



Economic Commission for Europe**Steering Committee on Trade Capacity and Standards****Ninth session**

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Item 7 of the provisional agenda

**Removing regulatory and procedural barriers to trade in the
Economic Commission for Europe region, country studies:
Armenia, Kazakhstan and Kyrgyzstan.****Assessing regulatory and procedural barriers to trade in the
context of integration into value chains: study of Armenia*****Submitted by the secretariat***Summary*

Responding to the capacity-building request of the delegation of Armenia expressed at the eighth session of the Economic Commission for Europe (ECE) Steering Committee on Trade Capacity and Standards on 26 June 2023, the secretariat initiated a study focusing on identifying regulatory and procedural barriers to trade for the export of fish products from Armenia in the context of integration into regional and global value chains.

The work is part of the series on national studies prepared under the ECE extra-budgetary project “Fostering Resilient, Diversified and Sustainable Value Chains in the Eurasian Region after COVID-19”. The study’s preliminary findings, including recommendations on enhancing trade facilitation reforms and quality infrastructure, were discussed during the ECE regional workshop that took place on in Bishkek, Kyrgyzstan (5–6 March 2024).**

The study assesses current and potential export markets and aspects of the frameworks for trade facilitation (including through business process analysis) and the quality infrastructure for trade. The findings aim to assist Armenia in increasing cross-border trade by making trade-related procedures more efficient, with the ultimate objective of reaping benefits from new growth opportunities and delivering on the Agenda 2030 for Sustainable Development. This document presents the summary of the study.

* This document has not been formally edited by ECE.

** See <https://unece.org/media/news/388901>.



I. Introduction

1. Armenia is a small, upper-middle-income, land-locked country located in the Southern Caucasus region. At present, as a result of border closures with two of its four neighbours, the country's trade goes either through Georgia or the Islamic Republic of Iran. While most freight is carried by road, the railway line to Georgia carries resource-based exports such as stones and mining products, and air transport is used for a limited set of items with a high value-to-weight ratio, such as diamonds and jewellery.

2. The country has been a World Trade Organization (WTO) member since 2003. Armenia ratified the WTO Trade Facilitation Agreement (TFA) in 2017 and became a party to the WTO Agreement on Government Procurement (GPA) in 2011.¹ Armenia is also the signatory of twelve regional trade agreements (RTAs).² The latter includes the Eurasian Economic Union (EAEU) (2015) and the Treaty on a Free Trade Area between members of the Commonwealth of Independent States (CIS) (2012) as well as bilateral treaties with CIS countries (except the Russian Federation).³ Through the EAEU, Armenia is a party to free trade agreements (FTA) with Vietnam (2016), Serbia (2021), and the Islamic Republic of Iran (2019).

3. Armenia's economy has significant potential for integration into global value chains, mainly through diversification of its export portfolio in terms of products and destination markets. The Economic Commission for Europe (ECE) assists its member States with building capacities for better integration into the global economy and harnessing trade, innovation, and infrastructure financing, including through the ECE's Public Private Partnerships (PPPs) and Infrastructure Evaluation and Rating System (PIERS) methodology, to foster sustainable development in the region. ECE has a long-standing and close cooperation with Armenia. This includes previous capacity-building support Armenia received under the ECE study on regulatory and procedural barriers to trade (RPBT) in Armenia (2019), a study assessing the impact of the COVID-19 pandemic on micro-, small-, and medium-sized (MSMEs) (2020), a study on the impact of COVID-19 pandemic on female-owned MSMEs (2021)⁴, as well as the ECE Innovation for Sustainable Development Review (2023).⁵

4. This document identifies regulatory and procedural barriers to exports of fish products from Armenia and suggests how to boost the capacity and improve the image of these exports in international markets.

5. The study is divided into three sections. Section I summarises current and potential export markets for fish products. Section II presents a business process analysis (BPA) when the selected product is destined for export to the European Union (EU). Section III describes constraints related to the quality infrastructure for exports of fish products. The recommendations aim to assist Armenia in facilitating cross-border trade by making trade-related procedures more efficient.

¹ In June 2015, Armenia acceded to the revised Agreement on Government Procurement (revised GPA).

² See: <http://rtais.wto.org/UI/PublicSearchByMemberResult.aspx?membercode=051>.

³ CIS also includes: Belarus; Kazakhstan; the Kyrgyz Republic; Moldova; the Russian Federation; Tajikistan; Ukraine; and Uzbekistan (since 2014).

⁴ See <https://unece.org/trade/studies-regulatory-and-procedural-barriers-trade>; See <https://unece.org/economic-cooperation-and-integration/publications/unece-innovation-sustainable-development-review-0>.

⁵ ECE specifically supports its 17 programme countries in Central Asia, the Caucasus, the Western Balkans and Eastern Europe, in close cooperation with United Nations country teams.

II. Key findings

A. The fisheries sector in Armenia: current trends and opportunities for exports

6. The development of the fishing industry in Armenia started in the early twentieth century. Currently, more than 50 species of trout are present in the country (endemic, native, introduced and reintroduced).⁶ Among those, the most popular are Sevan trout, whitefish, carp and rainbow trout.⁷ There are about 166 fish farming enterprises registered in Armenia, of which about 82 per cent operate only in Armavir and Ararat Marzes. The total water area of the fish farming enterprises is 2,886 hectares, of which almost 83 per cent is located in Ararat Marz, and about 16 per cent in Armavir Marz.⁸ Since 2019, the country has been using a new paper form for reporting fishing activities in its water resources on an annual basis.⁹ The data is gathered by the National Statistics Council of Armenia. According to the Ministry of Economy, about 25,000–26,000 tons of commercial fish and fish products are produced annually in Armenia.¹⁰

7. For decades, Armenia has been facing problems related to the sustainable use of water, striving to economically use aquaculture resources without causing harm to the balance of ecosystems and ensuring the recuperation of fish stocks. Since 2013, the Government of Armenia has been taking steps towards introducing water-saving technologies (a closed and semi-closed water cycle for fish farming) to make the use of recourses more sustainable.¹¹ More recently, in December 2023, the Government adopted decision 2305-N on the introduction of a closed water cycle system in fish farms using underground freshwaters.¹² The main objective of this initiative is to restore the balance of the underground water resources as a result of the activities of fish farms.

8. The value of fish products exports from Armenia in 2022 amounted to USD 114.1 million (see Figure)¹³, a 87.8 per cent increase compared to the same period in 2021. In 2022, 95 per cent of the fish exports went to the Russian Federation and the other five per cent were destined to Belarus, the United States of America, Georgia and Kazakhstan. The main exported fish products are fresh chilled fish, frozen fish, fish fillets and other fish meat, and live fish.

⁶ FishBase, All fishes reported from Armenia (landlocked)

https://fishbase.mnhn.fr/country/CountryChecklist.php?what=list&trpp=50&c_code=051&csub_code=&cpresence=present&sortby=alpha2&vhabitat=all2.

⁷ Sevan Trout (*Salmo ischchan*) is the only type of endemic species.

⁸ See <https://www.mineconomy.am/en/page/1332>

⁹ Decision of the National Statistics Council of Armenia N 03-N of 25 June 2019, see <https://www.arlis.am/DocumentView.aspx?DocID=188298>.

¹⁰ See <https://mineconomy.am/en/page/1332>.

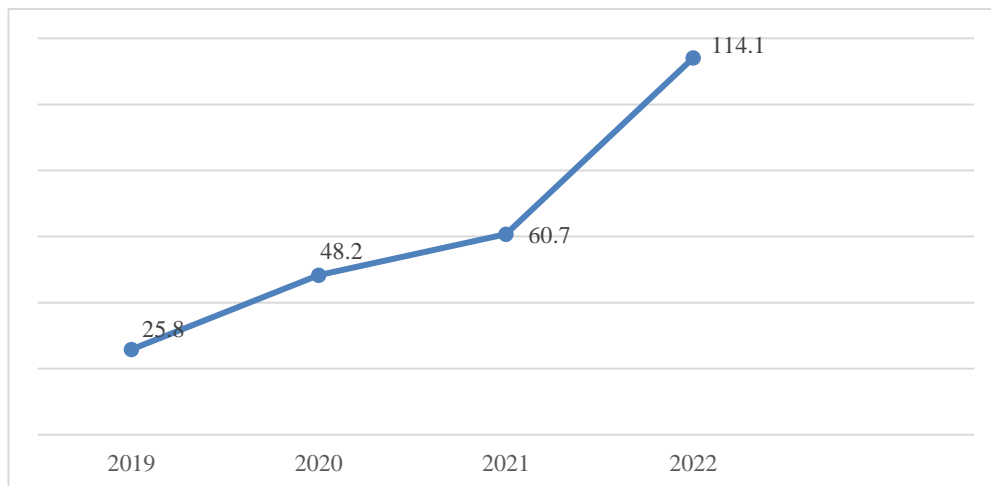
¹¹ See

https://arka.am/en/news/economy/shift_to_semi_closed_water_recycling_system_can_damage_fish_farming_in_armenia_expert/

¹² Decision of the Government of Armenia N 2305-N of 28 December 2023, see <https://www.arlis.am/DocumentView.aspx?DocID=188007>.

¹³ See

https://www.trademap.org/Product_SelCountry_TS.aspx?nvpm=5%7c051%7c%7c%7c03%7c%7c%7c4%7c1%7c1%7c2%7c2%7c1%7c1%7c1%7c1%7c1

Export of fish products from Armenia, 2019–2022, million USD

Source: ECE, based on Trade Map Statistics of the International Trade Center

9. Five economic operators from Armenia are currently included in the list that allows the export of fish products to EU markets, but only for a limited category of live non-farmed crayfish and cooked/frozen non-farmed crayfish. At the same time, statistics demonstrate that no live non-farmed crayfish and cooked/frozen non-farmed crayfish is currently being exported to the EU.¹⁴

10. To have access to the EU fish market beyond currently allowed categories, Armenia would need to undergo a complex process unique to fishery products.¹⁵ As part of this process, it is required that the applying country appoints a competent authority which should be recognized by the European Commission (EC) and conducts certification of businesses through their inclusion in the list of third-country economic operators permitted to export to the EU.

B. Trade facilitation conditions in Armenia for exporting fish products

11. The Government of Armenia attaches great importance to trade facilitation and related reforms. Transitioning to a paperless environment is at the center of these efforts, providing the incentives to improve the quality of public services, reduce corruption, make decision-making processes more transparent, and increase public participation in these processes.

12. Reforms to date have involved the modernization of customs administration through the introduction of an electronic platform that supports full automation of customs clearance procedures (including data entry and direct registration) using international standards (including the Single Administrative Document) based on the ECE Recommendation 34 on Data Simplification and Standardization for International Trade and Recommendation 36 on Cross-Border Interoperability of Single Windows Interoperability.

13. The transition to paperless trade goes hand in hand with the optimization and simplification of cross-border trade in fulfillment of the country's obligations under the EAEU Customs Code and the WTO TFA. The results of the effective work of the Armenian Government are also reflected in the United Nations Global Survey on Digital and

¹⁴ European Commission, 'Trade in goods with Armenia 2022', 2022. See: https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_armenia_en.pdf

¹⁵ Annex IX of List of third countries or regions thereof authorised for the entry into the Union of consignments of certain fishery products, as referred to in Article 13, Articles 18(3), 19(4), and 20(3), and Articles 22(b) and 25(d) of Commission Implementing Regulation (EU) 2021/405 of 24 March 2021 laying down the lists of third countries or regions thereof authorised for the entry into the Union of certain animals and goods intended for human consumption in accordance with Regulation (EU) 2017/625 of the European Parliament and of the Council. See https://eur-lex.europa.eu/eli/reg_impl/2021/405/2021-04-21.

Sustainable Trade Facilitation of 2023, indicating that Armenia achieved a total trade facilitation score of 75.27 per cent. By comparison, in 2021 the figure was 59.14 per cent and in 2015 – only 37.63 per cent.¹⁶

14. An analysis of business processes of potential Armenian fish products exports to France and Germany has demonstrated that export-related processes and procedures are relatively straightforward from the documentary and procedural standpoint.

15. Some bottlenecks and export-related challenges, however, remain. Interviewed economic operators noted extended time and high cost of delivering fish products to the European market. The average time spent for the completion of all business processes associated with the export of fish products from Armenia to France is 33 days, with the most time spent in transit through the seaport of Mersin and subsequent delivery by sea to the seaport of Faute-Sur-Mer. On average, the total cost of exporting one container of fish products from Armenia to France is USD 3,500, while exporting to Germany – is USD 5,220. Payment for road transportation is the main expenditure item and accounts for 63 and 72 per cent of the total cost of exports respectively.

16. Furthermore, given the delivery of products from Armenia to France and Germany involves transit through several countries, introducing paperless cross-border exchange of data on supporting documents and mutual recognition of their electronic versions would facilitate this process.

17. In addition, the process of including a fish manufacturer in the register of enterprises eligible to export products to the EU is lengthy and complex. Another challenge is the EU high quality and safety requirements for food products (see part C below).

C. Quality infrastructure in Armenia: institutional framework, regulatory and procedural requirements applicable to fish products

18. Since 2010, the Government of Armenia has undertaken several actions to improve the quality infrastructure, including a review of legislation and actions to enhance the existing institutional system. Among others, such efforts took place in the context of approximation with the EU legislation.¹⁷ In particular, since 2017, the laboratory control of residual substances in fish has been carried out in Armenia, and the results have been submitted to the European Union. This led to the introduction of new rules for the fish products bound for export to the EU, in particular, rules for the control of maximum amounts of dangerous substances in fish, aquatic animals, and other hydrophones and products.

19. The main focus of the country's reforms so far has been on legislative reforms addressing overarching issues, such as the establishment of institutional mechanisms responsible for standardisation and conformity assessment. The relevant agencies in this field underwent restructuring and include the following: (a) the National Body for Standards and Metrology (ARMSTANDARD) of the Ministry of Economy of the Republic of Armenia; (b) the National Accreditation Body (ARMNAB) of the Ministry of Economy of the Republic of Armenia; (c) the Food Safety Inspection Body of the Republic of Armenia.

20. One of the key challenges for the institutions in this field remains the lack of international cooperation and implementation of international standards. So far, ARMSTANDARD has adopted only around 9,000 standards, and in the field of fish production – 150 mostly regarding common standards between Armenia and the EAEU. The list of standards concerning fish products in Armenia encompasses not only interstate (GOST) standards but also includes equivalents to national standards (NS) and international organization for standardisation (ISO) standards. These standards include HST ISO 6887-3-2009 “Microbiology of food and fodder. Preparation of test samples, initial suspension, and tenfold dilutions for microbiological examination. Part 3. Special techniques for the

¹⁶ See <https://www.untfsurvey.org>. See also United Nations ECE. 2023. Digital and Sustainable Trade Facilitation: UNECE Regional Report 2023, United Nations, Geneva.

¹⁷ For instance, specific requirements concerning the food safety standards for exports to the EU have been incorporated into the law on food safety.

preparation of fish and fish products”, AST 355-2013 “Combined feeds for fish. General technical conditions”, and AST 349-2012 “Maintenance of the quality of water used in the ponds of fish farms”. More cooperation in this regard is necessary with the EU. Armenia affirms its readiness to develop national standards, as required, aligning with international and European standards within the framework of the legislation and standardization processes of Armenia.

21. ARMNAB has limited international recognition and is not yet a member to the International Accreditation Forum (IAF) MLA and International Laboratory Accreditation Cooperation (ILAC) mutual recognition agreement (MRA). There has been some international support to ARMNAB to achieve full membership in the European Accreditation (EA), especially through EU funded twinning project “Setting conditions for recognition of the Armenian accreditation system by the European co-operation for Accreditation”, as well as technical support by individual EU Member States, such as Germany and Italy.¹⁸ The ARMNAB capacities assessment done at the end of this project indicated positive results. It was recommended to apply to EA after the amendments to the legal acts in the accreditation field were implemented. The application with the documents was sent to EA in December 2023, and ARMNAB was informed that the peer evaluation would be carried out on-site at the beginning of December 2024.

22. Another major challenge remains the lack of laboratories and equipment/staff in the field of fish quality control, especially as it pertains to the standards required by the EU as a destination market. Currently, very few conformity assessment bodies (CABs) are accredited to conduct quality control for fish products, which also imposes geographical and financial burdens on fish farmers.¹⁹ A reoccurring issue has been the lack of resources to organize skill development trainings to the staff both in the relevant authorities.²⁰

23. Despite being authorized to export live wild crayfish to EU Member States, Armenia has yet to make any exports of these products to the EU market. Various obstacles stand in the way, including low and fluctuating production volumes, a focus on fresh produce with limited shelf life, a lack of product diversification, non-compliance with EU food safety standards, and unsustainable water resource use and discharge systems. These challenges significantly hinder the export potential of Armenian fish product.

III. Recommendations

24. Trade has a powerful role to play in ensuring strong and sustainable economic growth of Armenia. While significant progress has been made to accelerate the integration into global and regional value chains, more could be done to exploit its full potential, including in the context of fish products.

25. Some of the remaining challenges associated with Armenia’s landlocked position relate to trade facilitation and quality infrastructure (see table). It is hoped that findings from this study will enable the Government to further remove barriers to trade in fish products and indirectly also for trade in other products. The recommendations aim to facilitate cross-border trade by making procedures more efficient. Their goal is to allow Armenia to reap increased benefits from the growth opportunities generated by the global and regional integration and contribute to the achievement of the Sustainable Development Goals, especially Goals 1 (no poverty), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure) and 17 (partnerships for the goals).

26. ECE, through its three core functions – developing norms, standards and legal instruments; hosting a convening platform; and providing technical cooperation across a number of relevant sectors – stands ready to assist the Government of Armenia in

¹⁸ See <https://euneighbourseast.eu/projects/eu-project-page/?id=1593>; <https://www.dakks.de/en/pressrelease/twinning-project-with-armenia-successfully-completed.html>.

¹⁹ See <https://www.armnab.am/LaboratoryListN#>.

²⁰ See <https://unece.org/DAM/trade/Publications/ECE-TRADE-452E.pdf>.

implementing the forthcoming recommendations, which build on best practice recommendations for trade facilitation and electronic businesses and regulatory cooperation.

Table:

Challenges and ECE recommendations for the way forward

<i>Challenges</i>	<i>Recommendations</i>	<i>ECE tools supporting the implementation</i>
	<i>Trade facilitation</i>	
Complex and lengthy process of including an exporter into the Register of enterprises eligible to export products to the EU	Implement stricter controls over manufacturing companies to ensure that they comply with the EU requirements.	UN/CEFACT e-Business standards in agricultural trade: A handbook for policymakers and project managers (ECE/TRADE/428)
	Engage with the EU Directorate General for Health and Food Safety (DG Sante).	ECE/ESCAP, Information Management in Agrifood Chains: Towards and Integrated Paperless Framework for Agrifood Trade Facilitation
Lack of electronic exchange of information on the issued veterinary certificates between Armenia and the EU	Initiate integration of the information systems of Armenia and the EU to enable the exchange of information on the issued veterinary certificates.	UN/CEFACT Electronic SPS Certificate (eCERT)
	Conclude intergovernmental and interagency agreements with third countries on electronic exchange of documents in agriculture and transportation.	ECE Recommendation 33. Establishing a Single Window – Recommendations and Guidelines
	Cooperate with third countries to establish and harmonize instruments for mutual recognition of electronic documents for trade-related formalities.	ECE Recommendation 1. UN Layout Key for Trade Documents - Guidelines for Applications
	Prepare a list of priority documents for digitalization.	
	<i>Quality infrastructure</i>	
Modernization of quality infrastructure, primarily updating the residual substance planning and enhancing the implementation capacities of relevant authorities and laboratories.	Invest in modernizing and updating the residual substance planning in all areas of fish production in Armenia to boost EU exports beyond currently authorized categories of live crayfish.	ECE Recommendation R. Managing Risk in Regulatory Frameworks
	Enhance the capacities of the staff of the competent authorities which are required to implement EU standards on ground.	ECE Recommendation I. Education on Standard-Related Issues
	Leverage the potential of testing laboratories, attract competent specialists, and ensure that their accreditation is recognized internationally.	ECE Recommendation V. Addressing Product Non-Compliance Risk in International Trade
	Enhance international cooperation in the field of conformity assessment, increase the number and skills of CABs.	

<i>Challenges</i>	<i>Recommendations</i>	<i>ECE tools supporting the implementation</i>
	Increase cooperation with the EU and boost the adoption of European standards in the fish industry.	
<i>Other</i>		
Lack of access to information of export procedures and standards for trade with the EU market	<p>Provide a digital platform that facilitates the transparency and clarity of export procedures and standards required from Armenian exporters to the EU.</p> <p>Enhance cooperation between public and private actors in developing projects aimed at getting wider market access to the EU fish market.</p>	<p>ECE Recommendation 38. Trade Information Portals</p> <p>ECE Recommendation 41. Public-Private Partnerships in Trade Facilitation</p> <p>ECE Recommendation 4. National Trade Facilitation Bodies</p>
Need to modernize fishing technologies and technical skill-building of human resources	<p>Advance with an ambitious technological modernization plan to help diversify the product base.</p> <p>Encourage environmentally friendly management of waste water from fish farms.</p> <p>Provide capacity-building trainings on the use of modern technologies including for the newly adopted closed-cycle water management systems for fish farms.</p>	ECE Recommendation T. Standards and Regulations for Sustainable Development
Need to ensure the sustainability of the fish industry, preservation of ecosystems and measures against unreported and unregulated fishing	Enhance the standardization and digitalization of the fishing vessel monitoring system, so that fishery authorities can effectively monitor, control and carry out surveillance of vessels, allowing swift and accurate recording of the fish stocks.	<p>UN/FLUX Standard</p> <p>ECE Recommendation T. Standards and Regulations for Sustainable Development”</p>

Source: Economic Commission for Europe