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

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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.