

ARMENIA'S BALANCE OF PAYMENTS IN THE CONTEXT OF GEOPOLITICAL SHOCKS: TRENDS, CHALLENGES, AND POLICY RECOMMENDATIONS

HOVHANNES ASATRYAN

Introduction. In the context of increasing global economic interdependence and regional instability, the analysis of a country's balance of payments (BoP) becomes particularly crucial for understanding its external economic position and financial resilience. The BoP serves as a comprehensive record of a nation's economic transactions with the rest of the world, reflecting the dynamics of trade flows, investment, remittances, and financial transfers¹. For small and open economies like Armenia, which are highly sensitive to external shocks, BoP analysis not only reveals structural vulnerabilities but also provides a strategic basis for macroeconomic planning and policy formulation. The BoP provides a comprehensive picture of the state of the national economy and its dynamics, offering valuable insights into the economic relations between the national economy and other countries, particularly concerning the movement of production factors, financial transfers, and capital flows². The relevance of the study has intensified due to recent geopolitical events (most notably, the Russian-Ukrainian conflict) which have substantially altered regional capital flows, trade patterns, and migration trends. Armenia's economic landscape has experienced significant transformations, including sharp increases in remittances and FDI, an appreciation of the national currency, and persistent trade imbalances. These developments underscore the need for a deeper understanding of the factors shaping Armenia's BoP and the risks associated with current external economic dependencies.

This study aims to analyze the features and dynamics of Armenia's BoP, evaluate its macroeconomic implications. To achieve this objective, **the following research tasks** were set:

1. To examine the main components of Armenia's BoP, focusing on the trends in the current account, capital account, trade balance, remittances, and FDI.
2. To conduct a comparative analysis of Armenia's BoP with those of comparable countries (Georgia, Kazakhstan, and Serbia) to identify structural similarities and divergences.

¹ Harutyunyan, A., & Hovhannisyan, S. (2024). The Balance of Payments of the Republic of Armenia (2014–2023). *EHU Scientific Journal*, Volume 10, 2024, pp. 46–51. <https://doi.org/10.61484/29538181-sj.10.24-06>

² Markosyan, A., & Markosyan, M. (2023). Balance of Payments of the State and Consolidated Assessment of the Efficiency of the Economy. *Amberd Bulletin*, 78–88. https://doi.org/10.52174/2579-2989_2023.3-78

3. To assess the impact of the Real Effective Exchange Rate (REER) on Armenia's external competitiveness and its relationship with the BoP.

By addressing these tasks, the study aims to contribute to the discourse on Armenia's external economic policy and offer evidence-based strategies for enhancing the country's macroeconomic stability and global integration.

Literature review . The BoP is a comprehensive record of a country's economic transactions with the rest of the world over a specific period. It comprises the current account, capital account, and financial account, capturing all inflows and outflows of goods, services, income, and financial capital³. The related literature underscores the BoP as a critical indicator of a country's external economic performance and macroeconomic stability.

Empirical studies highlight the dynamic interaction between BoP, exchange rates, and capital mobility, particularly in emerging markets. In the context of developing economies, persistent current account deficits are often associated with external vulnerabilities, especially when financed by short-term capital flows. Conversely, BoP surpluses can result from high remittance inflows, export booms, or capital inflows, but may also lead to currency appreciation and competitiveness issues, often referred to as the Dutch disease⁴. Overall, the BoP provides essential insights into a country's macroeconomic position and policy needs. It serves as a barometer for exchange rate pressures, external sustainability, and global integration⁵. The balance of payments is a monetary concept, and its current and capital account aspects are often overlooked in models⁶. Both current and capital accounts matter in the balance of payments, with their combined impact on exchange-rate prospects and economic policy⁷.

Related to BoP, another integral tool for macroeconomic assessments is the Real effective exchange rate index. It is no secret that exchange rate changes significantly impact export and import volumes, and stimulating exports with government support is necessary to achieve desired income impact indicators in the trade balance⁸. A

³ Haughton, A. (2017). Balance of Payments and Capital Account Sustainability. , 89-102. https://doi.org/10.1007/978-3-319-53031-4_6.

⁴ W. Max Corden, J. Peter Neary, Booming Sector and De-Industrialisation in a Small Open Economy, The Economic Journal, Volume 92, Issue 368, 1 December 1982, Pages 825–848, <https://doi.org/10.2307/2232670>

⁵ Sarinyan, R., & Gabrielyan, B. (2024). MIRROR OF THE BALANCE OF PAYMENTS / ՎՃԱՐԱՅԻՆ ՀԱՇՎԵԿՇՈՒ ՀԱՅԵԼԻՆ. Проблемы социально-экономического развития: поиски, перспективы, решения. <https://doi.org/10.61546/25792679-2023.2-psd-01>.

⁶ Kemp, D. (1975). A monetary view of the balance of payments. Canadian Parliamentary Review, 57, 14-22. <https://doi.org/10.20955/R.57.14-22.ULF>.

⁷ Pain, N., & Westaway, P. (1990). Why the Capital Account Matters. National Institute Economic Review, 131, 52 - 56. <https://doi.org/10.1177/002795019013100105>.

⁸ Margaryan, H., & Pirumyan, M. (2023). THE IMPACT OF THE EXCHANGE RATE ON THE TRADE BALANCE OF THE REPUBLIC OF ARMENIA / ՓՈԽԱՐԺԵՔԻ ԱԶԴԵՑՈՒԹՅՈՒՆԸ

comprehensive meta-analysis synthesizes findings from 51 studies, revealing that REER depreciation (undervaluation) generally promotes economic growth, especially in developing countries⁹. REER undervaluation can stimulate growth by enhancing competitiveness and encouraging investment in tradable sectors. Conversely, REER overvaluation tends to hinder growth by making exports less competitive¹⁰. A study examining how trade openness influences REER highlights that increased openness leads to REER depreciation, which can enhance export competitiveness. However, the study also notes that the effects vary depending on the exchange rate regime and other macroeconomic factors¹¹.

A case study of Armenian REER reveals that prolonged REER overvaluation has led to a deterioration in Armenia's external competitiveness, adversely affecting export performance. The authors also find evidence of the "Dutch disease," where large inflows of remittances appreciate the REER, undermining the tradable sector¹².

Methodology. The primary data sources of the study include official statistics from the RA Central Bank, the World Bank, and the International Monetary Fund. The analysis focuses on key components of the BoP (current account, trade balance, FDI, remittances, and capital account), with trends evaluated using descriptive and time-series analysis. A comparative framework is applied to benchmark Armenia's BoP performance against three comparable countries: Georgia, Kazakhstan, and Serbia. These countries were selected for their structural similarities as small, open, post-Soviet, or transitional economies. Additionally, the dynamics of Armenia's Real Effective Exchange Rate (REER) are examined to assess external competitiveness, using standard calculation methods based on trade-weighted currency indices.

Analysis and results. According to Article 5, Clause 2(e) of the Law of the Republic of Armenia "On the Central Bank of the Republic of Armenia," the Central Bank of Armenia is responsible for compiling statistics related to the external sector of the Republic of Armenia, including the balance of payments, the international investment position, and gross external debt.

ՀԱՅԱՍՏԱՆԻ ՀԱՆՐԱՊԵՏՈՒԹՅԱՆ ԱՌԵՎՏՐԱՅԻՆ ՀԱՇՎԵԿՇՈՒ ՎՐԱ. Проблемы социально-экономического развития: поиски, перспективы, решения. <https://doi.org/10.61546/25792679-2023.2-psd-12>.

⁹ Ridhwan, M.M., Ismail, A. and Nijkamp, P. (2024), "The real exchange rate and economic growth: a meta-analysis", *Journal of Economic Studies*, Vol. 51 No. 2, pp. 287-318. <https://doi.org/10.1108/JES-10-2022-0548>

¹⁰ Rapetti, M. (2020). The Real Exchange Rate and Economic Growth: A Survey. *Journal of Globalization and Development*, 11(2), 20190024. <https://doi.org/10.1515/jgd-2019-0024>

¹¹ Gantman, E.R., Dabós, M.P. Does trade openness influence the real effective exchange rate? New evidence from panel time-series. *SERIEs* 9, 91–113 (2018). <https://doi.org/10.1007/s13209-017-0168-7>

¹² Khachatryan, G.A., & Grigoryan, A. (2020). Export Growth Dynamics and Real Exchange Rate: Evidence from Armenia. *International Economic Journal*, 34(3), 493-509. <https://doi.org/10.1080/10168737.2020.1750045>

The BoP reflects not individual but aggregate transactions between a given country and the rest of the world. As the balance of payments characterizes the country's financial position within the system of international economic relations, it becomes an essential guiding tool in the formulation of macroeconomic policy. Table 1 presents the components of Armenia's balance of payments for the period 2016–2023.

Table 1

Armenia's Balance of Payments, 2016–2024, in Million USD¹³

BoP components	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Current Account	-280.9	-100.9	-145.3	-900.5	-961.1	-505.4	-471.4	144.0	-670.0	-1,194.5
Trade Balance	-1,281.5	-905.9	-1,243.5	-1,752.7	-1,817.1	-1,257.7	-1,115.3	-99.9	-343.5	-731.7
Financial account	-345.9	-415.8	-530.2	-689.8	-463	-691	-371.6	248.3	-375.7	-
Remittances	1,430.4	1,330.1	1,494.2	1,452.3	1,489.6	1,311.8	1,557.6	2,053.3	1,477.6	1,215.8
Capital Account	65.3	34.9	55.8	75.0	66.3	179.4	63.5	76.5	48.4	-

From 2015 to 2024, Armenia's Balance of Payments remained largely in deficit, reflecting persistent external vulnerabilities. The current account showed continual shortfalls, except for a brief surplus in **2022**, driven by record remittances and migration-related inflows. The trade balance stayed negative, while remittances consistently mitigated external pressures, peaking above 2 billion USD in 2022 before declining. Fluctuations in the financial account reflected unstable investment flows. Overall, Armenia's external stability remains sensitive to import dependence, remittance dynamics, and regional shocks.

Against the backdrop of a current account deficit, a positive trend was observed in net foreign direct investment (FDI), which showed upward dynamics. The increase in FDI is partly attributed to the circumstances arising from the Russian-Ukrainian conflict. Armenia has experienced an inflow of Russian capital, with noticeable

¹³ The table is compiled based on the data of World Bank (<https://data.worldbank.org/indicator/BN.CAB.XOKA.CD?locations=AM>), and International Monetary Fund ([https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:BOP\(21.0.0\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:BOP(21.0.0)))

economic activity in the labor market, the information and communication technology (ICT) sector, and the real estate and rental markets, among others.

Remittances have also recorded a significant increase, with the balance of remittance flows remaining positive. Armenia has consistently maintained a positive remittance balance, primarily due to the influence of the Armenian diaspora. Recent geopolitical developments have further stimulated the growth of remittance inflows. Remittances play a crucial role in mitigating the current account deficit.

The analysis of Armenia's BoP indicates several positive developments, including the increase in foreign direct investment (FDI) and the high level of portfolio investments, which reflect growing investment attractiveness and enhanced investor confidence in the country. However, alongside these positive shifts, key challenges and risks remain, such as the deepening trade deficit, rising external liabilities, and continued dependence on remittance inflows.

Table 2

The Trade Balance of Armenia and Comparable Countries (average for 2016–2023)¹⁴

Country	Trade Balance Saldo	Exported goods	Import dependency
Armenia	Deficit	Mining industry, Manufacturing, Agriculture	High (fuel, energy resources, machinery and equipment, consumer goods)
Georgia	Deficit	Tourism, agriculture, transport, services	High (fuel, energy resources, production means)
Kazakhstan	Surplus	Extraction of oil, natural gas, and metals	Moderate (consumer goods)
Serbia	Deficit	Engineering, agriculture, and the ICT sector	High (energy resources, raw materials)

In 2023, Armenia's BoP recorded a widening trade deficit, which was only partially offset by increases in FDI, portfolio investments, and remittances. Nevertheless, ensuring the country's financial stability requires a transition toward export-led growth to reduce reliance on external capital and remittances. It is also important to note that the recent inflows of capital and financial resources are, to a certain extent, driven by the geopolitical consequences of the Russian-Ukrainian conflict¹⁵. The increase in these

¹⁴ The table is compiled based on official statistical data from the World Bank.

Source: <https://data.worldbank.org/>

¹⁵ Poghosyan, S., Asatryan, H., Azatyan, L., Manucharyan, M., & Poghosyan, M. (2025). Assessing the impact of the Russian-Ukrainian conflict: Econometric case study of Armenian

inflows, stemming from external shocks, does not necessarily indicate a structural improvement in the balance of payments.

Comparative analysis of Armenian BoP with selected countries. For a more objective assessment of Armenia's balance of payments dynamics, let us conduct a comparative analysis with the economies of Serbia, Kazakhstan, and Georgia. The selection of these countries is based on a number of shared characteristics, such as having small and open economies, persistent trade imbalances, being former USSR countries, and a high degree of dependence on remittances, among others.

The analysis of the trade balance reveals that Armenia, Serbia, and Georgia consistently experience trade deficits, primarily due to their dependence on imports. In contrast, Kazakhstan benefits from a trade surplus driven by oil and fuel exports, which enables the country to accumulate foreign reserves.

Table 3

Current Account and Remittances of Armenia and Comparable Countries (average for 2016–2023)¹⁶

Country	Current account balance	Remittances (% of GDP)	Vulnerability to External Shocks
Armenia	-4% to -6% (deficit)	10–15%	High (due to the Russia-Ukraine conflict and fluctuations in consumer goods prices)
Georgia	-5% to -8% (deficit)	10–12%	High
Kazakhstan	+2% to +5% (Surplus)	<1%	Low (stability ensured by revenues from energy resource exports)
Serbia	-3% to -5% (deficit)	~7%	Moderate (a high level of EU integration mitigates the potential negative effects of shocks)

Armenia and Georgia are significantly dependent on remittances (particularly those from Russia) making them more vulnerable to external economic shocks. In contrast, Kazakhstan maintains a more stable position due to its export of natural resources, while Serbia's high level of integration with the European Union (EU) supports stable financial inflows and contributes to its macroeconomic resilience.

Kazakhstan and Serbia attract substantial volumes of FDI; Kazakhstan due to its rich resources, and Serbia owing to its advanced level of integration with the EU. Georgia outperforms Armenia in creating a favorable investment climate, particularly through reforms aimed at promoting business development. Summarizing the comparative

economy. International Journal of Innovative Research and Scientific Studies, 8 (2), 67–73.
<https://doi.org/10.53894/ijirss.v8i2.5095>

¹⁶ The table has been compiled based on official statistical data from the World Bank.
<https://data.worldbank.org/>

analysis of Armenia's BoP and those of the selected countries, the following key conclusions can be drawn:

Table 4

The capital inflows and FDI of Armenia and Comparable Countries (average for 2016–2023)¹⁷

Country	FDI (% of GDP)	Portfolio investments	Investment climate
Armenia	3–5%	Low	Moderate (political risks, limited market)
Georgia	5–7%	Moderate	Favorable (reforms, ease of doing business)
Kazakhstan	7–10%	High (oil capital)	Strong (investments in the fuel and energy sectors)
Serbia	6–8%	High (EU integration and access to capital markets)	Strong (FDI in ICT and engineering sectors)

- Armenia and Georgia have small, open economies heavily dependent on imports, and remittances. Both countries consistently run trade deficits due to their reliance on importing essential goods such as fuel, machinery, and equipment. In terms of the investment environment, Georgia has implemented business-friendly reforms and ranks high in the World Bank's "Ease of Doing Business" index¹⁸. Georgia's experience in attracting FDI and improving its investment climate may serve as a model for Armenia to reduce reliance on remittances and improve its balance of payments position by attracting more FDI.
- Like Armenia, Kazakhstan is a former Soviet republic. However, unlike Armenia, Kazakhstan is endowed with abundant natural resources. Its BoP is characterized by a stable trade surplus driven by oil and fuel exports. Kazakhstan is less dependent on remittances and benefits from substantial foreign exchange reserves and active investment inflows. While Armenia lacks Kazakhstan's resource advantages, it could focus on developing high-value-added sectors, such as IT and advanced manufacturing, to improve its trade balance and accumulate foreign reserves.
- Serbia, like Armenia, has a small developing economy, but it enjoys deeper economic ties with the EU. Serbia has successfully diversified its exports, focusing on manufacturing, IT services, and agriculture, thereby reducing its trade deficit. Thanks to its higher level of EU integration, Serbia attracts more FDI and has developed its capital markets. Serbia's strategy of export

¹⁷ The table has been compiled based on official statistical data from the World Bank.

<https://data.worldbank.org/>

¹⁸ Source: <https://archive.doingbusiness.org/en/rankings>

diversification and investment promotion can offer valuable lessons for Armenia in reducing its trade deficit and enhancing external financial stability.

The REER of Armenia: dynamics and insights. In BoP-related research, special attention is given to the study of the Real Effective Exchange Rate (REER). This focus has several reasons. Both internal and external macroeconomic balance are determined primarily by two key variables: domestic real demand and the real effective exchange rate. The REER serves as an important indicator for assessing a country's competitiveness in external markets. Additionally, it reflects the average movement of the national currency's exchange rate against a basket of currencies that are most important for Armenia¹⁹.

The REER index is a key indicator for assessing external competitiveness, reflecting the change in a country's relative prices compared to the weighted average prices of its main trading partners (all expressed in the same currency). The weights used in the calculation are based on each partner country's share in the country's external trade turnover²⁰. According to the World Bank methodology, the REER index is calculated as the ratio between the average exchange rate index of the national currency and the weighted geometric average of exchange rates of selected countries and the Eurozone (with 2010 as the base year, i.e., 2010=100). The index methodology varies by income group classification of countries. In the case of countries like Armenia, the REER is derived by adjusting the nominal index using the consumer price index (CPI). An increase in the REER implies an appreciation of the local currency²¹.

An increase in REER leads to more expensive exports and cheaper imports, which may disrupt the trade balance (a key component of the balance of payments). A widening trade deficit can negatively affect the current account, thereby reducing the overall balance of the balance of payments. However, if the currency appreciation is driven by capital inflows (such as Foreign Direct Investment (FDI) or remittances), the balance of payments may still maintain a positive surplus despite a deteriorating trade balance.

Between 2010 and 2021, Armenia's REER remained relatively stable, fluctuating around the baseline value of 100 (Table 5), indicating that AMD was comparatively stable during this period. However, a sharp appreciation of the AMD was observed

¹⁹ Vardanyan, K., & Avagyan, G. (2012). Analysis of the Balance of Payments of the Republic of Armenia and Evaluation of the Impact of the Real Effective Exchange Rate. Bulletin of Armenian State University of Economics, 4, 28–40.

<https://arar.sci.am/dlibra/publication/294475/edition/270311/content>

²⁰ Central Bank of Armenia. (n.d.). Glossary of Statistical Terms.

https://www.cba.am/Storage/AM/downloads/parberakan/DVQ/%D4%B2%D5%A1%D5%BC%D5%A1%D6%80%D5%A1%D5%B6_18.pdf

²¹ World Bank Statistical Database. Source:

<https://databank.worldbank.org/metadataglossary/world-development-indicators/series/PX.REX.REER>

between 2022 and 2024: the REER rose significantly to 117.5 in 2022, further increased to 126.5 in 2023, and then slightly declined to 122.0 in 2024. Before 2022, the deviation from equilibrium was relatively modest (generally within $\pm 5\%$). From 2022 onward, however, a substantial negative deviation emerged, reaching -26.5% in 2023, suggesting a considerable overvaluation of the AMD.

Table 5

	REER	Misalignment (%)
2010	100.0	0.0
2011	99.9	0.1
2012	95.1	4.9
2013	96.8	3.2
2014	101.0	-1.0
2015	104.0	-4.0
2016	102.6	-2.6
2017	99.3	0.7
2018	98.9	1.1
2019	102.4	-2.4
2020	102.3	-2.3
2021	100.3	-0.3
2022	117.5	-17.5
2023	126.5	-26.5
2024	122.0	-22.0

Such overvaluation, relative to the equilibrium level, undermines export competitiveness by making imported goods more affordable. The sharp increase in the REER in 2022 can be attributed to several key factors:

1. A surge in capital inflows: There was a notable increase in external financial transfers, including remittances, FDI, and migration inflows, largely driven by the Russia-Ukraine conflict.
2. Structural shifts in the trade balance: International sanctions imposed on Russia facilitated Armenia's role as a re-export hub for goods of Russian origin destined for third countries, leading to a rise in both exports and re-exports from Armenia.
3. Currency depreciation among Armenia's trading partners: In particular, the sharp depreciation of the RUB, also a consequence of the Russian-Ukrainian conflict, contributed to Armenia's relative currency appreciation.

²² International Monetary Fund Statistical Database. Source: https://data.imf.org/en/Data%20Explorer?datasetUrn=IMF.STA%3AEER%286.0.0%29×eriesName=ARM.REER_IX_RY2010_ACW_RCPLM

Changes in the REER directly affect the BoP dynamics. When the REER increases, when the AMD appreciates, exports become more expensive, while imports become cheaper, which can worsen the trade balance. A deepening trade deficit can negatively affect the current account, reducing the overall BoP balance. However, if the appreciation is driven by capital inflows (FDI, remittances), the BoP may still show a positive balance. In contrast, when the REER decreases, when the AMD depreciates, exports become cheaper and more competitive, potentially improving the trade balance and strengthening the current account, thus increasing the BoP surplus. Yet, if the depreciation leads to capital outflows or a decline in investment attractiveness, the financial account may deteriorate, offsetting the trade balance improvements.

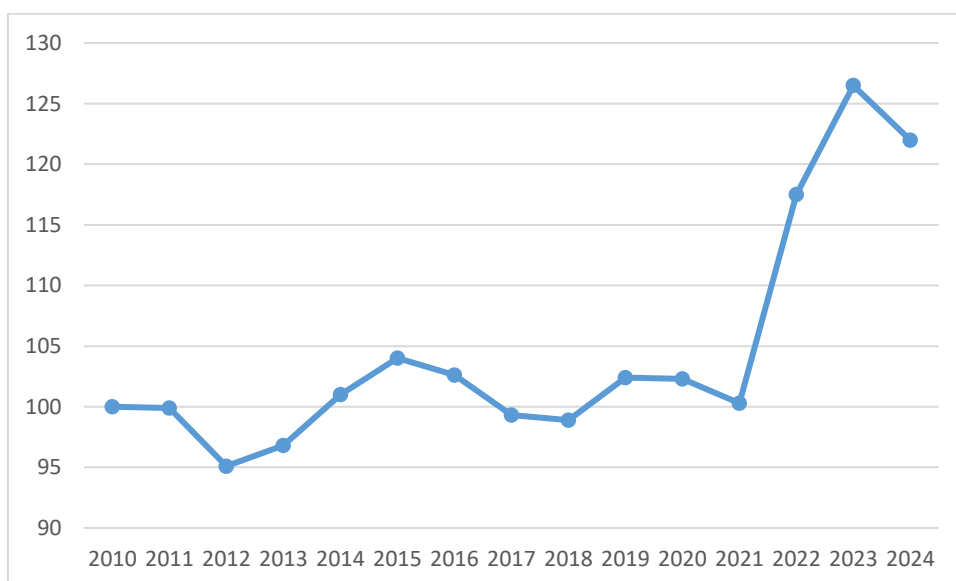


Figure 1. Dynamics of Armenia's REER in 2015–2024²³

Between 2016 and 2019, Armenia's REER experienced a slight decline, while the BoP remained in deficit and relatively low. In contrast, during 2022–2023, the REER rose sharply, yet the BoP recorded a positive balance. This indicates that shifts in the dynamics of foreign direct investment, remittances, and external trade contributed to the positive BoP outcome, despite the appreciation of the REER. The sharp increase in the BoP surplus during 2022–2023 points to substantial capital inflows, largely driven by external economic factors.

²³ The Figure was composed by the author based on the official World Bank statistics. Source: <https://data.worldbank.org/indicator/PX.REX.REER?locations=AM>

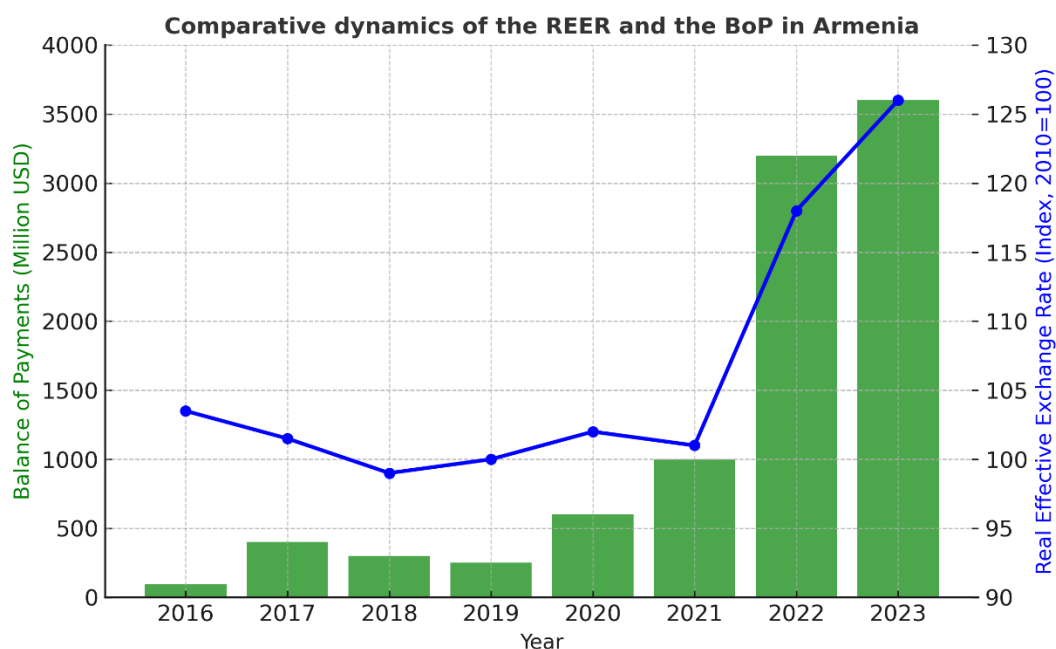


Figure 2. Comparative dynamics of the REER and the BoP in Armenia, 2016–2023²⁴

In particular, developments in Armenia’s economy resulting from the Russian-Ukrainian conflict have led to the emergence of new macroeconomic realities²⁵. The most notable among these has been the appreciation of the AMD and significant structural shifts in foreign trade. In summary, it can be concluded that in the short term, an increase in the REER may negatively affect the BoP by worsening the trade balance. In the long term, however, if REER appreciation is driven by economic stability and capital inflows, such as FDI and remittances, then the balance of payments may improve. A positive balance of payments observed against the backdrop of REER appreciation suggests that the improvement in the external balance has been primarily driven by financial inflows rather than an increase in export competitiveness.

Conclusions. The results of Armenia’s balance of payments (BoP) analysis can be summarized in the following three key observations:

- a persistent current account deficit,

²⁴ The graph is based on official statistical data from the World Bank and the International Monetary Fund’s statistical database. Source:

<https://data.worldbank.org/indicator/PX.REX.REER?locations=AM>,
[https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:BOP\(21.0.0\)](https://data.imf.org/en/Data-Explorer?datasetUrn=IMF.STA:BOP(21.0.0))

²⁵ Poghosyan, S., Asatryan, H., Azatyan, L., Manucharyan, M., & Poghosyan, M. (2025). Assessing the impact of the Russian-Ukrainian conflict: Econometric case study of Armenian economy. *International Journal of Innovative Research and Scientific Studies*, 8(2), 67–73.
<https://doi.org/10.53894/ijirss.v8i2.5095>

- an increase in financial inflows in recent years,
- a growing external debt.

It can be concluded that Armenia's current external economic model is heavily reliant on remittances and foreign capital, while the persistent trade deficit remains a structural vulnerability in the BoP. To mitigate this situation and reduce associated risks, structural reforms in foreign trade are essential, particularly through export promotion measures. Ensuring BoP stability requires Armenia to shift towards export-driven economic growth and maintain sustainable inflows of FDI.

The sharp increase in Armenia's REER in recent years is concerning, as it raises the risk of AMD overvaluation. While the rise in REER reflects strong capital and monetary inflows, it can also lead to trade imbalances and broader macroeconomic disequilibrium. Since REER characterizes a country's competitiveness in international markets, a sharp and sustained increase may erode competitiveness, hinder exports, and exacerbate the trade deficit.

To improve Armenia's BoP position, efforts should focus on reducing the trade deficit, expanding foreign currency reserves, and stabilizing capital flows. The country's external economic policy should rely on the following strategic directions:

- Export diversification and industrial growth.
- Import substitution strategy.
- FDI-oriented policy.
- Policy for managing financial flows and foreign currency reserves.
- Strengthening monetary policy and exchange rate stability.

REFERENCES

1. Central Bank of Armenia. (n.d.). Glossary of Statistical Terms. https://www.cba.am/Storage/AM/downloads/parberakan/DVQ/%D4%B2%D5%A1%D5%BC%D5%A1%D6%80%D5%A1%D5%B6_18.pdf
2. Corden, W. Max, & Neary, J. Peter. (1982). Booming Sector and De-Industrialisation in a Small Open Economy. *The Economic Journal*, 92(368), 825–848. <https://doi.org/10.2307/2232670>
3. Doing Business Rankings. <https://archive.doingbusiness.org/en/rankings>
4. Gantman, E.R., & Dabós, M.P. (2018). Does trade openness influence the real effective exchange rate? New evidence from panel time-series. *SERIEs*, 9, 91–113. <https://doi.org/10.1007/s13209-017-0168-7>
5. Harutyunyan, A., & Hovhannisyan, S. (2024). The Balance of Payments of the Republic of Armenia (2014–2023). *EHU Scientific Journal*, 10, 46–51. <https://doi.org/10.61484/29538181-sj.10.24-06>
6. Haughton, A. (2017). Balance of Payments and Capital Account Sustainability, 89–102. https://doi.org/10.1007/978-3-319-53031-4_6

7. International Monetary Fund Statistical Database. Source: <https://data.imf.org/?sk=4c514d48-b6ba-49ed-8ab9-52b0c1a0179b&sid=1539887168442>
8. Kemp, D. (1975). A monetary view of the balance of payments. *Canadian Parliamentary Review*, 57, 14–22. <https://doi.org/10.20955/R.57.14-22.ULF>
9. Khachatryan, G.A., & Grigoryan, A. (2020). Export Growth Dynamics and Real Exchange Rate: Evidence from Armenia. *International Economic Journal*, 34(3), 493–509. <https://doi.org/10.1080/10168737.2020.1750045>
10. Margaryan, H., & Pirumyan, M. (2023). The Impact of the Exchange Rate on the Trade Balance of the Republic of Armenia / Փոխարժեքի ազդեցությունը Հայաստանի Հանրապետության առևտրային հաշվեկշռի վրա. *Проблемы социально-экономического развития: поиски, перспективы, решения*. <https://doi.org/10.61546/25792679-2023.2-psd-12>
11. Markosyan, A., & Markosyan, M. (2023). Balance of Payments of the State and Consolidated Assessment of the Efficiency of the Economy. *Amberd Bulletin*, 78–88. https://doi.org/10.52174/2579-2989_2023.3-78
12. Pain, N., & Westaway, P. (1990). Why the Capital Account Matters. *National Institute Economic Review*, 131, 52–56. <https://doi.org/10.1177/002795019013100105>
13. Poghosyan, S., Asatryan, H., Azatyan, L., Manucharyan, M., & Poghosyan, M. (2025). Assessing the impact of the Russian-Ukrainian conflict: Econometric case study of Armenian economy. *International Journal of Innovative Research and Scientific Studies*, 8(2), 67–73. <https://doi.org/10.53894/ijirss.v8i2.5095>
14. Rapetti, M. (2020). The Real Exchange Rate and Economic Growth: A Survey. *Journal of Globalization and Development*, 11(2), 20190024. <https://doi.org/10.1515/jgd-2019-0024>
15. Ridhwan, M.M., Ismail, A., & Nijkamp, P. (2024). The real exchange rate and economic growth: a meta-analysis. *Journal of Economic Studies*, 51(2), 287–318. <https://doi.org/10.1108/JES-10-2022-0548>
16. Sarinyan, R., & Gabrielyan, B. (2024). Mirror of the Balance of Payments / Վճարային հաշվեկշռի հայելին. *Проблемы социально-экономического развития: поиски, перспективы, решения*. <https://doi.org/10.61546/25792679-2023.2-psd-01>
17. Vardanyan, K., & Avagyan, G. (2012). Analysis of the Balance of Payments of the Republic of Armenia and Evaluation of the Impact of the Real Effective Exchange Rate. *Bulletin of Armenian State University of Economics*, 4, 28–40. <https://arar.sci.am/dlibra/publication/294475/edition/270311/content>
18. World Bank Statistical Database. Source: <https://databank.worldbank.org/metadataglossary/world-development-indicators/series/PX.REX.REER>

**ՀԱՅԱՍՏԱՆԻ ՎՃԱՐԱՅԻՆ ՀԱՇՎԵԿՇԻՌԸ ԱՐՏԱՔԻՆ ՇՈԿԵՐԻ
ՀԱՄԱՏԵՔՍՈՒՄ. ՀԻՄՆԱԿԱՆ ՄԻՏՈՒՄՆԵՐԸ, ԱՌԿԱ ՄԱՐՏԱՀՐԱՎԵՐՆԵՐ**

ՀՈՎՀԱՆՆԵՍ ԱՍԱՏՐՅԱՆ

Համառոտագիր

Երկրի մակրոտնտեսական կայունության գնահատման նպատակով վճարային հաշվեկշռի վերլուծությունը գնալով ավելի է ու ավելի արդիական է դառնում, մասնավորապես ՀՀ նման փոքր, բաց տնտեսություն ունեցող երկրների համար, որոնք ենթակա են արտաքին ցնցումների: Վերջին աշխարհաքաղաքական զարգացումները նշանակալիորեն ազդել են ՀՀ արտաքին տնտեսական հատվածի վրա՝ կապիտալի ներհոսքերի, փոխանցումների ու առևտրային: Վերջին աշխարհաքաղաքական զարգացումները զգալի ազդեցություն են ունեցել Հայաստանի արտաքին հատվածի վրա՝ փոխելով կապիտալ հոսքերը, տրանսֆերտները և առևտրային դինամիկան՝ դարձնելով վճարային հաշվեկշիռը երկրի տնտեսական կայունության ուսումնասիրման կարևոր գործիք:

Հոդվածի նպատակն է ՀՀ վճարային հաշվեկշռի առանձնահատկությունների ու դինամիկայի վերլուծությունը, հիմնական ռիսկերի ու թույլ կետերի վերհանումը և արտաքին տնտեսական դիրքավորման ամրապնդմանն ուղղված առաջարկությունների մշակումը: Հոդվածի հետազոտական խնդիրները ներառում են. վճարային հաշվեկշռի գլխավոր կոմպոնենտների դինամիկայի գնահատումը, համեմատական վերլուծություն ընտրված երկրների հետ (Վրաստան, Ղազախստան, Սերբիա), ինչպես նաև գնահատել Իրական արդյունավետ փոխարժեքի ինդեքսն (ԻԱՓԻ) ու դրա փոխազդեցությունը վճարային հաշվեկշռի հետ: Մոթոդաբանությունը հիմնված է վճարային հաշվեկշռի վիճակագրական տվյալների որակական վերլուծության, ընտրված երկրների տնտեսությունների արտաքին հատվածի բենչմարքինգի, ինչպես նաև միջազգային պրակտիկայում ընդունված ԻԱՓԻ-ի հաշվարկման մեթոդաբանությամբ վերջինիս ուսումնասիրության վրա: Հոդվածը համատեղում է վիճակագրական, տրենդային վերլուծության, ու համեմատական մեթոդներ ՀՀ արտաքին տնտեսական գործունեության գնահատման համար:

Հետազոտության արդյունքները ցույց են տալիս, որ մինչ ՀՀ-ն ունի ընթացիկ հաշվի և առևտրային հաշվեկշռի շարունակական պակասուրդ, սակայն վերջին տարիներին դրանք որոշ չափով մեղմվել են օտարերկրյա ուղղակի ներդրումների (ՕՈԻՆ) և դրամական փոխանցումների ներհոսքերի աճի հաշվին, որոնք էլ մեծամասամբ պայմանավորված են տարածաշրջանային աշխարհաքաղաքական զարգացումներով: Հայկական դրամի կտրուկ արժևորումը և ԻԱՓԻ-ի գերարժևորումը վտանգ են ներկայացնում հայկական արտադրանքների արտահանման մրցունակության համար, ինչը վկայում է, որ ՀՀ-ում վճարային հաշվեկշռի որոշակի բարելավումը ավելի շատ պայմանավորված է ֆինանսական հոսքերով, քան արտաքին առևտրի

կառուցվածքային փոփոխություններով: Վճարային հաշվեկշռի կայունությունը երկարաժամկետ հեռանկարում հնարավոր կլինի ապահովել միայն արտահանման դիվերսիֆիկացման, ներդրումների ներգրավման և ֆինանսական երկարաժամկետ պլանավորման ուղղված ռազմավարական բարեփոխումների միջոցով:

Բանալի բառեր. Վճարային հաշվեկշիռ, Օտարերկրյա ուղղակի ներդրումներ (ՕՈԻՆ), փոխանցումներ, Իրական արդյունավետ փոխարժեք (ԻԱՓ), առևտրային պակասուրդ, աշխարհաքաղաքական շոկեր:

ПЛАТЁЖНЫЙ БАЛАНС АРМЕНИИ В КОНТЕКСТЕ ВНЕШНИХ ШОКОВ: ТЕНДЕНЦИИ, ВЫЗОВЫ И РЕКОМЕНДАЦИИ ПО ПОЛИТИКЕ

ОГАННЕС АСАТРЯН

Аннотация

Анализ платежного баланса (ПБ) приобретает все большее значение для оценки макроэкономической стабильности страны, особенно для стран с малой открытой экономикой, таких как Республика Армения, которые подвержены внешним потрясениям. Последние геополитические события оказали значительное влияние на внешнеэкономический сектор Армении, изменив потоки капитала, трансферты и динамику торговли, что делает платежный баланс важным инструментом для оценки экономической стабильности страны.

Целью настоящего исследования является анализ структурных особенностей и тенденций платёжного баланса Армении, выявление основных рисков и источников уязвимости, а также разработка рекомендаций по укреплению внешнеэкономических позиций страны. В задачи исследования входят оценка динамики ключевых компонентов ПБ (торгового баланса, ПИИ, денежных переводов), проведение сравнительного анализа с рядом стран (Грузия, Казахстан, Сербия), а также анализ реального эффективного обменного курса (РЭОК) и его взаимосвязей с ПБ. Методология исследования основана на количественном анализе статистических данных ПБ, сравнительном бенчмаркинге с экономиками аналогичного типа и исследовании динамики РЭОК с использованием международных стандартов. В статье для оценки внешнеэкономической активности Республики Армения объединены статистические методы, анализ тенденций и сравнительный анализ.

Результаты исследования показывают, что, несмотря на сохраняющийся дефицит текущего счета и торгового баланса Армении, в последние годы эти проблемы были несколько смягчены благодаря увеличению прямых иностранных инвестиций (ПИИ) и притоку денежных переводов, что в значительной степени обусловлено региональными геополитическими событиями. Резкое укрепление армянского драма и переоценка РЭОК создают риски для конкурентоспособности экспорта, что указывает на то, что улучшения ПБ обусловлены в большей степени

финансовыми вливаниями, нежели структурными изменениями во внешней торговле. Стабильность платежного баланса в долгосрочной перспективе будет возможна только посредством стратегических реформ, направленных на диверсификацию экспорта, привлечение инвестиций и долгосрочное финансовое планирование.

Ключевые слова: платёжный баланс (ПБ), прямые иностранные инвестиции (ПИИ), денежные переводы, реальный эффективный обменный курс (РЭОК), торговый дефицит, геополитические шоки.

ARMENIA'S BALANCE OF PAYMENTS IN THE CONTEXT OF EXTERNAL SHOCKS: TRENDS, CHALLENGES, AND POLICY RECOMMENDATIONS

HOVHANNES ASATRYAN

Abstract

The analysis of a country's balance of payments (BoP) is increasingly relevant for assessing its macroeconomic stability, especially for small, open economies like Armenia that are highly exposed to external shocks. Recent geopolitical developments have significantly affected Armenia's external sector through changes in capital inflows, remittances, and trade dynamics, making the BoP a critical tool for evaluating the country's economic resilience.

This study aims to analyze the structural features and trends of Armenia's BoP, identify the key risks and sources of vulnerability, and develop policy recommendations for strengthening its external economic position. The research tasks include evaluating the dynamics of key BoP components (trade balance, FDI, remittances), conducting a comparative analysis with selected countries (Georgia, Kazakhstan, Serbia), and assessing the Real Effective Exchange Rate (REER) and its relationships with BoP. The methodology is based on quantitative analysis of BoP statistics, comparative benchmarking with similar economies, and the examination of REER dynamics using standard international methodologies. The study integrates descriptive statistics, trend analysis, and structural comparison to assess Armenia's external sector performance.

The findings reveal that while Armenia continues to face a persistent current account and trade deficit, these have been partially offset in recent years by rising FDI and remittance inflows, many of which are linked to regional geopolitical shifts. The sharp appreciation of the AMD and the overvaluation of the REER pose risks to export competitiveness, suggesting that the observed BoP improvements are driven more by financial inflows than structural trade changes. The sustained BoP stability requires strategic reforms focused on export diversification, investment attraction, and long-term financial planning.

Keywords: Balance of Payments (BoP), Foreign Direct Investment (FDI), remittances, Real effective exchange rate (REER), trade deficit, geopolitical shocks.