

## Bilateral relations with Armenia

### Main Country Indicators 2013

	Armenia	EU28
Total area (in km2)	29.740	4.385.992
Population (million)	2,9	506,7
Population density (per km2)	104,5	120
GDP (current US \$)	10,4 billion	17,3 trillion
GDP per capita (current US \$)	3505	34.240
GDP growth (% change with previous year)	3,5	0,1

Sources: Eurostat, World Bank

### Economic importance of agriculture (2011)

	Armenia	EU28
Agricultural land ( km2)	17.106	1.878.817
Agricultural land as proportion of land area (%)	60,1	44,3
Arable land as % of land area	15,1	25,6
Permanent cropland (% of land area)	1,9	2,8
Employment in agriculture (% of total employment)	38,9	5 *
Agriculture, value added (% of GDP)	21,9 **	1,6 *

Sources: World Bank

\* year 2012

\*\* year 2013

### Agriculture sector

Agriculture is a major economic sector in Armenia, with around a third of the population live in sparsely populated and mountainous rural areas, where a low-input, subsistence and semi-subsistence farming is important as a source of livelihood. Practically the entire gross agricultural product (approx.. 97%), is produced by peasant farms and the rest by

agricultural organizations. Agriculture growth rates have fluctuated considerably over the last decade, however agriculture has maintained its central importance to employment and rural incomes.

Following the collapse of the Soviet Union, Armenia also implemented one of the most comprehensive land reform programs; by mid-1994 most of the agricultural land had been privatized. As a result, lands were divided into more than 1.2 million plots with an average of three separate land parcels per farm with a lack of suitable machinery and equipment, water for irrigation and knowledge of good farming practices. For many households work on a farm was the main post-transition coping strategy; this resulted in about a twofold increase of employment in agriculture, compared with the pre-reform period.

Armenia has limited land resources, arable land constituting only 16.8% of the total country land area. Agriculture is carried out mainly in the valleys and mountainsides of Armenia's uneven terrain, with the highest mountain pastures used for livestock grazing. Fertile volcanic soil allows cultivation of wheat and barley as well as grazing for animals. Irrigated crops include apricots, peaches, plums, apples, cherries, walnuts, quince, figs, pomegranates other fruits and grape, the basis for the world-known brandy.

## **EU-Armenia Relations**

EU relations with Armenia are governed by the EU-Armenia Partnership and Cooperation Agreement (1999), which allows for wide-ranging cooperation in the areas of political dialogue, trade, investment, economy, lawmaking and culture.

Armenia's inclusion (as one of the countries of the Southern Caucasus) in the European Neighborhood Policy (2004) and the Eastern Partnership has demonstrated the EU's willingness to move its cooperation with the EU beyond the terms of the Partnership and Cooperation Agreement.

Negotiations on Association Agreement, including a deep and comprehensive Free Trade Area (DCFTA), were finalized in July 2013. However, given Armenia's wish to join the Customs Union of Russia, Belarus and Kazakhstan, announced in September 2013, the Association Agreement, incompatible with membership in the Customs Union, will not be initialed nor signed. The European Union will continue cooperation with Armenia in all areas compatible with this choice.

Armenia receives funding from the European Neighborhood and Partnership Instrument (ENPI) through a national program as well as ENPI regional and interregional programs. Funding levels for Armenia under the national ENPI allocation are currently estimated at € 98,4 million for the period 2007-2013.

EU assistance to Armenia amounts to €157 m for 2011-13 (compared to €98.4 m for 2007-10).

## **Trade Statistics**

EU28 **exports** of agricultural products to Armenia (2013): €93 million

EU28 **imports** of agricultural products from Armenia (2013): €5 million

>> More statistical information (link to: [http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/armenia\\_en.pdf](http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/armenia_en.pdf))