

- Growth rose to 10.4 percent (yoy) in November, owing to robust industrial growth.
- Net non-commercial money transfers grew 28.8 percent (yoy), driven by inflows from Russia.
- Inflation grew slightly to 3.3 percent in December, due to food inflation.
- Exports and imports rebounded in November following months of contraction.
- A deficit equivalent to 0.3 percent of projected annual GDP was recorded in November.

**Growth in economic activity continued in double digits in November, at 10.4 percent (yoy), compared to 10.1 percent (yoy) in October.** The highest growth rate was recorded in industry at 31.7 percent (yoy), owing to an acceleration of growth in mining and manufacturing (mainly base metal production) by 36.5 percent (yoy) and 36.2 percent (yoy), respectively. Construction continued to record a double digit growth rate, reaching 17.2 percent (yoy). Services (excluding trade) expanded 11.2 percent (yoy). Wholesale and retail commerce continued moderate growth at 1.5 percent (yoy). Cumulative growth for January-November reached 8.3 percent (yoy), well above initial expectations. The number of registered businesses declined by 16.9 percent (mom) in November owing to a 20.5 percent (mom) fall in individual entrepreneurs, following high records of over 3,500 total business registrations in September-October.

**In November, net non-commercial money transfers grew by 28.8 percent (yoy).** This was driven by a 79.2 percent (yoy) increase in net inflows from Russia (representing 59 percent of the total). In contrast, net inflows from United States contracted by 12.6 percent (yoy). Cumulatively, the total net inflow in January-November was 26 percent (yoy) higher than in previous year, indicating a recovery after a decline in 2024.

**In December, inflation increased to 3.3 percent (yoy) from 3.1 percent (yoy) in November.** Average inflation reached 3.3 percent in 2025, compared to 0.3 percent in 2024. In 2025, inflation was driven by food and non-alcoholic beverages at 5 percent (yoy), compared to 2 percent (yoy) deflation a year before. Another top driver was transport, which grew by 4.8 percent (yoy), due to an increase in public transport prices in 2025. The Central Bank of Armenia reduced its key policy rate by 25 basis points (bps) to 6.50 percent in December, marking the second cut of the year since February, and bringing rates to their lowest since mid-2021.

**In November, imports and exports rebounded after months of contraction, signaling a normalization of trade flows following the phasing-out of re-exports.** Exports grew by 17.2 percent (yoy) in November, following an average contraction of 38.2 percent (yoy) in preceding months of the year, while imports

increased by 14 percent (yoy) after declining by an average of 27.8 percent (yoy) since the start of the year. This was mostly driven by an expansion in exports and imports of precious and semi-precious stones and metals, (up 30.8 percent, yoy, and 81.1 percent, yoy, respectively) though these flows remained about half of their November 2023 level, when re-exports of these items peaked. Other exports also grew: minerals (up 62.2 percent, yoy) and ready food products (up 20.8 percent, yoy), among others. This was partly offset by contractions in textile products (down 23.5 percent, yoy) and non-precious metals (down 17.6 percent, yoy). In November, excluding the trade in precious metals and stones, exports expanded by 15.8 percent (yoy) while imports grew 4.4 percent (yoy). In December, Armenia's tourist arrivals grew 7.5 percent (yoy), reaching 140 thousand tourists, the highest number ever recorded in the month of December to date.

**In December, the AMD/USD exchange rate appreciated slightly on average, compared to the previous month.** The AMD appreciated 3.8 percent (yoy) against the USD in December, while depreciating against the EUR and RUB by 7.6 percent (yoy) and 26.2 percent (yoy), respectively. Gross reserves grew about USD 500 million in December (mostly due to receipt of grants and loans related to the housing reforms), bringing the total reserves to USD 5.1 billion, the highest recorded level, equivalent to 4.1 months of imports.

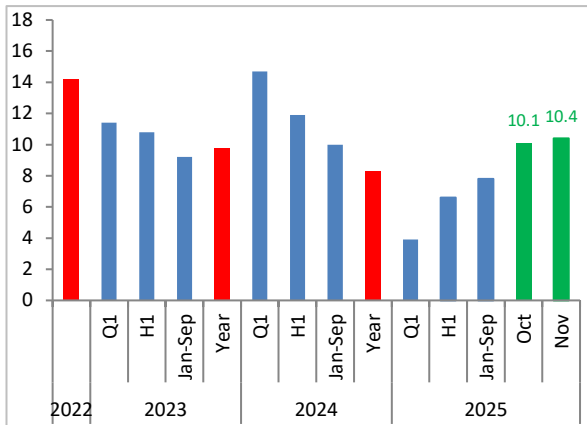
**In November, commercial bank deposits grew 0.8 percent (mom) while credit expanded by 1.1 percent (mom).** Credit growth continues to be driven by consumer and mortgage loans in AMD. Exchange-rate-adjusted annual growth remained stable, at 15.2 percent (yoy) for total deposits and at 26.3 percent (yoy) for credit. Financial system indicators remained healthy in November: the Capital Adequacy Ratio remained broadly stable at 20.9 percent in November, and Non-Performing Loans at 1.3 percent.

**In November, the deficit reached 0.3 percent of annual estimated GDP, bringing the cumulative January-November deficit to 2.4 percent.** Tax revenues (including mortgage-related income tax) grew 8.1 percent (yoy) in nominal terms, driven by higher collection of income taxes (up 21.9 percent, yoy); VAT (up 6.2 percent, yoy); state duties (30.6 percent, yoy) and profit tax (90.8 percent, yoy). The turnover tax collection continued robust growth, at 64.4 percent (yoy). Total expenditure increased 14.2 percent (yoy). Capital expenditure grew 30.2 percent (yoy), mostly driven by a 48.1 percent (yoy) growth in defense. Capital expenditure on education remained robust, growing at 33.9 percent (yoy), as construction and rehabilitation plans continued. Current expenditure increased 8.2 percent (yoy) with social protection spending growing by 28.7 percent (yoy). The cumulative January-November deficit widened to 2.4 percent of annual projected GDP, with over 13 percent of it materializing in the month of November.

ARMENIA MONTHLY ECONOMIC UPDATE – JANUARY 2026

**Figure 1. Economic activity grew 10.4 percent (yoy) in November 2025**

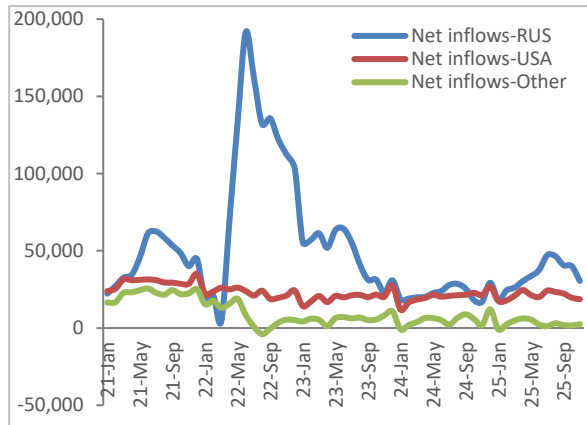
(Armenia Economic Activity Index, yoy change, %)



Source: Statistical Committee of Republic of Armenia

**Figure 2. Net non-commercial money transfers continued strong growth (in yoy terms)**

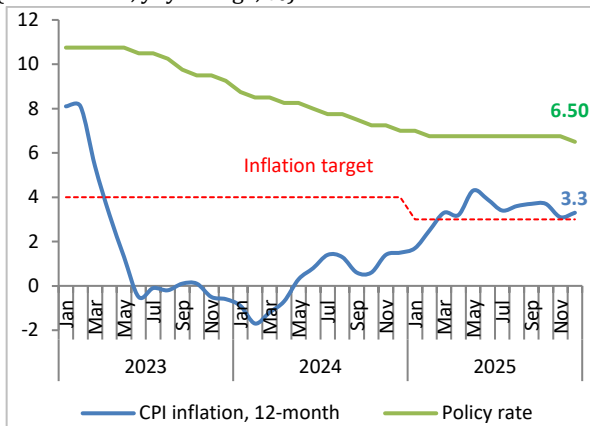
(USD thousand)



Source: CBA

**Figure 3. Annual inflation rose slightly in November 2025**

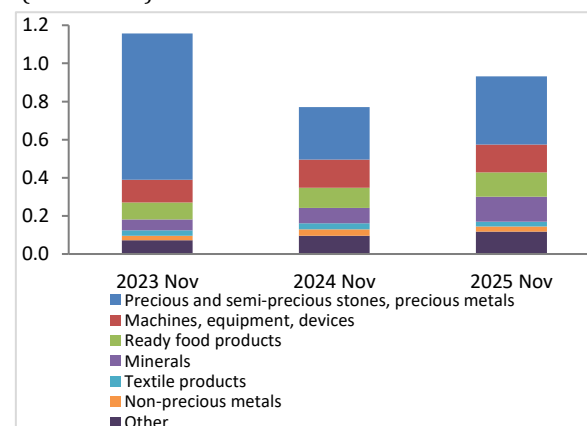
(CPI inflation, yoy change, %)



Source: CBA

**Figure 4. Total exports increased in November following months of contraction**

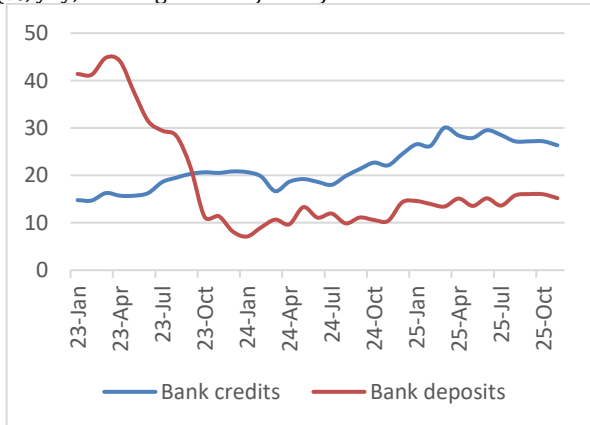
(USD billion)



Source: Statistical Committee of Republic of Armenia

**Figure 5. Strong growth in credit and deposits continued in November 2025**

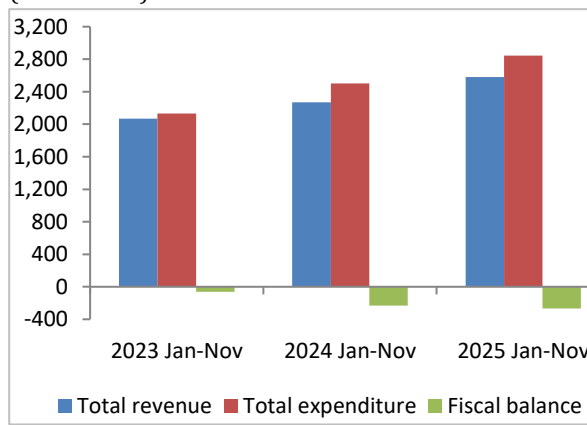
(%, yoy, exchange rate adjusted)



Source: CBA

**Figure 6. The cumulative deficit for January-November rose to 2.4 percent (yoy) of annual estimated GDP**

(AMD billion)



Source: Ministry of Finance