

U.S.-Armenia Trade and Investment Agreement

"[...] my Administration will help foster Armenia's growth and development through expanded trade and targeted aid, and by strengthening the commercial, political, military, developmental, and cultural relationships between the U.S. and Armenian governments."

-- Barack Obama, January 19, 2008

The U.S. and Armenia would benefit from a Trade and Investment Framework Agreement

In the spirit of President Obama's campaign pledge to expand trade with Armenia, the ANCA has called upon the U.S. Trade Representative, Ron Kirk, to enter into negotiations with Armenia to act on the interest expressed by both countries in negotiating and implementing a Trade and Investment Framework Agreement (TIFA).

The ANCA, in a June 11, 2010 letter to the USTR, highlighted the mutual benefits of "providing a platform for U.S. officials to meet and consult on a regular basis with Armenian government officials about expanding opportunities for bilateral trade and investment."

The ANCA sent a June 21, 2010 memo in support of a bilateral TIFA, along with a copy of the letter sent to the USTR, to each Congressional office. This memo can be viewed at: http://www.anca.org/assets/pdf/hill_notes/062110_tifa.pdf

The ANCA has also posted an action alert for citizens to send letters to their Members of Congress in support of a U.S.-Armenia TIFA. This action alert can be viewed at: <http://www.capwiz.com/anca/issues/alert/?alertid=15159376>

Background:

The U.S. government had negotiated TIFAs with over 50 other countries and regional economic groups, including Georgia and Ukraine.

TIFAs provide strategic frameworks and principles for ongoing government-to-government dialogue on trade and investment issues.

The prospect of putting in place a U.S.-Armenia TIFA has been on the agenda of several past meetings of the U.S.-Armenia Joint Economic Task Force, but specific action has not yet been taken on this matter.

Detailed information about TIFAs is available on the USTR website: <http://www.ustr.gov/trade-agreements/trade-investment-framework-agreements>

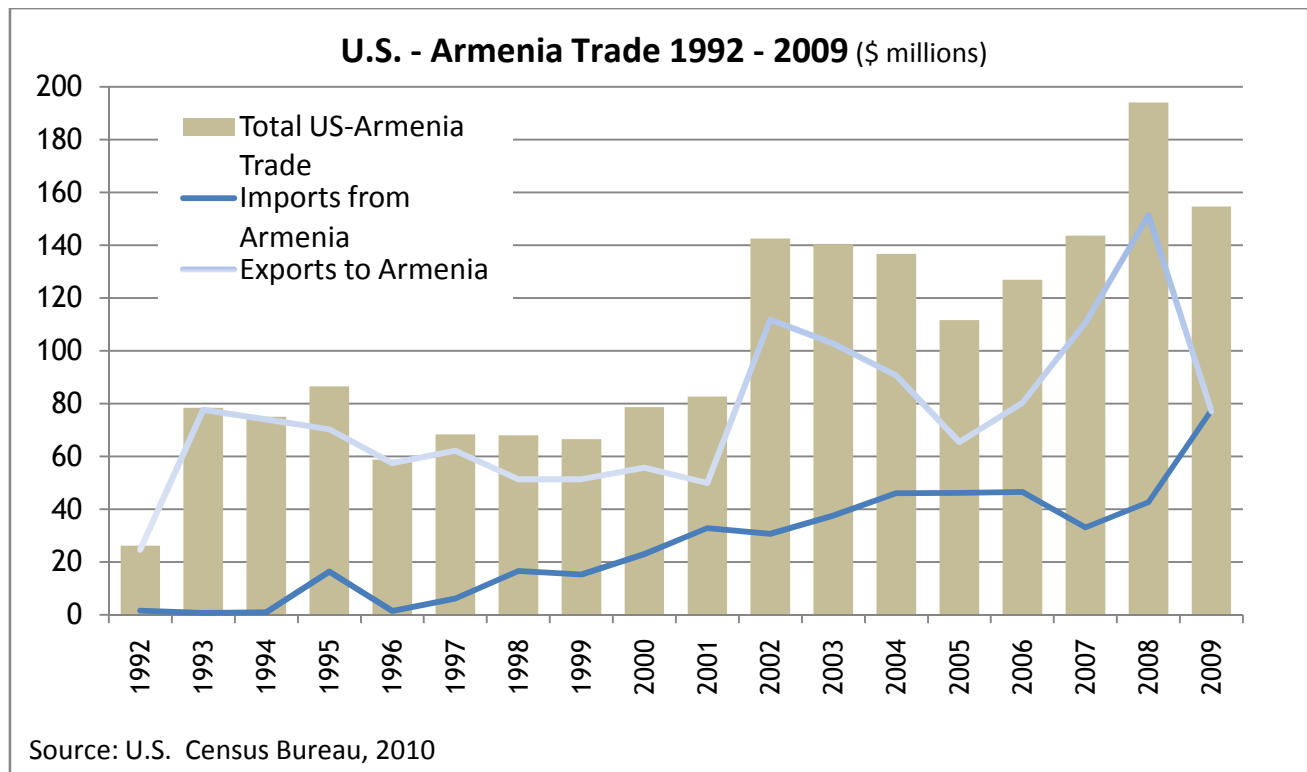
Key U.S.-Armenia Economic Milestones:

- A U.S.-Armenia Investment Incentive Agreement entered into force on April 2, 1992.
- A U.S.-Armenia Agreement on Trade Relations entered into force on April 7, 1992.
- A U.S.-Armenia Bilateral Investment Treaty entered into force on March 29, 1996.
- With U.S. support, Armenia became the 145th member of the WTO on February 5, 2003.
- Armenia received Permanent Normal Trade Relations status on January 7, 2005.

Areas for Expanded U.S.-Armenia Economic Cooperation:

In addition to Armenia's negotiating a Trade and Investment Framework Agreement with the United States, other new bilateral economic agreements should include:

- **Bilateral Taxation Treaty:** Because this treaty has not yet been negotiated, U.S. businesses in Armenia are still operating under an outdated Soviet era tax treaty.
- **Social Security Agreement:** Armenia is not yet among the 24 countries that have negotiated such an agreement (often called a "totalization agreement") with the U.S.



Despite a global downturn in international trade, imports and exports between the U.S. and Armenia increased significantly in the first half of 2010, totaling \$96 million. These figures are considerably higher than all previous years during the same six month period: \$74 million in 2008 and \$55 million in 2009.