

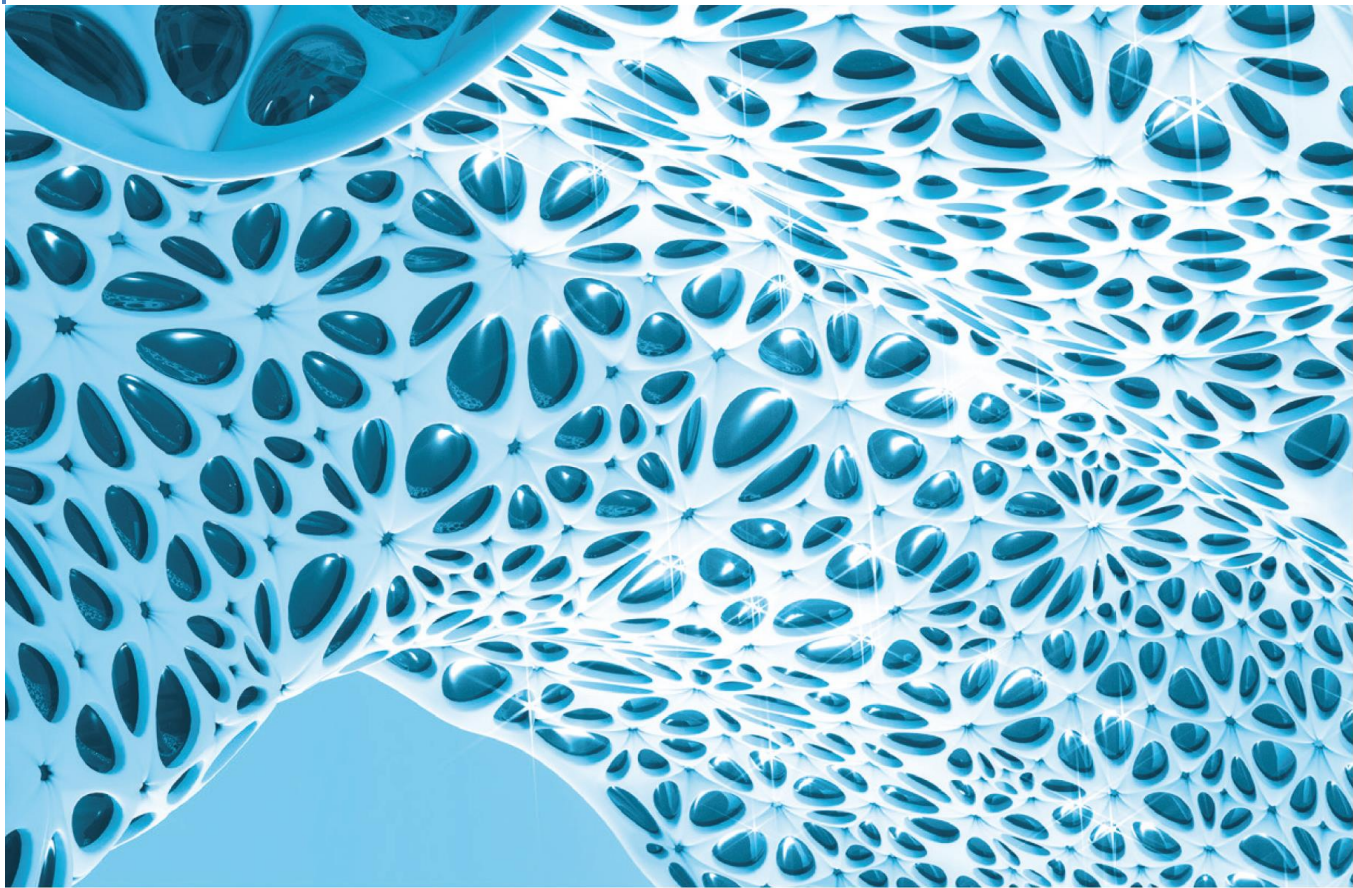


EU4Business



OECD

# Compendium of Enterprise Statistics in Armenia 2018



OECD **Eurasia**  
Competitiveness Programme

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## Foreword

This Compendium presents a snapshot of Armenia's SME sector, based on official business statistics produced by the Statistical Committee of the Republic of Armenia (Armstat, [www.armstat.am](http://www.armstat.am)).

The need to enhance the availability of and accessibility to official SME statistics was highlighted by the 2015 Small Business Act for Europe (SBA) assessment as a main priority for improving the design, monitoring and evaluation of SME policies in Armenia (*SME Policy Index: Eastern Partner Countries 2016*, OECD et al., 2015). Building on these findings, the Ministry of Economic Development and Investments of Armenia has requested the OECD's assistance to improve the government's capacity to collect, harmonise, analyse and disseminate official business statistics, in particular with regards to structural and demographic statistics to measure SME performance.

The work was carried out jointly by the Global Relations Secretariat and Statistics and Data Directorate of the OECD in the framework of the multi-country project *EU4Business: From Policies to Action*, conducted by the OECD in the Eastern Partnership with the financial support of the European Union within the EU4Business initiative.

Over the period October 2017 – October 2018, the OECD organised three statistical workshops in Yerevan (on 4 October 2017, 15 March 2018 and 4 October 2018) focusing on the production of structural and demographic business statistics, the linking of business data from different datasets, and the dissemination of statistical information. The objective of the workshops was to build capacity and strengthen statistical co-operation across relevant state bodies. In the intervening period between workshops, the OECD provided ongoing assistance to the Statistical Committee in the implementation of a methodology to harmonise the development and collection of entrepreneurship indicators in line with the [Eurostat-OECD Manual on Business Demography Statistics](#) and with the Working Papers “[Defining Entrepreneurial Activity: Definitions Supporting Frameworks for Data Collection](#)” and “[A Framework for Addressing and Measuring Entrepreneurship](#)”. An important outcome of the workshops was the production, by Armstat, of the first Statistical Bulletin on [Small and Medium Entrepreneurship in the Republic of Armenia, 2018](#), which follows the template for the dissemination of SME statistics proposed in the present Compendium.

Throughout the project, and in order to review information needs and data availability, the OECD held a series of meetings with officials and experts in government agencies, international organisations and other interested parties, including: the Ministry of Economic Development and Investments and its sections responsible for SME policy; the Statistical Committee; the SME Development National Center (SME DNC); the Ministry of Finance - Tax Administration and Customs; the Central Bank; the State Register of Legal Entities under the Ministry of Justice; the Organisation for Security and Co-operation in Europe (OSCE); the EU Delegation to Armenia; the EU SME Development in Armenia (SMEDA) project implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ); the Business Support Office (BSO); and independent experts.

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## Acknowledgements

This publication was prepared in the Trade and Competitiveness Statistics Division of the OECD Statistics and Data Directorate. The OECD is grateful to Armstat for their excellent cooperation and the remarkable work accomplished to add, over a relatively short period of time, new indicators to the long list of indicators already in production; in particular:

Mr. Gagik Ananyan, member of the State Council on Statistics of the Republic of Armenia;

Mr. Vardan Arevshatyan, Business-register, Sampling and Classifications Division;

Ms. Lusine Kalantaryan, Labour Statistics Division;

Ms. Lusya Khachatryan, Macroeconomic Indicators and National Accounts Division;

Mr. Ashot Ananyan, Industry and Energy Statistics Division;

Ms. Mariam Petrosyan, Construction Statistics Division;

Ms. Anahit Harutunyan, Trade and Other Services Statistics Division;

Mr. Georgi Torosyan, Transport and Communication Statistics Division;

and their teams.

Special thanks go to the Government of Armenia for guidance on policy priorities and data needs, expressly to Mr. Tigran Khachatryan, Minister of Economic Development and Investments, Mr. Hakob Avagyan, Deputy Minister and Mr. Koryun Gevorgyan, Head of SME Development Department.

The support of the national statistics offices of Denmark and Lithuania to further develop the production of business statistics by size class of enterprises, especially data on value added, is also gratefully acknowledged; it was facilitated by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) within the framework of the EU SME Development in Armenia (SMEDA) project.



## Measuring the SME sector in Armenia

In the framework of the multi-country project *EU4Business: From Policies to Action* the OECD Statistics and Data Directorate conducted a review of the organisation of business statistics production in Armenia. The review encompassed the identification of government and administrative bodies involved in the collection and/or compilation of business statistics and indicators, as well as the examination of the complete set of available variables. The analysis was aimed at discerning areas for improvement in relation to the statistical production process and data availability.

The review was instrumental:

- In **highlighting the role of the National Statistics Service of Armenia** as the core institution responsible for the production of official statistics on businesses. For the sake of the overall consistency and quality of data it is important that the regular production of official statistics on business demographics and on the structure and contribution of the business population to the economy is concentrated in a single institution, i.e. the statistics office, which should, ideally, also make use of, for the compilation of statistics, data from different administrative bodies (for instance, tax authorities, customs, social security administration).
- In **clarifying the distinction between legal definitions of SMEs for administrative purposes and definitions for statistical purposes.**

Across OECD countries, it is common practice to distinguish between legal definitions of SMEs, which are used for administrative purposes, and statistical definitions of SMEs, for the purpose of producing business statistics.

In this regard, Armstat's approach, which involves the use of employment size as the only dimension to define SMEs, corresponds to the international best practice.

- In **initiating important data developments**, including the compilation of business demography statistics, and of value added by size class of enterprises based on their employment.

Recently, Armstat's methodology for the compilation of business statistics has converged toward European and international standards. Armstat maintains a statistical business register – which is the backbone for the production of business statistics – following the international *Guidelines on Statistical Business Registers* (UNECE, 2015). In addition, Armstat currently supplements business surveys with a range of administrative data, in particular, tax data provided on regular basis by the State Revenue Committee, to produce official business statistics.

### Recommendations for the development of data on SMEs and entrepreneurship

The review of statistics and indicators on small and medium-sized enterprises (SMEs) and entrepreneurship highlighted the following recommendations for the National Statistics Service of Armenia (Armstat):

#### A. Statistical units

- a. The legal unit is currently used by Armstat as the observation and statistical unit for the compilation of business statistics. The recommended international practice is to adopt the *enterprise* as the statistical unit, where each enterprise may consist of one or more legal units that are linked through ownership and/or control (*UNECE Guidelines on Statistical Business Registers, 2015*).

#### B. Measurement of business employment

- a. The number of employees is currently used by Armstat to measure employment in the business sector. It is recommended to also measure the total number of persons employed in businesses (i.e., employees plus self-employed; *Eurostat-OECD Manual on Business Demography Statistics, 2007*), and to use persons employed as the basis for defining the size of an enterprise for the purposes of structural business statistics.

#### C. Additional breakdowns of variables

- a. Develop value added statistics for microenterprises.
- b. Whenever data confidentiality allows it, publish business statistics by enterprise size class at more detailed levels of activity – by two or three-digit codes of the International Standard Industry Classification (ISIC).

#### D. Compilation of new statistics and indicators

- a. Develop business demography indicators that describe: the employment creation/destruction associated with enterprise births and deaths; employment in young enterprises; the number and rate of high-growth enterprises and their share in total employment; and business demography statistics for the subset of employer enterprises only.
- b. Develop data on trade activities by enterprise characteristics and produce new statistics to account for SME participation in global value chains, through the linking of business statistics, trade registers and other relevant datasets on businesses.
- c. Explore the feasibility of compiling regional statistics at the establishment level, for a more accurate measurement of the regional distribution of business employment.

#### E. Data dissemination

- a. Implement international best practice principles for data dissemination (see *Recommendation of the OECD Council on Good Statistical Practice, 2015* and the *European Statistics Code of Practice, 2017*).
- b. Improve users' awareness of, and access to, online tools and sources available, in particular <http://armstatbank.am>.
- c. Produce new dissemination tools, including an annual booklet presenting key indicators on SMEs and entrepreneurship.
  - ✓ This recommendation has resulted in the production of the first Statistical Bulletin on [Small and Medium Entrepreneurship in the Republic of Armenia, 2018](#), following the template of the present Compendium.



## Reader's Guide

This Compendium of SME statistics of Armenia presents a selection of key indicators of the structure and performance of the Armenian business sector. It is compiled based on statistics produced by the National Statistics Service of Armenia ([www.armstat.am](http://www.armstat.am)); for international comparisons data are drawn from the OECD Structural and Demographic Business Statistics database (<http://dx.doi.org/10.1787/sdbs-data-en>).

### Statistical units

In the business statistics produced by Armstat, the legal entity is used as statistical unit for the observation and analysis of the business economy. Statistics based on the legal entity may however overstate the number of SMEs compared to the SME population resulting from the use of the concept of “enterprise”. This is the following: *“the enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit”* ([Eurostat-OECD Manual on Business Demography Statistics, 2007](#)).

The enterprise counts cover active enterprises defined as those who have employment and/or turnover during the reference year.

Business employment is measured by Armstat with the number of employees. In the absence of data on persons employed (that would include self-employed in addition to employees), for the calculations of labour productivity of Armenian firms the number of non-employer individual entrepreneurs is added to the number of employees of micro-enterprises. This is meant to reduce the upward bias and improve the comparability with the OECD countries (see also below).

### Size class breakdown

Data are presented in this Compendium according to the following employment size breakdown:

- for structural business statistics: micro enterprises (0 to 9 employees), small (10 to 49 employees), medium (50 to 249 employees) and large enterprises (250 and more employees). Whenever possible, statistics on micro-enterprises present non-employer enterprises as a distinct subset.
- for business demography statistics: non-employer enterprises (0 employees), enterprises with 1 to 4 employees, 5 to 9 employees, 10 to 19 employees, and 20 and more employees.

For the variable “value added” data are compiled for a joint micro- and small enterprise size class: 0 to 49 employees.

## Labour productivity

Labour productivity at the firm level is typically measured as value added per person employed. In Armenia, however, data on the number of persons employed are not currently available by enterprise size, and the number of employees is instead used as a measure of labour. This introduces an upward bias in labour productivity figures for Armenia compared with all other countries, as employment data for Armenia do not account for the number of self-employed, while value added does.

### What proportion of employees and self-employed in a firm?

Evidence across countries shows that the number of self-employed (for instance, unpaid family workers) accounts for a low share of total employment in large firms, while their number reaches significant proportions in micro-enterprises.

The magnitude of these differences varies however across countries and economic activities. For example, in 2016 in the Czech Republic the number of persons employed in micro firms operating in the manufacturing sector was around three times the number of employees; in the United Kingdom, it was only about 6% higher.

In light of the above, assuming that the upward bias of labour productivity of Armenian businesses concerns especially the smallest firms, the number of non-employer individual enterprises was added to the number of employees of micro-enterprises when measuring labour productivity in this publication,

## Monetary variables

Monetary variables are presented in current prices in national currencies, or converted to USD at average annual exchange rates. Consumer price index and producer price index in industry, as well as exchange rates are presented in the Annex for reference.

## Country codes

The figures in this publication use ISO codes (ISO3) for country names as listed below.

ARM	Armenia	GRC	Greece
AUT	Austria	HUN	Hungary
BEL	Belgium	ISL	Iceland
BGR	Bulgaria	ISR	Israel
CHE	Switzerland	ITA	Italy
CZE	Czech Republic	LTU	Lithuania
DEU	Germany	LUX	Luxembourg
DNK	Denmark	LVA	Latvia
ESP	Spain	NOR	Norway
EST	Estonia	NZL	New Zealand
FIN	Finland	POL	Poland
FRA	France	PRT	Portugal
GBR	United Kingdom	SVN	Slovenia

## Economic activity sectors

Data for Armenia in this Compendium cover the business economy, namely, ISIC rev.4 section B to N, the sector S95, excluding the sector K - financial intermediation services.

Business demography data for the OECD countries include financial intermediation services, with the exception of activities of holding companies (ISIC rev.4 group K642).

<b>International Standard of Industrial Classifications (ISIC) Revision 4</b>	
<i>A (01-03)</i>	<i>Agriculture, forestry and fishing</i>
<b>B (05-09)</b>	<b>Mining and quarrying</b>
<b>C (10-33)</b>	<b>Manufacturing</b>
<b>D (35)</b>	<b>Electricity, gas, steam and air conditioning supply</b>
<b>E (36-39)</b>	<b>Water supply; sewerage, waste management and remediation activities</b>
<b>F (41-43)</b>	<b>Construction</b>
<b>G (45-47)</b>	<b>Wholesale and retail trade; repair of motor vehicles and motorcycles</b>
<b>H (49-53)</b>	<b>Transportation and storage</b>
<b>I (55-56)</b>	<b>Accommodation and food service activities</b>
<b>J (58-63)</b>	<b>Information and communication</b>
<i>K (64-66)</i>	<i>Financial and insurance activities</i>
<b>L (68)</b>	<b>Real estate activities</b>
<b>M (69-75)</b>	<b>Professional, scientific and technical activities</b>
<b>N (77-82)</b>	<b>Administrative and support service activities</b>
<i>O (84)</i>	<i>Public administration and defence; compulsory social security</i>
<i>P (85)</i>	<i>Education</i>
<i>Q (86-88)</i>	<i>Human health and social work activities</i>
<i>R (90-93)</i>	<i>Arts, entertainment and recreation</i>
<i>S (94-96)</i>	<i>Other service activities</i>
<b>S95</b>	<b>Repair of computers and personal and household goods</b>
<i>T (97-98)</i>	<i>Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use</i>
<i>U (99)</i>	<i>Activities of extraterritorial organizations and bodies</i>

## Definitions

The following sources are used for definitions:

- UNECE (2015), Guidelines on Statistical Business Registers, [https://www.unece.org/fileadmin/DAM/stats/publications/2015/ECE\\_CES\\_39\\_WEB.pdf](https://www.unece.org/fileadmin/DAM/stats/publications/2015/ECE_CES_39_WEB.pdf).
- OECD (2010), Structural and Demographic Business Statistics, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264072886-en>.
- OECD (2007), Eurostat/OECD Manual on Business Demography Statistics”, OECD Publishing, Paris, <http://www.oecd.org/std/39974460.pdf> .

**Active enterprise:** An enterprise that had either turnover or employment at any time during the reference period.

**Employees:** persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

**Employer enterprise:** An enterprise that had employees at any time during the reference period.

**Non-employer enterprise:** An enterprise with no employees during the reference period.

**Enterprise birth:** The creation of a combination of production factors with the restriction that no other enterprises are involved in the event. Births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises, or simply due to a change of activity.

**Enterprise birth rate:** The rate corresponds to the number of enterprise births as a percentage of the population of active enterprises.

**Enterprise death:** The dissolution of a combination of production factors with the restriction that no other enterprises are involved in the event. Deaths do not include exits from the population due to mergers, take-overs, break-ups or restructuring of a set of enterprises, or due to a change of activity.

An enterprise is included in the count of deaths only if it is not reactivated within two years. Similarly, a reactivation within two years is not counted as a birth.

**Enterprise death rate:** The rate corresponds to the number of enterprise deaths as a percentage of the population of active enterprises.

**Labour productivity:** It is measured in this document as the ratio of value added to employment. In case of Armenia, employment is measured by the number of employees, which does not take into account the individual entrepreneurs as well as non-remunerated family members of small business owners whose output is accounted for in value added measurement. In order to mitigate for this discrepancy, and to improve the comparability with OECD countries, employment in micro-enterprises used for labour productivity calculations was adjusted to include the number of non-employer individual enterprises.

**Persons employed:** the total number of persons who work in the observation unit (inclusive of working proprietors and unpaid family workers, and partners working regularly in the unit).

**Turnover:** The total value of invoices by the observation unit during the reference period corresponding to market sales of goods or services supplied to third parties.

**Value added:** The difference between production and any intermediate consumption, where production is measured at factor cost or basic prices.

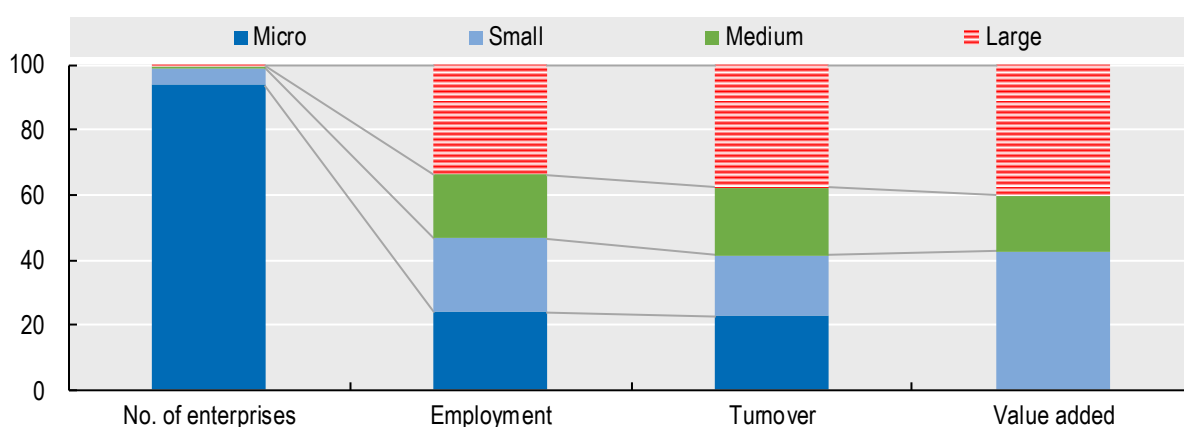
**Wages and salaries:** all payments in cash or in kind payable to persons counted on the payroll by way of remuneration for work done during the reference period.

## Overview of the SME sector in Armenia

- In Armenia, as in most of the countries across the world, the overwhelming majority of firms are small and medium-sized enterprises (SMEs): according to 2017 data they comprise more than 99% of all enterprises in the business economy, account for 66% of the total business employment and 62% of total turnover and 60% of value added of the business sector.
- Moreover, 94% of Armenian enterprises are micro-enterprises, i.e. enterprises with less than ten employees, more than half (58%) of which are non-employers.
- In 2017 young enterprises, less than three-year old, represented a quarter of all active enterprises.

### SME contribution, business economy

Percentage, 2017



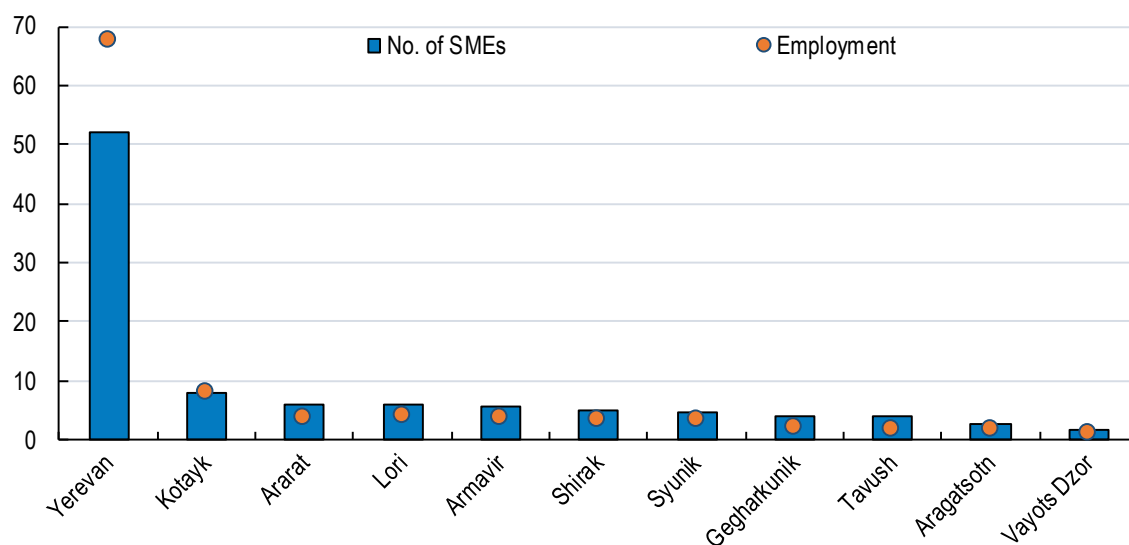
Note: Employment is measured by the number of employees. For value added, micro enterprises are included in the class size "small", i.e. firms with less than 50 employees.

Source: Armstat.

- About 87.5% of all enterprises operate in the services sector, accounting for almost 68% of employment and generating 60% of value added. While less than 0.4% of enterprises are in the mining and manufacturing sectors, they provide a disproportionate contribution to employment and value added, respectively 3.6% and 7.7%.
- In general, in all the economies, larger enterprises are more productive than smaller firms. This is especially true in sectors where large capital investments are required. Labour productivity of large enterprises in Armenia generally follows this pattern. However, the productivity of medium enterprises in the energy sector is particularly high compared to the average productivity in the country, and relative to the productivity of large and small enterprises in the sector.
- Remunerations grew in most industries from 2014 to 2017, on the background of stabilising consumer price index and, to a lesser extent, of producer price index. The highest wages and salaries are observed among medium-sized enterprises in the information and communication technology (ICT) sector.
- Average monthly wages in manufacturing in Armenia follow similar pattern as in OECD countries: larger enterprises generally pay higher salaries. In the mining industry, in particular, wages in large enterprises are almost three times higher than in the SMEs.

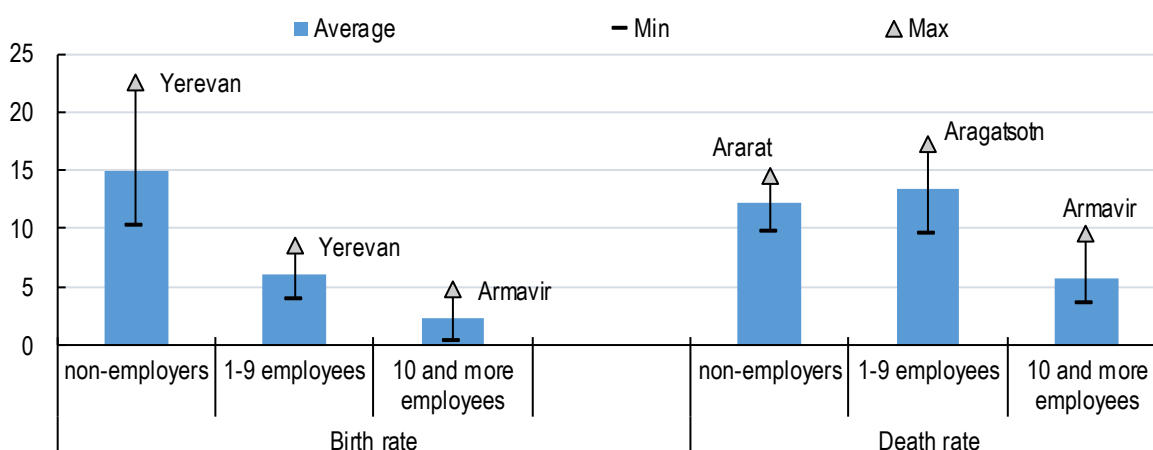
- The weight of the capital in the business economy is very important. With one-third of the population living in the capital, Yerevan accounts for half of the enterprises in the country and 70% of business employment and turnover.
- The number of enterprise births and deaths mirrors the regional distribution of enterprises – half of enterprise births and deaths occur in Yerevan.
- Average monthly wages are comparable among regions, with the exception of Syunik – a region where the economy is dominated by large mining enterprises.

**Contribution of SMEs by region**  
*Percentage of all SMEs in Armenia, 2017*



Note: Employment is measured by the number of employees.  
 Source: Armstat.

**Enterprise birth and death rates by region**  
*Percentage, 2017*



Note: The birth (death) rate measures the number of enterprise births (deaths) as a percentage of the population of active enterprises.  
 Source: Armstat.



## 1. Number of SMEs

### 1.1. Number of enterprises by size and activity sector

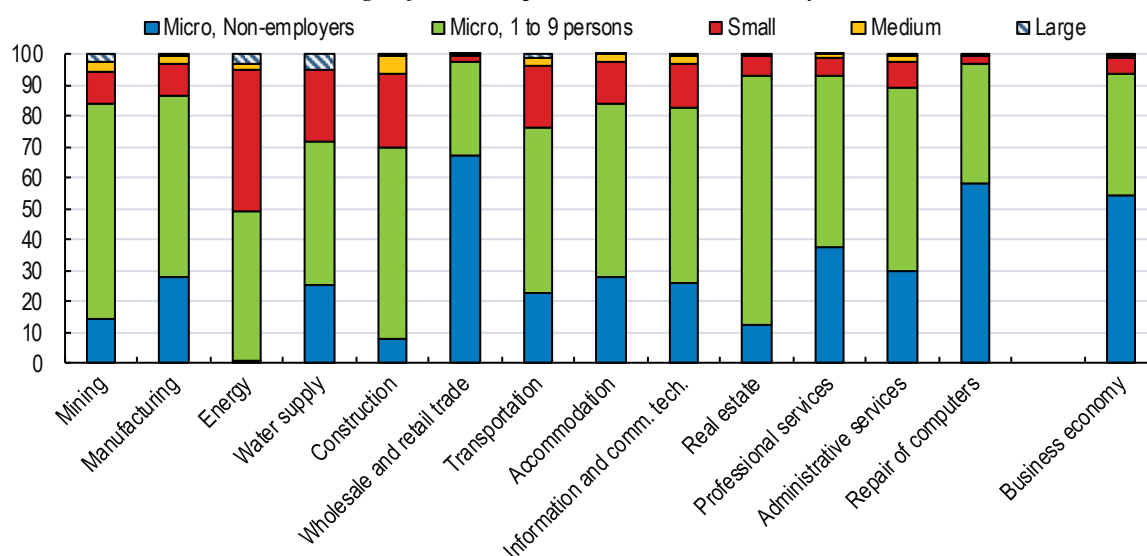
*Business economy, 2017*

	Micro non- employers	Micro 1 to 9	Small	Medium	Large	Total 2017	Total 2016
Mining	34	162	25	8	5	234	223
Manufacturing	1623	3381	596	128	43	5 771	5 674
Energy	1	99	92	4	6	202	198
Water supply	15	28	14	-	3	60	101
Construction	100	756	295	68	5	1 224	1 188
Wholesale and retail trade	26 977	12 287	787	112	20	40 183	40 449
Transportation	228	547	203	28	10	1 016	939
Accommodation	706	1 442	357	53	1	2 559	2 674
Information and comm.	424	927	233	42	10	1 636	1 458
Real estate	192	1 257	94	9	-	1 552	1 674
Professional services	1 135	1 677	191	26	1	3 030	3 047
Administrative services	475	951	130	36	4	1 596	1 769
Repair of computers	297	200	14	1	-	512	645
<b>Business economy</b>	<b>32207</b>	<b>23 714</b>	<b>3 031</b>	<b>515</b>	<b>108</b>	<b>59 575</b>	<b>60 044</b>

Source: National Statistical Service of the Republic of Armenia (Armstat).

### 1.2. Share of enterprises by size and activity sector

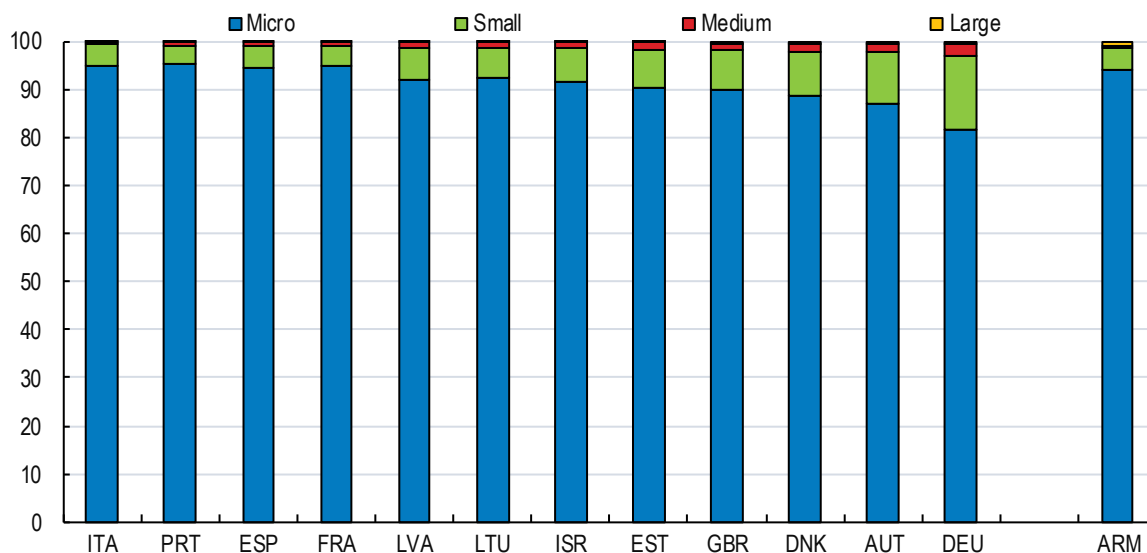
*Percentage of all enterprises, business economy, 2017*



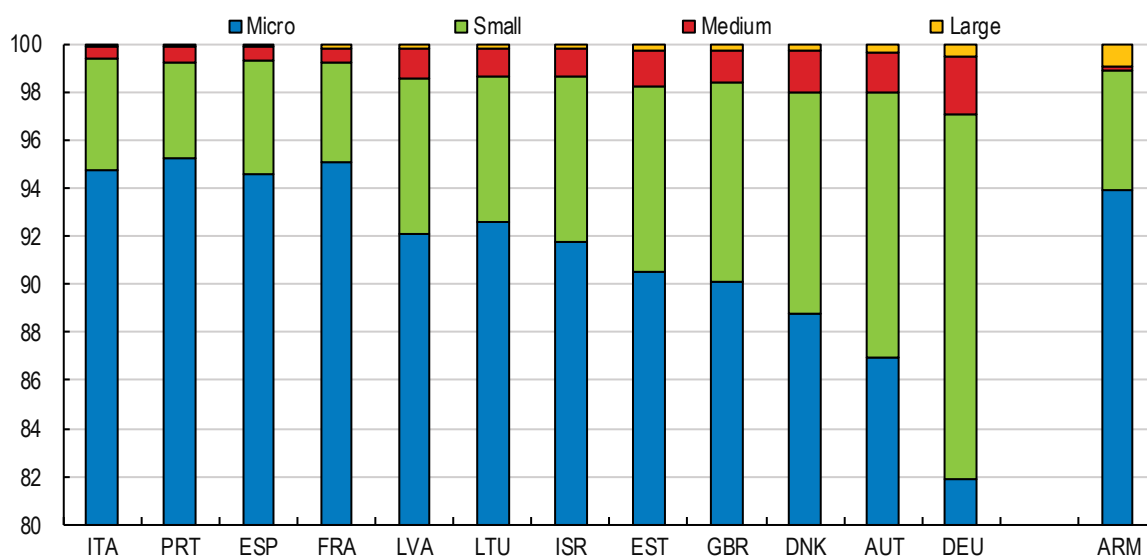
Source: Armstat.

### 1.3. Share of enterprises by size, Armenia and selected OECD countries *Percentage of all enterprises, business economy, 2016*

*Panel A*



*Top 20% of Panel A magnified*



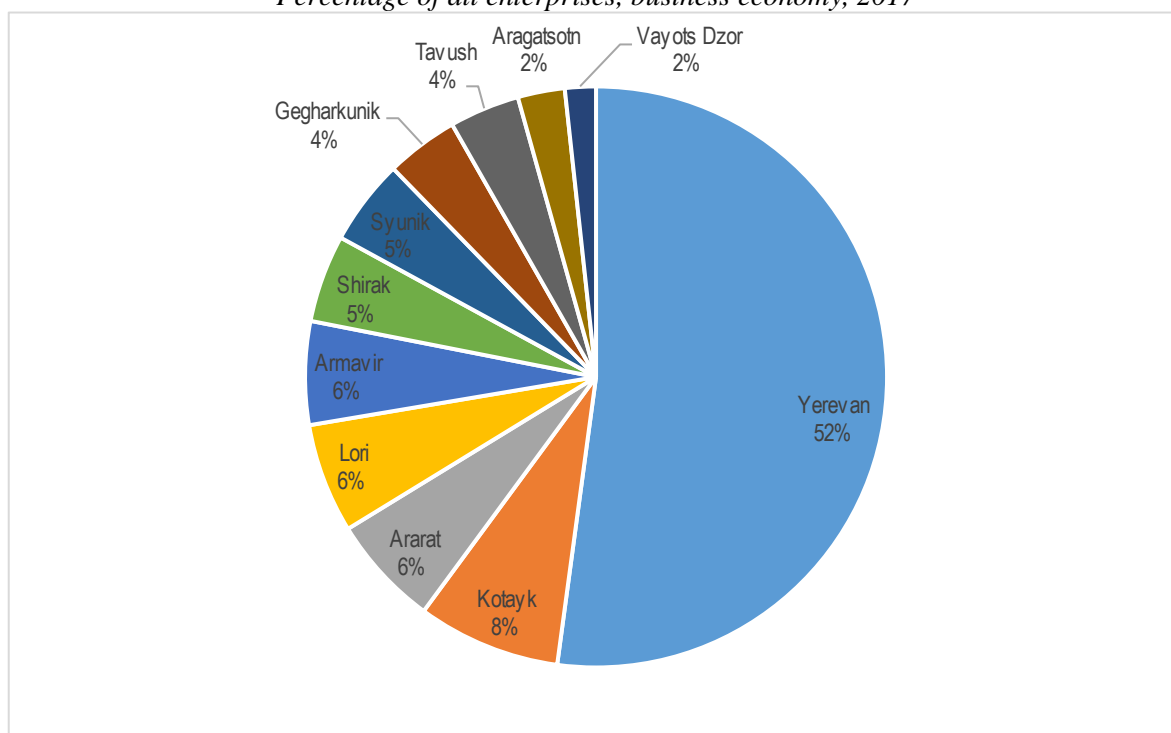
Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 1.4. Number of enterprises by region Business economy, 2017

	Micro		Small	Medium	Large	Total 2017	Total 2016
	non- employers	1 to 9 employees					
Yerevan	14 477	14 103	2 015	388	77	31 060	30 321
Aragatsotn	969	523	59	5	-	1 556	1 681
Ararat	2 403	1 124	124	11	6	3 668	3 881
Armavir	2 182	1 119	109	14	3	3 427	3 616
Gegharkunik	1 535	792	72	4	1	2 404	2 514
Lori	2 224	1 272	118	13	6	3 633	3 823
Kotayk	2 771	1 683	231	43	9	4 737	4 731
Shirak	1 643	1 152	93	11	1	2 900	3 142
Syunik	1 715	1 004	104	15	3	2 841	2 923
Vayots Dzor	650	319	49	5	1	1 024	1 034
Tavush	1 638	623	57	6	1	2 325	2 372
<b>TOTAL</b>	<b>32 207</b>	<b>23 714</b>	<b>3 031</b>	<b>515</b>	<b>108</b>	<b>59 575</b>	<b>60 044</b>

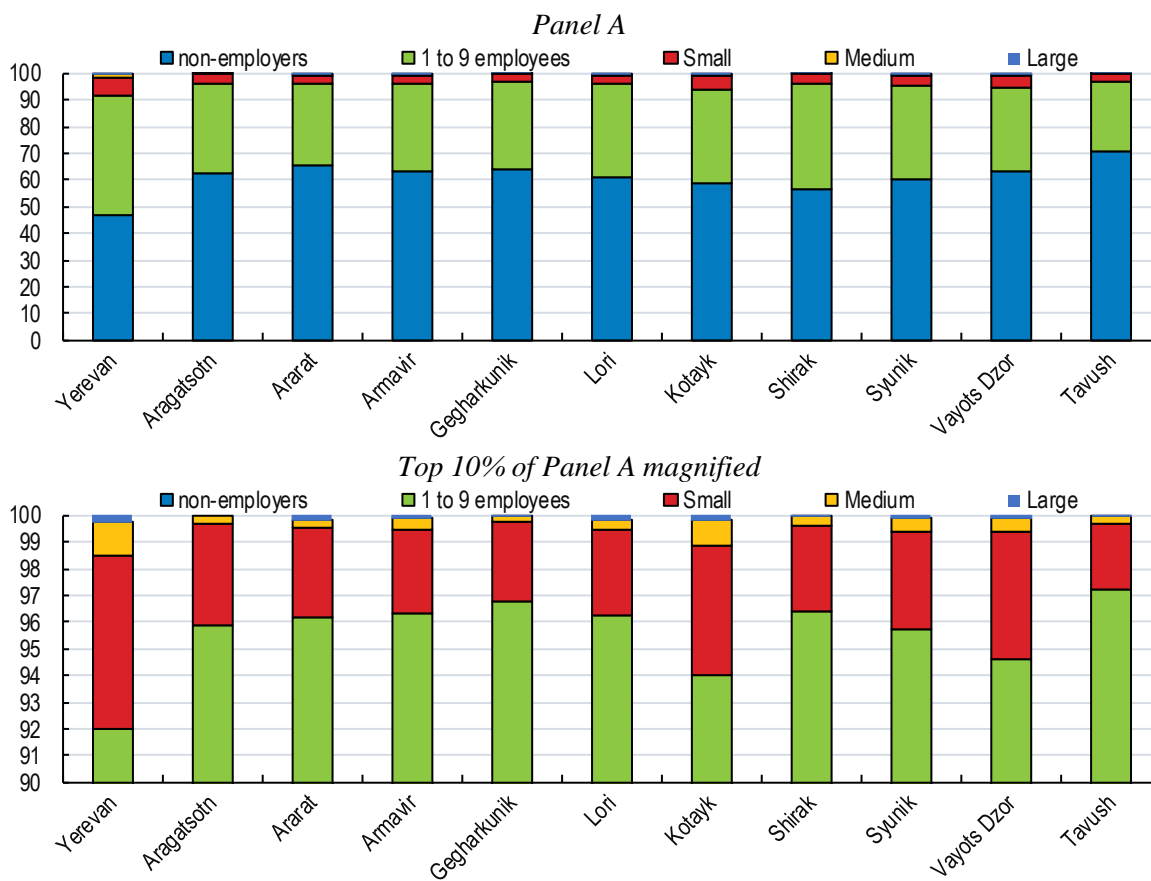
Source: Armstat.

### 1.5. Share of enterprises by region Percentage of all enterprises, business economy, 2017



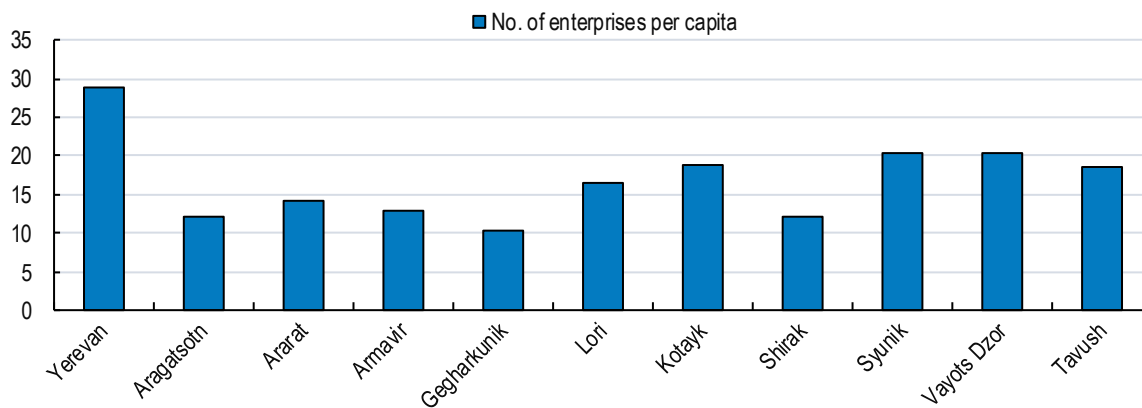
Source: Armstat.

### 1.6. Number of enterprises by region and size Percentage of all enterprises, business economy, 2017



Source: Armstat.

### 1.7. Number of enterprises per capita, by region, 2017



Source: Armstat.

## 2. SME employment

### 2.1. Employment by sector and enterprise size

*Number of employees, 2017*

Activity sector	Micro	Small	Medium	Large	Total
Mining	605	532	917	7 310	9 364
Manufacturing	10 124	11 830	12 000	22 457	56 411
Energy	529	1 470	535	17 447	19 981
Water supply	107	298	-	3 620	4 025
Construction	2 968	5 848	7 252	1 609	17 677
Wholesale and retail trade	26 920	13 935	11 331	13 996	66 182
Transportation	1 824	4 060	2 204	9 025	17 113
Accommodation	4 825	6 602	4 890	313	16 630
Information and comm. tech.	2 962	4 360	3 935	7 150	18 407
Real estate	2 483	1 833	842	-	5 158
Professional services	4 609	3 465	2 164	341	10 579
Administrative services	2 581	2 766	3 700	2 486	11 533
Repair of computers	463	262	156	-	880
<b>Business economy</b>	<b>60 999</b>	<b>57 259</b>	<b>49 927</b>	<b>85 754</b>	<b>253 939</b>

Source: Armstat.

### 2.2. Employment by sector and enterprise size, 2017 vs. 2016

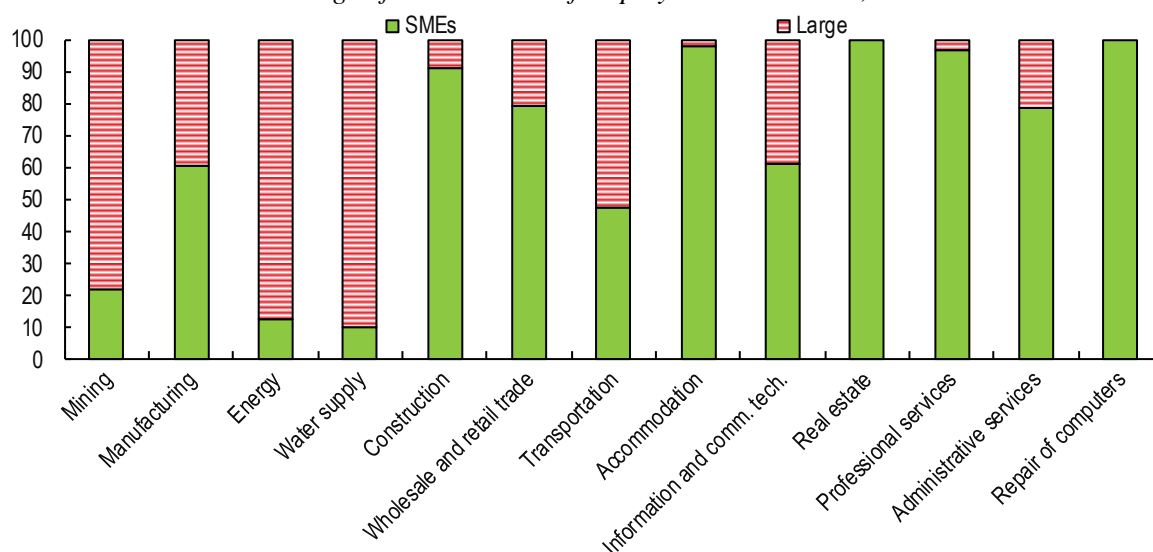
*Number of employees*

Activity sector	2016		2017	
	SMEs	Large	SMEs	Large
Mining	1975	6 806	2054	7 310
Manufacturing	34 269	22 564	33 954	22 457
Energy	2301	17 684	2534	17 447
Water supply	2159	3 320	405	3 620
Construction	15 529	1 048	16 068	1 609
Wholesale and retail trade	52 842	8 313	52 186	13 996
Transportation	8 153	10 344	8 088	9 025
Accommodation	15 944	-	16 317	313
Information and comm. tech.	10 283	7 131	11 257	7 150
Real estate	8 074	1 295	5 158	-
Professional services	13 691	C	10 238	341
Administrative services	10 250	C	9 047	2 486
Repair of computers	824	-	881	-
<b>Business economy</b>	<b>176 295</b>	<b>81 055</b>	<b>168 185</b>	<b>85 754</b>

Source: Armstat.

### 2.3. Share of employment by sector and enterprise size

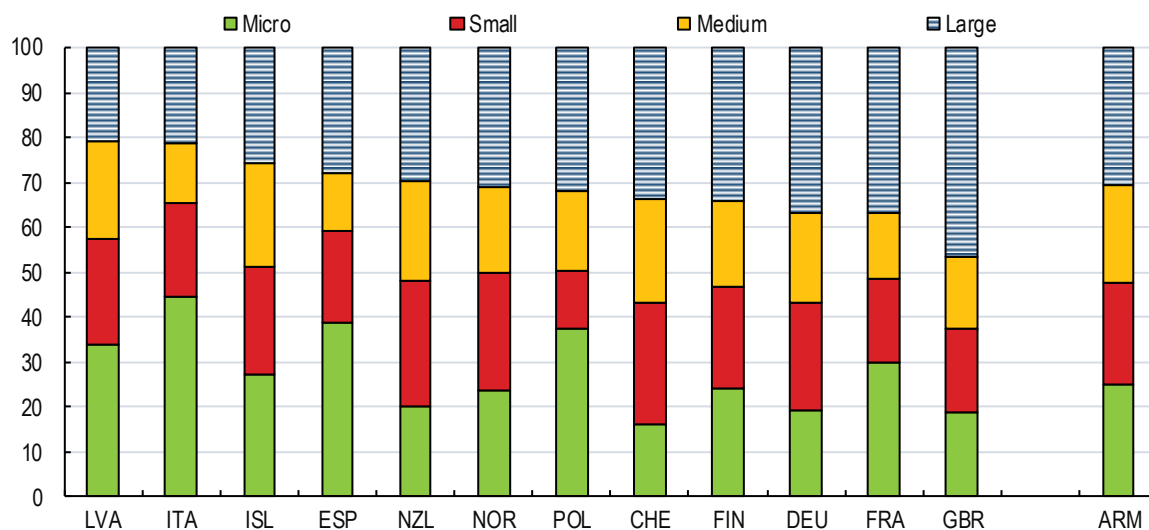
Percentage of total number of employees in the sector, 2017



Source: Armstat.

### 2.4. Share of employment by enterprise size, Armenia and selected OECD countries

Percentage of total number of employees in the sector, 2016

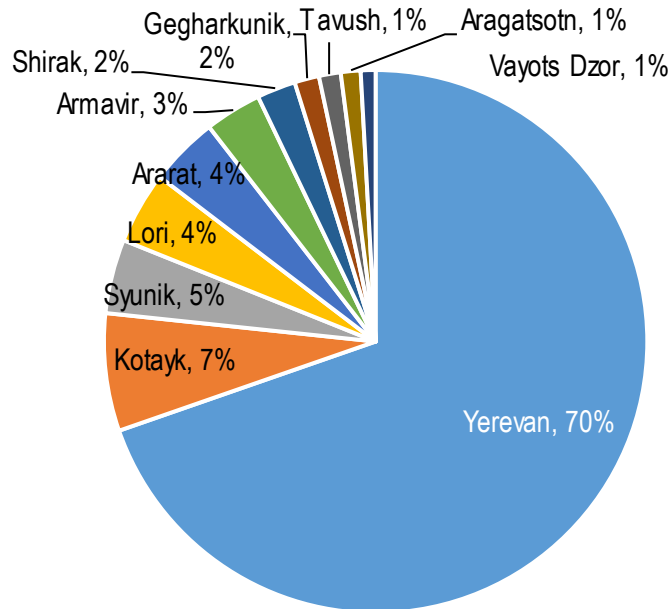


Source: Armstat and OECD Structural and Demographic Business Statistics database.



### 2.5. Employment by region

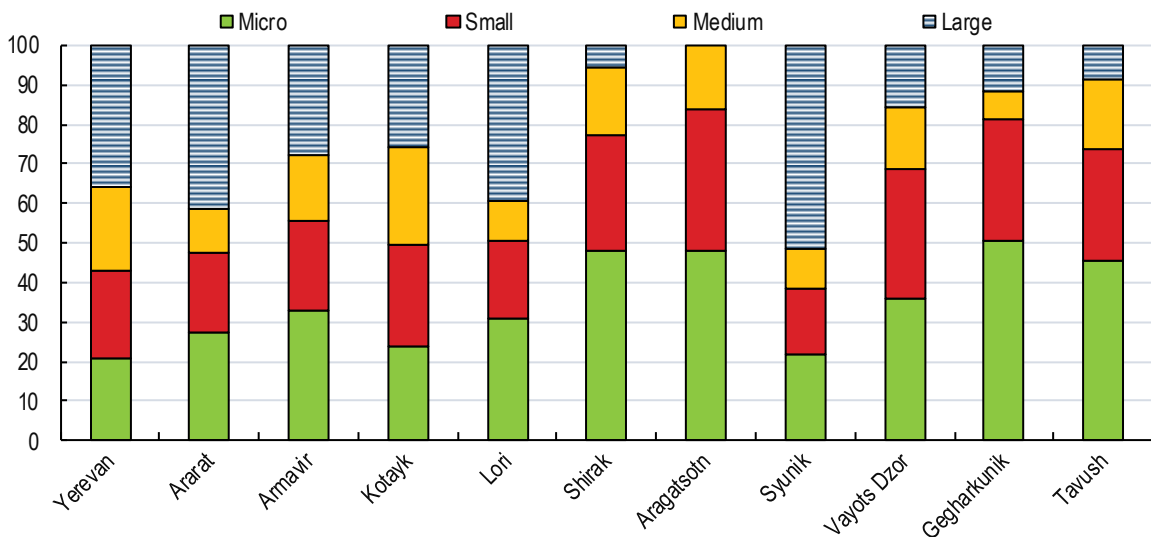
Percentage of total number of employees, business economy, 2017



Source: Armstat.

### 2.6. Share of employment by region and enterprise size

Percentage of total number of employees, business economy, 2017



Source: Armstat.

### 3. SME turnover

#### 3.1. Turnover by enterprise size and industry

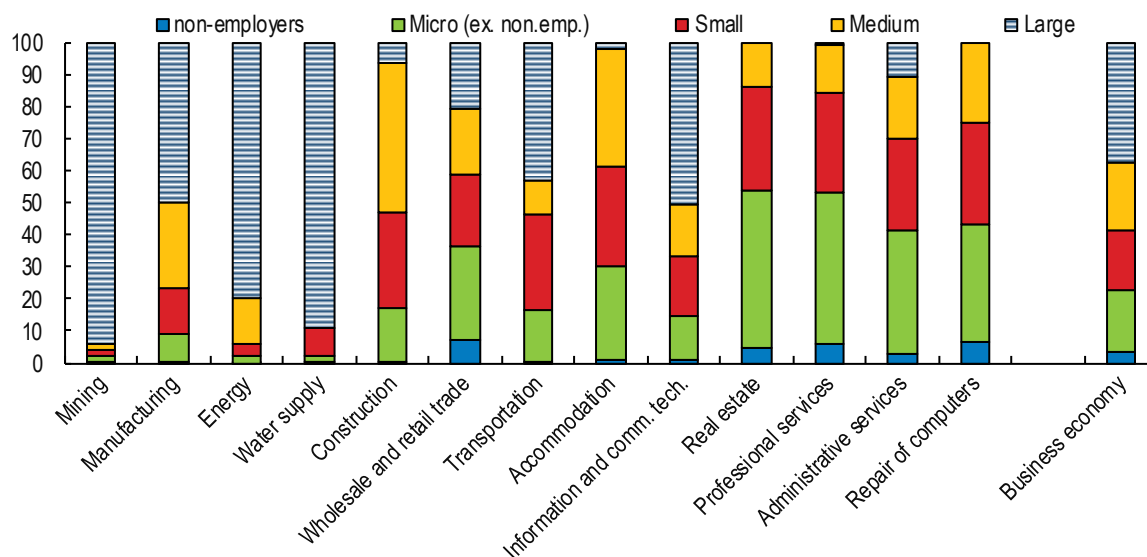
Million AMD, 2017

Activity sector	non-employers	Micro (ex. non.emp.)	Small	Medium	Large
Mining	181	7 806	6 751	5 450	320 187
Manufacturing	5 142	101 303	160 789	313 971	577 533
Energy	0	14 343	19 287	85 649	466 852
Water supply	64	447	2 355	-	22 742
Construction	685	56 315	101 712	155 704	21 186
Wholesale and retail trade	174 465	680 012	529 649	480 017	483 769
Transportation	1 378	34 297	66 528	22 346	94 829
Accommodation	1 387	33 375	36 142	42 692	2 445
Information and comm. tech.	2 472	30 703	41 602	35 646	111 904
Real estate	3 301	32 733	21 524	9 385	-
Professional services	5 876	48 828	31 599	15 208	1 013
Administrative services	2 089	31 059	23 123	15 637	8 360
Repair of computers	468	2 694	2 318	1 804	-
<b>Business economy</b>	<b>197 507</b>	<b>1 073 916</b>	<b>1 043 376</b>	<b>1 183 508</b>	<b>2 110 820</b>

Source: Armstat.

#### 3.2. Share of turnover by size and industry

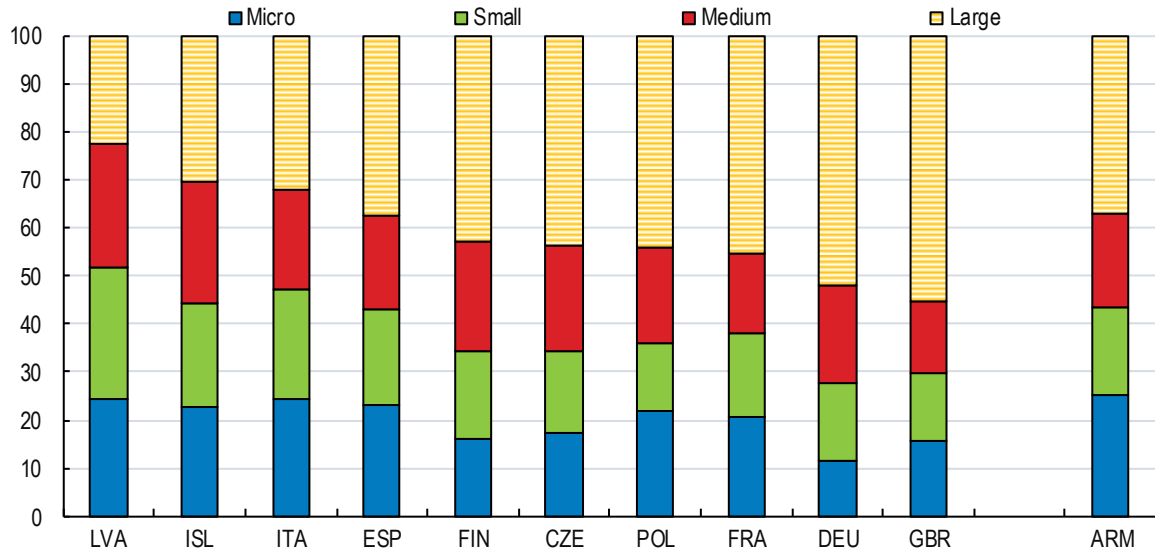
Percentage of total turnover, 2017



Source: Armstat.

### 3.3. Turnover by enterprise size, Armenia and selected OECD countries

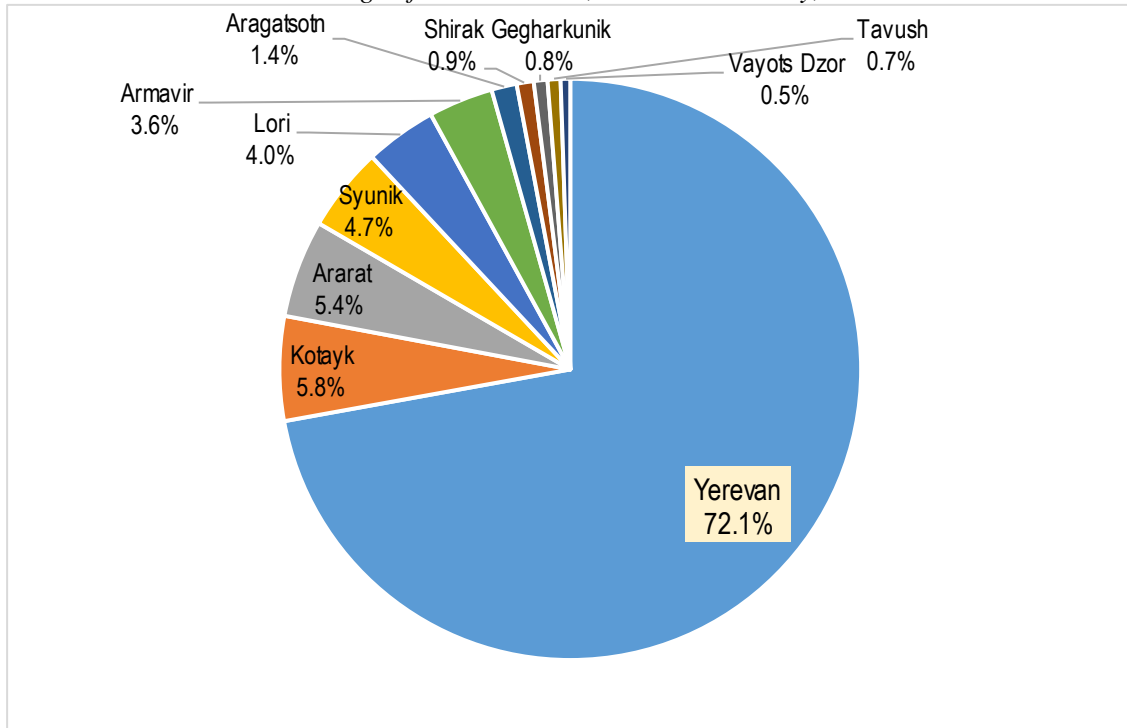
Percentage of total turnover, business economy, 2016



Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 3.4. Turnover by region

Percentage of total turnover, business economy, 2017



Source: Armstat.

## 4. SME exports

### 4.1. Exports by enterprise size and destination

*Million AMD, current nominal prices, industry*

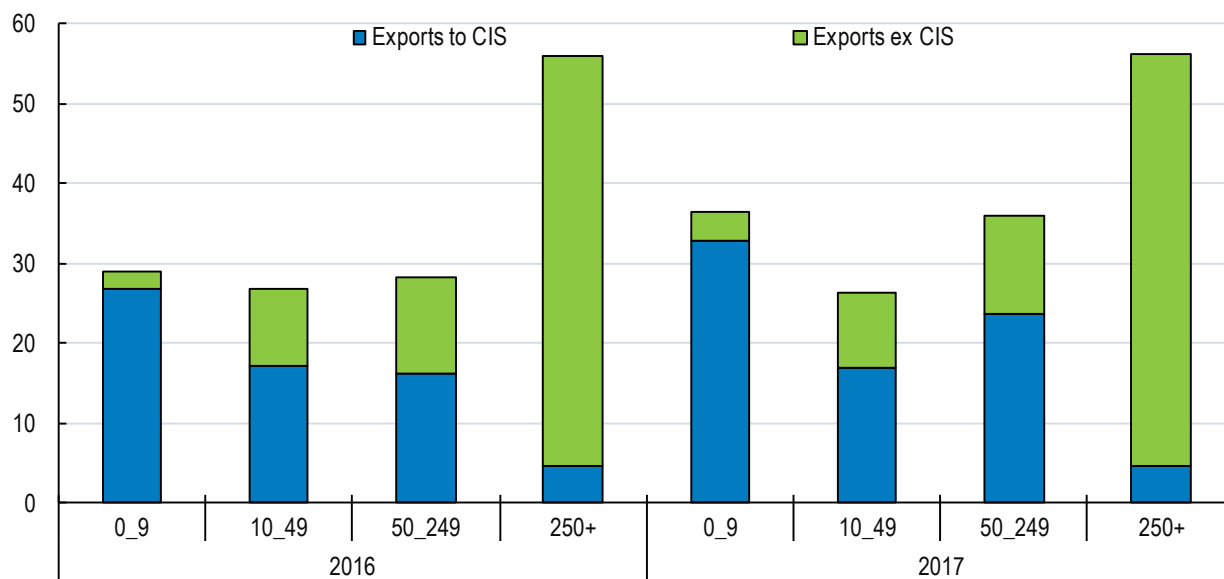
Size	2016			2017		
	Exports to CIS	Exports ex-CIS	Total exports	Exports to CIS	Exports ex-CIS	Total exports
Micro	16,932	1,410	18,342	27,388	2,969	30,358
Small	22,643	12,649	35,293	26,324	14,782	41,106
Medium	41,689	30,826	72,515	68,283	34,713	102,996
Large	39,291	441,545	480,836	45,587	522,668	568,254

Note: Data on exports in industry do not cover subjects of SME legislation that are not included in regular monthly statistical observation. Such SMEs represented about 16.6% of total turnover (products sold) in industry in 2016.

Source: Armstat.

### 4.2. Share of exports, by enterprise size and destination

*Percentage of total turnover, industry*



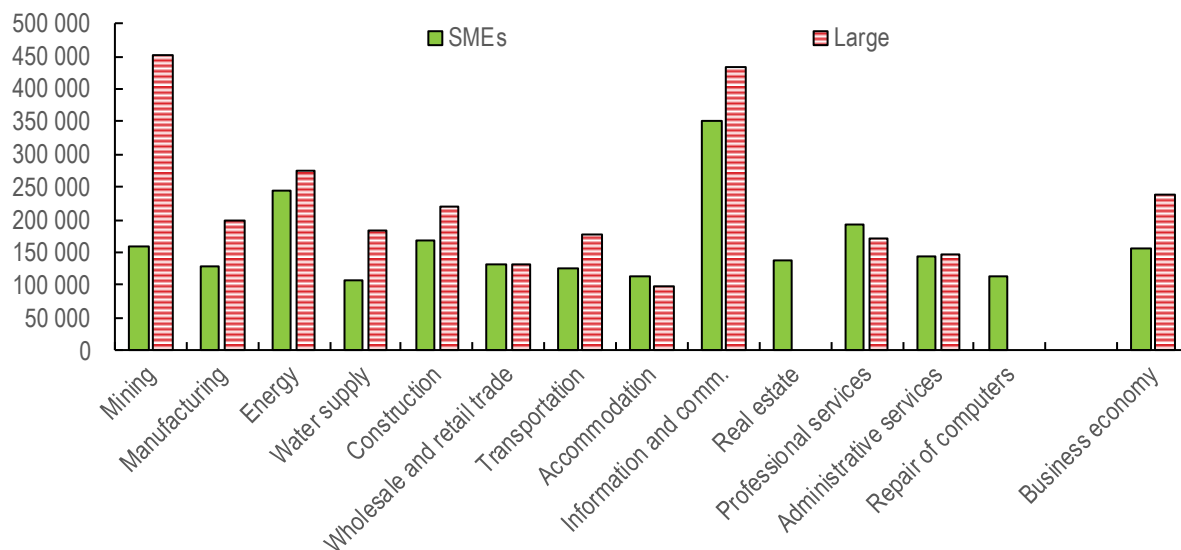
Note: Data on exports in industry do not cover subjects of SME legislation that are not included in regular monthly statistical observation. Such SMEs represented about 16.6% of total turnover (products sold) in industry in 2016.

Source: Armstat.

## 5. Average monthly wages in SMEs

### 5.1. Average nominal monthly wages per person

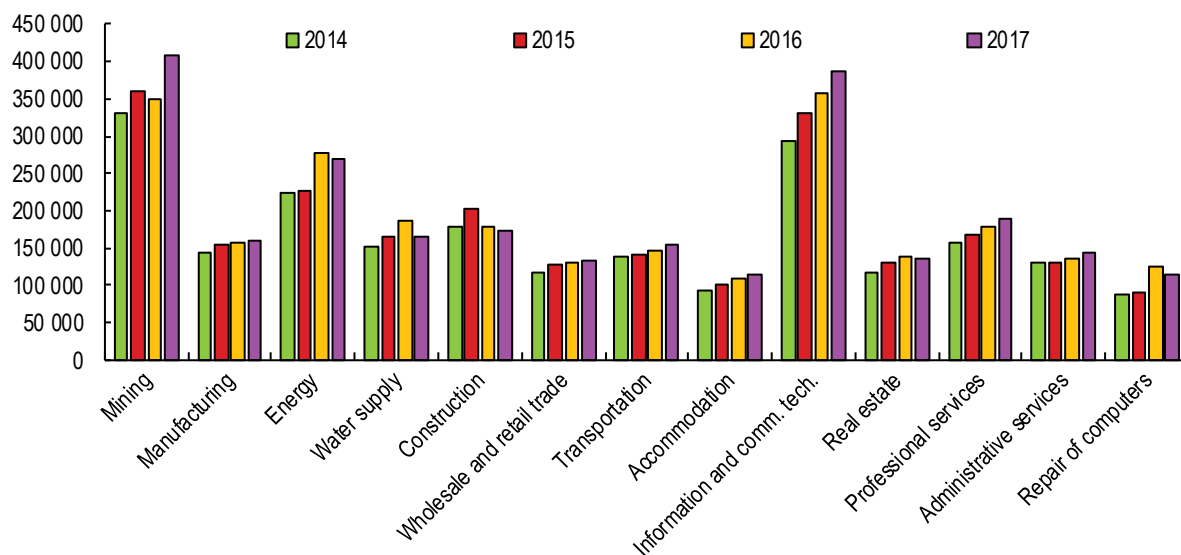
AMD, 2017



Source: Armstat.

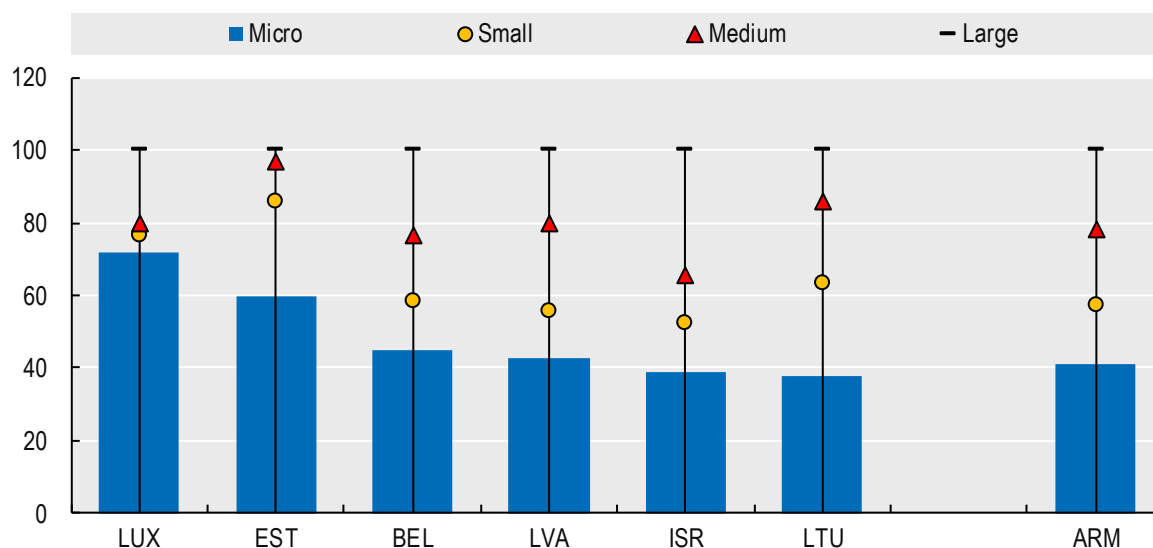
### 5.2. Average nominal monthly wages per person, by activity sector

AMD, all firms



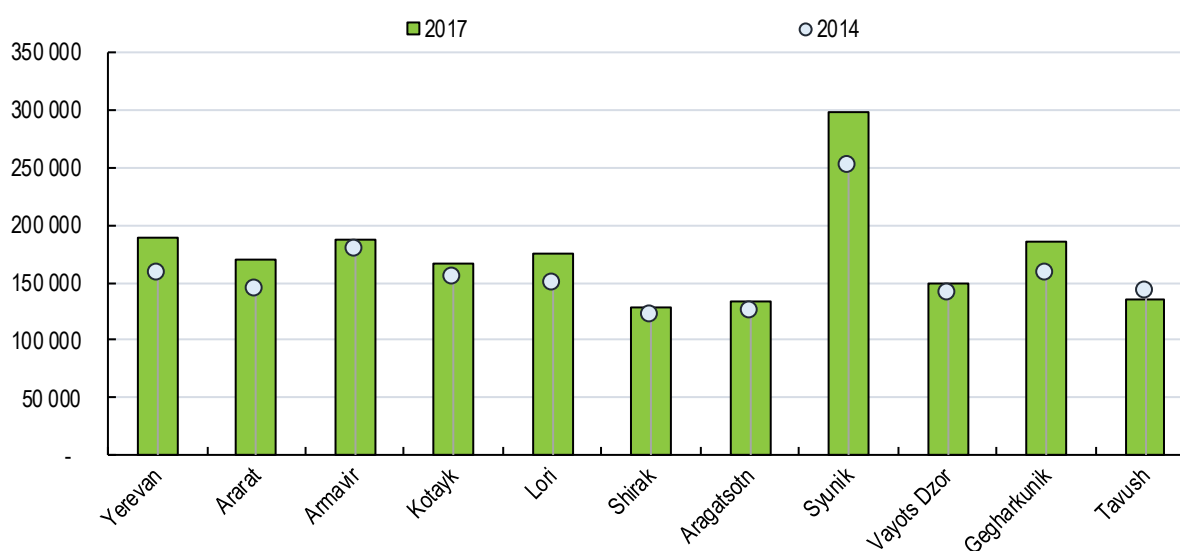
Source: Armstat.

### 5.3. Average monthly wages by enterprise size, Armenia and selected OECD countries 2016, Index Large=100, manufacturing sector



Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 5.4. Average monthly nominal wages per person, by region AMD, business economy, 2017



Source: Armstat.



## 6. SME value added

### 6.1. Value added, by enterprise size and activity sector

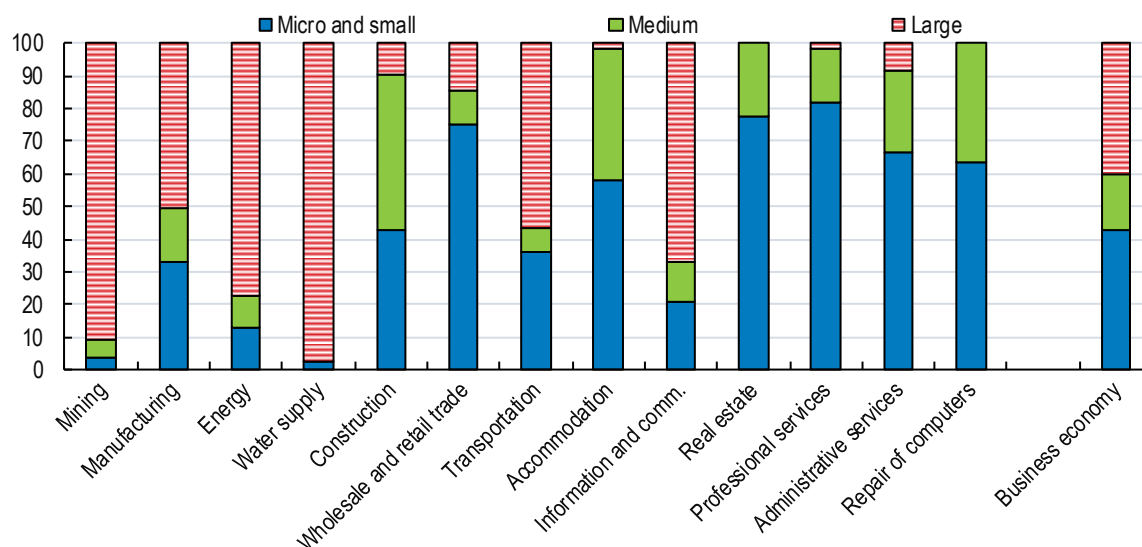
Million USD, at basic prices

Activity sector	2016			2017		
	Micro and Small	Medium	Large	Micro and Small	Medium	Large
Mining	4.91	4.21	263.18	12.61	21.86	332.19
Manufacturing	289.67	175.71	479.31	337.58	167.45	514.16
Energy	50.66	28.88	384.96	57.44	45.18	349.36
Water supply	6.04	8.24	14.98	1.01	-	39.10
Construction	263.96	231.08	25.84	228.47	256.35	52.08
Wholesale and retail trade	720.86	120.99	117.51	871.82	121.53	167.59
Transportation	167.31	63.04	38.87	111.43	22.51	175.10
Accommodation	76.78	40.31	4.66	90.88	62.72	2.59
Information and comm.	86.64	66.29	216.11	79.43	48.80	257.17
Real estate	48.20	28.29	8.76	71.10	20.28	-
Professional services	91.02	14.84	1.80	100.53	20.15	1.67
Administrative services	59.42	19.88	9.46	59.39	22.39	7.19
Repair of computers	9.85	-	-	6.24	3.57	-
<b>Business economy</b>	<b>1 875.31</b>	<b>801.77</b>	<b>1 565.44</b>	<b>2 027.92</b>	<b>812.81</b>	<b>1 898.19</b>

Source: Armstat

### 6.2. Value added, by size class and activity sector

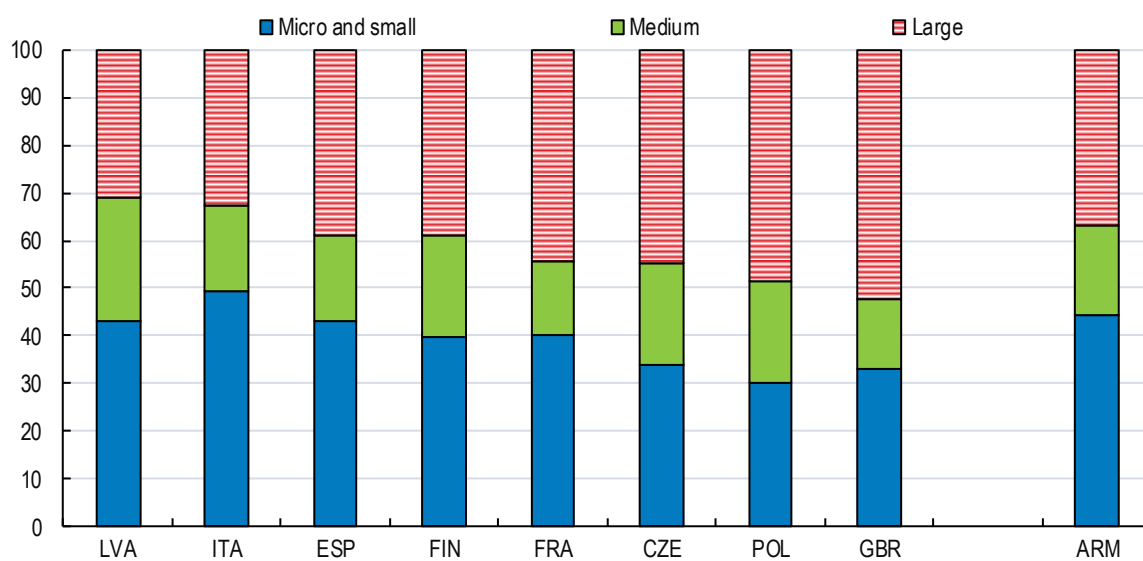
Percentage of total value added at basic prices, 2017



Source: Armstat.

### 6.3. Value added, by enterprise size, Armenia and selected OECD countries

Percentage of total value added at basic prices, 2016, business economy



Note: Value added at factor costs for OECD countries, and at basic prices for Armenia.

Source: Armstat and OECD Structural and Demographic Business Statistics database.

## 7. Labour productivity of SMEs

### 7.1. Labour productivity of SMEs and large firms, by activity sector

Million AMD, 2017

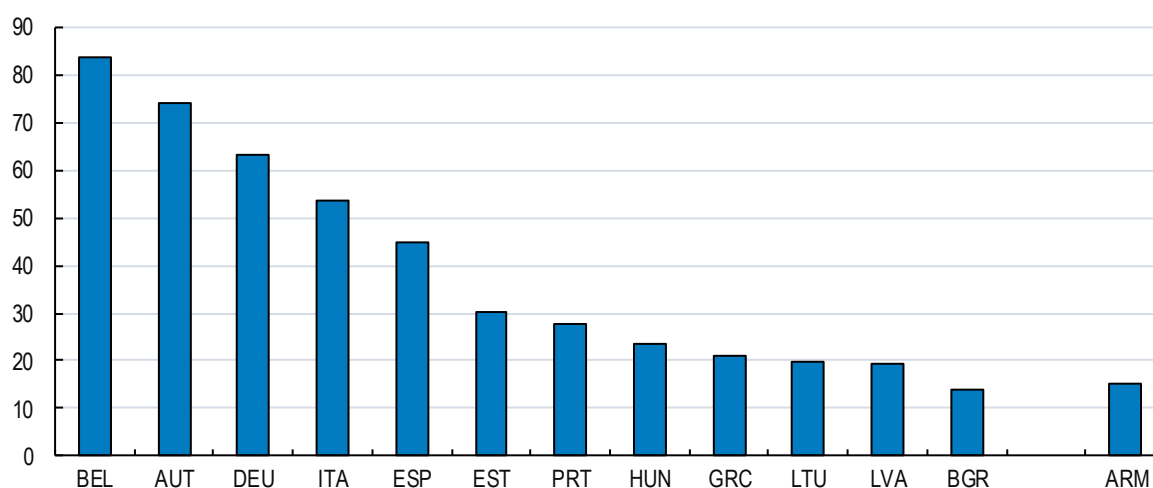
	Micro and Small	Medium	Large	Total	SMEs	No. of large firms
Mining	5.20	11.51	21.94	18.90	8.10	5
Manufacturing	6.91	6.74	11.05	8.72	7.18	43
Energy	13.86	40.76	9.67	10.92	19.55	6
Water supply	1.16	-	5.21	4.81	1.20	3
Construction	12.37	17.06	15.62	14.66	14.56	5
Wholesale and retail trade	6.20	5.18	5.78	8.47	9.19	20
Transportation	8.80	4.93	9.36	8.72	7.99	10
Accommodation	3.62	6.19	3.99	4.53	4.54	1
Information and comm.	4.95	5.99	17.36	10.11	5.50	10
Real estate	7.61	11.63	-	8.55	8.55	-
Professional services	5.27	4.50	2.37	5.58	5.69	1
Administrative services	4.92	2.92	1.40	3.72	4.36	4
Repair of computers	2.95	11.03	-	5.38	5.37	-
<b>Business economy</b>	<b>6.51</b>	<b>7.86</b>	<b>10.68</b>	<b>9.01</b>	<b>8.15</b>	<b>108</b>

Note: Labour productivity is measured as value added per employee instead of value added per persons employed. To better account for total employment, the number of employees for micro-enterprises is adjusted to include the number of non-employer individual enterprises.

Source: Armstat.

### 7.2. Labour productivity, international comparison

Thousand USD, business economy, 2016

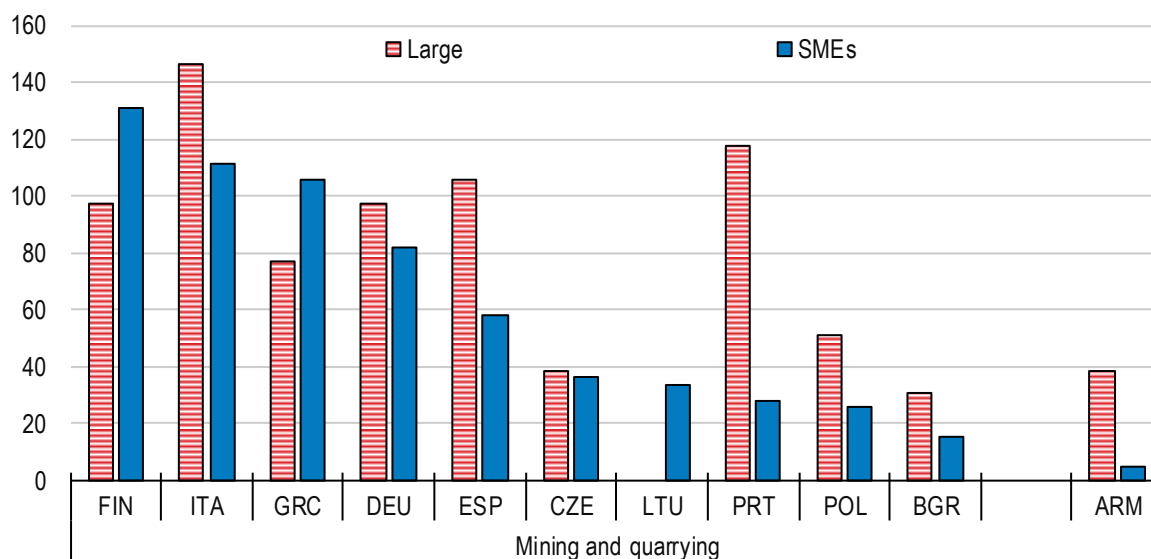


Note: Labour productivity is measured as value added per persons employed for all countries except for Armenia. For Armenia labour productivity is measured as value added per number of employees; for micro enterprises, employment is adjusted to include the number of non-employer individual enterprises.

Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 7.3. Labour productivity by enterprise size, mining and quarrying

Thousand USD, 2016

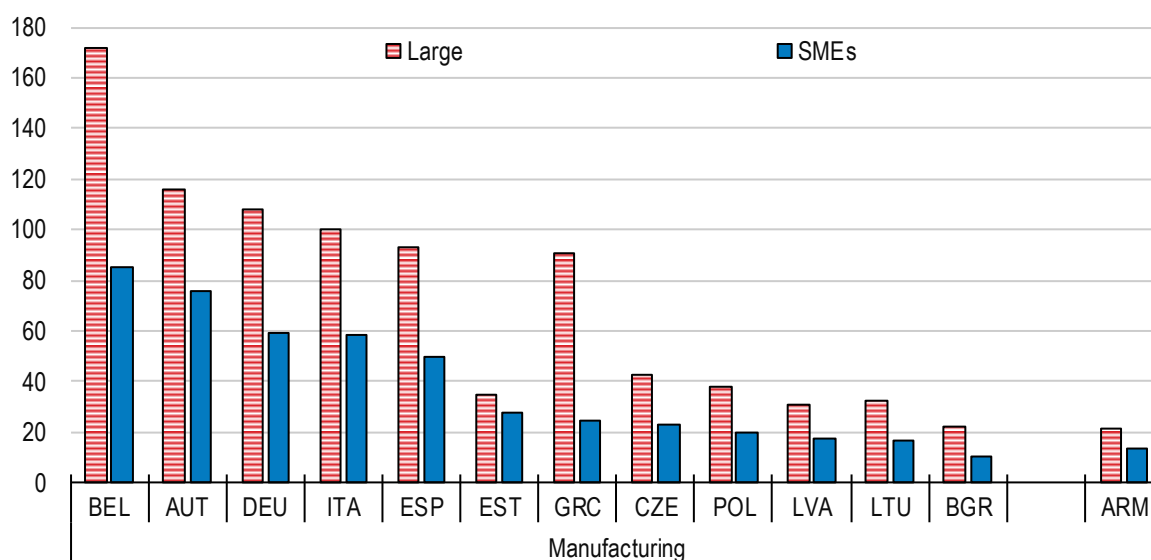


Note: Labour productivity is measured as value added per persons employed for all countries except for Armenia. For Armenia labour productivity is measured as value added per number of employees adjusted for micro enterprises to include the number of non-employer individual enterprises.

Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 7.4. Labour productivity by enterprise size, manufacturing

Thousand USD, 2016

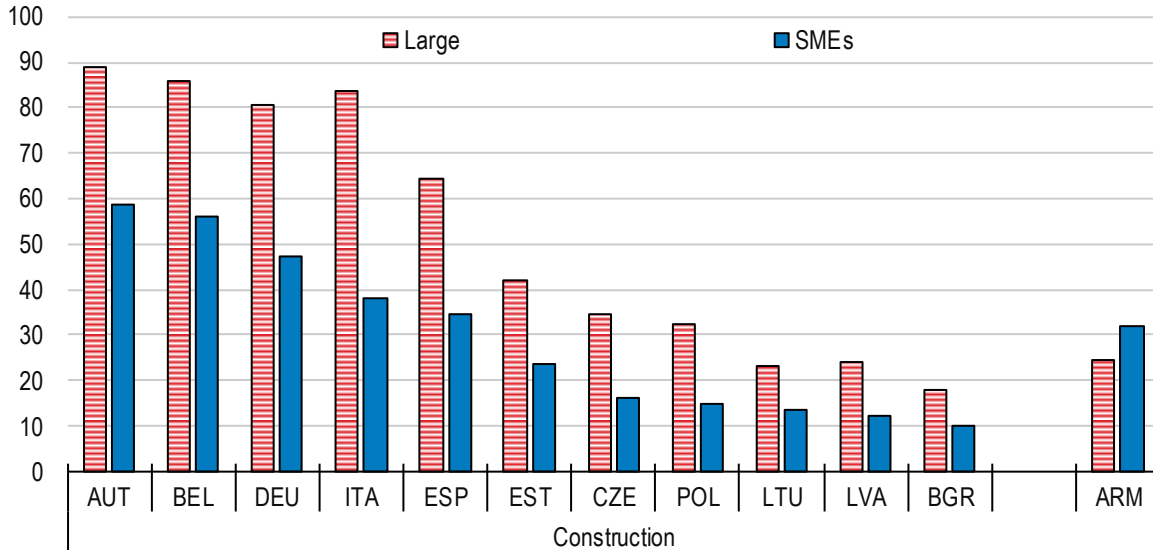


Note: Labour productivity is measured as value added per persons employed for all countries except for Armenia. For Armenia labour productivity is measured as value added per number of employees adjusted for micro enterprises to include the number of non-employer individual enterprises.

Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 7.5. Labour productivity, by enterprise size, construction

Thousand USD, 2016

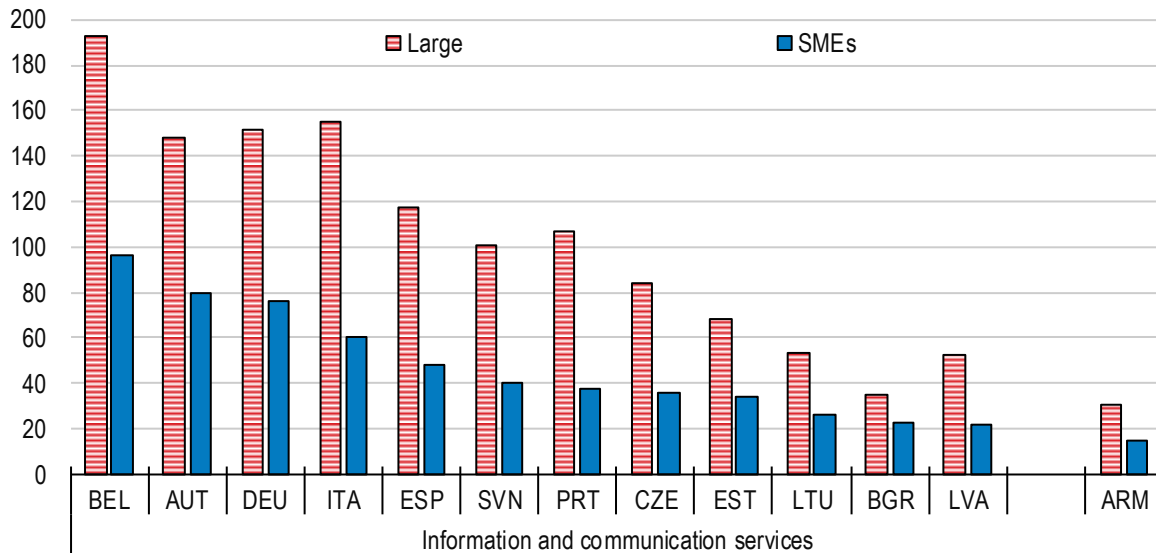


Note: Labour productivity is measured as value added per persons employed for all countries except for Armenia. For Armenia labour productivity is measured as value added per number of employees adjusted for micro enterprises to include the number of non-employer individual enterprises.

Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 7.6. Labour productivity by enterprise size, information and communication services

Thousand USD, 2016

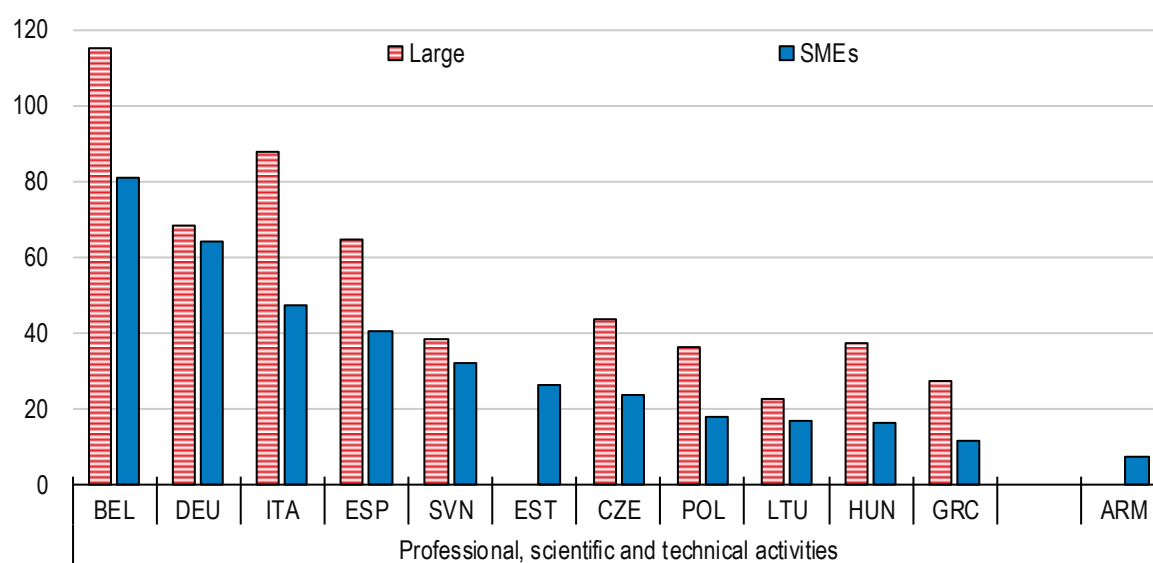


Note: Labour productivity is measured as value added per persons employed for all countries except for Armenia. For Armenia labour productivity is measured as value added per number of employees adjusted for micro enterprises to include the number of non-employer individual enterprises.

Source: Armstat and OECD Structural and Demographic Business Statistics database.

## 7.7. Labour productivity by enterprise size, professional, scientific and technical activities

Thousand USD, 2016



Note: Labour productivity is measured as value added per persons employed for all countries except for Armenia. For Armenia labour productivity is measured as value added per number of employees adjusted for micro enterprises to include the number of non-employer individual enterprises.

Source: Armstat and OECD Structural and Demographic Business Statistics database.



## 8. Enterprise births

### 8.1. Number of enterprise births, by enterprise size and activity sector

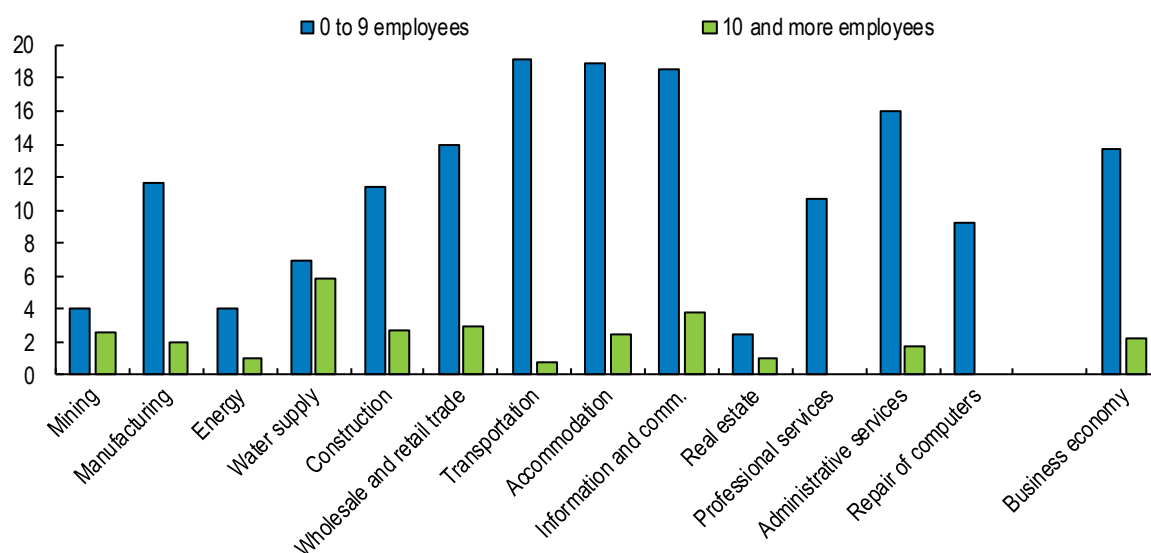
2017

Activity sector	non-employers	1-4 employees	5-9 employees	10-19 employees	20 and more employees	Total
Mining	3	-	1	-	0	9
Manufacturing	228	25	11	4	0	598
Energy	2	1	-	1	0	5
Water supply	1	-	-	1	0	4
Construction	48	20	8	2	0	108
Wholesale and retail trade	807	37	19	8	0	5 486
Transportation	52	5	2	-	0	150
Accommodation	127	27	9	1	0	416
Information and comm. tech.	97	30	7	4	0	262
Real estate	18	2	1	-	0	37
Professional services	103	7	-	-	0	299
Administrative services	99	3	2	1	0	231
Repair of computers	7	-	-	-	0	46
<b>Business economy</b>	<b>1 592</b>	<b>157</b>	<b>60</b>	<b>22</b>	<b>0</b>	<b>7 651</b>

Source: Armstat.

### 8.2. Birth rates, by enterprise size and activity sector

Number of enterprise births as percentage of active enterprises, 2017



Source: Armstat.

### 8.3. Enterprise birth rate, Armenia and selected OECD countries

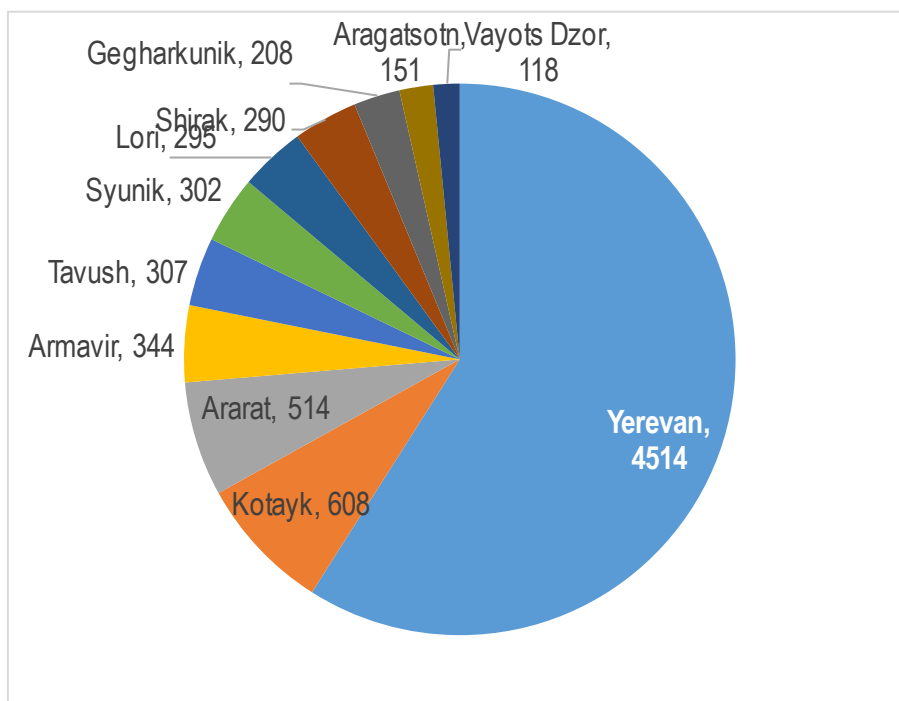
Number of enterprise births as percentage of active enterprises, business economy, 2016



Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 8.4. Enterprise births by region

Business economy, 2017



Source: Armstat.

## 9. Enterprise deaths

### 9.1. Number of enterprise deaths, by enterprise size and activity sector

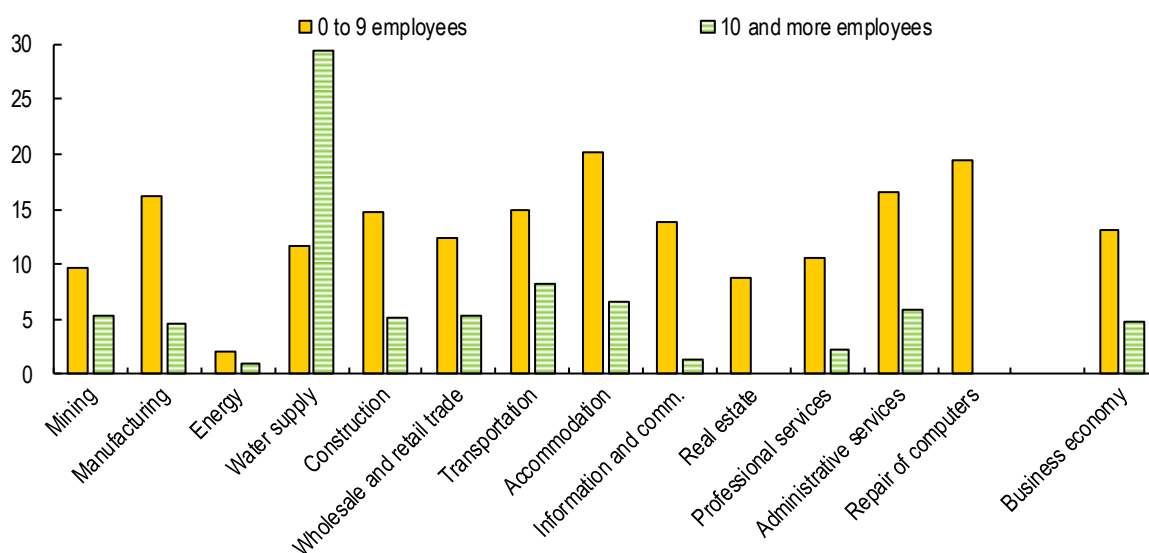
2017

Activity sector	non- employers	1-4 employees	5-9 employees	10-19 employees	20+ employees	Total
Mining	1	12	6	1	1	21
Manufacturing	326	418	69	22	14	849
Energy	-	2	-	1	-	3
Water supply	2	2	1	2	3	10
Construction	11	83	32	14	5	145
Wholesale and retail trade	3104	1675	119	34	15	4947
Transportation	26	57	33	15	5	136
Accommodation	143	245	44	18	9	459
Information and comm.	53	112	21	3	1	190
Real estate	24	101	1	-	-	126
Professional services	101	177	21	4	1	304
Administrative services	74	149	14	7	3	247
Repair of computers	56	39	2	-	-	97
<b>Business economy</b>	<b>3921</b>	<b>3072</b>	<b>363</b>	<b>121</b>	<b>57</b>	<b>7534</b>

Source: Armstat.

### 9.2. Enterprise death rates, by enterprise size and activity sector

Number of enterprise deaths as percentage of active enterprises, 2017



Source: Armstat.

### 9.3. Enterprise death rate, Armenia and selected OECD countries

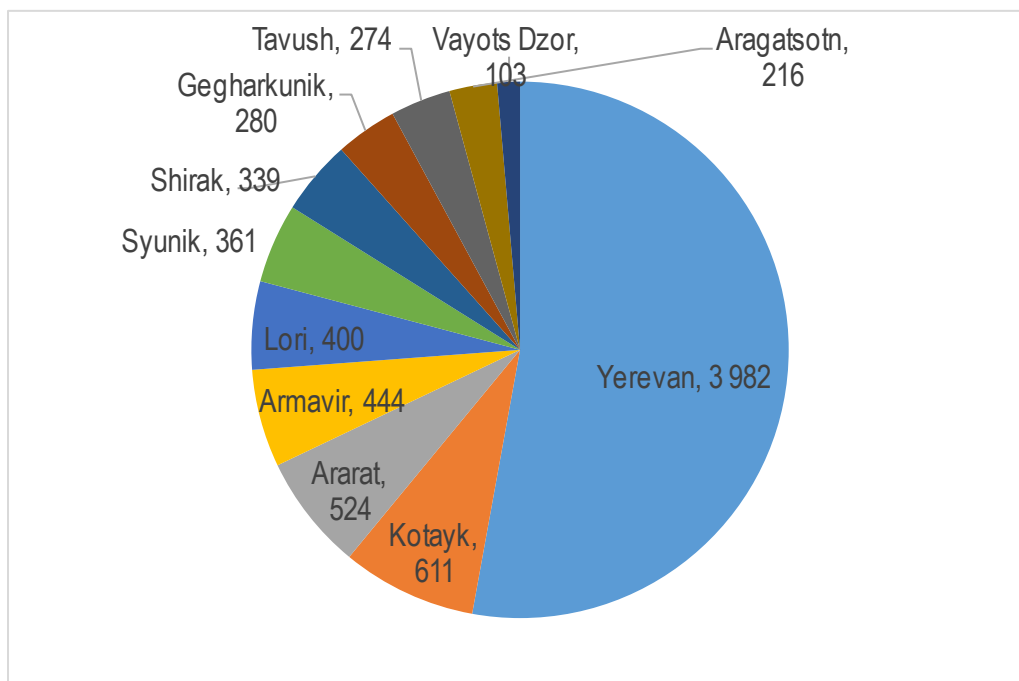
Number of enterprise deaths as percentage of active enterprises, business economy, 2016



Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 9.4. Number of enterprise deaths by region

Business economy, 2017

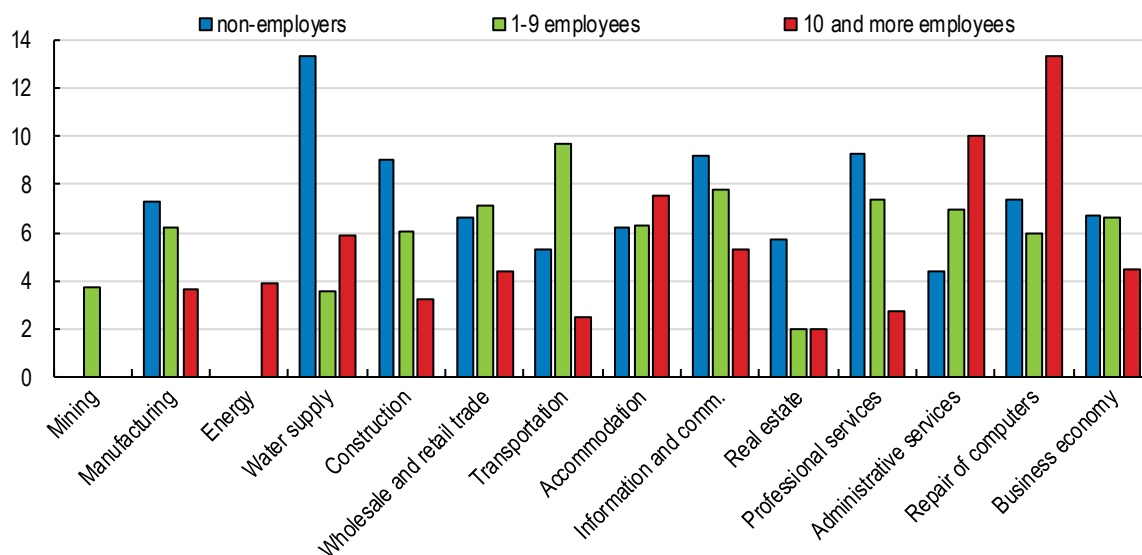


Source: Armstat.

## 10. Young enterprises

### 10.1. Share of young enterprises, by size and activity sector

Percentage of all active enterprises, 2017

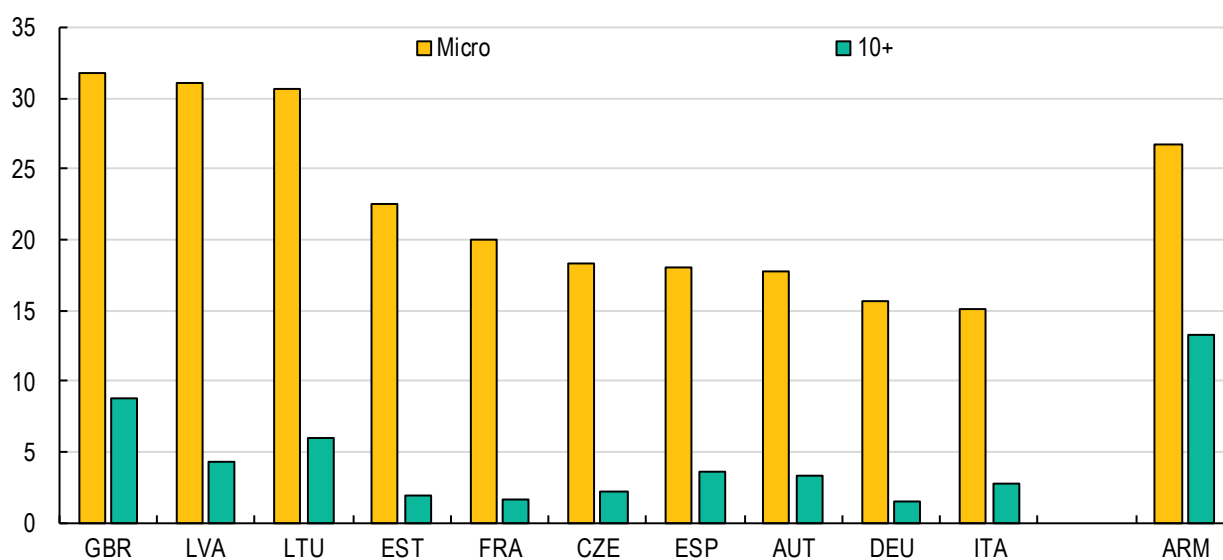


Note: Young enterprises are defined as enterprises up to three-year old.

Source: Armstat.

### 10.2. Share of young enterprises, Armenia and selected OECD countries

Percentage, business economy, 2016

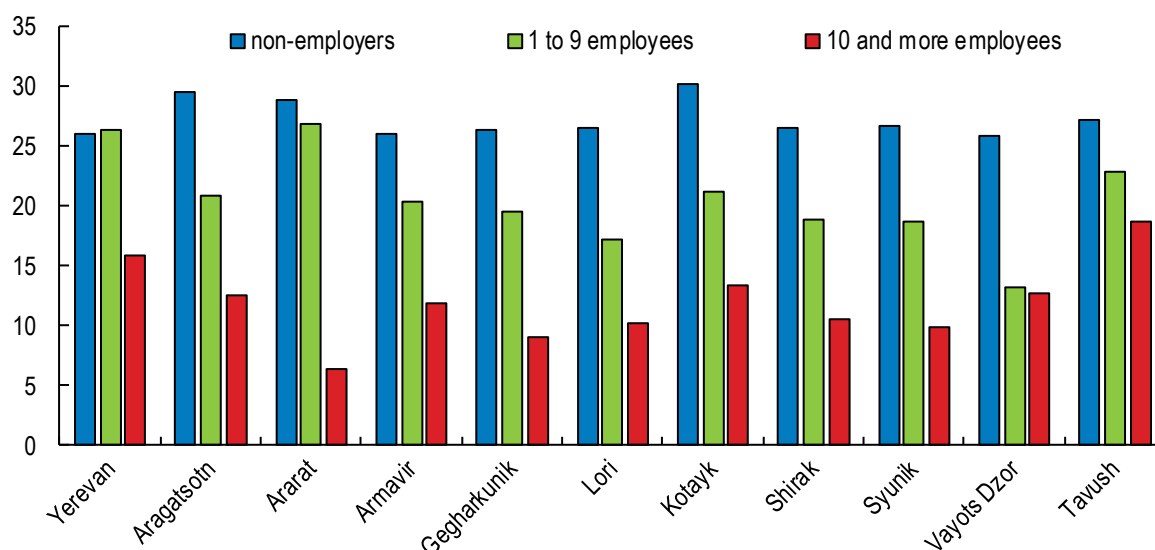


Note: Young enterprises are defined as enterprises up to three-year old.

Source: Armstat and OECD Structural and Demographic Business Statistics database.

### 10.3. Share of young enterprises by size and region

Percentage, business economy, 2017

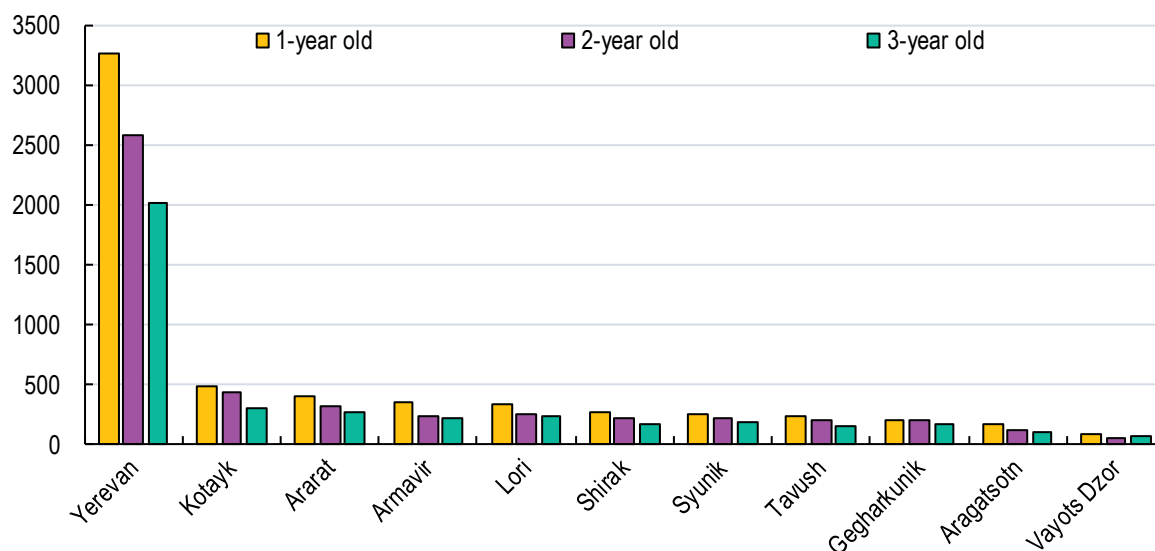


Note: Young enterprises are defined as enterprises up to three-year old.

Source: Armstat.

### 10.4. Number of young enterprises, by region

Business economy, 2017



Note: Surviving enterprises are defined as enterprises born in year T and still active in year T+1, T+2 or T+3.

Source: Armstat.

## References

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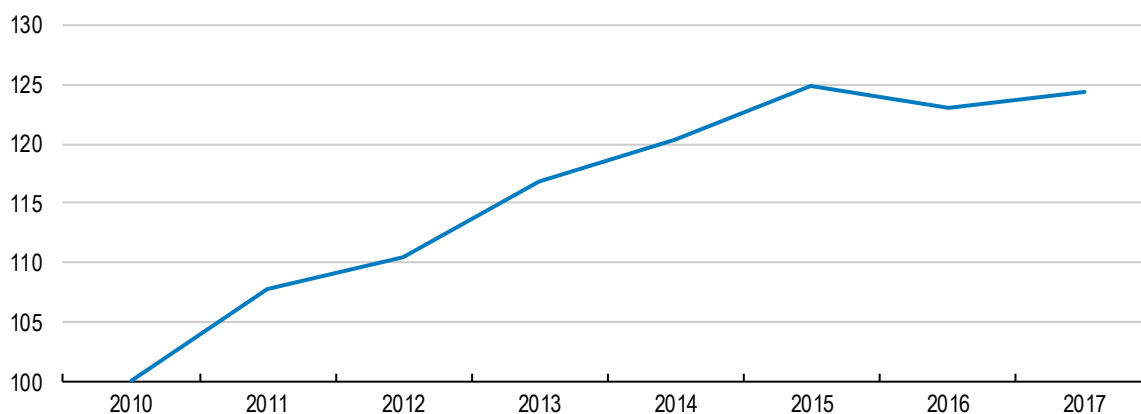
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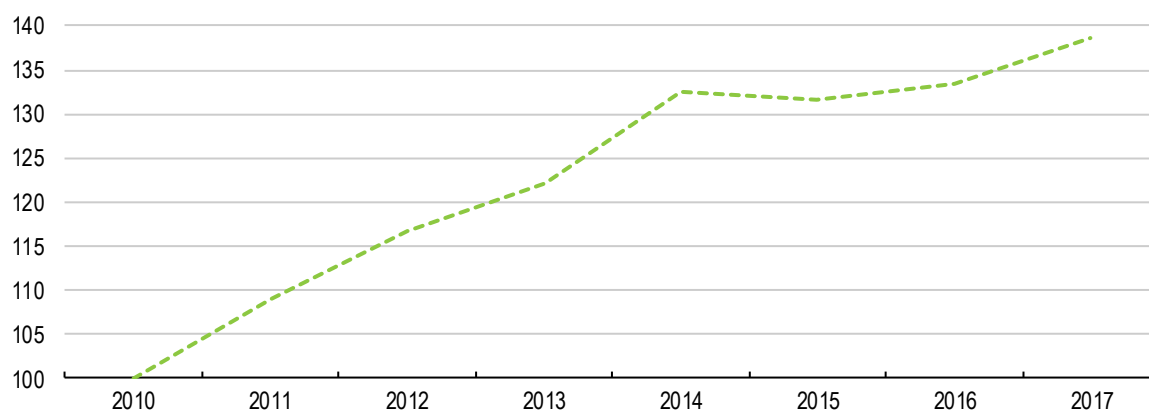
## Annex

### Price indexes and exchange rates

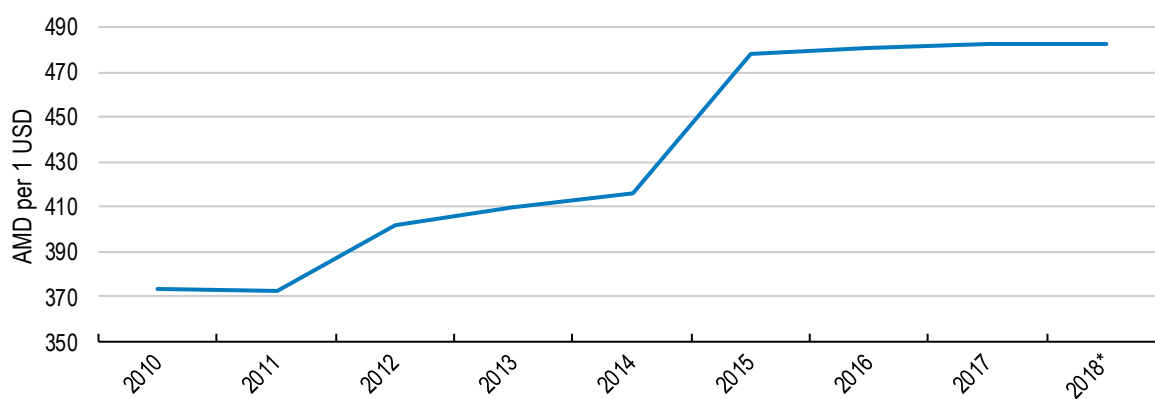
#### A1. Consumer price index, 2010 = 100



#### A2. Producer price index in industry, 2010 = 100



#### A3. USD/AMD exchange rate



Note: (\*) on the basis of January-October, 2018.

Source: Armstat.