

ABSTRACT

This Master's Essay studies the role, advantages, and disadvantages of FDI in Armenia, and shows the reason why our government has to try to make more attractive today's Armenian business environment to foreign investors.

The first part of the essay – Introduction and Literature Review – reveals the role of FDI promotion for all developing countries worldwide and defines the significance of FDI particularly for Armenia. Then it is pointed out that though important for ROA, FDI inflow level to it is still low. So, the main purpose of the essay is given and methodology with the research questions are discussed in detail, which together will help to find the causes and work out possible solutions to the problem.

Next chapter – Barriers to Investment in Armenia – investigates the impediments that are there and prevents FDI inflow to Armenia, based on studies and reports prepared by UNDP, MIT of the ROA, USAID, FIAS, etc. Moreover, the paper shows the attitude of investors today towards these barriers based on my personal interviews and shows whether this attitude is the same as discussed in mentioned reports and studies.

Last part of the paper – Analyses and Findings – discusses current situation in the ROA – the state of FDI today in Armenia as a result of a 'strange' business environment here. In this part, all the advantages and disadvantages of this 'strange' environment are analyzed and based on this my major findings are provided at the end of the essay. These findings can serve later as best policy objectives for our government to follow to attract more FDI inflow to Armenia.