Leveraging Standards and Trade facilitation for MSMEs’ Development

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The Experience of Armenia

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Micro, small and medium enterprises (MSMEs) in Armenia face multiple challenges, which sets it from other countries.

- Geographically, Armenia is bordered by Azerbaijan, Turkey, Iran and Russia. The trade routes are limited, sometimes inaccessible and may even be dangerous. This translates to higher costs for exporting products, so competing in the global market is very difficult.

- In the past few years, the effect of Covid-19 was compounded by political instability, making the situation for the MSMEs intolerable.
In October 2020, at a time when all seemed hopeless for the MSMEs in Armenia, a diaspora Armenian in Los Angeles decides to create a Facebook group to support buying Armenian products from Armenian MSMEs. In a matter of months, the group grows to more than 10,000 members and Buy Armenian movement is born.
Buy Armenian’s motto is “Together We Rise”.

Buy Armenian founders believe that it is only through cooperation and unity that Armenia can move forward and compete in global markets.
• The Buy Armenian FB group has grown to a membership of approximately 50,000, and in April of 2021, a multi-vendor online marketplace was created to showcase the products of Armenian SMEs to global clients.

• In a matter of six months, Buyarmenian.com has grown to be an international company that boasts over a 1000 vendors and 8,000 products from mostly vendors from Armenia, Beirut, Canada, the United States and Europe.

• Buy Armenian is a registered S-corporation in the USA. It has a full staff including General Director, operations manager, a law firm, an accounting firm, social media manager, web developers, marketing and advertising staff. Team members are also in different countries, (Lebanon, Armenia, and the US).
• BuyArmenian.com has provided Armenian MSMEs with an international market, which, to many, was impossible to reach. By selling their products to clients around the world, the owners made a giant leap forward towards economic independence.

• Over 5,000 products have been sold in the past six months.

• Most popular items: Food (32.5%); Home Goods (20%); Arts & Crafts (15%) and Beauty (8%). Gross sales have been $125K, with $50K having been sold in the past 2 months.
Major Challenges

- Shipping costs have increased to unreasonable amounts, which pose a major obstacle that needs to be resolved for MSMEs to survive.

- Export and import rules and procedures are not business friendly

- Many micro and small enterprise owners do not know how these laws and procedures affect their business growth.
Possible Solutions

✓ Educate the MSME owners, who do not have the means, nor resources to gain knowledgeable and become business savvy exporters capable of competing in international markets

• Modern marketing tools: online marketing, social media, advertising, and how to use social media to their advantage.
• Best practices in the areas of supply chain management and export opportunities
• Applicable export/import laws, quality control, customer service, e-commerce and more!

✓ Training should be complemented by coaching

✓ Provide resources and financial assistance for the MSMEs, so that they can upgrade their production and purchase modern machinery
Thank you

Questions?

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