



THE ROLE AND IMPACT OF ICT FOR YOUNG ENTREPRENEURS

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GENERAL YOUTH POLICY: LEGAL CONTEXT

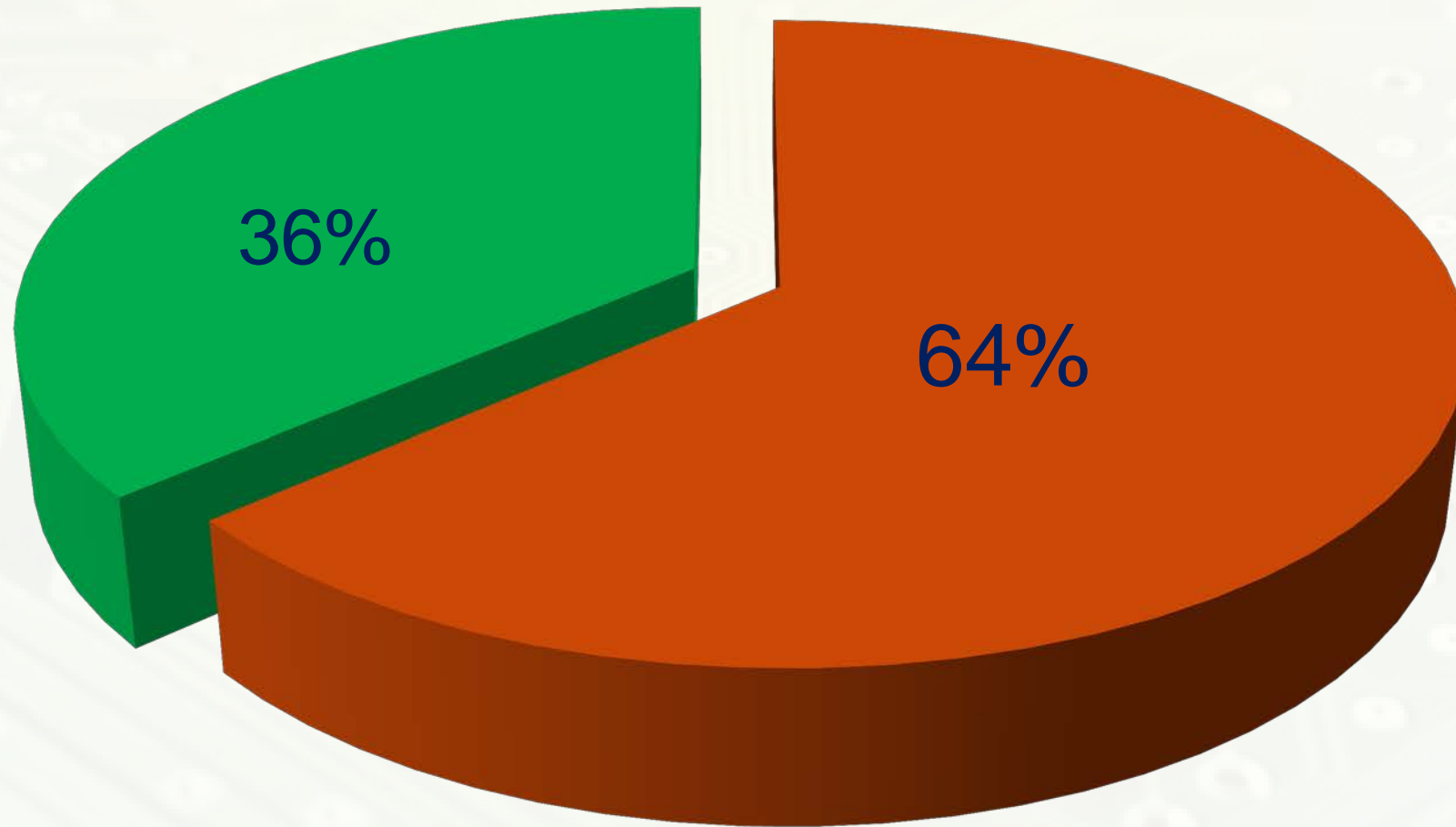
- ✓ Armenia has implemented a structured youth policy since 1998 when the Concept of State Youth Policy was adopted.
- ✓ Target: youth (age 16-29), young families, youth organizations
- ✓ Armenia complied with basic covenants regulating youth related issues.

GENERAL YOUTH POLICY: LEGAL CONTEXT

The State policy focuses on the following priority areas:

- to promote youth participation in economic, political processes and cultural life;
- to improve social-economic conditions and employment opportunities;
- to promote healthy lifestyles amongst youth;
- to promote their spiritual-cultural and patriotic education;
- to promote continuous and non-formal education.

ARMENIA'S POPULATION DISTRIBUTION



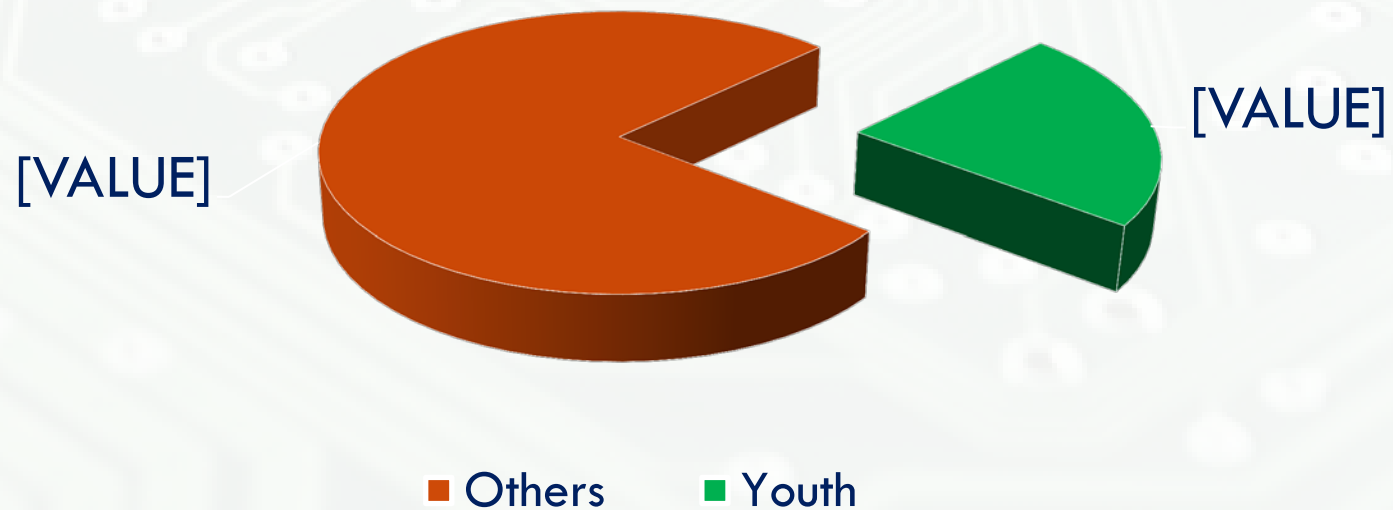
Urban

Rural

YOUTH IN ARMENIA

	2016	2015	2014	2013	2012	2011	2010
YDI score	0.55	0.55	0.55	0.56	0.57	0.56	0.56
Political participation		0.39	0.39	0.39	0.45	0.42	0.4
Health and wellbeing	0.74	0.74	0.74	0.76	0.77	0.77	0.77
Employment and opportunity		0.38	0.38	0.38	0.4	0.37	0.38
Education	0.73	0.73	0.73	0.73	0.73	0.73	0.73
Civic Participation		0.27	0.27	0.3	0.28	0.3	0.33
YDI place	134						

2016	Youth seeking job		of which unemployed	
	Total person	as to 2015 same period, %	total person	as to 2015 same period, %
Total	22,306	101.6	19,078	100.4
Yerevan	2,917	110.8	2,241	103.8



ICT IMPLEMENTATION IN YOUTH ISSUES

Since 2010, two important information initiatives have been launched:

- Youth Information Portal (www.youth.am or www.eritasard.am)
- Online Grant System (www.cragrer.am).

SME DEFINITION

Micro	Small	Medium
< 10 employees	< 50 employees	< 250 employees
≤ 195,000 € turnover	≤ 976,000 € turnover	≤ 2,925,000 € turnover
≤ 195,000 € balance sheet	≤ 976,000 € balance sheet	≤ 1,950,000 € balance sheet

SME SITUATION IN RA



SME sector employs 25% of the labor force



Produces 27% of the value added of the economy.

By this measure, productivity in Armenia's SME sector is greater than that of other SME sectors elsewhere in E&E Eurasia.

SME POLICY INDEX: ARMENIA

		Armenia	EaP average
Entrepreneurial learning and women's entrepreneurship	2016 average	2.63	2.52
	2012 average	2.40	2.23
Bankruptcy and second chance for SMEs	2016 average	3.16	2.71
	2012 average	3.17	2.53
Regulatory framework for SME policy making	2016 average	3.38	2.95
	2012 average	3.00	2.61
Operational environment for SMEs	2016 average	4.05	4.01
	2012 average	3.64	3.68
Support services for SMEs and start-ups	2016 average	3.93	3.13
	2012 average	3.28	2.72
Access to finance for SMEs	2016 average	3.53	3.28
	2012 average	3.00	2.83
Innovation	2016 average	2.91	2.57
	2012 average	1.79	2.05
SMEs in a green economy	2016 average	2.39	1.99
	2012 average	1.84	1.58
Internationalisation of SMEs	2016 average	3.37	2.79
	2012 average	2.50	2.30

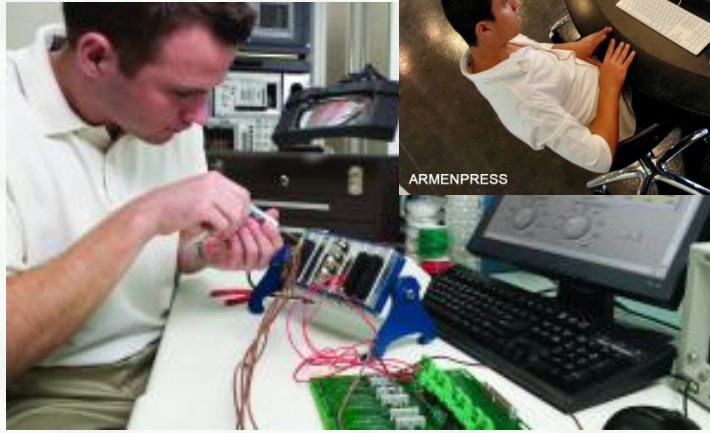
CHALLENGES AND OPPORTUNITIES

Strengths	Weaknesses
Improved business environment; improved e-government and company registration (one-stop-shops, e-portal)	Lack of multi-year SME strategy; policy led by annual programs
Export-orientation, SME development are policy priorities, solid sector strategies	Tax administration and tax rates
Simplified legislation. Regulatory impact analysis implemented	Customs and trade regulations
Wide range of SME-targeted business and financial support (including credit guarantees)	Weak statistics collection for SMEs
Innovations environment for SMEs; well-developed policy framework, financial and tax incentives	Ad-hoc Public-private consultations
Transparency on beneficiaries of financial support	Access to finance
High entrepreneurial activity	High unemployment, potential skills mismatches

CHALLENGES AND OPPORTUNITIES

Opportunities	Threats
Strong human capital (e.g. science)	Small internal market; difficult geographic position; infrastructure gaps
Growing exports (above pre-crisis levels); EEU membership and expanded trade with EU	Significant exposure to regional dynamics and dependence on remittances
Increasing share of manufacturing and services in GDP, employment shifts; dynamic ICT sector	Unsophisticated Export basket
Several donor projects on business/SME development; Great potential in Armenian diaspora	Dependence on often piecemeal donor support programs, without longer-term strategies
Venture capital development	Insufficient regional development beyond Yerevan
Relatively high levels of FDI to SME linkage programs	Large informal employment sector
Participation in EU programs	Low level of competition in certain key markets

ICT IN ARMENIA



SECTOR HIGHLIGHTS



✓ GDP share in 2015 was 5%, in 2016 – 6%



✓ About 500 ICT companies (majority are Yerevan-based)



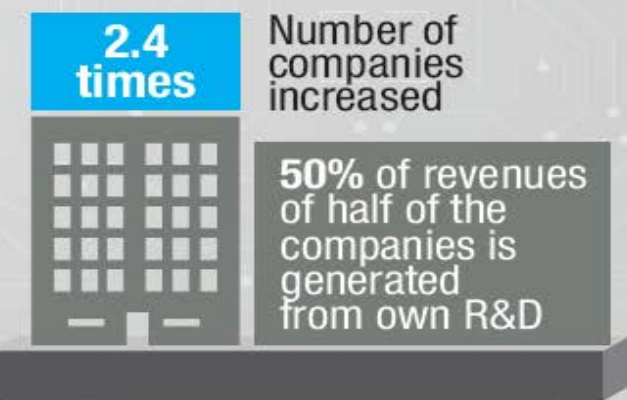
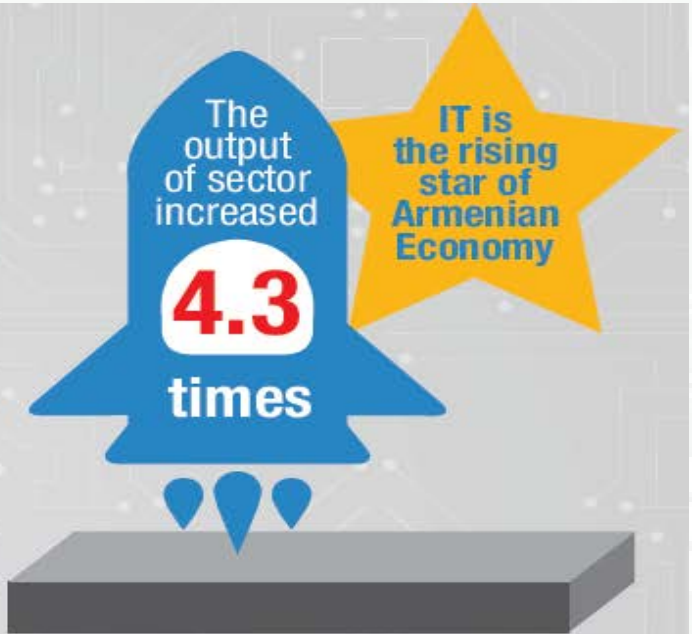
✓ Average annual growth of ICT sector 21%



✓ 70 new companies with nearly 400 new jobs in 2015

✓ 81% companies have < 25 employees

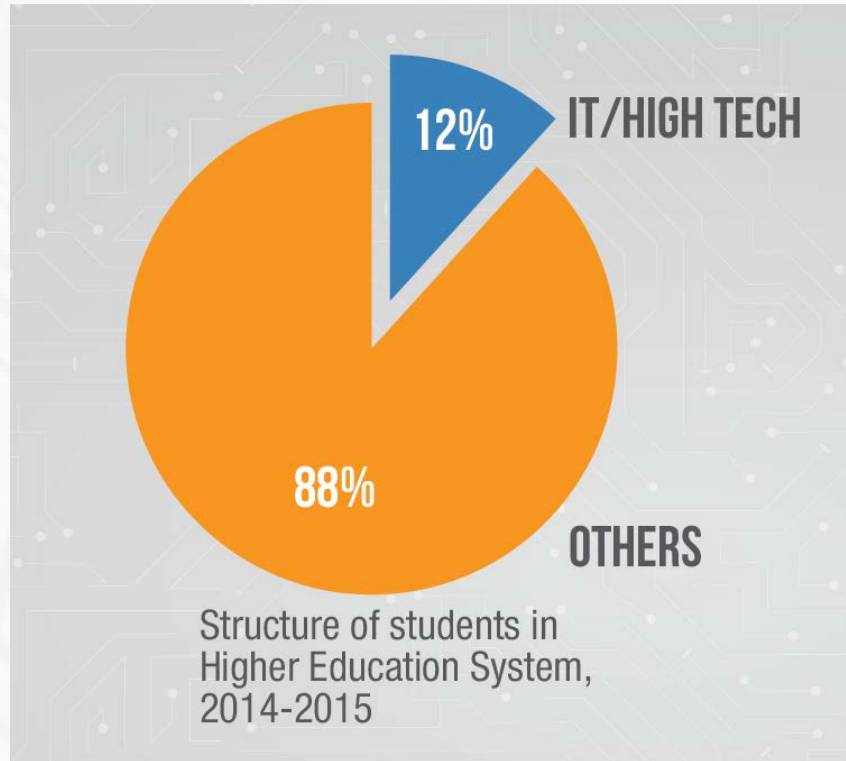
"SILICON VALLEY" OF THE REGION



Moving at the speed of digital

CAGR 33% (2010-2015), fastest in Armenia compared to other sectors

ICT EDUCATION



Educating the World's Greatest Thinkers

Universities with strong IT and Hi-Tech specialization:

- State Engineering University of Armenia
- Yerevan State University
- AUA
- Russian-Armenian University
- European Regional Academy
- Yerevan State University of Architecture and Construction
- French Higher Institute of Engineering in Armenia

SUCCESSFUL EDUCATIONAL INITIATIVES



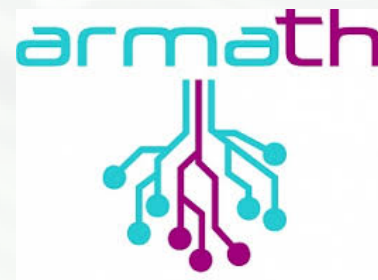
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Armenian National
Engineering Laboratories
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Инженерные Лаборатории



ARMENIAN-INDIAN CENTER
FOR EXCELLENCE IN ICT

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SUPPORT TO IT/HI-TECH DEVELOPMENT



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FREE
ECONOMIC
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OF ARMENIA



Engineering
City

MADE IN ARMENIA STARTUPS



ICT BASED STARTUPS



VIRTUAL STARTUPS PROJECT

Goals:

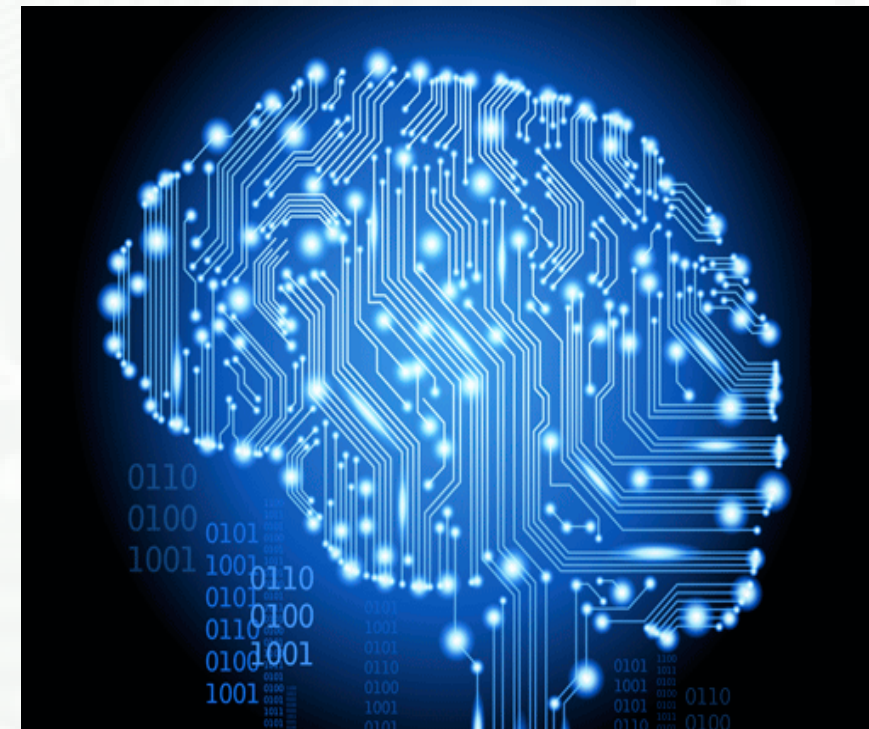
- ✓ Promote creative thinking by developing innovative ideas;
- ✓ Boost entrepreneurship/social entrepreneurship among youngsters;
- ✓ Shape e-society
- ✓ Transformation of multiple virtual start-ups to real entrepreneurial entities
- ✓ ICT deployment in diverse sectors of industry

“Entrepreneurship in IT sector” subject taught at NPUA Microelectronic Circuits & Systems chair serves as success story



NEXT STEPS

- Wider ICT education for all ages
- Integration of “Entrepreneurship & Innovation” course into the new educational programs at schools and universities
- Training mentors & teachers
- E-portal for virtual startups to shape ideas, to meet mentors and investors, for online courses, ideas acceleration and pitching



Thank you!

