

Appendix D:

Doing Business in Armenia

(The Data given below are based on the interviews with Armenian investors done by FIAS experts. They present strictly different evaluation of the Armenian business environment by both domestic and foreign investors)

Armenian Investor	Foreign Investor
<p>◆ <i>Business Registration</i></p> <p>“Very easy. It took only 15 days. It is always easy and quick to get your business registered when you pay an X amount of money.”</p> <p>◆ <i>Getting the Right to Do Construction</i></p> <p>“It was without any obstacle. For us it was really helpful that the chief Architect was my close friend.”</p> <p>◆ <i>Post-Construction Checking</i></p> <p>“It is necessary to have good relations with ‘some’ government officials. If You, however, have not got those proper relations and nets, You have to pay an X amount of money to get things done easily and quickly. This is the part of Your business here.”</p>	<p>◆ <i>Business Registration</i></p> <p>“They made us nervous and we had to had run back and forth, unless we finally got registered. If counted, we did 36 or 37 steps each one costing about \$100 USD.”</p> <p>◆ <i>Getting the Right to Do Construction</i></p> <p>“ We got almost confused by the amount of firms and companies we had applied as there was no coordination among them. It had cost us much time to get the needed permissions and documents.”</p> <p>◆ <i>Post-Construction Checking</i></p> <p>“We had paid too much payments to different revisors and audits. Besides the payments we had paid for getting needed documents, we paid also fees and additional payments, as we were told that otherwise our business’ prosperity will be delayed.”</p>

(Appendix D - continuation)

<p>◆ <i>Taxes</i></p> <p>“Taxes are OK. You never pay bribery, You just invite once or twice/more the ‘needed people’ to dinner and everything will be fine. That is the rule here, and that is considered as normal.”</p> <p>◆ <i>Customs Procedures</i></p> <p>“Customs officers know me very well. So, my documents are fine and I never have any problem with them.”</p>	<p>◆ <i>Taxes</i></p> <p>“Audits came and checked all our documents and ‘found out’ that we have to pay a fee equal to X thousands of dollars. We were shocked, and then he/she smiled and told that this sum can be much more decreased and the fee can cost us much cheaper, if...”</p> <p>◆ <i>Customs Procedures</i></p> <p>“Our people always stay in queues at the doors of the Customs Office, when others easily escape this by paying ‘something’. But, this is not the rule of our company to pay money to Customs Office, so we loose too much time here...”</p>
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