

2 Armenia Logistics Infrastructure

According to the last Logistics Performance Index (LPI) evaluated and published by the World Bank in 2018, Armenia ranked 92nd out of 160 countries, with its 2.61 LPI rate.

In general, intra-country logistics infrastructure is in a quite good condition: all the roads are passable, and shipment prices are very competitive, with no or very little late deliveries. However, the LPI ranking of Armenia is not high. Being a landlocked country and having closed borders with 2 of its 4 neighbours, the only current access points to Armenia by land are road and rail links with Georgia in the north and road access with Iran in the south of the country. The northern and southern parts of the country, which provide the sole communication routes to Georgia and Iran are mountainous with many winding passes. Weather conditions in these areas during the winter months (late October to the end of March) can result in difficult vehicular traffic, with snow, ice and fog common on high passes. The result is high transport costs, particularly for traded goods, and expensive infrastructure development and maintenance.

Currently, about 30,000 containers (70% of them 40 feet long) are imported annually through Georgia's port of Poti on the Black Sea. Railway transport handles about 30% of them, Majority of containers are transported by private transport companies, who have branches in Georgia and Armenia. There are considerably small volumes of cargo transported to/from Iran.

There is a big project on-going in Armenia to improve the infrastructure. North-South Road Corridor is a major infrastructure project which aims connecting the Southern border of the country with its Northern point by means of a highway to be built or reconstructed in accordance with the highest international standards and providing access to international markets. The reconstruction and development of North-South Road Corridor will enable facilitation and intensification of both domestic and foreign transport and trade. The project implementation will lead to the development of efficient transit roads. North-South Road Corridor is 556 km-long and its implementation period was planned to be from 2009 to 2017. However, in 2018 the road is still under construction and specific deadlines for road construction completion had not been announced.

Air cargo movement is limited due to high cost and limited number of cargo airplanes flying to/ from Armenia.

Export from Armenia mainly agricultural products are done by tracks through Georgia to Russia.