

ICT and E-Business Strategies for Development

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Summary of "ICT and E-commerce Strategies for Development"

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Summary of the Speech

Introduction:

- ?? The knowledge-intensive Information and Communications Technologies (ICT) Sector of the Armenian economy has substantial capacities and shows promising potential. It is based on the country's comparative advantages such as:
- qualified and experienced labor force,
 - high level of specialized education,
 - developed ICT R&D infrastructures,
 - heritage and traditions in the ICT sector coming from the Soviet period,
 - significant Diaspora resources.

Economic Policy:

- ?? Since 1999 the Government of Armenia has been following consistent policy aimed at promoting and developing the ICT sector in the country. In 2000 the IT sector has been acknowledged by the Government as the priority sector for the Armenian economy and Concept Paper for IT Industry Development has been adopted in 2001.
- ?? To promote the electronic trade in Armenia, a draft law on "The Electronic Document and Electronic Digital Signature" was developed, based on the provisions of the Concept Paper, and submitted to the Government for approval. The Draft has taken into consideration the NIS legislative experience in this field.

Statistics:

- ?? In recent years the IT sector in Armenia has demonstrated a dynamic (annually 12-15%) growth. The share of this sector in GDP amounts to 2% and the number of actively operating companies in the sector has risen up to 120. Their export volumes currently

amount up to 50 million USD. At the same time, the productivity and work quality of these companies meet the appropriate international standards.

- ?? The foreign capital participation in the IT sector is relatively high and it is estimated up to 85%. There is significant contribution from the Diaspora business community into the development of the IT sector of the country.
- ?? Meanwhile, there is a new developments in number of advanced and specific ITC sub-sector. Among them is a chip-design. The sub-sector employs the cooperation and feedback approach between R&D and manufacturing infrastructures that ensures notable results.

Infrastructures:

- ?? To maintain effective links between the business community and Government and improve public and private partnership, the IT Development Support Council headed by Prime Minister, was founded by the Presidential Decree on 20 July 2001.
- ?? In 2002 with the support of the World Bank, the IT Enterprises Incubator foundation has been established. The main objectives of the Incubator are the promotion of the private sector development and provision of the Armenian IT companies with a package of necessary services (standardization, educational and training facilities, etc.) for their business activity.
- ?? To promote E-commerce and to facilitate electronic trade, a number of marketing centers and other relevant infrastructures have been recently established in Armenia.

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