leading telecom operator in Armenia Ucom, the businesses under the Galaxy Group include Yerevan Mall, the biggest shopping mall in Yerevan, TI'ME & Pandora premium jewelry and watch stores in Armenia, Georgia and Belarus, MegaFood, one of the largest importer and distributor of confectionery and food products on the local market, etc.

While the commercial nature of business remains as an integral part of the corporate operations, Galaxy Group's mission extends way beyond business affairs. With each new company, the Group brings new, disruptive innovations to the private sector in order to both ensure constant development and raise the prevailing standards within the market. Galaxy Group is also a big proponent of social responsibility, having implemented many CSR projects to improve lives and communities as well as promoting corporate citizenship as an inherent business value in Armenia.

economic development and multilateralism in action.

Indeed, partnerships are key for development. Among 200+ domestic and international partnerships in 20+ countries, we have partnered with Eriksson, Etix, Swatch Group, Richmond Group, Marriott International, and PAUL international running joint projects in the region. We further foster B2B dialogues on actual issues and collaboration within the setting of the international business community through memberships in the European Business Association, American Chamber of Commerce and CCI France in Armenia.

Through announcing development projects 2022, we have been driven from the perspective of promoting and in our case implementing rumped up business engagement in the economic life of the country.

With institutional heritage of a dozen small and big development projects implemented throughout the path, enhancing the positive image of Armenia, supporting social and educational development, bettering lives and communities, we believe that the progress has always been and is possible through mutual cooperation.

It is worth mentioning that in 2020, one of the most difficult years of Armenia, the Group paid more than \$22 million in taxes. And I am happy to state that this number, along with other relevant directions, has increased in 2021, which will be reflected in our next Social and Economic Impact Report to be released very soon.

Along with ensuring business continuity during the hard times, we moved forward with new investments in hospitality, commercial real estate and local production.

Recently Katna – Armenian cheeses entered the Armenian market. A chain of famous French PAUL bakeries will open soon in Yerevan. As for the other international project Teryan 5, developed with Marriott International, the residential part of the building will be put in operation this year, while the Courtyard by Marriott hotel will open in 2023.

We have also expanded our business concept in the region through TI'ME and Pandora brands in Belarus. We hope that the international situation will soon improve, and we will further advance our presence in CIS markets.

Yet, the center of our vital interests remains in Armenia. ♦

HOW TO LEVERAGE THE SCIENTIFIC POTENTIAL OF ARMENIA AND THE WORLD

Regional Post talked to Vice President for Products and Technology Processes of Philip Morris International (PMI) Luca Rossi about the scientific potential of Armenia and the preconditions ensuring the success of the latter.

TEXT : MARGARIT MIRZOYAN / PHOTO : PMI



We met Mr. Rossi at the “Once upon a... Science!” TEDxYerevan, where he took the stage to talk about the three primary preconditions that are required for science to take place and succeed. According to him, first of all, what the science field needs is the right people with the right skills at the right places and projects. The second imperative is the environment, which implies the establishment of certain infrastructures, and of course, diversity among the team members. The final chord is forming the correct toolset.

THE CUBE

In 2015, Philip Morris International opened its research and development center in Switzerland. The Cube, as it is called for its visual resemblance to the three-dimensional geometric figure of the same name, has three buildings: Soil, Water and Air. There’s no Fire, because only fire-free products are designed and developed here. There are 3000 employees currently working in the center, trying to replace cigarettes with less harmful alternatives in the near future and develop new generation products.

In the last 5 years, the PMI in general was quite active in the field. For example, in 2019, PMI received 424 scientific patents, and more than 60 startups have been involved in the development of IQOS technology. Additionally, besides the Cube PMI invests in many companies and technologies relevant to its area.



“In order to contribute to the development of science, you need the skills, the involvement of diverse people, and the right environment, but only by completing and putting all these factors together will you be able to achieve the desired result,” Mr. Rossi said during his speech.

We sat at the lobby of the venue where the event was taking place and while young scientists were walking

around, talking to each other and networking, Mr. Rossi answered some of our questions about the scientific potential of Armenia and the PMI Science R&D Center, which opened its doors in Yerevan a couple of years ago: It is among the multi-profile centers of the company with the “Cube”, Philip Morris’s major research and development project headquartered in Switzerland’s Neuchatel.

Mr. Rossi, Yerevan’s R&D Center is one of just a few such institutions of PMI in the world, along with ones in Switzerland and Singapore. So, why Armenia?

FIVE YEARS AGO, WHEN I FIRST CAME TO ARMENIA, I SAW THAT THIS COUNTRY HAS A HUGE POTENTIAL IN TERMS OF SCIENCE AND PEOPLE. MANY STUDENTS AND YOUNG SCIENTISTS ARE WILLING TO TRY THEMSELVES, BRING DIFFERENCE, AND DRIVE A SIGNIFICANT CHANGE

— Five years ago, when I first came to Armenia, I saw that this country has a huge potential in terms of science and people. Many students and young scientists are willing to try themselves, bring difference, and drive a significant change. The infrastructure is in development and there’s also a historical footprint of science and knowledge that is strongly rooted in the country. All the preconditions are being met for Armenia to become a technological hub. Therefore, we wanted to be

PMI R&D CENTER IN YEREVAN

Philip Morris International Research and Development center in Yerevan was established in 2018, becoming the third such center in the world set up by PMI

The center works in several directions, including Data Science, Technologies and Material Science. Throughout the past 4 years, the center put a lot of effort and applied unique approaches to support the research and educational field in Armenia. In collaboration with Enterprise Incubator Foundation, the center continuously supports Masters and PhD programs in relevant fields, promotes Faculty team research projects, supports organization of scientific-technological conferences and conducts trainings. More than 100 Master's, PhD students and Faculty research teams were awarded scholarships with the support of PMI Science R&D Center. In the framework of joint projects, the center also cooperates with a number of local research institutions and universities, including collaboration with over 125 scientists leading scientific institutes and laboratories in Armenia.



WE ARE PLANNING ON CONTINUING TO EXPAND OUR ACTIVITIES, ESPECIALLY IN THE INNOVATION FIELD, IMPLEMENTING SOME PILOT PROJECTS, TRYING TO UNDERSTAND HOW TO PROMOTE AND GET NEW IDEAS. THE VOLUME OF THE EXPANSION WILL DEPEND, OF COURSE, ON THE RESULTS THAT WE WILL GET

a part of this process and leverage it. This is why we've established the PMI Research and Development Center in Yerevan.

So can we say that the scientific legacy left from the Soviet times coupled with the high-tech potential of recent years are the competitive advantages of Armenia compared with other countries?

— Yes, of course, both the Soviet heritage and the high-tech tendencies of the current moment created certain advantages, but it is not only that. I've never seen many countries where

people collectively want to move towards a different condition, towards development. Especially young people and the entrepreneurs, they have a certain energy and drive. They want to leverage science for the benefit of their country. If my understanding is correct, in Armenia there are more physicists per capita than anywhere in the world. It says something about the country and its scientific scenery.

What are the results the center has achieved during its first years?

— During the past year, we had practical results in terms of data science, and we utilized these in our products and other processes. We also have generated many new ideas of product concepts and improvements we can have.

How did PMI try to adapt the local approaches to the principles established in the "Cube"?

— There were some things that we wanted to keep standard to ensure the workflow that is typical to our format, but we also wanted to get the maximum of the potential available in the country. What we did here in Armenia was new to us. We started to experiment with new ways of working

with the innovation ecosystem and this approach brought us closer to the scientific community of Armenia. For example, our PMI R&D center has a training lab for the students, where they get access to the equipment and the tools. The building is located in the yards of the Polytechnic University which makes it even closer to the young minds of the Armenian scientific world.

What are your further plans on science in Armenia?

— We are planning on continuing to expand our activities, especially in the innovation field, implementing some pilot projects, trying to understand how to promote and get new ideas. The volume of the expansion will depend, of course, on the results that we will get. The more results we have, the more confident we will become. We will continue hiring new people who are interested to come and work with us, applying different expertise and skills.



Do you have a personal bond with the country?

— I've been to Armenia four times. I cannot choose an exact spot that I like, but what I like most is the people here, their hospitality, openness, and energy. I'm fascinated by the strong scientific background people here in Armenia have. It's all about the people.

Just 15 minutes ago you gave an inspirational speech during the TEDx Yerevan. What are the key takeaways from your speech that the young scientists of Armenia should keep in mind?

— The people and various organizations operating in the field should seek the conditions I've mentioned to enable science. These are the people, the environment, and the skills. You can put in as much money as you want, but it will never work, you will never succeed if all these preconditions aren't there. ♦

ARMENIAN IS FASHIONABLE

Regional Post discussed the current state of fashion in Armenia with the President of the Fashion and Design Chamber NGO, Vahan Khachatryan and the Co-Founder of the NGO, Elen Manukyan.

TEXT : MARGARIT MIRZOYAN / PHOTO : ARNOS MARTIROSYAN



NUMEROUS FOREIGN COMPANIES COLLABORATE WITH ARMENIAN TEXTILE PRODUCERS

Armenian fashion has developed significantly in recent years, becoming recognizable and accessible to the average consumer, which only a decade ago would have seemed impossible. The works of Armenian designers have become integral elements of everyone's wardrobes, and textile factories are constantly introducing new approaches, technologies, and international experiences.

Manufacturing companies increase their job openings not by five or ten but by dozens each month. The export rates have also surged; there are even local companies working only with international markets.

"At first glance, it may seem that exports and working with international partners serve only financial purposes," says Elen Manukyan, "but this also allows factories to train their employees, increase productivity, and integrate the best international approaches." With each international order come relevant specialists who oversee the quality of the products, simultaneously introducing new working styles and quality standards to local teams. By staying in Armenia, these employees contribute to the development of the local textile sector, creating new opportunities for producers and enabling them to accept even more complex orders. At this point, there are about 30 large factories in Armenia, each of them employing from 200 to more than 1000 people. Most of these factories are located in the regions, leading

The article was published within Reconomy, a regional inclusive and green economic development program of the Swedish International Development Cooperation Agency, implemented by HELVETAS Swiss Intercooperation in partnership with Fashion and Design Chamber.

to more expansive results, decentralization of the sector, and regional development.

THE CRITICAL PROBLEM IS THE LACK OF SPECIALIZED HUMAN RESOURCES

Even though the demand on fashion and textile production is steady, there is a lack of skills, knowledge, and specialists. Vahan Khachatryan is convinced that the problem here is the absence of dialogue between the employers and the educational institutions preparing relevant specialists to join the industry. "To connect them, we visited educational institutions, tried to establish links, did some need assessment surveys, and provided that information to the government and employers," he said.

The lack of specialists has a significant impact both on factories and designers. Many of them cannot develop quickly enough because they have to implement all stages of creating a product on their own, even if they do not have the corresponding knowledge. Trying to fill the existing gaps, the NGO regularly implements training programs for designers. In those courses they acquire business skills, learn how to manage their social presence properly, gain financial knowledge and other such skills.

LARGE FACTORIES HAVE STARTED WORKING WITH ARMENIAN DESIGNERS.

In the past, factories refused to work with Armenian designers, explaining that their orders were small and financially unprofitable. But today, the Fashion and Design Chamber team claims that they have overcome this



obstacle. Currently, many designers actively cooperate with local factories as the producers accepted that by working with the local creative cluster, they step up the demand for Armenian fashion and contribute to establishing the Made in Armenia brand. The Chamber also has been

closely working with the government during this period, and a five-year textile development strategy is currently being developed. The latter is based not only on adding workplaces but also on creating added value via increased salaries, the complexity of quality products and productivity. ♦

MADE IN ARMENIA

The Armenian Ministry of Economy supports an information campaign launched since the beginning of this year. The head of the project Gayane Antonyan will help us to explain the campaign details and aims.

TEXT : SHUSHANIK PAPAZYAN / PHOTO : MINISTRY OF ECONOMY OF RA



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«Արտադրված է Հայաստանում» ծրագիր
Made In Armenia Program   
www.madeinarmenia.online

WHAT IS THE AIM OF THE PROJECT?

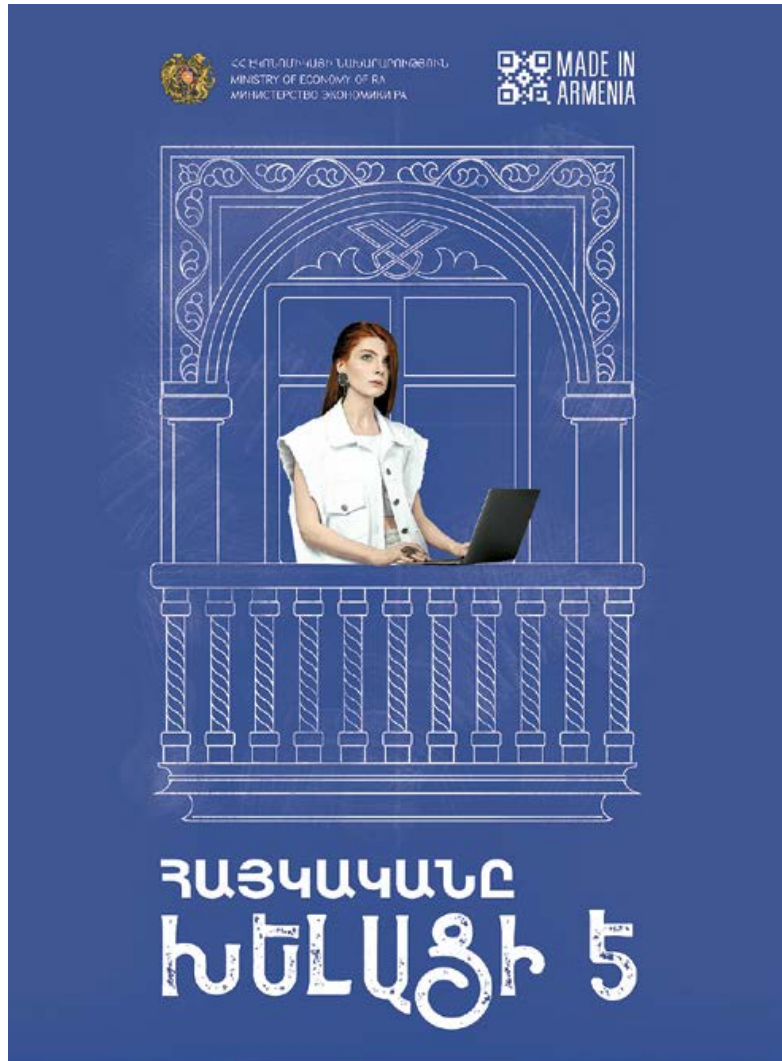
We are all too busy to care to identify the country of origin of an item we buy and even if we do, we mostly prefer to avoid buying specifically Armenian products. And how can we expect the Armenian manufactured goods to improve their quality if we do not support their production by buying them. This is why the project “Made in Armenia” came into being. It improves the overall image of Armenian manufactured goods, increases the public awareness of it and familiarizing creative ideas of Armenian producers to local consumers inspiring local producers to continue their efforts.



WHAT IS THE RATIONALE OF THE PROJECT?

The 44-days war has made many of us change our attitude towards Armenia in many regards. This includes also the attitude towards the local economy and a best way to support it is to pay more attention to it in the market. In this respect it is important to identify what is offered by Armenian producers so that the local consumer could be better informed on the local products available in the market. “From its very start the project has been making the Armenian produce recognizable and is encouraging people to buy local products in order to support the economic development of this country,” says Gayane Antonyan.

FROM ITS VERY START THE PROJECT HAS BEEN MAKING THE ARMENIAN PRODUCE RECOGNIZABLE AND IS ENCOURAGING PEOPLE TO BUY LOCAL PRODUCTS IN ORDER TO SUPPORT THE ECONOMIC DEVELOPMENT OF THIS COUNTRY



Made In Armenia Program   

www.madeinarmenia.online



HOW DOES THE PROJECT WORK?

Information campaign “Made in Armenia” spreads the word about Armenian goods and services by telling their stories. This includes communicating manufacturing stages of a certain item before they reaching the shelves, or, for instance, the identity of the author of the perfume Fragrance of Yerevan, explains why socks with colorful pictures became fashionable and how a robot assembled in Armenia won a Time Magazine award, production of which kinds of sweets had been launched by repatriate Armenian business people and so on and so forth. Topics and their relevant protagonists are numerous while their stories are



THE CAMPAIGN IS UNFOLDING ON SOCIAL MEDIA PLATFORMS, BRINGING TOGETHER ARMENIA'S POTENTIAL FOR PRODUCTION AND CONSUMPTION FOR THE PURPOSE OF STEPPING UP LOCAL PRODUCTION AND DEVELOPING THIS COUNTRY'S ECONOMY



inspiring and valuable. There is a captivating story behind each and every brand in Armenia, and those are typically full of fundamental challenges, instances of overcoming numerous obstacles and expressions of resiliency and determination. The project does its best to reveal those human stories.

So on one hand the project promotes an Armenian alternative in the market with competitive quality and reasonable price, while on the other hand it offers the Armenian producer a platform providing opportunity for growing and finding its own place in the local market.

WHERE CAN YOU SEE THOSE STORIES?

The campaign is unfolding on social media platforms, bringing together Armenia's potential for production and consumption for the purpose of stepping up local production and

developing this country's economy. The online information platform Madeinarmenia.online created within the scope of the project serves as a bridge between Armenian consumers and producers making it possible to get useful information both about the production and consumption from a single source.

The constantly updated newsfeed includes various reports and articles on such topics as technological advancements, Armenian economy and industry. It is planned to add some more news topics which might be of interest.

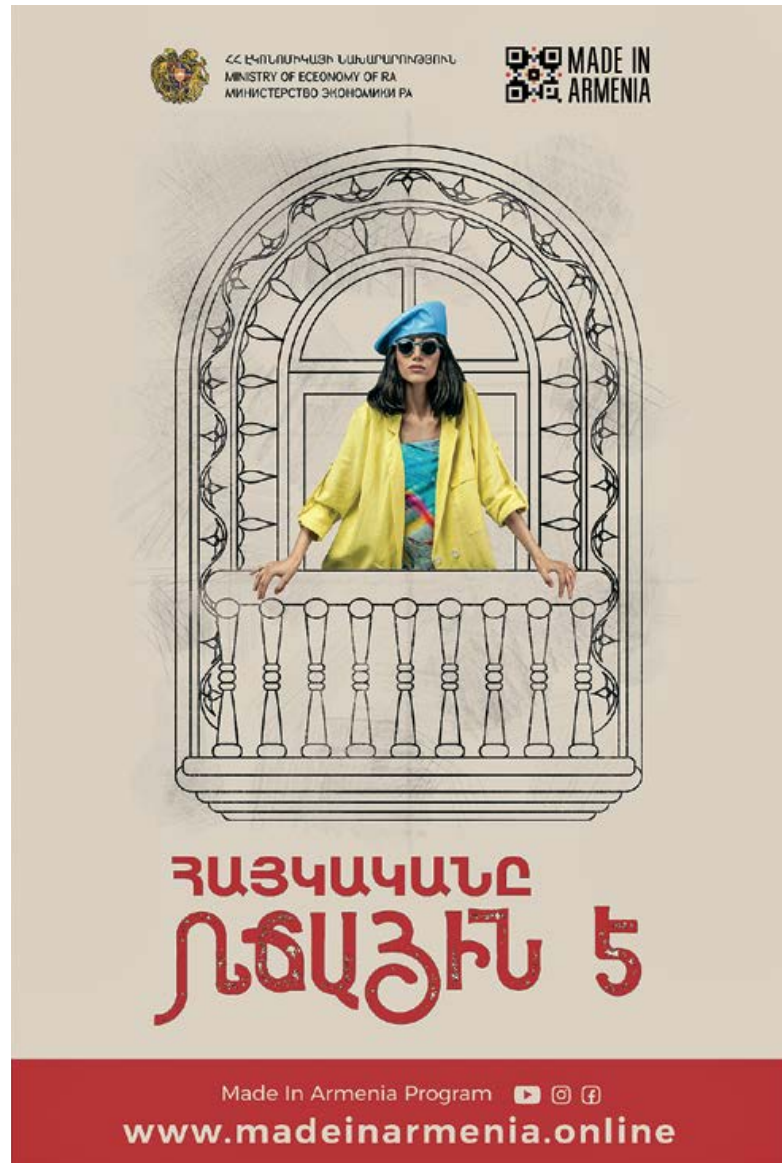
WHAT IDEAS HAVE BEEN BROUGHT INTO LIFE SO FAR?

You probably happened to have bumped into an ad in the street reading as follows: "Armenian is smart" or "Armenian is trendy" and alike. This is one of the ideas implemented within the scope of the project, with visuals featuring some recognizable balconies in Yerevan. The information campaign Made in Armenia made every possible effort to reach out to the local consumer. For that purpose yet another idea was implemented called Magic Box.

WHAT IS THE MAGIC BOX?

The main idea was to show the quality and variety of Armenian goods at a single spot. Imagine a fancy box full of care items, herbal teas, scarfs and so on, all of which are produced in Armenia. In order to make this as visible as possible Armenian influencers took up the job. They received those boxes as presents, turning their delight into urge to their followers to buy Armenian products.

As the letter attached to the box (and written "on behalf of it") says: "It is the task of me and you to tell everyone about this present produced in Armenia and help out the local producers and support their businesses.



Tell them about this present; there is a great story behind it, lots of work invested in it and a dream come true.”

WHAT IS THE REACTION OF THE PRODUCERS?

The items collected in the Magic Box are provided directly by the brands producing them. This proves once again that they are open for interesting and efficient cooperation. Project head Gayane Antonyan notes that many Armenian producers take the initiative of joining the project before even asking for. “Many Armenian producers agree to share with us their products and stories believing that this is the way to inspire others to produce locally,” she says.

WHAT OUTCOMES ARE EXPECTED?

The project does not have a long history, however it has to be liked by Armenian consumers and gather a significant audience, which follows and supports the ideas proposed by the initiative. Made in Armenia information campaign is projected to continue as long as it is necessary for raising the awareness of local production in the Armenian populace. The team members engaged in the implementation of the project say: “More than ever Armenian producers need to be supported and consuming local products we develop our economy and industry”. It is difficult to disagree with this statement. ♦

REARMENIA: EFFECTIVE COLLABORATION BETWEEN ARMENIANS PROVED POSSIBLE

The reasons behind creation of the reArmenia platform which aims to bring together as many projects as possible, categorize them, provide a due diligence check, and ensure regular reporting to keep the highest level of transparency.

TEXT : REARMENIA / PHOTO : REARMENIA ARCHIVE





We make investments all the time throughout life, invest our time, money, talents in different things. In Western societies, it is a common practice to invest not only in one's life, but also in one's community and country.

In Armenia, however, after the Soviet Union collapse and the first Artsakh war, people forgot how to care about each other and focused on their own needs. This attitude may seem logical, since people were facing some serious challenges in the 1990s. But also that attitude made those challenges even worse, because everyone was left to their problems alone, desperate and bitter.

The second Artsakh war made Armenians learn this lesson in the hardest way possible. Many realized they needed others to work together to produce significant change. And that's when reArmenia came to life.

Many groups gathered after the 2020 war with well-intentioned projects and plans, but there was no way to make them systemized, trackable, and transparent to be effective. To make this happen, the reArmenia platform was created. It aims to bring together as many projects as possible, categorize them, provide a due diligence check, and ensure regular reporting to keep the highest level of transparency. >



THE SECOND ARTSAKH WAR MADE ARMENIANS LEARN THIS LESSON IN THE HARDEST WAY POSSIBLE. MANY REALIZED THEY NEEDED OTHERS TO WORK TOGETHER TO PRODUCE SIGNIFICANT CHANGE



“After the war, we have come to realize that our biggest problem as a nation is lack of effective collaboration. And after many discussions we found the reason for that, which is distrust. Basically, Armenians don’t trust each other and that prevents our collaboration and development. Which is why we decided we needed a platform that will make sure no one can cheat, where everything will be totally transparent so that we can forget our doubts and start working as a community” says Gevorg Poghosyan, CEO of reArmenia. The team behind the platform tries to make it as effective as possible both for project creators and users considering them all part of the reArmenia community that literally owns this platform. Now there are many projects on the platform, some of them fundraise, others seek collaboration. The latter kind of projects may need professional support, volunteering, and consulting. It could be urban planning in the town of Stepanavan, or a tourism and hospitality project for border villages.





The idea is to solve problems by all means necessary, and to do so efficiently and effectively.

“We see donations to projects as a way of collaboration and, I should say, the easiest way. It takes a minute to send money and then you only need to check your email to follow the reports and updates that we send. But if you can make time and input your efforts, knowledge, and connections, that’s what will make us a giving and caring society, and eventually it’s our final goal. We want Armenians to set an example of effective collaboration and problem solving in the world,” Gevorg Poghosyan comments.

One of the ongoing projects is the Moonq Techno-School of Artsakh that sets the highest standards of collaboration and mutual support. Haghorti is a village with approximately 60 households and two modest grocery stores. It is located on top of a hill in the Martuni region. It takes over an hour to get there from the capital Stepanakert, and not every car can endure that journey. A few tech-enthusiasts started teaching children of the village basic IT skills. The first impressive result was Start Systems, a start-up created by teenagers of Haghorti.

“Many young people leave the village to be able to find a job, but now we can see that all we need is a computer and internet access. We get support from different people and now we believe that we can actually change our future and live our best lives,” says 17-year-old Shushan Martirosyan, one of Start Systems’ founders.

This inspiring result made the project creators think of having a building, technoschool and collaboration space, and reaching out to other experts to share their knowledge with kids. That is when they approached reArmenia with a fundraiser. A fair amount has been raised already, but its creators did



THIS INSPIRING RESULT MADE THE PROJECT CREATORS THINK OF HAVING A BUILDING, TECHNOSCHOOL AND COLLABORATION SPACE, AND REACHING OUT TO OTHER EXPERTS TO SHARE THEIR KNOWLEDGE WITH KIDS

not want to spend money to buy or rent a building, preferring to use funds for buying equipment and hiring tutors. Realizing the importance of this project, the head of Haghorti provided his office to the TechnoSchool. The government of Artsakh also joined the effort, matching the first \$29,000 raised. Now there is enough money for renovations in the former village administration office and villagers have offered to help with construction.

“We never thought so many people would join this project. Each of them brings their experience and knowledge and it gets better and more effective each day. We feel so much support and care that we actually believe things will change in Artsakh. All we need is to believe in ourselves and work hard for our wellbeing and security. I believe that good education and networking can give our youth the confidence they need to be strong,” says Ashot Avanesyan, the creator of Moonq TechnoSchool project.

Now, the biggest part of the amount is collected, but it won’t stop there. Because once we learn to trust and support each other, solve problems and get stronger, nothing will stop us. ♦

TOURISTIC ATTRACTIONS FOR INVESTORS

If investors have business projects that will benefit tourism in Armenia, the Armenian Government and the World Bank are here to support them on multiple levels. Regional Post Caucasus talked about this program to Anahit Voskanyan, who is a Tourism Product Development Advisor at the Armenian Economy Ministry's Tourism Committee.

TEXT : GAYANE HARUTYUNYAN



TOURISM DEVELOPMENT FOR INVESTMENTS

Armenia, despite its rich cultural and historical heritage, beautiful landscapes, and attractions, still has a vast untapped potential for tourism. Noticing the correlation of business and investments with the enhancement of the overall economic potential, in 2016, the World Bank started the Local Economy and Infrastructure Development Program (LEID). The Tourism Committee of Armenia on behalf of the Ministry of Economy was responsible for the content of the program and the Armenian Territorial Development Fund took over the practical aspects of the program, such as the examination of investment sub-projects, their implementation, as well as the procurement, financial and guarantee management operations. "The implementation phase has started in 2018 and within the scope of this program, currently, there are over 40 investment projects having the goal to create a favorable environment, infrastructure, and communication which would attract the private sector to come and establish businesses in particular locations," says Anahit Voskanyan. "In other words, they will increase both the infrastructural and institutional capacities for enhancing the support of tourism sector to the local economy." One such example is the reconstruction of Kumayri Historical and Cultural Museum-Reserve, the oldest part of Gyumri, Armenia's second-largest city. Since the inception of the project, six streets in the Reserve were reconstructed, and seven more are on the way, preserving the historical, authentic architecture of this district. These transformations are an advantage that can grab the attention of potential investors. Another component of the program was the restoration of the historic center of Goris. The LEID program initiated 3 projects, two of which are already implemented, and the third one will start soon. The windows, gates, and roofs of 36 houses were replaced in accordance with the typical Goris architecture fashion. The riverbed of Vararak flowing through the city was



cleaned along with adjacent streets and sidewalks. There are dozens of similar elements within the project, the key idea, however, is that these components do not create businesses but launch touristic activities that would play pivotal roles for potential investors and the private sector in general. The program has fostered a packaged approach, which means, among other things, that the main aim of improving the Kumayri Reserve is not only to create favorable conditions for the private sector but also to make the tourists stay longer at that destination. For this reason, the program works on creating clustered experiences. Going back to the example of the Shirak region, the overall project involves Gyumri-Marmashen-Dashtadem destinations. This means, for instance, that a tourist spends some 4-5 hours in Marmashen, then travels to nearby Gyumri for an overnight stay and a tour, then visits Dashtadem the next day. The same clustered pattern was adopted in the Gegharkunik Region involving the village of Tsaghkunk. “The main idea is not to



create tourist attractions, but to develop routes, with multiple destinations and consequently, places for the tourists to spend their money,” says Ms. Voskanyan.

PUBLIC AND PRIVATE INVESTMENTS

The program has another component aimed particularly at investment from the public and private sectors. Generally, if someone makes an investment of 400,000 dollars and more at any place in Armenia (Armavir and Yerevan are not included in the LEID Project)..., within the project, the government invests the ¼ of the amount invested by the company in a form of ensuring the communication infrastructures. For example, if the route from the main highway is in bad condition, the state repairs or constructs it, or ensures electricity and internet access, provides water and gas supply, etc. It is important to note that the overall governmental support does not exceed one-quarter of the invested amount.

One beneficiary of this program is the Tufenkian hotel that is being built in Areni village. The government supports the latter project by linking the premise’s sewer, gas pipes, and electricity supply network to the trunk lines. The Ministry of Economy also actively supports potential investors during the application period, making sure that in case of eligibility, the investor is all set up for the program. “The 400,000 threshold might seem high, however, the specialists explain that in the case of smaller investments, the business doesn’t create a sufficient number of jobs for the local communities,” Ms. Voskanyan explains.

SOFT COMPONENTS

The third part of the program is the soft component, which involves unmeasurable elements such as marketing activities. After the COVID situation and the war in Artsakh, a need for a new marketing image of Armenia arose, positioning it as a safe tourist destination. For the upcoming 1-2 years over a 1-million-dollar budget is allocated for this purpose.

The second direction is the establishment of destination management models for Destination Management Organizations (DMO). Local tourism became very active during the lockdown, however, there was a lack of travel culture and the tourist attractions soon were dotted with growing piles of garbage. “All this showed the need to properly manage those sites and the program has allocated a separate budget for this,” says Ms. Voskanyan, adding that four different models have been selected, to be applied at 86 most popular local destinations in the near future.

The program is set to end in 2023, but the specialists note that LEID has expanded throughout the past years and many more components joined the program; thus it might take longer, in order to cover a larger segment of issues and opportunities related to both tourism and investment. The program has improved numerous locations in Armenia, repaired the roads leading to Tatev Monastery, Stepanavan Dendropark, Lanjazat, and Garni’s “Stone Symphony”, and there are many more projects already accomplished, still in the making, or soon to start. ♦



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- ◇ **Newly Created Brands to Follow**

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to Convergence

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DEEMmag

From the Editor

There is only one way to transform your goal into reality – and that way is through effective communication. The clearer and more persuasive your targeted message is, the better are your chances of achieving success.

Today, businesses often outpace other aspects of life, challenging us to seek out the most effective communication strategies offering a tailored approach – to employees, clients, and targets.

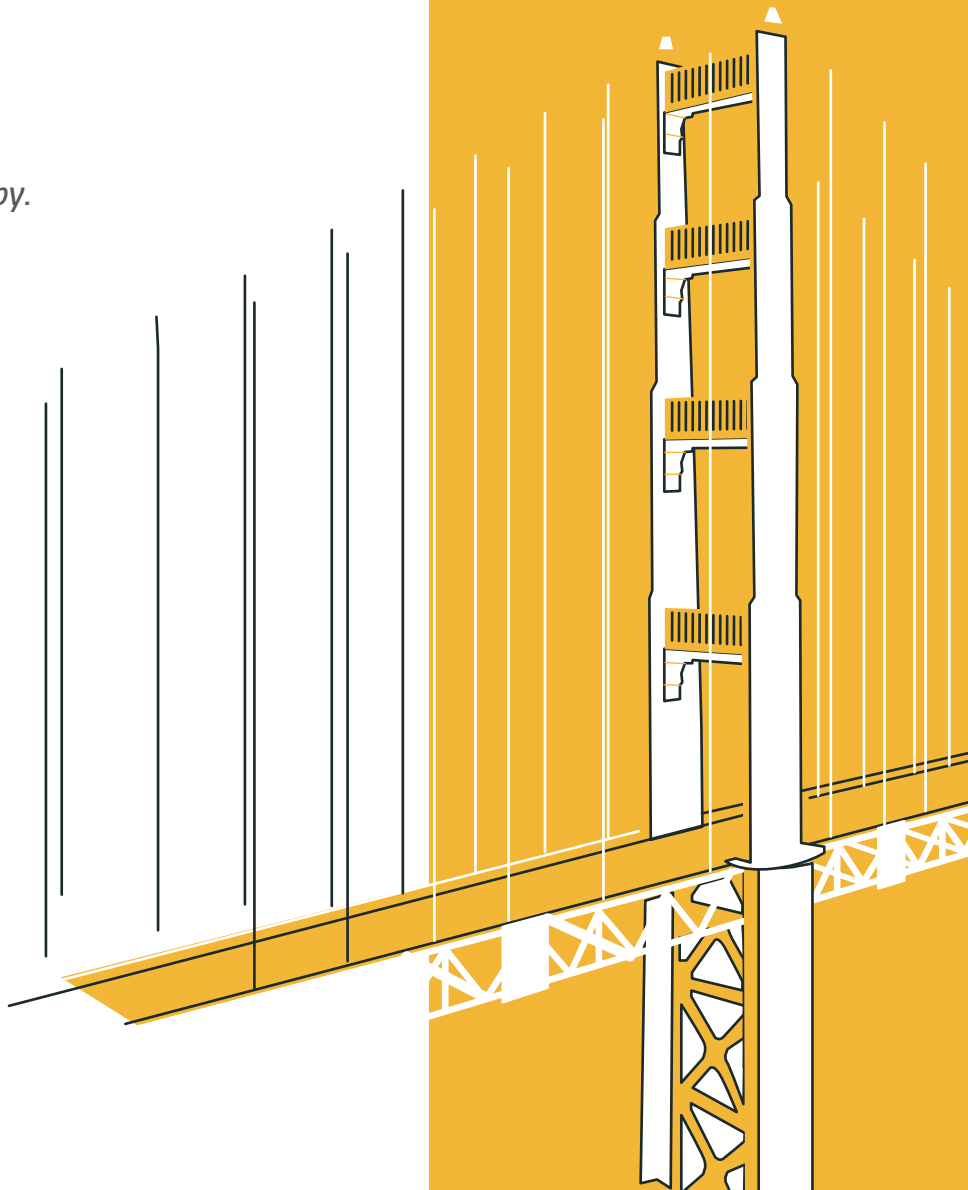
At Deem Communications, we have been thinking, creating, and strategizing to offer up-to-date solutions and drive ideas to the top for more than 15 years. These solutions are essential for creating an image that builds lasting relations with partners and helps achieve business goals.

In this special issue of DEEMmag, developed in collaboration with Regional Post, DEEM offers professional insights from communication strategists on ensuring a successful bridge between communications, leadership, and entrepreneurship.

Enjoy the read!

*If you just communicate, you can get by.
But if you communicate skillfully,
you can work miracles.*

Jim Rohn,
American entrepreneur,
author, and motivational speaker



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Graphic Designer Tatevik Gasparyan
Editor Viktoria Tchitouni
Artistic Director Raffi Niziblian

Merging Leadership Styles: Our Path to Convergence Leadership

By Raffi Niziblian, Creative Director, Deem Communications

When does a leader thrive and how do they grow? How do different types of leaders find collaborative styles to build a common ground, a culture? What is Convergence leadership and how does it apply to the working environment?

There are numerous *types of leadership styles*. One of them is Authoritarianism. Although this approach comes in handy when the team needs clear guidance and instruction for urgent solutions, it is not the most desirable choice for creative environments, where the input of others makes the solutions more engaged and complete. This being said, Participative leadership includes the team as they come, which makes everyone feel involved. Needless to say, this style requires more time, and time is not always on our side in this industry. Therefore, the Delegate type may come in handy. For this, your team members need to be well informed and competent to achieve a balanced decision without being divided due to disagreements. This approach creates a positive environment but can lead to poor morale and motivation if not properly implemented.

Some more common types in the private sector are the Transactional and Transformational styles. Transactional leadership is the style where an actual “transaction” takes place between the leader and their team. This approach is established on rules and procedures to ensure efficient decision-making within the team. Finally, the Transformational leadership style is the one that allows the leader to inspire their team by placing value on the company’s vision and the importance of relationships. It is more challenging for the leader as some flexibility and leniency are required without deceiving the team or losing the reigns.

There are numerous leaders with different levels of authority and rank in tech-oriented, innovative, or creative agencies of medium and large size. Commonly, these companies have horizontally oriented leadership structures with a mixture of styles. Leaders must mix their approaches enabling the company to demonstrate a more cohesive method that makes use of the strengths of each style and leader. This sounds easier to implement than it is in reality. At DEEM — a medium size creative strat-coms company with 22 professionals, many of them creatives with various levels of demands and needs - we strive to find that balance. Leaders from diverse generational, cultural, and gender backgrounds bring in their energy and ideas. As such, a new Convergent leadership style is born.

Convergent leadership offers an alternative that strives to function at the crossroads of innovation, visionary, and balance. It encompasses the understanding of the potential within each of us to become a change-maker. Seeking to stay at the intersection constantly is the key to a successful Convergent Leader. *Lead for America* demonstrates the convergence in a nice graph explaining the axis of each of the nodes leading to the center.

When asked about their leadership styles and what it is that they value most from their own approach and the relationships with their teams, this is what the CEO and the Department Heads of Deem Communications had to say:



Armine Zakaryan, CEO

I have had the pleasure of being part of the amazing DEEM team for over 11 years now, where I have advanced much of my leadership skills. I feel ownership and loyalty towards DEEM. I believe my style of leading can be defined as somewhat democratic and transactional, except for some situations when I feel I become more authoritative, for example, if team members start taking advantage of the benefits and freedom offered to them. Nonetheless, it is critical to apply active listening, especially to understand the unspoken. In practicing some new transformational style leadership, I want to help build a team that learns to take responsibility for their decisions.

IT IS CRITICAL TO APPLY
ACTIVE LISTENING, ESPECIALLY
TO UNDERSTAND THE UNSPOKEN

Raffi Niziblian, Founder and Creative Director

In many leadership positions, either in Armenia or back in Canada, I have learned to find the style that fits the occasion. In general, I am a democratic leader with a more participative approach. I thrive on knowledge-sharing and seeing the transformation within me and my colleagues. The teams I work with always seek instructions and answers while I offer them options and



more questions. This allows for critical thinking and a more convergent leadership style, which I have come to appreciate over the years. At DEEM, I have grown as a leader, while experiencing a multitude of achievements and failures. My driving force is to empower and enable growth.

Karni Karasarkissian, Art Director

I started at DEEM close to a year ago. It was a great opportunity for me to live and work in Armenia and be part of an agency that is thriving while creating and striving to innovate. In my opinion, in leadership, authority is important. However, it has to do with respect, not fear. I believe I lead my team by example, and that is the style I have been brought up with in Aleppo, Syria, and then in Beirut, Lebanon. As a realist, I practice the mantra of not approaching any decision-making process based on emotions. Decisions should be generated from fact-based information and should be fair and honest. At DEEM, I am learning to balance my Authoritarian style with some Convergent approaches that require delegate and participatory styles.



Anahit Hakobyan, Marcom Director

I have been at DEEM for over 4 years now and I am still learning every day. I think this is vital for any leader as it helps you excel both personally and professionally and create a more enabling environment for your team. I have come to believe that, unfortunately, doing good doesn't seem to be important for people anymore. We desperately need enthusiasts to self-motivate and bring back a value-based society. As a generally optimistic person, I make sure to motivate and inspire the people around me, especially in my team, who come to me for guidance and support. My style can be defined as delegate and transformational. I believe that my style is also described as "being there." Instead of giving instructions, I prefer the "let's do it together" approach. This way, I ensure the successful transfer of knowledge. As such, reliability becomes a key factor in building the trust and strength of the team. It is critical to be empathetic and give clear and timely feedback to allow the team to understand the purpose of what they are doing.



RELIABILITY BECOMES A KEY
FACTOR IN BUILDING THE TRUST
AND STRENGTH OF THE TEAM

Anush Manucharyan from Grow Edutainment, an **HR Consultant for DEEM**, has been coaching and training the team, and working closely with the **Operations Manager, Anahit Akhoyan**, to achieve a more balanced leadership style with compartmentalized structures and systemized processes. This has helped the leaders find a meeting point and merge their leadership styles into a more convergent one. Being a convergent leader means accepting that there is another way of living and working. It helps the leader to find and choose the best solutions by analyzing, critiquing, arguing, and defending these choices. It takes much effort and discipline until it becomes company culture.

Staying true to its mission "Thinking, creating and strategizing to drive ideas to the top!" DEEM has always stayed ahead of the game by practicing innovative approaches from service provision to team building. Its inspiration came from some of the leading agencies in Canada and the UK. Today, the agency collaborates with vibrant tech companies in Armenia, the USA, and UAE and serves a multitude of industries. Its leadership is versatile and strongly interconnected.

We Prepare Our Company for the Future – CEO of Deem Communications

By Alina Nahapetian, based on a conversation with Armine Zakaryan, CEO

When the Covid-19 pandemic hit the economies globally, most of the economists shared an opinion that the recession it caused was worse than the financial crisis of 2008-2009. In the so-called “New Normal” era, the post-pandemic reality puts companies in a new cultural logic, affecting communications agencies as well. Companies all over the world are adapting to this new cultural system, where flexibility and creativity of the teams are essential for becoming part of the global puzzle. In fact, global success is the summary of local results around the world.

The consequences of the global financial crisis are visible in the Armenian economy as well. However, communications agencies and the market at large are making major efforts to bounce back and attract new investments to the country. Armine Zakaryan, the CEO of Deem Communications agency, which has been one of the leaders of the local communications industry ever since its establishment, highlights the importance for companies to have a vision to be able to survive in global and local markets. “A lot has changed over the past two years globally and locally. Compared with other local companies, our daily work is not simply based on client requests: we have adopted a completely different strategy. We are forward-looking, which helps us quickly adapt to new realities and move forward. Even today we prepare ourselves for the future. Of course, the financial part is important, but if your company has a vision, your employees understand where they are going and who is their target group, your company will definitely handle the economic shake-ups better,” says Zakaryan. “Is having a vision enough?” one may ask. Well, we may have quite opposing opinions,

but, we all, for sure, have a general consensus that global changes are accelerating, and in order to succeed, companies must look at the workforce in a new way. DEEM has its own approach. “For us, besides professionalism, ethics and value-based attitude are the most important qualities that we look for in our employees. We seek individuals who have their own opinions, creativity, and readiness to bring changes and add values to our internal culture,” adds Zakaryan.

The staff is an integral part of the working process, so is the development of the new business models which are key to attracting new clients from Armenia and foreign investments. “First and foremost, companies should be able to provide opportunities for their employees to improve their knowledge and growth. Optimization is our new top priority. With the help of management tools, we are able to save time, divert our efforts to the right direction, attract new customers, and diversify our markets,” she continues. In view of the global digital transformation, especially in the communications sector, DEEM attaches special attention to the adoption of digital technologies and global



trends. “We have expanded our digital unit and have upgraded the entire team’s tech literacy. Thus, we are in constant search of new solutions and approaches to achieve goals that are important for our customers,”

with higher quality. This is interrelated with the results and impact of the service,” says Zakaryan. Focusing on culture change may also help companies to have a foundation for transformation. The

able to implement a large-scale campaign for one of our major clients. It was previously planned as an offline, live event, but due to the new circumstances, it transformed into a multi-component online celebration. Today,



highlights Zakaryan. From CEO’s perspective, local and global clients’ expectations have changed; they are more demanding than a decade ago. “We live in an era of overwhelming loads of information challenging the decision-making process. Customers want higher-quality services with more affordable prices. This creates a sort of contradiction because you should be ready to pay a fair price if you demand high quality. Clients must choose between lower-priced services with lower quality and higher-priced

pandemic was one of the vivid examples of how the working environment on a global level was transformed into a new reality. Like many other companies in Armenia, DEEM had grand plans for 2020, but a year-long lockdown changed them. Zakaryan recalls the uncertainty in the country, with remote work being one of the shifts in the new reality. “During those days, we found ourselves in the reality where we had to work remotely. Thanks to the professionalism of our team, we quickly adapted to the situation and within two months, we were

the pandemic has created a change in our working style. We have introduced a hybrid model that focuses our approach on deliverables rather than punching in-out at the office,” concludes the CEO. Deem Communications is one of the pioneers embracing new business models and changing the industry from within, in Armenia. DEEM’s example may serve others, as its main goal is not only to attract new clients but create value, which positions Armenia as an attractive, contemporary market for investments.

Attracting Foreign Entrepreneurs to Invest in Armenia

Contributing author: Knar Ohanjanyan, former DEEM intern, a student at Tilburg University

(Excerpt. Find the full article on deemcommunications.com/blog)

There is an Armenian saying “Նստեմ բախտին, սպասեմ բախտին,” which is literally translated as “sitting on the bench, and waiting for destiny.” This is the exact opposite attitude that Armenia should have

with relation to Foreign Direct Investments (FDI). It is a rather broad concept from launching a company and creating a subsidiary to financially supporting a foreign company. Armenia needs FDI for multiple reasons; they stimulate the economic growth of the country and the development of highly skilled professionals. Foreign Direct Investments also facilitate the transfer of knowledge, technology, and experience across borders. Simply put, Armenia would have a lot of benefits from FDI, from positive economic outcomes to raising awareness about the potential the country has.

How can a small country like Armenia shape an appealing image for entrepreneurs and attract foreign investors?

The first step would be highlighting the benefits of investing in Armenia. We spoke about the potential of Armenian tech companies with Manuk Hergnyan, the co-founder of Granatus Ventures, the first venture capital firm in Armenia. *“Armenia’s biggest asset in the field of IT is the highly skilled workforce. There is a worldwide deficit of programmers, data scientists, and AI specialists, therefore, entrepreneurs do not think twice before hiring overseas.”*

Consequently, thanks to the reputation of Armenian IT specialists, foreign entrepreneurs invest in Armenian tech startups. In the near future, local startups, besides their services, may also develop the production of tech products and will be able to commercialize their know-how. Armenia could function as a platform where countries invest in production to export to the Eurasian Economic Union and the Middle East. According to Mr. Hergnyan, investors look for ideas that offer solutions to global issues. These cannot be solved without established scientific institutions. What Armenia has to do to be able to compete in the international market does not require as much external communication as internal one.





“People should recognize the importance of scientists and their knowledge. If Armenia improves its scientific and educational institutions, we will be able to establish our country as a hub offering solutions to global problems.” Investors would not skip an opportunity to benefit from an environment like this.

Another important step in attracting FDI to Armenia is targeting the right investors and communicating how Armenian companies will meet their needs. Entrepreneurs from different sectors are concerned

with various factors that can benefit their businesses. The needs of an IT investor drastically differ from what agriculture investors are looking for. Therefore, it is of high importance to communicate to individuals from different sectors in different manners.

Although every sector and investor is different, there are a few certain ways of attracting foreign entrepreneurs in Armenia. This requires both internal and external methods of communication. The role of academia and knowledge should be shown to the Armenian society. By improving the conditions of scientific and educational institutions, a path will be established that will continuously attract foreign investors. With regard to external communication, established and successful companies in Armenia should highlight their country of origin. This will consequently make investors consider other Armenian companies.



Celebrating the Collective Power of Women

Deem Communications celebrated Women's Day 2022 by bringing together female leaders, mostly from the tech sector, for a networking brunch and called it “Celebrating the Collective Power of Women.” Many recounted details about their journey to success; others raised challenges facing the market and their leadership role as women. We wish to see more women leaders in Armenia, be it business or politics, commercial or public sector.

From Brand Communication to Export-led Growth and Foreign Investment

By Sona Tadevosyan, PR Manager, Deem Communications

What did you feel when you came across the “Made in Armenia” label while shopping abroad? Happy with a sense of pride, yet a bit of disappointment with the branding and packaging?

Products serve as country ambassadors overseas: they represent the country's taste and spirit. Packaging the product into a winning story and marketing it to the right audience is as important as ensuring the high quality of the product itself. A high-quality product that is well-positioned and marketed locally and internationally is essential for creating and maintaining a positive image for a country and its people. Such a careful and intelligent approach could stimulate interest, credibility, and trust for a country within the global market. This, in turn, would facilitate capital inflow, foreign investment, and export-led growth. Luckily, the quality of Armenian services and products is improving and gaining popularity every year. One of the greatest business news that broke in 2021 was that Armenia would be starting to manufacture clothing items for the big fashion retailer Zara; a big step forward in promoting the “Made in Armenia” label.

Finding the Key

Capitalizing on the benefits of a local product and building a captivating story around its unique properties are key to export communication and growth. Here is a story about how the dried apricots of the Yerevani variety got into the UK market.


Praised as the national fruit, Armenian apricots stand out for their exquisite sweetness and flavor thanks to the fertile soil and the sun for 300 days a year. However, the Yerevani variety, which is native to the Ararat Valley and more specifically to Yerevan itself, is known for its low-sugar content. This makes it a healthier option, especially for people with diabetes. Vardges Davtyan, an Armenian producer from the Armavir region, set up the first production of dried Yerevani apricots and arranged export to the UK in 2020. First, he got validation at a leading European laboratory and then created a compelling story about the brand, which gave him a competitive advantage in the market. As a result, the demand for apricot exports doubled in 2021 and

hopefully will continue to increase this year and in the years to come. This is a prime example of finding the key to success - through a compelling story, that contains a well-defined message and a solution for the target audience.



Winning Recipe for Export Communication

A lot of factors come into play to make a successful product. Some aspects of the communications plan that should be considered essential are market research, effective communication, and right sales tools, such as branding, packaging, e-commerce, networking at trade shows, and other offline and online platforms.



For small countries like Armenia that do not have the capacity to export large quantities, experts suggest focusing on quality and added value. For instance, organic certification and compliance with strict international food safety standards and environmentally friendly practices deliver a competitive edge. Acquiring these standards may require significant efforts and resources, but they are a winning recipe for entering well-established markets with strict export regulations, such as the EU and North America.

Anton Erwee, an international consultant on dried fruits production who has closely collaborated with Armenian companies as part of the EU4Business initiative, recommends anchoring product stories around Armenia's rich history, tradition, and culture to achieve greater success in exports. *"I have seen world-class dried fruit in Armenia, GFSI quality standards, and innovative products. With the right customers, matching volume, and price expectations, Armenian dried fruit processors can service any market in the world,"* notes the international expert.

Navigating Through the COVID Crisis

Agility and adaptability are key in export production when it comes to withstanding and overcoming unprojected economic blows. COVID-19 upset the plans of most international and local companies. The 2020 crisis showed that companies that demonstrated a greater level of flexibility by applying a combination of offline and online communication tools, such as automated customer service tools, e-commerce, and influencer marketing, among others, were better prepared to weather the storm. Armenian diaspora served as another effective channel to deliver the unique taste and flavor of Armenia to consumers abroad through different e-commerce platforms during the Covid crisis and in the aftermath of the 2020 Artsakh war.

Life Packed in Cardboard Boxes, Ready for a New Journey

By Mary Mooradian, PR Associate, Deem Communications

"Armenia is my final destination," - Karni Karasarkissian, Art Director at Deem Communications.

Migration rates have soared to a record high in our modern-day world. Wars, explosions, environmental problems, and many more factors can become reasons for forced migration. Armenia is one of the countries with first-hand experience on forced migration to all parts of the world caused by genocide, earthquake, and economic hardship. Starting from 2012, it was time for Armenia to open doors to its diaspora, especially from the communities in the Middle East - Iraq, Syria, and Lebanon.

According to Armenia's Ministry of Diaspora, since the start of the Syrian conflict in 2012, over 22,000 Syrian citizens with Armenian ancestry have been welcomed by Armenia, and approximately 15,000 still remain here. The number of migrants grew after the Beirut explosion in 2020.

Professionals such as doctors, engineers, IT specialists, and teachers are the most common among the Syrian Armenian migrants, according to UNHCR, and they had the possibility to establish businesses and organizations in their new home. From a small coffee shop and clothing boutique to popular restaurants offering Middle Eastern dishes, there are a variety of very successful businesses owned by Syrian or Lebanese Armenians.

The repatriates from Syria and Lebanon have maintained their Middle Eastern identity, kept their traditions, and shared them with locals. A vivid example is "a family business with an eastern recipe and Armenian touch" - the Haleb Store, the first Middle Eastern market in Armenia.



Although this family business was established in 1999, way before the war, the store has now grown into a big company with three Haleb shops in Yerevan, offering more than 800 imported and local products. Other popular spots include Verde dry cleaning shop, Zeituna Restaurant, AVA Shoes, Markoo first influencer SM platform, as well as Beauty Products cosmetics and many more.

These businesses have succeeded thanks to the unique flavor that they have added to the local culture, their owners' zeal and diligence, as well as the assistance of organizations, that are specialized in helping Syrian and Lebanese Armenians. Organizations such as IRIS Business Incubator, founded with support from the European Union has helped establish more than 30 businesses so far. Karni Jewelry, Maral Art, Arika Embroidery, Soap House, Tartist, Lena Wool – these are just some of the businesses in the traditional sectors that are run by women. Some of the most innovative businesses are Silky (produces cosmetology equipment with made-in-Armenia items that are also exported to other countries), Galar wines (a family business from Syria), and ArmArabia (aims to become the leading information and consulting portal connecting Armenia and the Middle East).

“Our resident businesses that are run by Syrian-Armenians and/or Lebanese-Armenians cover a wide spectrum of industries both traditional and innovative. They are usually very hardworking, understand the specifics of their business operations very well, as they have been in the industry for a long time,” says Narine Terzyan, the Executive Director of IRIS Business Incubator.

While various businesses have been established with the help of local organizations, there are countless stories of repatriates who have left their motherland and embarked on a journey of their own, either starting a business or accepting a job offer from Armenia. Born in Aleppo, Syria, Karni Karasarkissian moved from Aleppo to Beirut when he was 15. Having worked as an Event Coordinator, Production Manager, Professional Photographer, and Bartender in countries such as Lebanon, Qatar, Dubai, and Saudi Arabia, Karni is now the Art Director at Deem Communications in Armenia. In 2017, Karni had set up his own agency in Beirut that unfortunately, did not survive the COVID-19 pandemic and the horrific explosion.

“I was planning my trip to Armenia for a long while. Since 2013, I have invested my time studying the market, following the political situation, the economy, and the industry; however, things always got in the way, and the journey kept being delayed. My goal has always been to build something in Armenia, and luckily here I am now,” shares Karni about his settling down in Armenia.

Karni is not the only person from his family who moved to Armenia. Five years ago, his brother Alishan, an electromechanical engineer,

moved here as well. He recently celebrated the first anniversary of the establishment of his own construction management company.

Many of Karni's friends also moved to Armenia bringing with them invaluable skills and knowledge in music design, architecture, development, and HORECA. According to Karni, they all have one common goal – improving life and the economy in Armenia.

With massive flows of repatriates from Syria and Lebanon, the business culture in Armenia has been largely diversified and enlivened due to the novel approaches introduced. Numerous sectors have been improved and many more created, not only in Yerevan but also in the regions and other cities of the country. It can be said that they have set a new tone of cosmopolitan lifestyle in Armenia.

How to Behave on Social Media as a Business

By Sue Badalyan, Digital Marketing Manager, Deem Communications

Why Use Social Media?

Social media is a fundamental component for marketers because of its long reach and ease of spreading messages or product news. It has completely changed the way we connect, communicate and collaborate with each other. In this age of the internet, electronic word of mouth (eWOM) has become the most important factor when it comes to business promotion. With nearly three billion active users on Facebook and one billion on Instagram, social media platforms provide a fabulous opportunity to generate brand awareness, leads, customer relationships, and even sales. Generally, a social media user spends on average 2 hours and 22 minutes a day on SM platforms. If used well, those hours and minutes can offer an incredible opportunity for a business to create brand awareness, attract more traffic, boost sales and increase the overall conversion rate.

Let's find out what it is about social media that makes all of this possible.

1. Attracts Traffic to Your Website

To attract traffic to a website, one needs to let people know about its existence. It takes time to attract traffic organically; social media helps solve this problem. Social Media Marketing (SMM) has the greatest impact on the buyer's journey at the beginning and in the middle of the buying process. In inbound terminology, that means the best time to implement SMM into your marketing strategy is during the Attract and Convert stage. If your business has just been launched, you need to find ways to publicize and promote it. Luckily social media can help you do it. With just a click of a button, relevant hashtags and high-quality content can help you reach out to thousands of people at once.

2. Grows Your Reach

Expand your brand's reach to drive more traffic. An effective social media presence will encourage your followers to go through your lead funnel and eventually reach your product purchasing page. According to optinmonster.com reports, 90% of all marketers say that social media has increased their business exposure. Moreover, around 70% of business-to-consumer marketers have got their customers through Facebook. This clearly shows how important social media can be for your business.



3. Builds Strong Relationships with your Audience

Social media has changed the way businesses and customers interact with one another, and it is important for social media to be seen as an avenue for real-time communication and feedback. Therefore, just because you converted a new customer through lead generation or a sale, does not mean your work is done. You need to build customer relationships on social media so that they keep coming back again and again – and they will start advocating for your business and assist you in the marketing. In today's digital media landscape, getting to know your audiences and building relationships with them is the most important asset to any business. You need engaging content and a bold SMM strategy to navigate your relationships. Utilizing social media channels will help you build your brand, increase your reach, and expand your network.

How Should Businesses Behave on Social Media?

One of the most important things in social media marketing is the ability for brands to get close to their consumers and potential customers. But there is a limit to that closeness. It is quite challenging to stay on top of social media etiquette since each platform has nuances that act as unwritten usage rules. When you break one of those rules, you run the risk of looking unprofessional and leaving a negative impression on your audience.

Here are some do's and don'ts when it comes to social media etiquette for business:

New Made in Armenia Brands

Over the past month DEEM has created stunning logo and brand designs you should keep an eye on. Read on to discover brand designs, which are about to become trends in the market, combining inspiration and enthusiasm.



Pizza & Co. is a new French-Armenian investment. An eatery offering high-quality Roman-style pizza to go.



ACX International is an emerging crypto-focused company that helps crypto platforms in 3 areas; customer support, compliance support and community management.



9blocks

9 Blocks is a newly founded crypto hedge fund supporting the global crypto community.

DO'S

✓ Update Your Social Pages and Profiles

Before you post anything, your social media profiles must be fully completed. Take a few minutes to thoughtfully fill out your profile, including contact information, and upload good-quality photos.

✓ Post Regularly

Posting too sparsely will drive your brand awareness down, but posting too frequently might annoy your followers. Posting 2-3 times a week will keep fresh content front and center while freeing up your clients' time.

✓ Use Local Hashtags

In order to reach your area's audience, explore the local hashtags and use them in descriptions and comments. This will allow local users to discover your business, account, and content.

✓ Identify the Target Audience

Each social channel attracts a different audience, so businesses should research where the target audience spends most of their time. They should find out what channels their customers are likely to use. With this information, it becomes clear who is buying what and how they are interacting with a brand online.

✓ Think Visually

Visual content can, at the least, double your engagement on social media, so consider adding a relevant image/video to your posts.



DON'TS

✗ Share without Researching First

Before you click "share" or "retweet," first learn about the account that shared the information to make sure you are comfortable with the source, as well as to check if the information is truthful. Help yourself by becoming more media literate and study the basics.

✗ Be a Spammer

Nobody wants their social media feeds to be filled by posts of a single account. For example, do not join numerous groups on LinkedIn and post the same self-promotional message in all of them. Do not mass-follow random Twitter users in the hopes that they will follow you back. All this is absolutely out of SM etiquette.

✗ Forget Your Links

The goal of posting on social media is twofold: you want to get more likes on your page and you also want to guide customers to your website. This is the golden rule. Direct them with a call to action statement and include the links you want them to engage with.

✗ Make too Many Commercial Posts

On social media, the average consumer is already bombarded with companies trying to sell them something. Avoid "salesy" language. Let your customers know that there are more facets to your business than sales. Interact with your audience, tell them good stories, don't be afraid to share some humor and interesting or funny facts about your business.

✗ Duplicate Content Over Your Social Media Accounts

One of SMM tips: it is a rule of thumb to create unique content for each social media, as each serves a different purpose. Your followers do not expect longreads on Instagram just like they do not expect product showcase videos on LinkedIn. Keep this in mind and create unique content for each channel.

Social media is a crucial part of your business marketing. Companies with a strong social media presence and branding will increase conversion rates and, in fact, will have a big arsenal of leads using their services.

Strategic Communications and Hope-Based Messaging

Since its founding in 2006, DEEM has become a household brand as Armenia's go-to stratcom creative agency. It practices hope-based communications as its key direction for the past several years. Today's hope-based messages are replacing fear and anger appeals that were more commonly in behavior changing campaigns in the past decades. The inspiration comes from Thomas Coombes who coined the term after his extensive experience with Amnesty International. The following are some of the campaigns implemented by Deem Communications over the past year.



The **LoveSevan** campaign, launched in July 2021, intends to raise awareness on how to mobilize the public to contribute to preservation of Lake Sevan's ecosystem. The creative direction was to humanize the lake and its environment and give them a voice to make the appeal. Its main message was to care and take positive action. With a comprehensive campaign implemented for the Ministry of Environment, coordinated by the GIZ and funded by the EU Delegation to Armenia.

With high number of migrant workers from Armenia, the **Sincere Talk** campaign organized by IOM Armenia aims to raise awareness and offer a better understanding of HIV/AIDS to urban labor migrants in Armenia. DEEM provided creative visuals and easily digestible messages to achieve the goals. Inspired by friendly language and casual idioms, the name of this campaign attracted the targets and encouraged conversation. DEEM used storytelling techniques and modern illustration to contribute a positive behavior change.



In Armenia, **Women's Month** extends from March 8 to April 7. On this occasion, the WHO office in Armenia tasked DEEM to create and promote an intensive behavior changing campaign that targets pregnant women and mothers on the benefits of COVID-19 vaccination and educate them about the general misconceptions and myths around the vaccine's after effects. The creative edge of the campaign remains in storytelling and influencer endorsement. The campaign remains within a global IWD2022 campaign led by the WHO.



WE THINK, CREATE, AND
STRATEGIZE TO DRIVE IDEAS
TO THE TOP!

Having been actively present in the field since 2006, Deem Communications has become a household brand as Armenia's go-to stratcom creative agency. A thought leader, the agency has accomplished uncountable milestones that have laid the ground for its growth and maturity. As such, it has formulated a new, more ambitious vision that seeks to expand horizontally and into selected global markets.

The creative process at DEEM suggests that it is time to refresh the image that matches its progress – vision, and client base. This upgraded brand shall be associated with our new mission and goals emphasizing our core corporate values.

To learn more about our company, our team, and the values we adhere to visit our website at www.deemcommunications.com or any of our social media platforms. If you or someone you know may need our services or advice, we stand ready to assist and drive ideas to the top!

ARMÉNIA

The hidden track



GALAXY

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DEVELOPMENT PROJECTS
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