

# PROSPECTS FOR ARMENIA-POLAND ECONOMIC COOPERATION

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Հիմնաբառեր. *Armenia, Poland, trade, Trade Complementarity Index (TCI), export diversification*

*Poland is one of the largest and fastest-growing economies in the European Union, with which Armenia established economic cooperation in the early 1990s. Despite stable relations, bilateral trade remains limited. The analysis shows that Armenia's exports to Poland are highly concentrated in a single product group: aluminum foil. Armenia's unrealized export potential in the Polish market is estimated at around 42 million USD, which significantly exceeds the current volumes. In terms of export expansion, there is potential for textiles, ferromolybdenum, clothing, as well as fish, precious metals, and articles made from them. The main barriers to trade with Poland are similar to those encountered in the broader EU markets, and overcoming these barriers, as well as developing new export directions, could contribute to the deepening of bilateral economic cooperation and the enhancement of Armenia's competitiveness.*

Poland is one of the few countries that managed the transition to a market economy without economic decline. The country has maintained stable economic growth even during the global financial crisis. Perhaps the only year when Poland experienced an economic decline was 2020, due to the COVID-19 pandemic. The unique political culture of this country has ensured stable economic development even during the collapse of the Soviet Union and the transition to a new economic system<sup>1</sup>. In this

<sup>1</sup> Hakhverdyan D., Movsisyan Sh., "Poland's 'Economic Miracle'", Modern Socio-Economic Development Issues in the Republic of Armenia, 2020, <https://arar.sci.am/dlibra/publication/288824/edition/265177/content?ref=L-3B1YmXP2F0aW9uLzI4MDI2Ny9lZGI0aW9uPjI1NzIxMg>




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regard, Poland’s experience offers valuable lessons for us, and expanding economic cooperation can be considered an important path to development.

Bilateral economic relations were launched in 1992 with the signing of “The Agreement on Economic Cooperation and Trade between the Government of the Republic of Armenia and the Government of the Republic of Poland”<sup>2</sup>. Under this agreement, the parties granted each other more favorable conditions for the export and import of goods originating from their countries than those applied to third countries. It is evident that these provisions were no longer applicable following Armenia’s accession to the WTO and Poland’s accession to the EU.

Another agreement on economic cooperation was signed in 2010, taking into account Poland’s accession to the European Union<sup>3</sup>. At present, being part of different economic unions, both countries need to explore new ways to expand their trade relations, relying on mutually beneficial cooperation.

Trade with Poland does not have significant volumes and weight in the foreign economic activity of the Republic of Armenia. The country’s share in both exports and imports does not exceed 1%<sup>4</sup>. Moreover, although there has been a sharp increase in imports over the past three years, the country’s share has decreased. Throughout the entire observation period, the trade balance has been negative. The deficit peaked in 2023, amounting to approximately 93 million USD.

**Structure of bilateral trade by product**

Exports are characterized by a high degree of concentration. Thus, in 2024, aluminum foil accounted for 81% of exports. Poland is the second largest importer of Armenian aluminum foil, after Germany. The main producer of aluminum foil is the company “Armenal”, which is a subsidiary of the Russian “Rusal”. “Armenal” does not produce the final product; rather, the aluminum foil it manufactures is used to produce final goods<sup>5</sup>. Among other product categories, beverage exports are significant, amounting to 1.1 million USD in 2024. Food

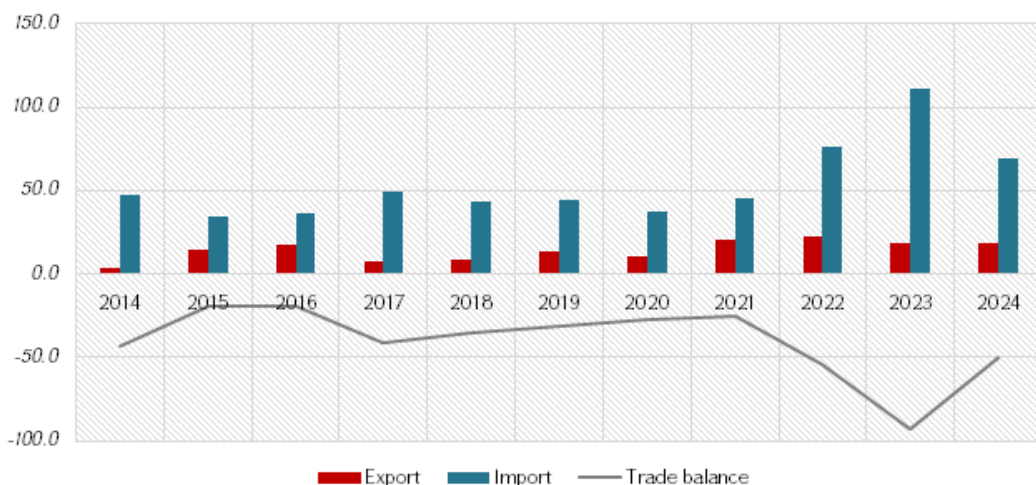


FIGURE 1  
**Armenia’s trade with Poland, 2014–2024<sup>6</sup>**

<sup>2</sup> Agreement between the Government of the Republic of Armenia and the Government of the Republic of Poland on Economic Cooperation and Trade, 24 February 1992, <http://parliament.am/library/erkoxm/1991-1995/8.pdf>  
<sup>3</sup> Agreement between the Government of the Republic of Armenia and the Government of the Republic of Poland on Economic Cooperation, 12 March 2010, <http://parliament.am/library/erkoxm/2010/16.pdf>  
<sup>4</sup> National Statistical Committee, <https://www.armstat.am/am/>  
<sup>5</sup> Production of Aluminum Foil in Armenia: Market Expansion and Profit Increase Opportunities <https://mineconomy.am/media/27062/1.%20Aluminum%20Investment%20-%20Final%2028V2%29ARM.pdf>  
<sup>6</sup> The analysis was conducted based on UN Comtrade data (accessed on 07.11.2025)

TABLE 1

**Trade Structure Between Armenia and Poland, 2018 and 2024<sup>7</sup>**

2024			2018		
Product group	Volume, mln USD	Share, %	Product group	Volume, mln USD	Share, %
<b>EXPORT</b>					
76-Aluminium and articles thereof	15.3	81%	76-Aluminium and articles thereof	6.3	77%
21-Miscellaneous edible preparations	1.3	7%	22-Beverages, spirits and vinegar	0.6	8%
22-Beverages, spirits and vinegar	1.1	6%	43-Furskins and artificial fur; manufactures thereof	0.4	6%
78-Lead and articles thereof	0.3	2%	85-Electrical machinery and equipment and parts thereof;	0.2	2%
90-Optical and medical instruments	0.3	2%	62-Apparel and clothing accessories; not knitted or crocheted	0.1	2%
Other	0.5	3%	Other	0.4	5%
<b>IMPORT</b>					
84-Machinery and mechanical appliances	11.4	16.5%	84-Machinery and mechanical appliances	6.6	15.2%
19-Preparations of cereals, flour, starch or milk; pastrycooks' products	5.9	8.6%	33-Essential oils, perfumes, and cosmetics	6.3	14.5%
33-Essential oils, perfumes, and cosmetics	5.1	7.5%	85-Electrical machinery and equipment and parts thereof;	3.5	7.9%
18-Cocoa and cocoa preparations	3.8	5.6%	96-Miscellaneous manufactured articles	3.2	7.4%
85 -Electrical machinery and equipment and parts thereof;	3.7	5.4%	23-Food industries, residues and wastes thereof; prepared animal fodder	2.7	6.2%
Other	39	56.5%	Other	21.3	48.8%

products, juices, jams and similar items are also exported in small volumes. The export volumes of other products do not reach 1 million USD. Compared with 2018, export volumes have increased; however, no significant structural changes have occurred. Imports are diversified, and the import structure further expanded in 2024 compared to 2018. Imports include machinery, equipment, cosmetics, and various types of food products. Import of machinery and equipment has increased by 73% compared to 2018, which may be attributed to the Russian factor. Due to the trade restrictions between Russia and the EU, Russia might be getting technological products through other countries, including Armenia.

### Trade Complementarity Index

Figure 2 presents the dynamics of the Trade Complementarity Index (TCI) between Armenia and Poland. The TCI measures the extent to which the export structure of one country complements the import structure of

another, that is, how well a country's exports match the import demand of the other. The data show that Armenia has limited capacity to meet Poland's import demand. This is due to objective and subjective factors, such as the size of Poland's economy, the relatively low level of diversification of Armenia's economy, and other related factors. Meanwhile, Poland has a stronger capacity to meet Armenia's import demand. In 2024, the complementarity index of Poland's export and Armenia's import was 69.8 points, which is considered to be above-average level of complementarity.

Bilateral trade complementarity indices remained almost unchanged until 2022, after which a sharp increase occurred. This growth can be explained by changes in Armenia's trade structure due to the Russian-Ukrainian conflict. Armenia began to import high-tech products, which were later exported to Russia. As a result, high-tech goods increased in both the export and import structures, contributing to the growth of TCI score. Therefore, the increase in the index in recent

<sup>7</sup> The analysis was conducted based on UN Comtrade data (accessed on 07.11.2025)

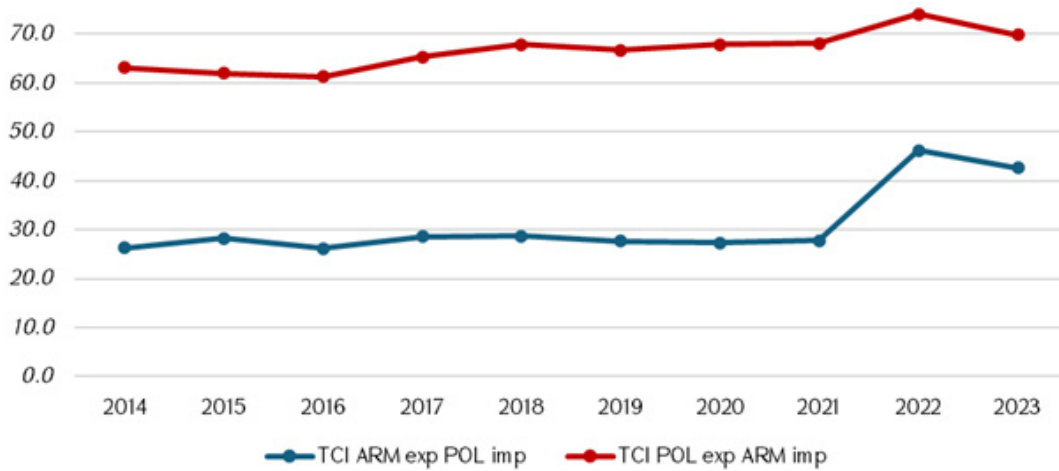


FIGURE 2

**Dynamics of the Trade Complementarity Indices between Armenia and Poland, 2014-2023<sup>8</sup>**

years reflects not the diversification of the economy's structure, but rather temporary processes related to re-exports.

**Export expansion opportunities**

From the perspective of expanding economic cooperation, it is important to identify the directions in which trade can be

developed and the product groups that have export potential. The International Trade Center (ITC) has developed a methodology for assessing export potential, that allows identifying product groups with export potential in a particular market and diversification opportunities<sup>9</sup>. The methodology is based on the calculation

**The products with greatest export potential from Armenia to Poland**



- 620240 Women's overcoats of man-made fibres
- 720270 Ferro-molybdenum
- 030211 Trout, fresh
- 711011 Platinum, in powder/unwrought
- 711319 Jewellery of precious metal, n.e.s.

**Key Opportunities for the Diversification of Armenia's Exports in Poland**



- 611241 Women's swimwear of synthetic fibres, knit/crochet
- 610620 Women's blouses and shirts of man-made fibres, knit/crochet
- 854442 Electric conductors <=1,000V, fitted with connectors
- 610610 Women's blouses and shirts of cotton, knit/crochet
- 611430 Garments for professional & sporting purposes, knit/crochet, of man-made fibres, n.e.s.

FIGURE 3

**Armenia's Export Potential and Diversification Opportunities in the Polish Market<sup>10</sup>**

<sup>8</sup> The analysis was conducted based on UN Comtrade data (accessed on 07.11.2025)

<sup>9</sup> ITC Expor Potential Map, <https://exportpotential.intracen.org/>

<sup>10</sup> From the product groups presented in the ICT Export Potential Map, those whose production is feasible in Armenia were selected. ICT Export Potential Map, <https://exportpotential.intracen.org>

of two indicators: 1. The export potential indicator, which identifies the products for which the country has competitive exports and there are prospects for expanding their exports. 2. The product diversification indicator, which identifies those products for which the country does not currently have competitive exports, but where exports are feasible, taking into account the export basket of that country and other countries.

Figure 3 presents the product groups with export potential from Armenia to Poland and the opportunities for export diversification in the Polish market.

Armenia has the potential in Polish market for the export of clothing, ferromolybdenum, fish, and precious metals and metal products. The export potential is especially large in case of ferromolybdenum. At the same time, taking into account Armenia's production capabilities and Poland's import demand, there is potential to develop the production and export of clothing and electrical conductors.

Armenia's unrealized potential in the Polish market is estimated at about 42 million USD, which exceeds the current export volumes.

Therefore, there is considerable potential to strengthen economic relations between the two countries. In this context, the main barriers to exporting to the European Union market are the lack of information (including limited market research), various administrative and logistical difficulties, supply chains issues and limited access to investments<sup>11</sup>.

In conclusion, Armenia possesses significant unrealized export potential in the Polish market, particularly in ferromolybdenum, clothing, and textile products. Taking into account the country's production capacities and Poland's import demand, these sectors offer opportunities for future growth. Additionally, expanding exports of food products, alcoholic and non-alcoholic beverages, and tobacco - sectors where Armenia already demonstrates global competitiveness—could further enhance trade relations between the two countries. With the implementation of targeted measures to address existing barriers, Armenia and Poland have the potential to substantially deepen their economic cooperation.

<sup>11</sup> Friedrich Naumann Foundation for Freedom. (2024, November 18). Armenia–EU: Export capabilities of Armenian manufacturers in the EU. <https://www.freiheit.org/south-caucasus/export-capabilities-armenian-manufacturers-eu>

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**Շուշան ՄՈՎՍԻՍՅԱՆ**

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ՀԱՅԱՍՏԱՆ ԵՎ ԱՇԽԱՐՀ

**ՀԱՅԱՍՏԱՆ-ԼԵՀԱՍՏԱՆ ՏՆՏԵՍԱԿԱՆ ՀԱՄԱԳՈՐԾԱԿՑՈՒԹՅԱՆ ՀԵՌԱՆԿԱՐՆԵՐԸ**

Լեհաստանը ԵՄ խոշոր և դինամիկ զարգացող տնտեսություններից մեկն է, որի հետ Հայաստանի տնտեսական համագործակցությունը ծնավորվել է 1990-ական թթ. սկզբին: Չնայած կայուն հարաբերություններին՝ երկկողմ առևտուրը սահմանափակ ծավալներով է: Վերլուծության արդյունքները ցույց են տալիս, որ Հայաստանից Լեհաստան արտահանման կառուցվածքը չափազանց կենտրոնացված է մեկ ապրանքախմբի՝ ալյումինե փայլաթիթեղի արտահանման ուղղությամբ: Հայաստանի՝ Լեհաստանի շուկայում չիրացված արտահանման ներուժը գնահատվում է շուրջ 42 մլն ԱՄՆ դոլար, ինչը զգալիորեն գերազանցում է ներկայիս ծավալները: Արտահանման ընդլայնման տեսանկյունից, ներուժ ունեն տեքստիլը, ֆեռոմոլիբդենը, հագուստը, ինչպես նաև ձուկը և թանկարժեք մետաղներն ու դրանցից պատրաստված իրերը: Լեհաստանի հետ առևտրի խոչընդոտները նույնն են, ինչ ԵՄ շուկաների դեպքում, և դրանց հաղթահարումը, ինչպես նաև արտահանման նոր ուղղությունների զարգացումը կարող են նպաստել երկկողմ տնտեսական համագործակցության խորացմանը և Հայաստանի մրցունակության մակարդակի բարձրացմանը:

**Հիմնաբառեր.** *Հայաստան, Լեհաստան, առևտուր, ԱՓԻ, արտահանման բազմազանեցում*

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АРМЕНИЯ И МИР

**ПЕРСПЕКТИВЫ ЭКОНОМИЧЕСКОГО СОТРУДНИЧЕСТВА МЕЖДУ АРМЕНИЕЙ И ПОЛЬШЕЙ**

Польша является одной из крупнейших и наиболее динамично развивающихся экономик Европейского союза, с которой Армения установила экономическое сотрудничество ещё в начале 1990-х годов. Несмотря на стабильные отношения, двусторонняя торговля остаётся ограниченной. Анализ показывает, что экспорт Армении в Польшу в значительной степени сконцентрирован в одной товарной группе: алюминиевой фольге. Нереализованный экспортный потенциал Армении на польском рынке оценивается примерно в 42 млн долларов США, что значительно превышает текущие объёмы. В плане расширения экспорта существует потенциал для текстиля, ферромолибдена, одежды, а также рыбы, драгоценных металлов и изделий из них. Основные барьеры в торговле с Польшей аналогичны тем, что наблюдаются на более широком рынке ЕС. Преодоление этих барьеров, а также развитие новых направлений экспорта могут способствовать углублению двустороннего экономического сотрудничества и повышению конкурентоспособности Армении.

**Ключевые слова:** *Армения, Польша, торговля, индекс торговой комплементарности (ТСІ), диверсификация экспорта*