

---

---

EASE OF DOING BUSINESS IN ARMENIA:  
HOW MEDIA AFFECTS FOREIGN INVESTORS FROM COMING AND INVESTING IN ARMENIA

Presented to the

Department of English and Communications

In Partial Fulfillment of the

Requirements for the Degree of Bachelor of Arts

Student: Armen Mesrobian

Instructor: Arto Vaun

Capstone Project

---

---

## Abstract

- ❖ Are Armenia's taxation laws convenient enough for investors to come and spend in Armenia?
  - Armenian citizens or people who hold 10 years residency passport are subject to 5% minimum tax rate as foreigners are subject to a minimum of 10%. Depending on the type of sale, taxes reach up to 10 - 20% income tax.
  
- ❖ What role does social media and media in general play in attracting potential foreign investors to invest in Armenia?
  - Manipulation of information on social media can be cause of barriers for potential investors to invest in Armenia.
  
- ❖ Armenia being a member of the Eurasian Economic Union (EAEU).
  - Insured direct access with Kazakh, Kyrgyz, Belarusian and Russian markets.
  
- ❖ Comparably better investment regime than other Eurasian Economic Union countries.
  - Moved up three ranks on the global ranking scale according to the World Bank 2016 annual report of Armenia.

## Introduction

- ❖ Visiting Armenia with the mindset of investing.
- ❖ Visiting Armenia to compare reality with what media presents.
- ❖ Mouth to mouth conversation indicates investors losing everything due to corrupt tax regulations, and illegal barriers.
- ❖ Privatization after the Soviet Union collapse.

## Literature Review

- ❖ Instability within the country
  - Electric Yerevan
  - Lawsuits against president. Artur Sakunts had posted on his social media account for public to see.
  - Public posts on public pages through social media and news media.
  
- ❖ Results
  - Streets were closed for more than a week. Businesses making less revenue(Foreign news media covered the events.)
  - Not taking responsibility for March 1, 2008 which resulted in 10 deaths, increasing corruption and migration levels.
  - Caroline Gga spending more than 9 years in court defending her right. (Posted on facebook, within the Armenian Repatriates Network page.)

## Findings

- ❖ The influence media has on potential foreign investors
  - 30% of investors admitted to that data collected from social media affect their mindset on a business plan.
  - 48% spoke about how media had its influence to conduct research on a plan they were already familiar with.
  - 34% admitted to social media helping them make decisions on who to work with.
  - 33% mentioned how media fully changed their mind and led them to re-consult regarding an investment.
  
- ❖ The influence media has on potential local investors
  - 63.64% mentioned that the source of news makes a big difference on their decision.
  - 18.18% mentioned they would and they would not rely on social media/media regarding their investment decisions.
  - 81.81% mentioned that they do not have acquaintances who rely on news media, media in general to make a decision on their investments.

## Findings

- ❖ True publicity over the media that can scare off foreign investors.
  - Mansions of government officials as written on, The Guardian.
  - Mass scale protests.
  - Becoming a parliamentary system and having the same president rule as PM.
  - Revolution (Velvet Revolution)

The points mentioned above are potential reasons that will project the country as a corrupt and unstable country. Such topics over the media easily result in the discouragement of potential foreign investors to invest in Armenia.

## Conclusion

### ❖ Overall View

- Media having a huge impact on foreign direct investment (FDI).
- Armenia attracting more FDI after Velvet Revolution.
- Reintroduction of Armenia to the world.
- Increase in amount of “Things you should know about Armenia” articles.