



**FINAL REPORT**

# **CHINA'S GROWING INFLUENCE IN ARMENIA**

**Yerevan 2025**

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## Abbreviations

ADB	Asian Development Bank
Armstat	National Statistical Committee of Armenia
AIIB	Asian Infrastructure Investment Bank
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China, South Africa
CCP	Chinese Communist Party
CEIAS	Central European Institute of Asian Studies
CIDCA	China International Development Cooperation Agency
CMEC	China Machinery Engineering Corporation
CSC	China Scholarship Council
DSNG	Digital Satellite News Gathering
EAEU	Eurasian Economic Union
EEC	Eurasian Economic Commission
FDI	Foreign Direct Investment
HD	High Definition
HS	Harmonized System
ICT	Information and Communication Technologies
IFD	Investment Facilitation for Development
MFA	Ministry of Foreign Affairs of the Republic of Armenia
MoESCS	Minister of Education, Science, Culture and Sports
MoF	Ministry of Finance of the Republic of Armenia
RA	Republic of Armenia
SCO	Shanghai Cooperation Organization
UN	United Nations
UNESCO	The United Nations Educational, Scientific and Cultural Organization
WTO	World Trade Organization
YSU	Yerevan State University
YSLU	Yerevan State Linguistic University after V. Brusov

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## Introduction

Over the past decade, China has steadily expanded its presence in Armenia, primarily leveraging soft power mechanisms. Armenia's strategic location at the crossroads of Europe and Asia makes it a valuable partner in China's broader efforts to strengthen its influence across Eurasia.

Economically, China has become Armenia's second-largest source of imports and an increasingly important export destination. Its share of Armenian exports has grown sharply, from just 3% in 2010 to 13% in 2021, with exports dominated by copper ores, one of Armenia's primary export commodities. Beyond trade, China's influence is evident in major infrastructure projects undertaken over the past decade. Chinese contractors have been involved in strategically significant initiatives, including the North-South Road Corridor, the Kaps Reservoir in Shirak province, and Armenia's first large industrial solar power plant.

People-to-people ties have also intensified, reflecting a broader effort to cultivate influence. Tourism from China has surged, with the number of visitors increasing sixfold over the past three years, propelling China from 21st place in 2022 to 7th among Armenia's top sources of tourists by 2024. Educational and cultural engagement has likewise deepened. Armenia hosts the first Confucius Institute in the region, and the Armenian-Chinese Friendship School has been established to promote language and cultural exchange. The number of Armenian students studying Chinese has steadily increased, alongside expanded opportunities for training programs, educational visits, and study trips to China.

This report aims to analyze China's increasing presence in Armenia's social and economic life, track how this influence has evolved over time, and identify the mechanisms behind it.

The report consists of six chapters, an introduction, and a conclusions section. It covers China's role in Armenia's foreign trade and trade prospects between the two countries, the impact of Chinese capital on Armenia's economy, and trends in tourism. It also analyzes the evolution of China's foreign aid globally and its application in Armenia, explores China's presence in the global education sector and its implications for Armenia, and reviews strategic partnership agreements established in the region, including the Armenia–China partnership formalized in 2025.

# Chapter 1. China's Role in Armenia's Foreign Trade

## 1.1 Trade Regulations Between Armenia and China

The Government of Armenia, in its 2021-2026 Programme, emphasizes the importance of relations with China and states its commitment to strengthening them through various initiatives<sup>1</sup>. Bilateral economic relations between two countries began after the dissolution of the Soviet Union. **In 1992, China established a trade representation in Armenia.** The first official government-level document between China and Armenia was the Trade-Economic Agreement between the Government of the Republic of Armenia and the Government of People's Republic of China, signed in January 1992<sup>2</sup>. It affirmed the two countries intent to establish and develop long-term trade and economic relations, such as creating favorable tax and customs regulations, protecting each other's capital investments on each other's territory, promoting trade and economic ties between companies and businesses of the two countries in line with best practices, establishing payment, settlement and currency exchange and other trade regulations, facilitating trade fairs, expos and other events aimed at developing bilateral economic relations, facilitating the establishment and functioning of various economic and trade entities on each other's territory, to name a few<sup>3</sup>. Since then, the two governments have signed over 70 agreements, protocols, memoranda, and other documents aimed at strengthening and expanding their bilateral cooperation<sup>4</sup>.

**In 1999, the intergovernmental Armenian-Chinese Joint Commission on Trade and Economic Cooperation** was formed to enhance bilateral economic ties. The last 11-th session of the joint commission took place on June 7, 2023 in Beijing. Additionally, there is a **China-Armenia Friendship Group composed of members of the Armenian Parliament**, which operates for more than a decade and regularly visits China and hosts Chinese officials in Armenia to discuss various issues and strengthen bilateral relations.

**To further facilitate trade between Armenia and China, in 2015 two countries signed the Agreement on Cooperation and Mutual Aid in Customs Affairs**, whereby the parties undertake to assist each other in enforcing customs regulations, exchanging formal customs-related resolutions, documents and information, etc.<sup>5</sup>.

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<sup>1</sup> RA Government. "Government Program of the Republic of Armenia (2021-2026)" [bit.ly/4bLEKYh](https://bit.ly/4bLEKYh)

<sup>2</sup> (First citation) Ministry of Foreign Affairs of the Republic of Armenia (MFA). "Bilateral Relations: China". August 26, 2024. Accessed January 22, 2025. <https://www.mfa.am/en/bilateral-relations/cn>

<sup>3</sup> ARLIS. "Trade-economic Agreement Between the Government of the Republic of Armenia and the Government of People's Republic of China". January 9, 1992. <https://bit.ly/3Fk3s5Q>

<sup>4</sup> (Subsequent citation) MFA. "Bilateral Relations: China"

<sup>5</sup> ARLIS. "Agreement Between the Government of the RA and the Government of the People's Republic of China on Cooperation and Mutual Assistance in Customs Matters". January, 2016. <https://bit.ly/3DBkqMM>

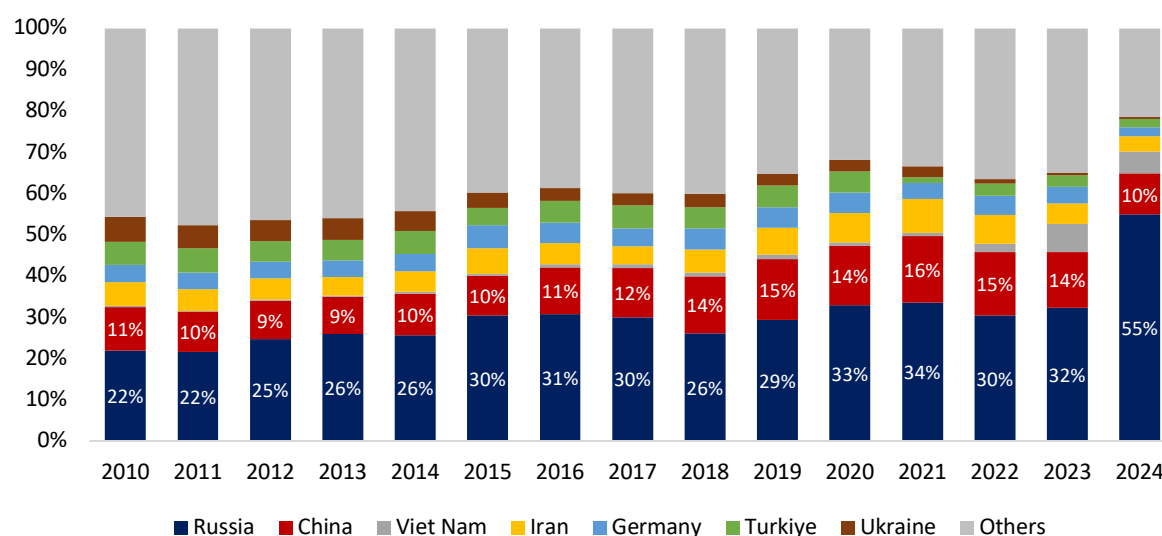


In 2017, in response to expanding business ties and the growing need to strengthen trade and economic relations between the two countries, Armenian Government established the position of trade attaché in China<sup>6</sup>. In 2017, Armenia also established a representative office of the Chamber of Commerce and Industry and the Union of Manufacturers and Businessmen in China<sup>7</sup>. The office was created to strengthen Armenian-Chinese economic cooperation, advocate for the interests of Armenian businesses, promote Armenian products in the Chinese market, and address related trade and investment matters.

## 1.2 Imports of Armenia from China

Armenia's trade landscape has changed over the past decades, particularly following its accession to the Eurasian Economic Union (EAEU) in 2015, which facilitates free trade among member states, including Russia. This led to an increase in Russia's share of Armenia's imports from 26% in 2014 to 32% in 2023, and, due to external factors, further surged to 55% in 2024. However, despite this and other shifts in Armenia's trade landscape, over the last 15 years **China has consistently maintained its position as Armenia's key trade partner and the second-largest source of imports for the country**. Moreover, its importance in Armenia's imports has been steadily increasing. In 2010, China accounted for 11% of Armenia's merchandise imports; by 2021, this share had grown to 16% and dropped to 10% in 2024 mainly driven by the import growth from other countries.

**Figure 1. The share of China in Armenia's import in 2010-2024**



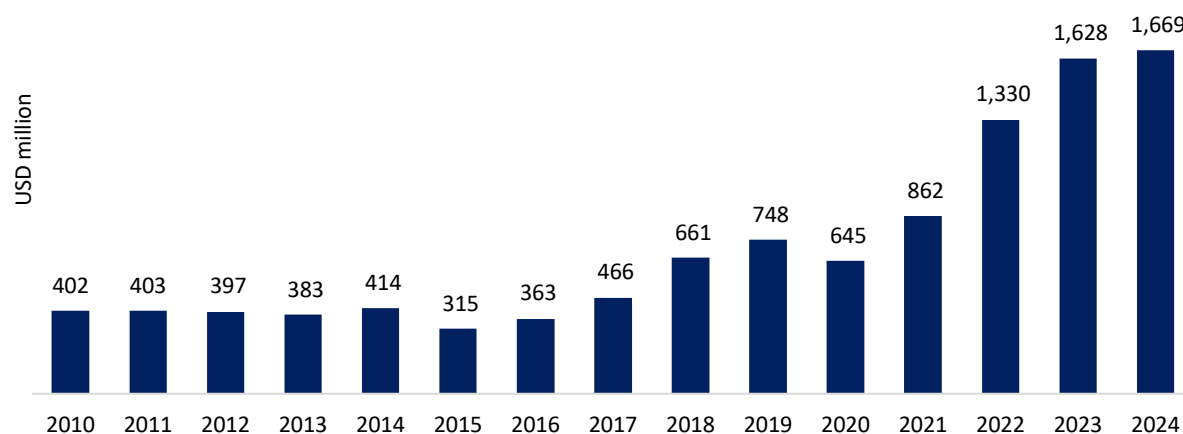
Source: UN Comtrade

<sup>6</sup> Public Radio of Armenia. "Armenia to appoint Trade Attaché to China". 2 February, 2017. Accessed March 12, 2025. [bit.ly/3R6iNti](https://bit.ly/3R6iNti)

<sup>7</sup> Armenpress. "Official representation of Armenia's chamber of commerce inaugurated in China". 13 June, 2017. Accessed March 12, 2025. <https://bit.ly/4httH7c>

Although China's share in Armenia's imports declined, the absolute value of imports from China has grown significantly. In pre-COVID 2019, Armenia's merchandise imports from China amounted to USD 748 million, an 86% growth compared to 2010. In 2020-2024 imports from China increased 2.6 times and reached USD 1,669 million. This sharp growth can be attributed to the increased re-exports from Armenia to Russia in 2022-2024. After the outbreak of the Russo-Ukrainian war in 2022, Western countries imposed economic sanctions on Russia, which hindered its ability to import goods. Given that Armenia and Russia are part of an economic union with mutual obligations and tariff-free trade, Armenia began importing goods from third countries, including China, and re-exporting them to Russia, which contributed to a significant growth in imports. This does not imply that all re-exported goods were subject to sanctions. Moreover, to prevent the use of re-export activities for circumventing international sanctions, the Armenian government has taken significant measures to enhance oversight and ensure compliance. In May 2023, a government decree was implemented prohibiting the export of dual-use goods<sup>8</sup>. Additionally, customs controls have been tightened, and Armenia has been working closely with international partners to monitor and prevent any potential misuse of its trade channels.

**Figure 2. Imports of Armenia from China in 2010-2024**



Source: UN Comtrade

Armenia mostly imports from China machinery and mechanical appliances (e.g. refrigerators, air conditioning machines, data processing machines, etc.), electrical machinery and equipment (e.g. telephone sets, monitors, heaters, etc.), as well as apparel and clothing accessories. Over the past 15 years, these have been among the main product groups imported from China to Armenia. Particularly, between 2010 and 2024, electrical machinery accounted for an average annual share of 22% of imports from China, machinery and mechanical appliances for 20%, and apparel and clothing accessories for 7%.

<sup>8</sup> ARLIS. The Government decision N-808-Ն from May 25, 2025. <https://is.gd/H27jOF>



Vehicle imports (HS 87) experienced remarkable growth in 2021, 2022, and 2023. In 2021, imports increased 2.3 times compared to the previous year, followed by a 48% rise in 2022 and another 2.3-fold surge in 2023. This rapid growth elevated the share of vehicles in Armenia's total imports to 12% in 2023, up from just 4% in 2020. In 2024, the growth rate of vehicle imports slowed; however, a 5% increase was still recorded compared to the previous year, with the share remaining at 12%.

The increase in 2021 was driven mostly by the growth in imports of passenger vehicles for public transport (a 30-fold increase, HS 8702).

The growing import of Chinese electric vehicles also played a significant role in the overall surge in vehicle imports. In recent years, several measures including tariff exemption have been implemented in Armenia to encourage the import of electric vehicles. Given that vehicles with electric engines (HS 870380) account for a significant share of total Chinese car imports to Armenia, these policies have likely played a key role in this trend. Specifically, in 2019, import of electric vehicles (cars, motorcycles, etc.) to Armenia were exempted from import tariffs, a policy that remained in effect until January 1, 2022<sup>9</sup>. This policy significantly boosted the import of electric vehicles: only 5 cars with electric engines were imported in 2018, while in 2021 the number reached 1,893<sup>10</sup>. Further, in 2022, a tariff exemption was introduced for a specific number of electric cars<sup>11</sup> imported in 2022 (7,000) and in 2023 (8,000)<sup>12</sup>. Later, a new quota was established for 2024 and 2025.

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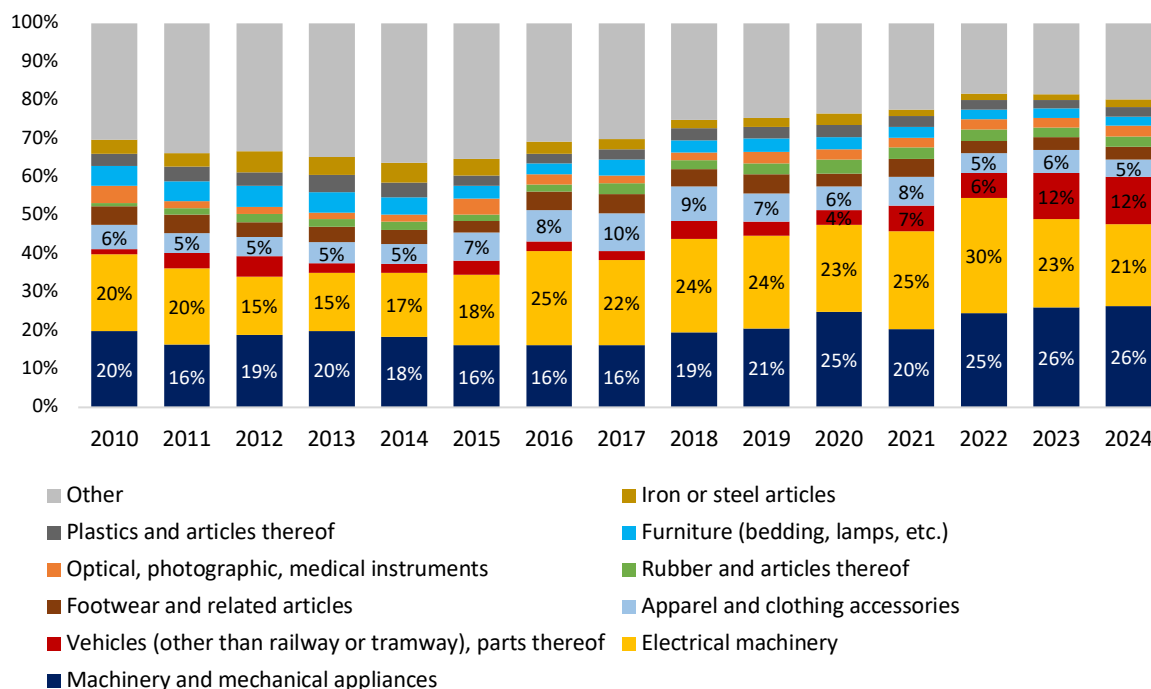
<sup>9</sup> ARLIS. RA law on amendments in the tax code ՀՕ-63-Ն as of June 7, 2019. <https://is.gd/wlP2zE>

<sup>10</sup> Armenian Energy Agency. "Armenia's import rates of electric vehicles as of 2023" [in Armenian]. <https://bit.ly/40FJ4Eu>

<sup>11</sup> 8703 80 000 2

<sup>12</sup> First Chanel News. "Tariff privileges will be applied to electric vehicles imported into Armenia" [in Armenian]. 15 April, 2022. Accessed March 12, 2025. <https://is.gd/K4qMlr>

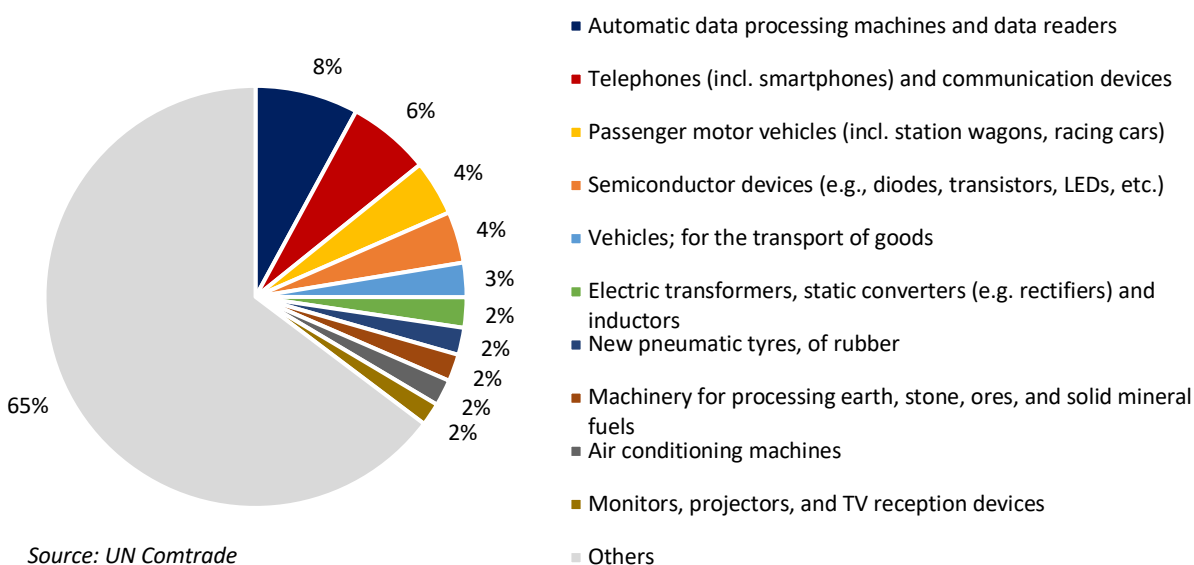
**Figure 3. Imports of Armenia from China by major product groups**



Source: UN Comtrade, Note: Data based on HS 2-digit codes

A more detailed breakdown for 2024 demonstrates that Armenia imported a diverse range of products from China, with automatic data processing machines leading at 8% of total imports, followed by telephones and communication devices at 6%, passenger motor vehicles and semiconductor devices each at 4%.

**Figure 4. The structure of Armenia's imports from China in 2024**



Source: UN Comtrade

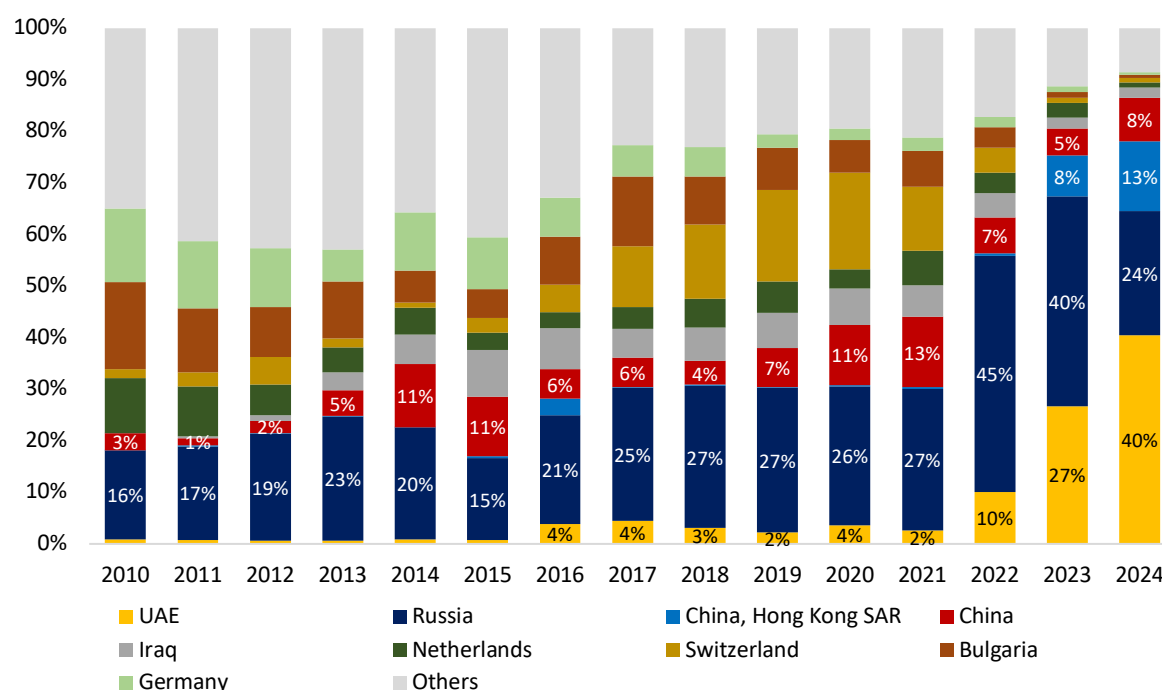
Note: Data based on HS 4-digit codes

### 1.3 Exports of Armenia to China

China is not only among Armenia's largest import partners but also one of its key export destinations. Moreover, over the years its importance has grown. In 2010, China accounted for just 3% of Armenia's exports. By 2020 and 2021, this share had risen significantly to 11% and 13%, respectively. However, the onset of the Russian-Ukrainian war, coupled with the resulting re-exports from Armenia to Russia and a surge in exports to Hong Kong and the UAE (2023-2024), disrupted Armenia's export structure. **In 2021, China was Armenia's second-largest export destination with 13% share. Although its share declined to 8% in 2024 China has remained among Armenia's top five export destinations, highlighting its continued significance.**

It must be mentioned that the surge in exports to the UAE and Hong Kong in 2023 and 2024 were driven by a significant increase in Armenia's gold and jewelry exports to these countries. This shift occurred after Russia imposed export duties on gold shipments to non-EAEU countries in 2023. Armenian manufacturers recognized an opportunity here and began importing semi-manufactured gold, processing it locally and exporting it to the main importers of Russian gold<sup>13</sup>.

**Figure 5. The share of China in Armenia's export in 2010-2024**



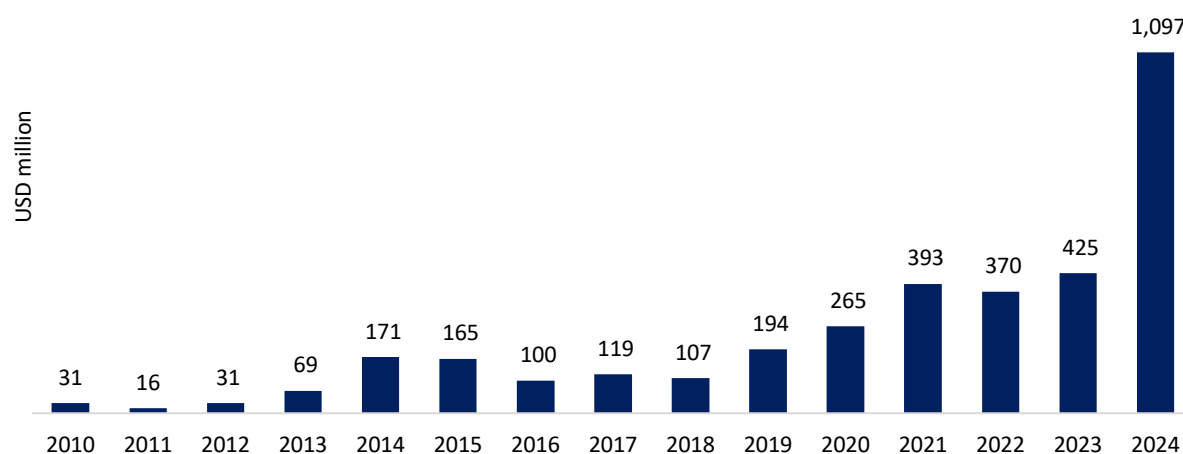
Source: UN Comtrade

Although China's share in Armenia's exports has been fluctuating over the past 15 years, the export volumes have grown significantly. Between 2010 and 2024, Armenia's merchandise

<sup>13</sup> D. Chervyakov, R. Giucci, H. Fanyan, A. Petrosyan. "Armenia's "gold rush": reasons and economic implications". October 2024. <https://shorturl.at/TlKu9>

exports to China increased by USD 1,067 million, representing a 35.6-fold growth and reaching over USD 1 billion. As Figure 6 demonstrates in 2024 the exports to China more than doubled. This sharp increase was driven by a surge in exports of semi-manufactured gold, following the same factors previously explained for the UAE and Hong Kong.

**Figure 6. Exports of Armenia to China in 2010-2024**



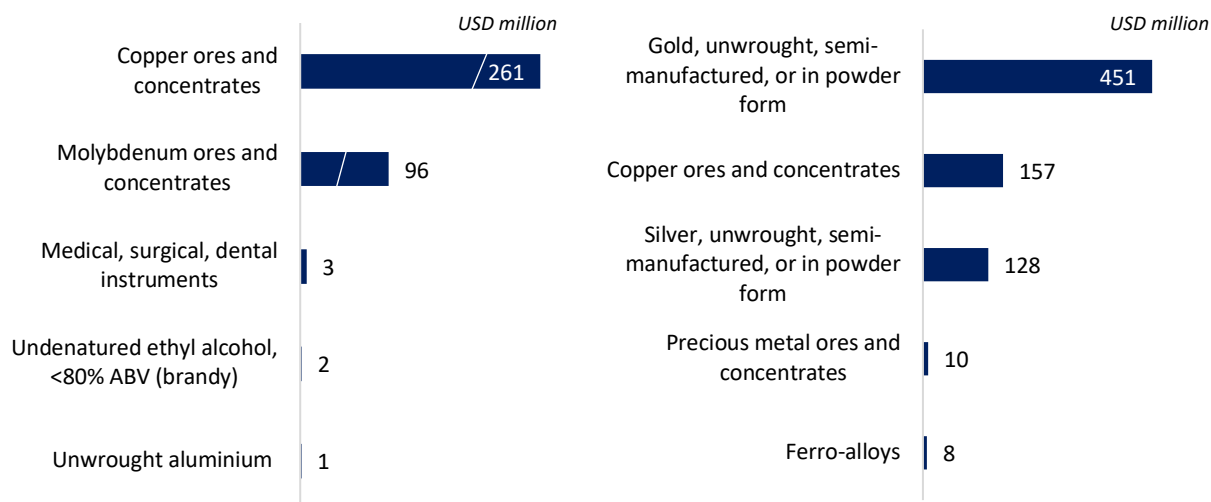
Source: UN Comtrade

To examine the composition of exports and identify the main drivers of growth from Armenia to China, it is more reasonable to divide the time series into two periods: before and after 2022. The outbreak of the Russo-Ukrainian war significantly disrupted trade patterns, causing a short-term effect. In the medium term, however, trade is expected to return to normal.

In 2010-2021, copper ores and concentrates were the primary drivers of the 13-fold export growth, with exports of this commodity increasing by USD 261 million (an 11-fold rise), accounting for 72% of the total growth. The second-largest growth in absolute terms came from molybdenum ores and concentrates, which grew by USD 96 million.

Between 2022 and 2024, exports from Armenia to China nearly tripled. This growth was primarily driven by the export of semi-manufactured gold, which accounted for 62% of the increase. The second-largest contributor to this growth in absolute terms was copper ores and concentrates, representing 22% of the total growth. However, as previously mentioned, the export of gold was influenced by external factors and is unlikely to be sustained in the coming years.

**Figure 7. Top 5 products with the greatest growth in export value from Armenia to China in 2010-2021 (left chart) and 2022-2024 (right chart)**



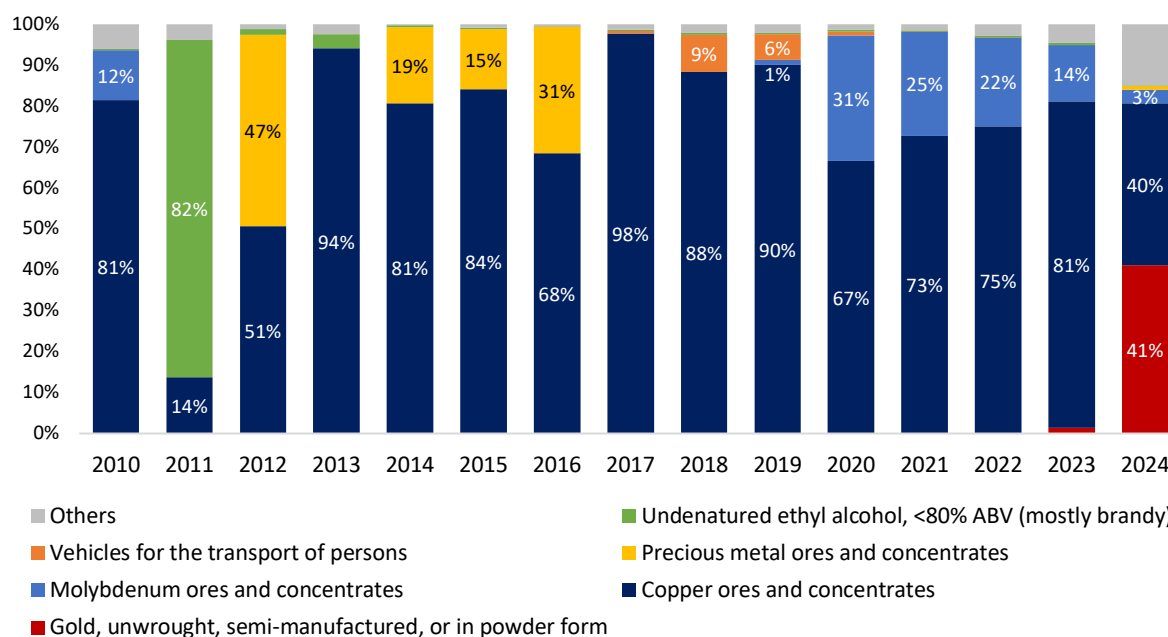
Source: UN Comtrade. Note: Data based on HS 4-digit codes

Over the past 15 years, Armenia's exports to China have predominantly consisted of ores (HS 26), which have accounted for more than 90% of total exports annually, with the exception of 2011 and 2024. For example, between 2020 and 2024, copper ores and concentrates (HS 2603) accounted for an average annual share of 60% of Armenia's exports to China, while molybdenum ores and concentrates (HS 2613) made up 14%. During this period, the share of copper ores declined from 67% to 40%, the share of molybdenum declined from 31% to 3%. However, in absolute terms, exports of these commodities have increased 17-fold for copper ores and 9.7-fold for molybdenum ores. The decline in their shares is due to the sharp increase in exports of other commodities.

In fact, China's interest in Armenian copper started decades ago. During Hu Jintao's presidency (2002-2012), the Chinese government initiated efforts to establish economic cooperation with South Caucasus nations by providing loans for development projects and expressing a keen interest in boosting trade relations<sup>14</sup>.

<sup>14</sup> Nadege Rolland. "China's Ambitions in Eastern Europe and the South Caucasus". *Russie.Nei.Visions*, No. 112. Ifri.December 2018 [bit.ly/3FqiNSz](https://bit.ly/3FqiNSz)

**Figure 8. Export of Armenia to China by products**



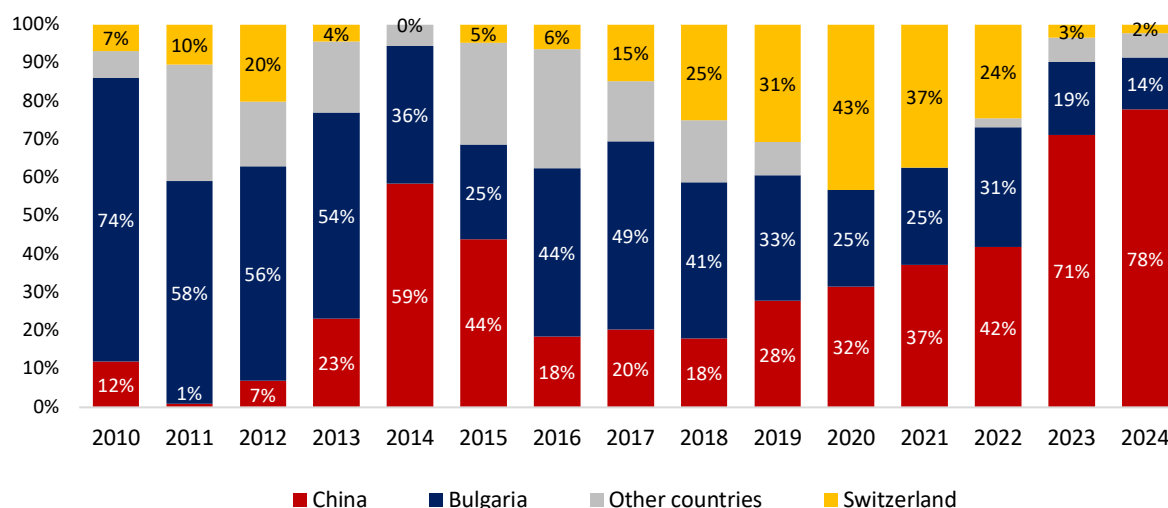
Source: UN Comtrade, Note: Data based on HS 4-digit codes

**Copper ores and concentrates are not only Armenia's primary export to China but also one of the country's main export commodities overall.** Before the surge in re-exports from Armenia to Russia distorted the country's export structure in 2022-2024, copper ores and concentrates were Armenia's primary export product globally. For example, in 2021 copper ores and concentrates lead Armenia's merchandize exports with 26% share. The average annual share for this commodity between 2020 and 2021 stood at 21%. It declined to 12% in 2022, to 6% in 2023 and 4% in 2024, primarily due to the rise in re-exports of other products during this period.

China has been one of the primary buyers of Armenian copper ore with its share increasing over the years. In 2024, 78% of Armenia copper ore exports were directed to China. It must be mentioned that copper is a globally traded stock market commodity, which means that, all else being equal, such as transportation costs, smelting fees, and other related expenses, it can be exported to alternative markets beyond the current dominant buyers.



**Figure 9. Armenia's export of copper ores and concentrates by importing countries in 2010-2024**



Source: UN Comtrade

Copper ore exports play a crucial role in Armenia's economy, with their fluctuations having a direct impact on the country's economic growth and other socio-economic aspects. For instance, in 2016, Armenia's economic growth rate slowed to just 0.2%, partly due to a decline in global metal prices<sup>15</sup>. As the largest importer of Armenia's copper ore, China's role in the Armenian economy is particularly significant in this context.

## 1.4 Trade Prospects

Several developments in recent years suggest that trade relations between Armenia and China are set to strengthen. **The EAEU, which Armenia is a member of, considers China a strategic partner and actively engages with it in various formats, including within the BRICS (Brazil, Russia, India, China, South Africa), Shanghai Cooperation Organization (SCO), and the Chinese Belt and Road Initiative<sup>16</sup>.** Particularly, on May 17, 2018, EAEU and China have signed an agreement on economic and trade cooperation, which entered into force on 25 October 2019<sup>17</sup>. Under the agreement, the EAEU and China will take steps to facilitate trade by limiting customs controls, reducing formalities, and minimizing the number of required documents for goods trade. They aim to adopt efficient customs processes aligned with international standards to lower costs and prevent unnecessary delays. Additionally, both sides will regularly review their customs

<sup>15</sup> H. Fanyan, A. Petrosyan, M. Abrahamyan. "Increaseing Economic Resilience of Armenia". CASE Reports No. 508 (2024). 2024. <https://bit.ly/3CkXjoX>

<sup>16</sup> EEC. "EAEU and China develop strategic partnership". 11 December, 2023. Accessed March 12, 2025. <https://bit.ly/3DpOESS>

<sup>17</sup> EEC. "Agreement on Economic and Trade Cooperation Between the EEU and its Members States, of the One Part, and the People's Republic of China, of the Other Part". Accessed March 12, 2025. [bit.ly/3Dw0H0X](https://bit.ly/3Dw0H0X)

operations to simplify procedures and improve efficiency. They also plan to collaborate on enhancing and modernizing customs infrastructure, including technical control facilities, IT and telecommunications systems, and other essential equipment at key border checkpoints, considering traffic volumes and operational needs. After the agreement was signed, a joint commission was established to oversee its implementation and on 16 February 2023 at the 3rd Session of the Joint Commission the sides adopted the Plan (Roadmap) on Development of Trade and Economic Cooperation between the EAEU and its Member States, and the People's Republic of China. The document includes three sections<sup>18</sup>:

- digitalization of transport corridors,
- dialogues on foreign trade policy issues,
- conducting the joint scientific research on the effects of various scenarios of deepening trade and economic cooperation between the EAEU member states and China.

There are plans to update the roadmap in 2025, including the most relevant areas of cooperation, to further enhance trade between the parties<sup>19</sup>.

**In recent years, Armenia has been seeking to enhance its engagement with the Shanghai Cooperation Organization (SCO), an intergovernmental organization established by China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan to promote cooperation among member states, including in trade and economic affairs.** Armenia became a dialogue partner of the SCO in 2015. This status grants limited opportunities for cooperation and engagement. In 2024 the country applied to upgrade its status to Observer Status, which entails a higher level of involvement compared to its current Dialogue Partner status<sup>20</sup>. Another sign of Armenia's potential for deeper engagement with the SCO is the notable 2024 visit of the SCO Secretary-General and their delegation—the first-ever visit to Armenia at this level<sup>21</sup>. Strengthening engagement in the SCO is particularly important for Armenia as it serves as a key platform for enhancing its relations with China, fostering deeper economic and diplomatic ties within a multilateral framework.

**In 2023, the Armenian government introduced the Crossroads of Peace initiative,** which is designed to establish connections between the Persian Gulf, the Gulf of Oman, the Black Sea, the Caspian Sea and the Mediterranean Sea via a consolidated, regional railway network and via the North-South and East-West roads. According to Chinese high-level officials, Armenia's Crossroads of Peace initiative shares some common objectives with China's Belt and Road Initiative, creating opportunities for collaboration. China has already expressed interest in

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<sup>18</sup> EEC. EEC website. "People's Republic of China". Accessed March 12, 2025. <https://bit.ly/4bMbGQI>

<sup>19</sup> EEC. "EAEU and PRC update road map for trade and economic cooperation". 10 January, 2025. Accessed March 12, 2025. <https://bit.ly/3FI5ToR>

<sup>20</sup> Hetq. "Armenia intends to become an observer country in the Shanghai Cooperation Organization" [in Armenian]. 18 July, 2024. Accessed March 12, 2025. <https://bit.ly/3Dz0tGh>

<sup>21</sup> MFA. "The meeting of the Minister of Foreign Affairs of Armenia with the SCO Secretary-General". 7 June, 2024. Accessed March 12, 2025. <https://bit.ly/41KJfh6>

potentially investing in this project as part of the Belt and Road Initiative<sup>22</sup>. Worth noting that on May 31, 2024, the first truck from Shanghai, China, arrived in Yerevan, Armenia. The journey from Shanghai took 20 days, passing through Kazakhstan, Uzbekistan, Turkmenistan, and Iran<sup>23</sup>. If the Crossroads of Peace initiative is fully realized, it could significantly boost trade turnover between China and Armenia.

**It is also worth noting that, as of September 3, 2024, China Southern Airlines began operating flights on the Urumqi-Yerevan-Urumqi route.** The flights run twice a week, on Tuesdays and Saturdays<sup>24</sup>. This development is seen as a positive step not only for increasing tourist flows but also for facilitating trade.

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<sup>22</sup> A1+. "China will invest in the project as part of the "One Belt, One Road" initiative" [in Armenian]. 21 October, 2024. Accessed March 12, 2025. <https://bit.ly/43DMWaY>

<sup>23</sup> Armenpress. "The first truck from China has arrived in Armenia as part of the "Crossroads of Peace" project" [in Armenian]. 3 June, 2024. Accessed March 12, 2025. <https://bit.ly/4bLXMh2>

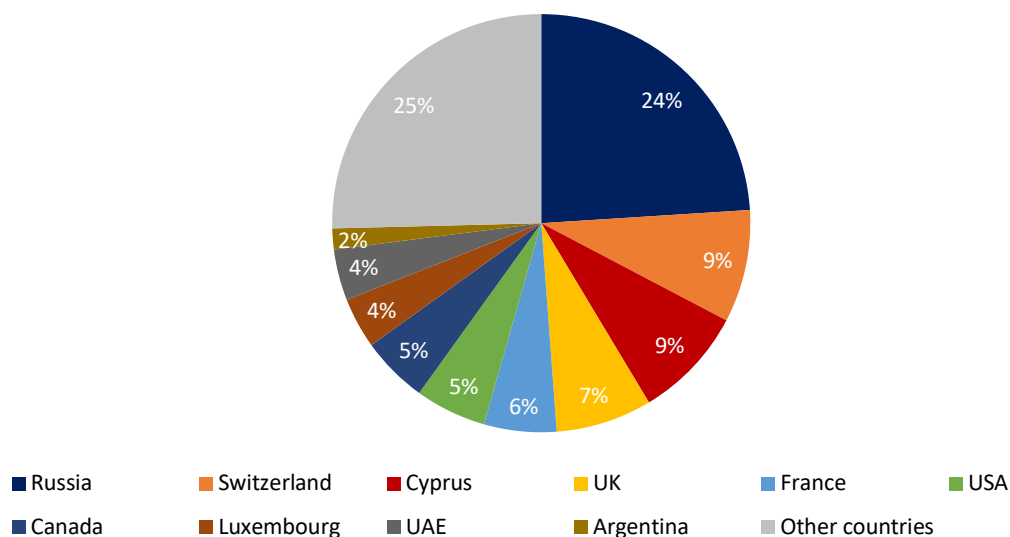
<sup>24</sup> Zvartnots. "China Southern Airlines started operating flights on the route Urumqi – Yerevan – Urumqi". 3 September, 2024. Accessed March 12, 2025. [bit.ly/4iDxlqK](https://bit.ly/4iDxlqK)

## Chapter 2. The Role of Chinese Capital in Armenia's Economy

Armenia's foreign direct investment (FDI) portfolio is notably concentrated both geographically and by sectors. A small number of countries account for the majority of investments, and these are primarily directed toward a narrow set of industries.

Overall, Armenia has long struggled to attract foreign investment due to geopolitical risks, limited market size, and other constraints. Russia has historically been the dominant source of FDI in Armenia and continues to play a central role. As of the end of 2024, Russia accounted for 24% of the net FDI stock in Armenia's economy, followed by Switzerland with a 9% share. Overall, the FDI landscape is heavily reliant on a handful of countries: the top five foreign investors collectively hold more than half (54.4%) of the total net FDI stock. This high concentration limits the resilience and diversification of Armenia's investment environment, making the country more vulnerable to external shocks and policy shifts in these few partner countries.

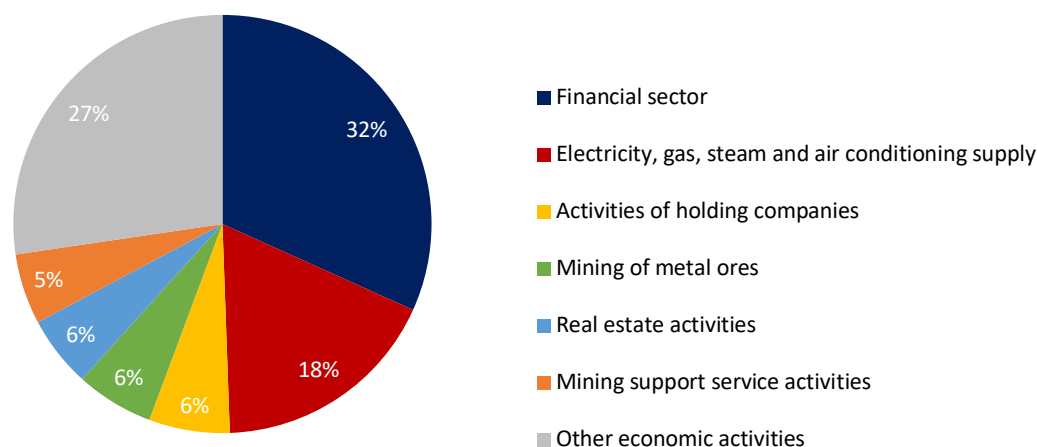
**Figure 10. Net FDI Stock in Armenia's Economy by Country as of the end of December 2024**



Source: Armstat

As of the end of 2024, investments in the financial sector and electricity and gas supply accounted for half of the net stock of inward FDI, with the financial sector leading the sectoral distribution (32%, AMD 976 billion, or around USD 2.5 billion).

**Figure 11. Net FDI Stock in Armenia's Economy by Economic Activities as of the end of December 2024**



Source: Armstat

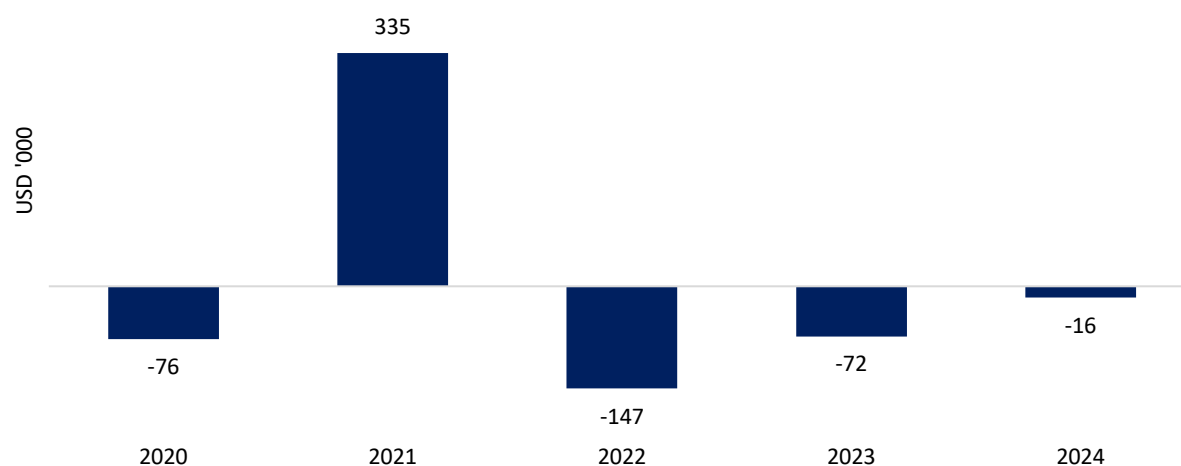
As already mentioned, investment in Armenia is highly reliant on a few countries, led by Russia. China's share of Armenia's net FDI stock is very small, accounting for just 0.01% at the end of 2024. The net FDI inflow in 2024 amounted USD -16 thousand. Almost all of the Chinese investments have been directed toward the real sector of the economy, particularly in the manufacturing of beverages. A negative net inflow means that Chinese investors withdrew capital from their operations in Armenia or repatriated profits that exceeded any new investments made. However, in the last three years, there has been a gradual decline in the negative values of FDI inflow, which may suggest that interest in Armenia is beginning to increase, but hasn't yet resulted in net positive flows. Indeed, in recent years, there has been a growing interest from Chinese investors in exploring opportunities in Armenia. For example, Chinese businesses have expressed interest in investing in a cement factory, establishing a tractor manufacturing plant, and setting up a tractor assembly center with the aim of exporting to neighboring markets<sup>25</sup>. Discussions have also taken place in 2023 regarding the potential establishment of an electric vehicle production facility in Armenia<sup>26</sup>. However, these talks have yet to progress further, and overall, the volume of Chinese FDI in Armenia remains very small. Similar to other countries, China's limited investment in Armenia's economy is influenced by the country's geographic location, small market size, and the limited awareness of Armenia among Chinese businesspeople.

<sup>25</sup> News.am. 'China expresses interest in opening cement factory, manufacturing tractors in Armenia'. October 19, 2023. <https://is.gd/EDtwPi>

<sup>26</sup> Sputniknews. 'The issue of producing electric vehicles in Armenia was discussed with Chinese companies: Minister' [in Armenian]. November 03, 2023. <https://is.gd/068hQ6>

However, in the last couple of years, there have been some developments that may help to stimulate greater interest from Chinese investors. One of them is the visa liberalization and the launch of direct flights between the two countries in 2024. According to the Chargé d’Affaires of China in Armenia, there is already growing interest among Chinese investors in Armenia’s energy, transportation, and mineral sectors<sup>27</sup>. Additionally, in 2024, two major developments occurred that may help to simplify transactions for Chinese businesses and tourists and contribute to strengthening financial ties between the two countries. First, two Armenian banks began issuing UnionPay International cards. UnionPay is a Chinese national payment system. While one of them had been servicing UnionPay International cards since 2019, this marked the first time that banks in Armenia were authorized by the Central Bank to issue UnionPay cards. Second, Armenia’s national payment system, ArCa, signed a memorandum of understanding with UnionPay International aimed at fostering cooperation and strengthening bilateral relations.

**Figure 12. Net inflow of FDI from China to Armenia in 2019-2024**



Source: Armstat

Note: investment from the financial and non financial organization sector, non-profit institutions serving households and household

When it comes to China’s approach to the South Caucasus in general, and Armenia specifically, since the collapse of the Soviet Union, the region has not been a significant focus of China’s foreign policy. However, recent developments suggest a **change in Beijing’s outlook toward the region**. The implementation of the Belt and Road Initiative, the 2020 war in Nagorno-Karabakh, the Russo-Ukrainian war transformed Beijing’s interests and changed its behavior in the region. Since then, China has been investing more in the region, strengthening cultural ties, implementing more youth mobility programs, and undertaking other initiatives that pave the way for further development of bilateral relations. In terms of investment, Azerbaijan and Georgia have seen

<sup>27</sup> Sputniknews. ‘What interests Chinese investors in Armenia: diplomat explains’ [in Armenian]. July 18, 2025. <https://is.gd/pCnASM>



growing Chinese involvement, while Armenia still lags behind<sup>2829</sup>. In Armenia, China has been more actively using its soft power tools to advance its interests, such as funding, building, and promoting humanitarian, cultural, and educational centers. For example, between 2016 and 2018, the Chinese government **invested over USD 12 million to build and equip a state-of-the-art school in Yerevan—the Armenian-Chinese Friendship School**. The school provides hundreds of Armenian pupils with the opportunity to study the Chinese language alongside the standard secondary and high school curriculum. Originally designed to accommodate around 400 students, it now serves approximately 700. In September 2024, China began **the construction of a new broadcasting studio for the Public Television Company of Armenia**. China will provide AMD 10 billion (around USD 26 million) for the construction of the pavilion, which will be the first new production infrastructure of Armenian television since Armenia's independence, with a 1,000 square meter studio operating on its territory.

**In 2024, Armenia became a member of the Asian Infrastructure Investment Bank (AIIB)**, of which China is a founding member and largest shareholder<sup>30</sup>. This membership may allow Armenia to participate in regional investment projects and potentially attract China-funded investments for infrastructural initiatives. This is a significantly important development in the bilateral relationship of the two countries and lays the groundwork for increased Chinese investment in Armenia. Armenia has joined AIIB by subscribing to 374 shares with the price of one share being USD 100 thousand, 20% of which is paid, and the rest is on demand.

Another important aspect of China's involvement in Armenia's economy is the growing participation of Chinese contractors in several major infrastructure projects over the past decade, including the construction of North-South Road Corridor is a strategically significant highway, construction of the Kaps reservoir in Armenia's Shirak province, as well as construction of the first large industrial solar power plant in Armenia.

### **Construction of the North-South Road Corridor (2016-2025)**

The North-South Road Corridor is a strategically significant highway spanning 461 km, designed to enhance connectivity between northern and southern parts of Armenia while facilitating more efficient transportation of people and goods. The project is financed through a multi-tranche funding approach, divided into five tranches, each supported by separate loan agreements.

Tranche 3, covering the Talin-Gyumri section with a total length of approximately 41.7 km, was funded through loans and grants from the Asian Development Bank and the European Investment

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<sup>28</sup> Daniel Shapiro. 'US Should Keep an Eye on Rising Chinese Investment in the South Caucasus'. October 01, 2020. <https://is.gd/WoytOJ>

<sup>29</sup> Yunis Sharifli. 'Strategic Recalibration: Azerbaijan's Growing Partnership with China amid Global Shifts'. December 08, 2024. <https://is.gd/2gTj5L>

<sup>30</sup> RA Parliament. 'Membership in Asian Infrastructure Investment Bank to enable RA to participate in major regional investment projects'. June 11, 2024. <https://is.gd/vAzD5a>

Bank, totaling USD 172 million<sup>31</sup>. The road restoration was initiated in 2016<sup>32</sup> and completed in 2025. The construction works were carried out by the Chinese company Sinohydro Corporation Ltd and its subcontractor S&A Mining LLC<sup>33</sup>. Sinohydro is a major Chinese state-owned construction enterprise and a subsidiary of the Power Construction Corporation of China (POWERCHINA). The company provides a broad range of services, including infrastructure development, and has implemented projects across Asia, Africa, and other regions.

### **Construction of the Kaps Reservoir (2023-)**

The construction of the Kaps Reservoir in Armenia's Shirak Province began in 2023, with an initial capacity of 25 million cubic meters. Future expansion plans aim to increase its capacity to 60 million cubic meters, making it a crucial infrastructure project for the region<sup>34</sup>. This EUR 93.8 million project is being executed by the Chinese company Shanxi Construction Investment Group Co, the largest comprehensive state-owned investment and construction group in China's Shanxi Province<sup>35</sup>.

Once completed, the 25 million cubic meter reservoir will provide irrigation for 17,000 hectares of land and transition 2,280 hectares from mechanical to gravity irrigation, leading to an annual energy savings of 1.3 million kWh. Upon expansion to 60 million cubic meters, the reservoir will enable irrigation for an additional 920 hectares and replace mechanical irrigation for approximately 6,600 hectares, saving 11 million kWh of electricity each year.

### **Construction of the Masrik-1 Solar Power Plant (2023-2025)**

Masrik-1 is the first large industrial solar power plant in Armenia. It was commissioned in 2025. The project is a result of a public-private partnership and was implemented by a Dutch firm Fotowatio Renewable Ventures B.V, in collaboration with the Chinese contractor China Machinery Engineering Corporation (CMEC), a subsidiary of the state-owned Sinomach enterprise. The implementer of the project was selected in 2018, but the construction faced years of delays due to the Armenian-Azerbaijani military conflict and the COVID-19 pandemic, and began only in November 2023<sup>36,37</sup>. The supplier of the PV modules for the solar power project was

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<sup>31</sup> "Road Department" Fund. 'Tranche 3. Talin-Lanjik, Lanjik-Gyumri'. Accessed June 24, 2025. <https://is.gd/AU1HYa>

<sup>32</sup> Office of the administrative manager of Shirak province. 'The groundbreaking ceremony for the North-South Corridor Investment Program took place' [in Armenian]. June 17, 2016. <https://is.gd/cClrvF>

<sup>33</sup> ADB. 'Environmental Monitoring Program: Armenia: North-South Road Corridor Investment Program - Tranche 3'. April 2023. <https://is.gd/KlbNdr>

<sup>34</sup> Ministry of Territorial Administration and Infrastructure of RA. 'The foundation stone of the Kapsi reservoir has been laid'. May 18, 2023. <https://www.mtad.am/news/1431>

<sup>35</sup> Taiyuan Municipal People's Government website. <https://is.gd/ropfrb>

<sup>36</sup> Armenpress. 'Masrik 1 Solar Power Plant project opens promising phase towards secure, independent energy system – PM Karapetyan'. April 04, 2018. <https://is.gd/J7t1ot>

<sup>37</sup> Shtigen Energy Systems. 'How is the largest solar power plant in Armenia built?'. July 26, 2024. <https://is.gd/d69z5l>

also a Chinese firm, Jinko Solar<sup>38</sup>. Masrik-1 is the first competitively-tendered solar-photovoltaic project in Armenia and the first utility-scale solar power plant in Armenia, which is also the first for the Caucasus. The solar photovoltaic power plant has an installed capacity of 55 MWac located in the Masrik municipality, Gegharkunik Province, Armenia. It has a very important role not only for the development of renewable energy in Armenia but also for its contribution to the country's efforts towards energy security.

Not only are Chinese companies engaged in the development of these infrastructural projects, but in recent years, several well-known Chinese brands have entered the Armenian market or opened specialized stores, including Xiaomi, Haier, Jetour, and most recently, Hongqi electric cars<sup>39,40</sup>. However, the most notable development over the past two decades has been the entry of **Huawei**—a Chinese multinational technology corporation—into Armenia. Although formally a private company, Huawei is often regarded, particularly by U.S. policymakers, as a 'commercial extension of the Chinese Communist Party (CCP)'<sup>41</sup>. Huawei established a local representative office in Armenia in 2010 and opened its first retail store in Yerevan in 2014<sup>42</sup>. Presently, Huawei Armenia is among the 1000 largest taxpayers in the country. As part of its corporate social responsibility program, in 2021, the company launched its first 'Seeds for the Future' global program in the country—a talent development initiative that helps students from around the world learn about cutting-edge ICT technologies, develop leadership skills, and get acquainted with Chinese culture. The program was endorsed by the Ambassador Extraordinary and Plenipotentiary of the PRC to Armenia, who attended and delivered remarks at the opening ceremony. In 2017, Huawei signed a memorandum of understanding with Armenia's Ministry of Transport, Communications, and Information Technologies outlining future cooperation, including the implementation of a **smart city project** in the country. That same year, by decision of the Prime Minister, a working group was established to implement a pilot smart city program. The group included the Deputy Minister of Transport, Communication, and Information Technology, the Deputy Head of the Police, and the Deputy Mayor of Yerevan<sup>43</sup>. However, due to the shift in Armenia's political landscape, COVID-19, war in Nagorno-Karabakh, the project was put on hold. In 2023, during an official visit to China, Armenia's Minister of Economy met with representatives of Huawei to discuss the implementation of smart technologies in Armenia's economy and the development of a 5G

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<sup>38</sup> PowerTechnology. "Power plant profile: Masrik 1 Solar PV Park, Armenia". Updated October 21, 2024. <https://is.gd/PHZdDM>

<sup>39</sup> Tert.am. 'Thanks to the partnership between Zigzag and Haier, the first Haier brand shop was opened in Armenia' [in Armenian]. September 05, 2024. <https://is.gd/1V7Nbk>

<sup>40</sup> Armenpress. 'Symbol of Chinese automotive excellence arrives in Armenia: E-auto becomes the official representative of Hongqi electric vehicles'. April 29, 2025. <https://is.gd/DNUAF9>

<sup>41</sup> Noah Berman, Lindsay Maizland, and Andrew Chatzky. 'Is China's Huawei a Threat to U.S. National Security?'. February 8, 2023. <https://is.gd/4NPB8o>

<sup>42</sup> ArkaTelecom. 'Huawei opens first store in Armenian capital city'. June 30, 2014. <https://is.gd/FphLZn>

<sup>43</sup> E-gov.am. The Decision of RA Prime-Minister on Formation of Working Group and Approving Its Individual Members from December 13, 2017, 1464 - U. <https://www.e-gov.am/decrees/item/17970/>

network, among other topics<sup>44</sup>. The Huawei Smart City solution helps to identify, monitor, and track both people and goods and services. The program requires thousands of security cameras to be installed in public places, which often use facial recognition technology to identify people and license plates. While these smart solutions are presented as cutting-edge solutions for connectivity and efficiency, some organizations think that they pose a range of risks to democracy if not implemented following democratic principles of transparency and accountability<sup>45</sup>. Moreover, Huawei's products have fueled concerns that China is 'exporting authoritarianism'<sup>46</sup>. Although presently no concrete steps are taken toward implementing the smart city project in Yerevan, the Deputy Minister of High-Tech Industry of Armenia has held meetings with Huawei representatives to explore opportunities for deeper collaboration, and the smart city initiative remains one of the potential projects under discussion<sup>47</sup>.

Since 2024, the world's leading hypermarket, **Chinese TEMU**, has started to provide direct and free deliveries to Armenia, becoming one of the important online shopping platforms for Armenians<sup>48</sup>. In addition, a cooperation agreement was recently signed between Chinese **Alipay+** and Armenia's leading digital payment platform Idram, according to which Alipay+ users will now be able to easily make payments at thousands of merchants in Armenia. It should be noted that this is Alipay+'s first entry into the South Caucasus region<sup>49</sup>.

Finally, it is important to highlight the Chinese-Armenian joint venture Shanxi-Nairit. In 2003, Armenia and China signed an agreement to establish a **joint venture, Shanxi-Nairit**, for the production of chloroprene rubber, a synthetic material widely used in consumer and industrial products. The enterprise was created between two state-owned companies: China's Shanxi Synthetic Rubber Group Joint Stock Company and Armenia's Nairit CJSC. The Armenian Nairit was the largest producer of synthetic rubber in the Soviet Union. However, in 1989, under pressure from the environmental movement, the plant was shut down and subsequently fell into disrepair. Following Armenia's independence, the government attempted to revive the facility, but it struggled due to persistent financial difficulties. The Shanxi-Nairit joint venture combined Armenia's manufacturing expertise and technical know-how with Chinese capital. Construction was completed in 2009, and the plant was officially inaugurated in the Chinese Shanxi Province

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<sup>44</sup> ArkaTelecom. 'Kerobyan discussed with Huawei Technologies representatives implementation of smart technologies in Armenia's economy'. October 23, 2023. <https://is.gd/Log0k7>

<sup>45</sup> B. Kerley, R. Kasenally, B. Simão and B. Santos. 'Smart Cities and Democratic Vulnerabilities'. December 2022. <https://is.gd/Vpg69s>

<sup>46</sup> Jonathan E. Hillman and Maesea McCalpin. Center for Strategic and International Studies. 'Watching Huawei's "Safe Cities"'. November 4, 2019. <https://is.gd/7pAtVh>

<sup>47</sup> Hetq. 'Deputy Minister received General Director of Huawei Technologies Armenia' [in Armenian]. October 16, 2024. <https://is.gd/GBwNqP>

<sup>48</sup> News.am. "Leading global hypermarket TEMU launches direct, fast, free deliveries to Armenia via Onex" [in Armenian]. April 16, 2024. <https://is.gd/IBb7Hq>

<sup>49</sup> News.am. "Idram is the first in the Caucasus to announce cooperation with Alipay+". July 11, 2025. <https://is.gd/BpJotU>

in 2010. The investment shares in the venture were split 60% by the Chinese side and 40% by the Armenian side<sup>50</sup>.

In summary, the volume of Chinese FDI in Armenia remains very small, influenced by several factors including the country's geographic location, small market size, and the limited awareness of Armenia among Chinese businesspeople. However, in recent years, there have been signs of a gradual shift, with growing interest from Chinese investors.

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<sup>50</sup> Shanxi-Nairit Synthetic Rubber Co, Ltd. Website: About us. Accessed June 24, 2025. <https://is.gd/hQ3PQS>

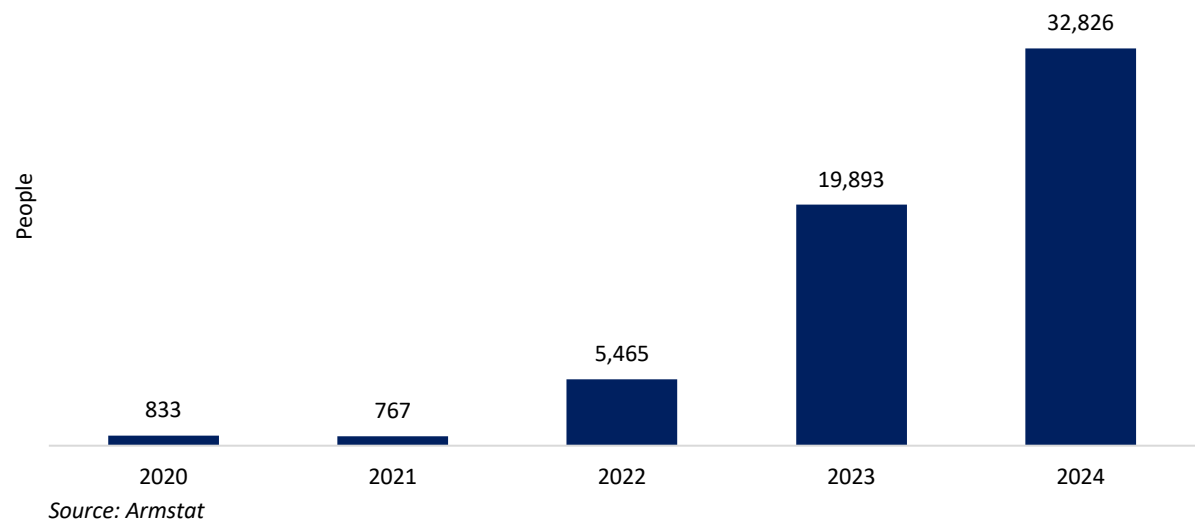
### Chapter 3. Tourism Trends Between China and Armenia

In recent years, tourist flows between China and Armenia have grown significantly in both directions. This sharp increase has been driven by policy changes, cultural initiatives, and other targeted efforts actively pursued in both countries.

In 2019, before the outbreak of the COVID-19 pandemic, the number of Chinese tourists visiting Armenia was about 14 thousand. Tourist flows fell sharply in 2020 and 2021 due to the pandemic but have been growing rapidly over the past three years. In the past three years, the number of tourists visiting Armenia from China has increased 6-fold, or by 27,361.

Moreover, not only is the number of tourists from China visiting Armenia increasing, but their share among tourists visiting Armenia is also gradually increasing. In 2024, 1.5% of tourists visiting Armenia were from China, compared to 0.3% in 2022.

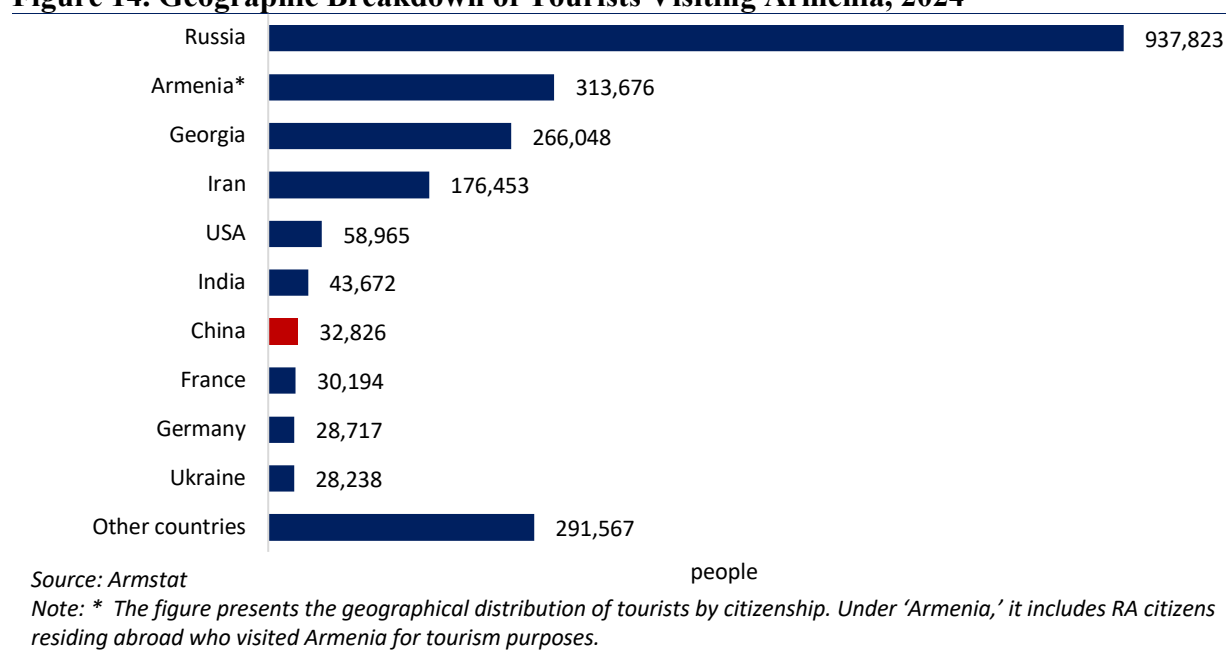
**Figure 13. Number of tourists visiting Armenia from China in 2020-2024**



Due to this impressive growth, China has entered the top ten countries of origin for tourists to Armenia over the past two years. While it ranked 21st in 2022, China rose to the top ten in 2023 and reached 7th place in 2024.



**Figure 14. Geographic Breakdown of Tourists Visiting Armenia, 2024**



Several factors contribute to this dramatic increase, including policy changes, cultural initiatives, and other targeted efforts actively implemented in recent years in both countries.

In 2015, in Beijing, the Government of the Republic of Armenia and the Government of the People's Republic of China signed an agreement on cooperation in the sphere of tourism<sup>51</sup>. According to the agreement, the parties shall:

1. cooperate in the development of tourism (including organized tourism) between the two states,
2. encourage cooperation between tourism authorities, tour operators, and other organizations of their countries operating in the field of tourism with the aim to increase tourist exchanges between the two states,
3. shall strive to make more accessible the procedures of tourism arrivals between the two states,
4. develop bilateral cooperation in the following fields: professional training and retraining of personnel, exchange of tourism specialists, experts and media,

<sup>51</sup> ARLIS. " Agreement on Cooperation Between the Government of the RA and the Government of the People's Republic of China in the Sphere of Tourism". December 12, 2015. <https://shorturl.at/18VTC>

5. through their tourism authorities, shall encourage the establishment and development of cooperation among investors, entrepreneurs, as well as public and other non-profit organizations in the field of tourism,
6. encourage mutual participation to international exhibitions, fairs, conferences and seminars, as well as other international tourist events organized in the two states.

In 2019, following the signing of the agreement on cooperation, the two countries took perhaps the most significant step in this direction by **mutually removing visa requirements**<sup>52</sup>. Since 2020, citizens of both countries have been able to travel visa-free for up to 90 days. This policy not only facilitates easier travel but also reflects the high level of trust and diplomatic cooperation between the two nations. The removal of visa barriers has made Armenia more accessible to Chinese tourists, allowing for greater cultural exchange.

In addition to visa liberalization, **improved air connectivity** has played a crucial role in strengthening tourism ties. On September 3, 2024, China Southern Airlines began operating flights on the Urumqi-Yerevan-Urumqi route<sup>53</sup>. The flights operate twice a week, on Tuesdays and Saturdays, with a one-way journey lasting between four and five hours. Armenian passengers can connect on the same day from Urumqi to Beijing, Shanghai, Guangzhou, and 41 other cities in China. These developments have significantly lowered the barriers and costs of travel between the two countries. At the same time, the expansion of educational and cultural initiatives in China focused on Armenia has greatly enhanced the country's recognition as a tourist destination.

**Cultural initiatives** have played a key role in promoting tourism development between China and Armenia. In recent years, both countries have actively organized cultural events showcasing their respective heritage and traditions. These initiatives not only deepen mutual understanding but also stimulate interest in travel, encouraging citizens from both nations to explore each other's countries firsthand. Such cultural exchanges have helped strengthen people-to-people ties, complementing broader tourism and diplomatic efforts. These cultural events include the first Armenian Art and Wine Festival in China, which was organized in 2024; exhibitions featuring collections from the Yerevan History Museum, organized in major cities such as Fujian, Ningbo, Xi'an, and Guangzhou<sup>54</sup><sup>55</sup>. The Armenian National Philharmonic Orchestra has toured across China, and the annual Armenian Cultural Days were introduced in 2023<sup>56</sup>. In addition, for the first

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<sup>52</sup> ARLIS. RA law from December 10, 2019. <https://www.arlis.am/hy/acts/137530>

<sup>53</sup> Zvartnots. "China Southern Airlines started operating flights on the route Urumqi – Yerevan – Urumqi". 3 September, 2024. Accessed March 12, 2025. [bit.ly/4iDxlqK](https://bit.ly/4iDxlqK)

<sup>54</sup> China Daily. '1st Armenia Art and Wine Festival kicks off at Waigaoqiao Global Hub in Shanghai'. July 2, 2024. <https://is.gd/cR5DgW>

<sup>55</sup> Yerevan History Museum. Report for 2024. <https://is.gd/sJ9wwD>

<sup>56</sup> China Global Pulse. Armenian Culture Days 2025: Music, Dance & Heritage. <https://is.gd/tguXeq>

time in its history, the Aram Khachaturian International Music Competition was held outside Armenia, in China, with the support of the Chinese government<sup>57</sup>.

It is important to note that in recent years, the **number and activity of non-profit organizations in Armenia** dedicated to strengthening Chinese-Armenian relations have grown significantly. These organizations play an increasingly active role in promoting cultural exchange, educational cooperation, and people-to-people ties between the two countries. They organize joint cultural events, facilitate the participation of Armenian companies in various exhibitions in China, and initiate other activities that promote business, cultural, and educational ties between the two countries.

Due to the efforts of recent years, Armenia is emerging as a destination of choice for outbound Chinese tourists. At the same time, China has become one of the top ten countries of origin for visitors to Armenia, underscoring the country's growing interest in Armenia.

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<sup>57</sup> Armenpress. 'Bilateral relations between China and Armenia have developed in a new way in the past year: Chinese Ambassador to Armenia'. February 2, 2024. <https://is.gd/iUdMJS>

## Chapter 4. Armenia-China Government Aid

### 4.1 Evolution of China's Foreign Aid

Over the past several decades, **China has emerged as a major player in international development cooperation**. Moreover, throughout the last 75 years, its foreign aid practices have undergone significant transformations, shifting from being primarily driven by ideology and political motives to increasingly serving the country's economic and strategic interests<sup>58</sup>. The geographical distribution of Chinese foreign aid has also undergone some changes over time, with Europe's share dropping significantly after 2009. In contrast, Asia and Africa have consistently received the largest shares, reflecting China's strategic and developmental priorities in those regions. In recent years, a **notable shift has occurred in China's foreign aid strategy**, marked by its increasing efforts to strengthen its **presence in the South Caucasus**. Traditionally, Beijing viewed the region as part of Russia's sphere of influence and was cautious about taking significant steps there. However, this approach has gradually evolved, with China establishing strategic agreements with countries in the region. A key milestone was the release of the strategic partnership agreement between Beijing and Tbilisi in July 2023, which many interpret as a signal of China's intention to play a more active role in the South Caucasus<sup>59</sup>.

These transformations and changing incentives have also caused shifts in the structure of Chinese foreign aid. Traditionally, China has provided aid through **three main channels**: grants, interest-free loans, and concessional loans.

- **Concessional loans** have mainly financed manufacturing projects and large- and medium-scale infrastructure initiatives with both economic and social benefits, as well as the supply of complete plants, machinery, and electronic equipment.
- **Grants** have primarily supported small- and medium-sized social welfare projects, human resource development (such as training and education), technical cooperation, material assistance, and emergency humanitarian aid.
- **Interest-free loans** have generally been allocated for the construction of public facilities and projects aimed at improving living standards.

In 2021, the Chinese government released its latest white paper on international development cooperation, revealing that while concessional loans remain the dominant form of foreign aid, their share—along with that of interest-free loans—has been declining since 2010. In contrast, the **share of grants has increased significantly**, rising from 36.2% during the 2010–2012 period to 47.3%

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<sup>58</sup> Stockholm International Peace Research Institute (SIRPI). "China's Evolving Approach to Foreign Aid. Policy Paper". May 2022. Accessed March 14, 2025. Available at: <https://is.gd/ON5qdR>

<sup>59</sup> Emil Avdaliani. "What's Behind China's Strategic Partnership With Georgia?". August 17, 2023. Accessed June 13, 2025. Available at: <https://is.gd/zMjAAj>

between 2013 and 2018<sup>60</sup>. This trend is also reflected in China's aid to Armenia, where the majority of assistance is provided in the form of grants.

Worldwide, including in Armenia, China provides foreign assistance **mainly in the following forms**: undertaking complete projects, providing goods and materials, conducting technical cooperation and human resources development cooperation, dispatching medical teams and volunteers, offering emergency humanitarian aid, and reducing or exempting the debts of the recipient countries.

**The "complete project" model** is a traditional and prominent feature of China's foreign aid. Its scope has expanded over time—from infrastructure and connectivity projects to public facilities, agriculture, and, more recently, climate change-related initiatives. Between 2013 and 2018, China implemented 423 complete projects worldwide, including 86 schools—one of which was constructed in Armenia. Under this model, China provides both funds and technical assistance to those projects. Activities under the complete project model have declined over time, with the number of such projects falling from 580 during the three-year period of 2010–2012 to 423 over the six-year period of 2013–2018. However, with the model increasingly integrated into the Belt and Road Initiative (BRI), it is likely to remain a central component of China's international development cooperation<sup>62</sup>.

Over the past few decades, China has increasingly emphasized **human resource development and strengthening people-to-people exchanges** with recipient countries—an approach that may ultimately enhance its influence over both states and individuals. Overall, China's educational aid and training programs—collectively referred to as human resource development—have expanded rapidly. Between 2010 and 2012, China provided training to nearly 50,000 individuals. Over the following six years, from 2013 to 2018, this number grew significantly, reaching approximately 200,000 people. This trend is also evident in the case of Armenia (see *Chapter 5. China's Presence in Armenia's Education System*).

The exact volume of development finance and foreign aid provided by the Chinese government is difficult to measure, as official statistics are not fully disclosed. However, according to the most recent official data, China's total foreign aid reached RMB 270.2 billion (approximately USD 42 billion at the average exchange rate) between 2013 and 2018<sup>63</sup>. This translates to an average of around USD 7 billion per year during that period, including both bilateral assistance and China's contributions to multilateral organizations. While comprehensive data remain limited, the current scale of China's bilateral foreign aid can be roughly estimated through the budgets of its two

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<sup>60</sup> The State Council of the People's Republic of China. "China's Foreign Aid (2014)". July 2014. <https://is.gd/dha3gy>

<sup>61</sup> The State Council of the People's Republic of China. "Full text: China's International Development Cooperation in the New Era". January 10, 2021. <https://is.gd/izohUm>

<sup>62</sup> Stockholm International Peace Research Institute (SIRPI). "China's Evolving Approach to Foreign Aid. Policy Paper". May 2022. Accessed March 14, 2025. Available at: <https://is.gd/ON5qdR>

<sup>63</sup> The State Council of the People's Republic of China. "Full text: China's International Development Cooperation in the New Era". January 10, 2021. <https://is.gd/izohUm>

primary aid agencies: the Ministry of Commerce and the China International Development Cooperation Agency (CIDCA), whose combined foreign aid budget for 2024 stands at USD 2.85 billion. Following the United States' significant reduction in foreign aid in 2025, an important question has emerged: **will China seize this opportunity to expand its influence and fill the gap?** Although China's foreign aid has historically represented only a fraction of the U.S. contribution—for example, estimates suggest that from 2013 to 2018, China's aid accounted for just 14.6% of what the U.S. spent—it is likely that Beijing will seek to capitalize on Washington's retreat from the international aid landscape<sup>64</sup>. Given recent trends, this dynamic is likely to be particularly relevant in the South Caucasus, where China has shown growing interest in expanding its presence and influence through development cooperation, and a region where the United States has traditionally maintained a strong presence. China has already begun deepening its relationships with Georgia and Azerbaijan, while in Armenia, it launched its largest development project to date at the end of 2024<sup>65</sup>.

#### 4.2 China's Foreign Aid to Armenia

Since the establishment of diplomatic relations in 1992, the Chinese government has consistently provided foreign aid to Armenia through grants and concessional loans.

**Concessional loans** are often the most misunderstood type of Chinese aid. The loans are offered at below-market interest rates and, although the commercial Export-Import Bank of China issues them, these favorable terms are made possible through interest rate subsidies from China's foreign aid budget. These loans are denominated in RMB and extended to government institutions on highly favorable terms—usually featuring 20-year maturities, 5-year grace periods, and 2% interest rates. To implement this, the Ministry of Finance calculates the gap between the concessional loan rate and the central bank's benchmark rate and reimburses the Export-Import Bank for the difference, effectively covering the aid component of the loan.

In the case of Armenia, one such concessional loan is currently active, provided to **support the modernization and equipment of the country's customs service**. In 2015, a concessional loan agreement was signed between the Government of Armenia and the Export-Import Bank of China, under which China provided Armenia with a concessional loan for the purchase of customs inspection technologies and equipment from the Chinese "Nuctech Company" LLC<sup>66</sup>. In particular, according to the supply agreement between the Ministry of Finance of the Republic of Armenia and "Nuctech Company" LLC, the Chinese side will supply the Government of the Republic of Armenia with the customs inspection technologies and equipment, such as mobile container and vehicle scanners, light vehicle scanners, X Ray baggage scanners and body

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<sup>64</sup> Yun Sun. "Can China fill the void in foreign aid?". March 11, 2025. Accessed June 13, 2025. Available at: <https://is.gd/DZwQZa>

<sup>65</sup> Robert M. Cutler. "China's strategic pivot paying off in South Caucasus". May 16, 2025. Accessed June 13, 2025. Available at: <https://is.gd/nto5Zh>

<sup>66</sup> Irtek, The Excerpt from the minutes of the Session as of March 19, 2015. Accessed March 17, 2025. <https://is.gd/f2RLPR>



scanners.<sup>67</sup> The amount of the loan is CHY 155.5 million (about USD 25.3 million), provided with a fixed interest rate of 2% for a term of 20 years, including 5 years on concessional terms<sup>68,69,70</sup>. As of December 21, 2024, about USD 15 million of the loan was outstanding<sup>31</sup>.

Most of China's foreign aid to Armenia has been delivered **in the form of grants**, primarily through the provision of goods and materials, technical cooperation, human resources development initiatives, the deployment of medical teams and volunteers, and the construction of complete projects. Over the years, China has implemented several major projects—**some aligned with Armenia's development needs, others reflecting the strategic interests of the donor**. Despite this cooperation, the overall value and share of Chinese aid to Armenia have declined over the past fifteen years, aside from a few notable peaks. However, **in 2024, China launched one of its largest aid initiatives in Armenia**: the construction of a new pavilion for the Public Television Company. As China seeks to expand its presence in the South Caucasus, its aid contributions to Armenia may increase in the years ahead.

In 2024, Armenia received USD 3.2 million in foreign aid from China, representing **4% of the country's total aid that year**—down from a 13% share and USD 6.5 million in 2010. Over the past 15 years, China's share in Armenia's foreign aid **reached its peak at 32% in 2012, followed by 22% in 2018 and 20% in 2011**. The increases in those years were primarily driven by a surge in aid related to vehicle donations, such as ambulances. Although China's share of Armenia's foreign aid has declined in dollar terms, its contribution in terms of aid volume has increased over the past 15 years and has shown a steady upward trend in the last five years. In 2024, China accounted for 22% of the total volume of foreign aid received by Armenia, compared to 11% in the pre-COVID year of 2019 and just 5% in 2010.

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<sup>67</sup> Irtek, The Excerpt from the minutes of the Session as of June 9, 2016. Accessed March 17, 2025.

<https://is.gd/FY3Dvv>

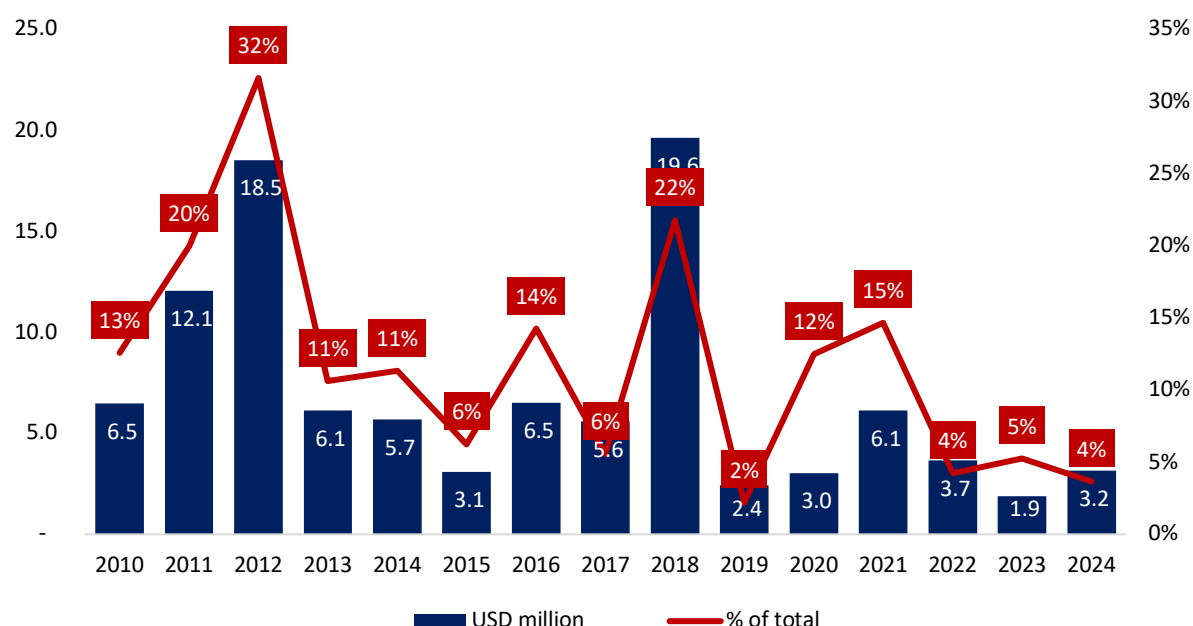
<sup>68</sup> MoF. Government External Loans and Credits -2020 (webpage in Armenian). Accessed March 16, 2025.

<https://is.gd/awOUq1>

<sup>69</sup> Civilnet. "China to provide Armenia with a loan of about \$25.3 million in yuan" [in Armenian]. March 19, 2015. Accessed March 16, 2025. Available from: <https://shorturl.at/WcmyU>

<sup>70</sup> MoF. Government External Loans and Credits - 2024. Accessed March 16, 2025. <https://is.gd/Le9TW4>

**Figure 15. The value of Chinese foreign aid to Armenia in 2010-2024**



Source: Armstat

As shown in Figure 16, the significant growth in 2011 (2-fold), 2012 (54%) and 2018 (3.5-fold) was primarily driven by a **surge in vehicle donations, specifically ambulances and buses** for the public transportation. In 2011, China donated to Armenia with **88 ambulances**, of which 35 were provided to Yerevan, and the remainder to the country's provinces<sup>71</sup>. The technical assistance was completed in 2012 with the donation of **249 buses** to public transportation of the capital city<sup>72</sup>. Reforming Armenia's bus system has been on the national agenda for the past decade, and this particular donation supported the effort by contributing to the replacement of the aging minibus fleet with newer, larger buses. Regarding the surge in foreign aid in 2018, this year China donated an additional **200 ambulances** to Armenia, 65 of which were equipped for intensive care<sup>73</sup>. This donation brought the total value of aid received from China that year to USD 19.6 million. Under the same program, about 350 doctors, nurses and drivers passed professional trainings<sup>74</sup>.

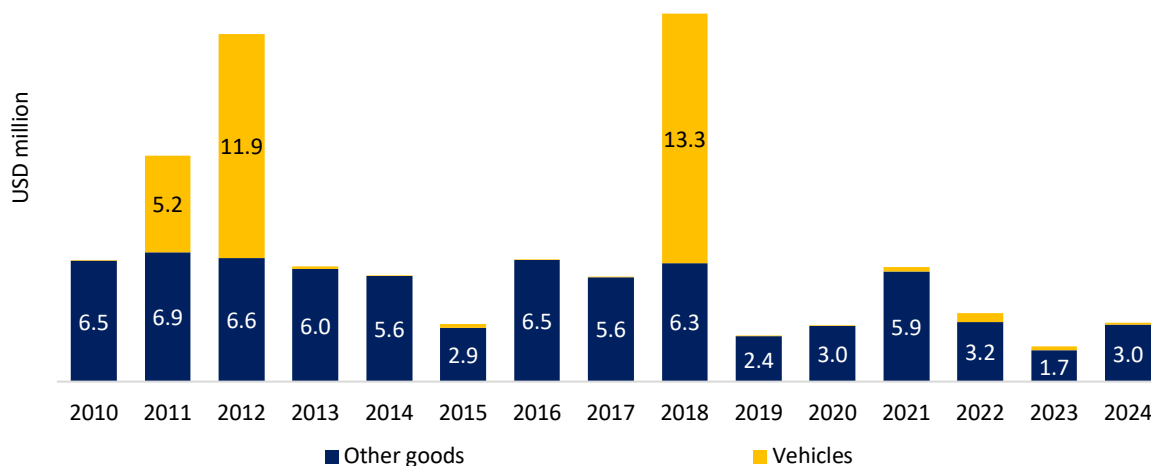
<sup>71</sup> Ministry of Foreign Affairs of the Republic of Armenia (MFA). Annual Reports. 2011. Accessed March 16, 2025. Available at: <https://is.gd/nWBACn>

<sup>72</sup> Ministry of Foreign Affairs of the Republic of Armenia (MFA). Annual Reports. 2012. Accessed March 16, 2025. Available at: <https://is.gd/vnQuRO>

<sup>73</sup> Arlis. "Decree of the Government of the Republic of Armenia # 970-U as of August 30, 2018". 2025c. Accessed March 16, 2025. Available at: <https://www.arlis.am/hy/acts/133199>

<sup>74</sup> Armenpress. "China donates 200 ambulance vehicles to Armenia". October 17, 2018. Available at: <https://is.gd/6e8KYd>

**Figure 16. Chinese Government Aid to Armenia in 2010-2024**



Source: Armstat

China has supported several projects that addressed Armenia’s urgent development needs, such as renewing the ambulance fleet and upgrading urban transportation systems. It also played a role in Armenia’s pandemic response, contributing aid during the COVID-19 crisis. In 2024, when severe floods triggered by heavy rainfall devastated the Lori and Tavush regions, damaging local communities and infrastructure, China provided USD 100,000 in foreign aid to assist with recovery efforts (a significant 5.7% of all measures financed from the state budget for this purpose)<sup>75</sup>.

At the same time, China has also **funded projects that appear to align more closely with the donor’s strategic or cultural interests**, rather than immediate humanitarian or development priorities of the recipient, such as the construction of the Chinese-Armenian Friendship School (2016–2018) and the design and construction of a new broadcasting hall for the Armenian Public Television Company (launched in September 2024).

Between 2016 and 2018, China funded the construction of a state-of-the-art school in Yerevan, where hundreds of Armenian students now study the Chinese language alongside the standard secondary and high school curriculum. According to official sources, the Chinese government invested over USD 12 million in building and equipping the **Armenian-Chinese Friendship School**<sup>76</sup>. The school was originally built to accommodate around 400 students, but it now serves approximately 700<sup>77</sup>. This period saw an increase in aid classified under articles of stone, cement, similar materials, electrical machinery, and equipment, likely reflecting the implementation of this

<sup>75</sup> Ministry of Foreign Affairs of the Republic of Armenia (MFA). Annual Reports. 2012. Accessed March 16, 2025. Available at: <https://is.gd/1KCwLq>

<sup>76</sup> Radio Liberty. “Chinese School Inaugurated in Armenia”. Accessed March 16, 2025. August 22, 2018. Available at: <https://is.gd/8nwuo3>

<sup>77</sup> Armenian-Chinese Friendship School (website) <https://is.gd/6M82qL>

educational infrastructure project. For example, in 2017 and 2018, aid related to construction materials reached 1,264 and 1,555 tons respectively, marking a significant increase compared to just 192 tons in 2016. In value terms it has accounted for the 12% of the Chinese aid to Armenia in 2017 (Figure 17).

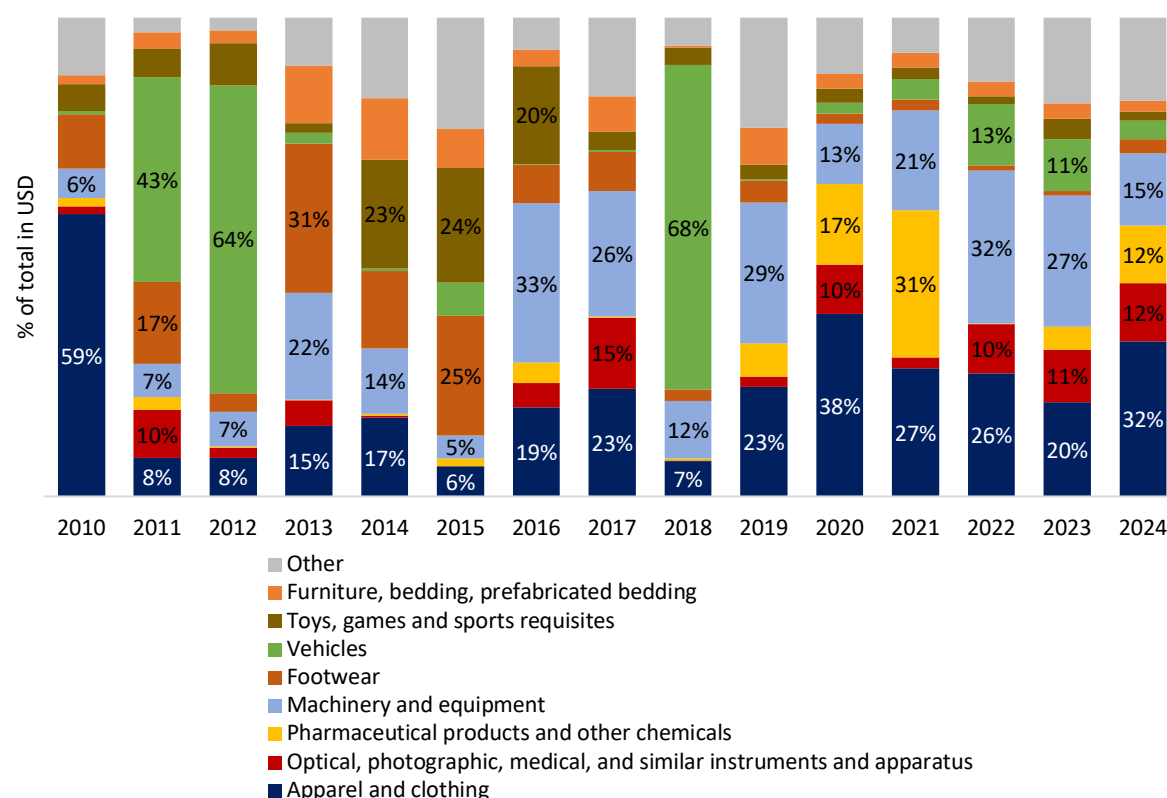
As the Figure 15 shows, another notable surge in Chinese aid to Armenia occurred in 2021. That year, China provided USD 6.1 million in foreign aid to Armenia, more than double the amount provided in the previous year. This increase was largely driven by COVID-19-related assistance. During the **COVID-19 pandemic** as part of the expansion of its healthcare aid China also increased its assistance to Armenia. Particularly, in 2021 Chinese government donated to Armenia 100,000 doses of the Sinovac vaccine, 1000 coronavirus test kits, in addition to medical thousands of masks, gloves etc. Additionally, China donated protective medical uniforms and lung ventilation devices worth of USD 110,000<sup>78</sup>. Overall, China provided approximately **USD 2 million** in aid to support Armenia's response to the effects of the COVID-19 pandemic<sup>79</sup>.

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<sup>78</sup> Armenpress. "China to Donate to Armenia 1000 Coronavirus Test Kits". March 6, 2020. Accessed March 16, 2025. Available from: <https://is.gd/gKSAeB>

<sup>79</sup> AIDDATA. AidData's Global Chinese Development Finance Dataset, Version 3.0. Accessed June 13, 2025. Available from: <https://is.gd/DMyoX4>

**Figure 17. Chinese Government Aid to Armenia by Commodity Group in 2010-2024, USD**



Source: Armstat

One of the major Chinese aid projects in Armenia is the **construction of a new broadcasting studio for the Public Television Company of Armenia**, which began in September 2024. On June 2, 2023, the Government of the Republic of Armenia, represented by the Ministry of High-Tech Industry of the Republic of Armenia, the Public Television of Armenia CJSC and the People's Republic of China signed a trilateral agreement on the **construction of the new 8th pavilion of the Public Television Company of Armenia**<sup>80</sup>. China will provide AMD 10 billion (around USD 26 million) for the construction of the pavilion, which will be the first new production infrastructure of Armenian television since Armenia's independence, with a 1,000 square meter studio operating on its territory<sup>81</sup>. While it is the largest to date, this is not the first instance of cooperation between the Chinese government and the Public Television Company of Armenia. In 2015, Chinese government donated to the national broadcaster HD mobile television station equipped with 10 cameras, an HD satellite broadcasting unit, and a digital satellite news gathering (DSNG) device<sup>82</sup>.

<sup>80</sup> 1lurer. "The Minister of High-Tech Industry got acquainted with the construction work progress of the new TV studio of the Public Television Company" (in Armenian). May 21, 2025. Available at: <https://is.gd/ISyDzJ>

<sup>81</sup> 1lurer. "AMD 10 billion support from China for the construction of the largest television pavilion in Armenia" (in Armenian). June 02, 2023. Available at: <https://is.gd/UvQlqQ>

<sup>82</sup> 1tv.am. 2025. Accessed March 16, 2025. Available from: <https://www.1tv.am/en/history/2008-2016>

Additionally, China has previously expressed a willingness to provide military aid to Armenia. However, due to the sensitive nature of such assistance, it may not be fully reflected in official statistics. For example, in 2013, China pledged to provide Armenia with 5 million yuan (approximately USD 825,000) in annual military aid<sup>83</sup>. In 2017, during an official visit by Armenia's Minister of Defense to China, the two sides signed an agreement for an additional CNY 10 million (USD 1.5 million) aid package to support Armenia's defense sector for the acquisition of "non-lethal" equipment, including surveillance devices and communications equipment<sup>84,85</sup>. However, some experts believe that Russia may have obstructed the provision of military aid to Armenia, given its influence in the region.

In summary, over the past fifteen years, both the overall value and share of Chinese aid to Armenia have declined. In recent years, however, China has demonstrated a growing interest in expanding its presence and influence in the South Caucasus through development cooperation, which may lead to greater aid flows to Armenia. It has already deepened its engagement with Georgia and Azerbaijan, while in Armenia, it launched its largest development project to date at the end of 2024.

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<sup>83</sup> Public Radio of Armenia. "Armenia, China to Cooperate in the Field of Defense". December 27, 2013. Accessed March 16, 2025. <https://is.gd/gQ9tXB>

<sup>84</sup> Arka News Agency. "China to Provide 10 Million Yuan Aid to Armenian Defense Ministry". September 5, 2017. Accessed March 16, 2025. <https://is.gd/eWETyg>

<sup>85</sup> ArmeniaTV News. "Վիզեն Սարգսյանին ներկայացրել են չինական զերծամանակակից սպառազինությունը". September 6, 2017. Accessed March 16, 2025. <https://is.gd/rzWEOi>

## Chapter 5. China's Presence in Armenia's Education System

### 5.1. China's Presence in the Global Education Arena

Several attempts have been made to measure soft power and assess its influence on political and macroeconomic developments. Most of these frameworks include education as one of the key drivers alongside culture, engagement, digital presence, enterprises, and institutions to measure country's soft power globally<sup>8687</sup>. A country's ability to attract international students or facilitate academic exchanges is recognized as a powerful tool of public diplomacy, yielding long-term benefits and playing an increasingly important role in generating soft power.

China, which has significantly expanded its soft power over the past decades, has increasingly leveraged its culture and education as means of soft power and promoting a peaceful and friendly image of its growing economy<sup>8889</sup>. One example of this effort is the establishment of the **Confucius Institute**. Confucius Institutes are government-funded non-profit educational institutions established to promote Chinese language and culture, facilitate cultural exchanges, and support local Chinese language teaching worldwide. The presence of Confucius Institutes across the world has been increasing since 2008 and was especially accelerated after the official launch of the Belt and Road Initiative (BRI) in 2013<sup>90</sup>. These institutes have become a key vehicle through which China exercises its soft power and have been the subject of criticisms, concerns, and controversies over the last several years. An influential 2017 study in the US by the National Association of Scholars found that Confucius Institutes undermine academic integrity and import censorship. In 2019, the US National Defense Authorization Act introduced regulatory requirements and the potential loss of federal funding for US universities hosting Confucius Institutes. Further, on March 5, 2021, the U.S. Senate voted to deny Department of Education funding to universities that host Confucius Institutes unless they meet oversight requirements<sup>91</sup>. As a result of this federal campaign, more than 100 Confucius Institutes in the USA have closed and as of June 2023, there are only 10 Confucius Institutes left in the country<sup>92</sup>.

Over the past two decades, China has evolved **from a peripheral player to a major force** in the global education arena. In the early 2000s, fewer than 100,000 international students were studying

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<sup>86</sup> Serhan Cevik, Tales Padilha. "Measuring Soft Power: A New Global Index". IMF working papers. October 4, 2024. <https://is.gd/EVPhPI>

<sup>87</sup> USC Center on Public Diplomacy. "The Soft Power 30: A Global Ranking of Soft Power 2018". <https://is.gd/TSDUjo>

<sup>88</sup> Drand Finance. "Global Soft Power Index 2024". <https://is.gd/udQITZ>

<sup>89</sup> Serhan Cevik, Tales Padilha. "Measuring Soft Power: A New Global Index". IMF working papers. October 4, 2024. <https://is.gd/EVPhPI>

<sup>90</sup> Ebel, P. "China's Global Education Strategy and the Growing Divide Between East and West". May 26, 2023. Accessed August 20, 2025. <https://is.gd/l1iw74>

<sup>91</sup> U.S. Congress. "S.590 - CONFUCIUS Act". March 4, 2021. <https://bit.ly/3MgyJXT>

<sup>92</sup> National Association of Scholars. "How Many Confucius Institutes Are in the United States?". Updated June 22, 2023. <https://bit.ly/3SDTmAG>

in China; by 2017, this number had risen to 489,200, and in 2023 it had reached approximately 680,000<sup>939495</sup>. This shift is not an accident; it is a result of government policies that prioritize the internationalization of Chinese universities, including the expansion of English-taught programs, a strong scholarship program, and institutional incentives for international collaborations, all closely linked to China's broader ambitions to enhance its global influence through education. Yet this strategy is not merely about boosting student numbers. At the core of China's rise in global higher education is a deliberate recalibration of national priorities. The Ministry of Education of China has integrated its international education policies with broader foreign policy and economic goals, most prominently the BRI. **Education has become a soft power instrument advancing regional cooperation**, promoting the Chinese language and culture, and cultivating strategic partnerships across Asia, Africa, the Middle East, and Eastern Europe. The China Scholarship Council (CSC) has been pivotal in making education in China both accessible and attractive by offering fully funded scholarships that cover tuition, living expenses, and even travel costs.

China has also strategically integrated **education into the broader BRI** framework as a tool of soft power, using it to shape perceptions, build influence, and foster long-term international relationships. Under a document titled “Vision and Actions on Jointly Building Silk Road Economic Belt and 21<sup>st</sup> Century Maritime Silk Road”, issued in 2015 by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of China, the cooperation priorities under the BRI are outlined, including such areas as policy coordination, unimpeded trade, facilities interconnectivity, financial integration and people-to-people bond. As part of strengthening people-to-people bonds, China announced its intention to promote cultural and academic exchanges in countries along the BRI route, including student exchanges and joint running of schools. To this end, China provided 10,000 government scholarships to the BRI countries every year<sup>96</sup>. In 2016, China's Ministry of Education issued the **Education Action Plan for the Belt and Road Initiative**, which outlines a comprehensive strategy to integrate education into the BRI framework<sup>97</sup>. Through scholarships, student exchanges, and joint academic programs, it cultivates a network of future leaders and professionals across partner countries who are familiar with Chinese culture, language, and values. Although Armenia is not located on the main BRI corridors, its representatives have actively participated in several BRI seminars and conferences, demonstrating the country's engagement with China's global development strategy. Several events have been organized in Armenia with support from the Armenian branch of the Confucius Institute, including the international conference titled “Understanding the Dynamics of the Belt and Road

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<sup>93</sup> Foreign Policy. “International Student Enrollment in China by Funding Source”. <https://is.gd/ex1rbu>

<sup>94</sup> MoE of the Republic of China. “Brief report on Chinese overseas students and international students in China 2017”. April 1, 2018. <https://is.gd/FbyzNm>

<sup>95</sup> Educations.am. “China Wants 8 Million Students to Enroll in Transnational Education”. September 18, 2025. <https://is.gd/MBx5Xv>

<sup>96</sup> Asia Pacific Energy Portal. “Vision and Actions on Jointly Building Silk road Economic Belt and 21st-Century Maritime Silk Road”. 2015. <https://is.gd/eNk3SZ>

<sup>97</sup> Xinhua Silk Road Information Service. “Education Action Plan for the Belt and Road Initiative”. June 16, 2020. <https://is.gd/cJHboz>



Initiative: Main Trends”, organized by the Institute of Oriental Studies of the National Academy of Sciences of Armenia<sup>98</sup>. Other events have taken place in China, where the Chinese government fully funded the participation of Armenian delegates, for instance, the “Seminar on Integrated Development of Intangible Cultural Heritage and Cultural Creation for the Belt and Road Countries”.

Moreover, all of the educational instruments China employs globally, including scholarships, student and faculty exchanges, joint programs, vocational training, Confucius Institutes, are also being implemented in Armenia. Through these initiatives, China has established a growing presence in the Armenian education sector, laying the groundwork for deeper ties, which will be examined in the following section.

## 5.2. China’s Growing Presence in Armenia’s Education System

Since Armenia’s independence in 1991, Armenia and China have signed a number of agreements in the fields of science and education, in particular the Agreement on Cooperation in the Fields of Culture, Education, Sports, Health, and Tourism (1992), the Agreement on Scientific and Technical Cooperation (1992), the Agreement on Cooperation in the Field of Education (2000), and the Agreement on Mutual Recognition of Documents on Education and Scientific Degrees (2015). Further documents have been signed as well, such as the Memorandum of Understanding between Armenia’s State Committee of Science of the Ministry of Education and Science and China’s Shanghai Institute of Applied Physics in 2012, and the Memorandum of Understanding “On Cooperation in the Field of Satellite Imagery Application” between Armenia’s Science Committee of the Ministry of Education, Science, Culture, and Sports, the National Academy of Science of Armenia and China’s Center for Application of Satellite Remote Sensing of the Ministry of Natural Resources, etc.<sup>99</sup>. Over the past decade, cooperation has deepened significantly: Armenia became home to the first Confucius Institute in the region<sup>100</sup>, the Armenian-Chinese Friendship School was established, the number of students studying Chinese has steadily grown, and opportunities for trainings and visits to China have expanded.

At present, **Chinese is taught in seven public schools in Armenia**: in six of them as a third foreign language, and in one (the Armenian-Chinese Friendship School) as the main foreign language<sup>101</sup>. Overall, there are Chinese learning centers in 17 public schools in Yerevan and the regions, where students have the opportunity to study the language<sup>102</sup>. Moreover, several memoranda have already been signed, alongside other forms of cooperation and expressions of interest, laying the

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<sup>98</sup> Institute of Oriental Studies of NAS RA. “UNDERSTANDING the DYNAMIC of BELT and ROAD INITIATIVE: MAIN TRENDS”. <https://is.gd/Cme9VM>

<sup>99</sup> RA MFA. “Bilateral Relations with China”. Accessed September 25, 2025. <https://is.gd/W3RXYt>

<sup>100</sup> Caspian Policy Center. “China-Armenia Bilateral Relations”. Accessed October 01, 2025. <https://is.gd/Nrk76g>

<sup>101</sup> Confucius Institute at YSLU after V.Brusov. Facebook post. April 4, 2025. <https://is.gd/FAqPI6>

<sup>102</sup> RA MoESCS. “Chinese language teaching and research professionals honored”. [in Armenian]. December 21, 2024. <https://is.gd/MwdvK2>

groundwork to expand the number of public schools teaching Chinese<sup>103</sup>. Active steps are being taken to strengthen the interest and engagement of these schools, for example, through annual visits of school principals to China.

In Armenia, China has increasingly relied on soft power instruments to strengthen its presence and advance its interests. These efforts are most visible in the fields of culture, education, and humanitarian outreach. One of the most prominent examples is the **Armenian-Chinese Friendship School in Yerevan**, constructed and equipped by the Chinese government between 2016 and 2018 at a cost of more than USD 12 million. The school, widely regarded as one of the most modern educational facilities in Armenia, was designed not only to meet high academic standards but also to serve as a flagship of bilateral cultural cooperation. It offers Armenian pupils the unique opportunity to study Chinese language and culture as part of their standard secondary and high school education, creating a direct channel for early exposure to China's language and values. Students of the Armenian-Chinese Friendship School also benefit from a unique pathway to higher education in China. With support from the Armenian government and the Confucius Institute, graduates of the school are eligible to continue their studies at Chinese universities free of charge, benefiting from fully funded scholarships (parents cover only transportation costs). As of 2024, around 20 students have already taken advantage of this opportunity, pursuing degrees in a variety of fields in China<sup>104</sup>. Interest in the program has been steadily growing, with an increasing number of applicants. While the institution was originally intended to host around 400 students, its popularity has quickly outpaced initial projections, and today it accommodates roughly 700 students. This rapid growth illustrates both the demand for Chinese language education in Armenia and the effectiveness of China's broader strategy of cultivating long-term goodwill and influence through education.

Chinese is taught also at Yerevan State University (YSU) and the Russian-Armenian University, while Yerevan State Linguistic University after V. Brusov (YSLU) offers a specialized program in Armenian-Chinese translation. The number of students studying Chinese in the country is growing year after year. In 2018, around 2,000 students were studying Chinese in Armenia, whereas by 2025, the number had exceeded 6,000<sup>105106</sup>. For a small country like Armenia, this is an impressive number. A key role in the rise of Chinese language learning in Armenia plays the **Confucius Institute at YSLU**, which was established in February 2009 at the initiative of the Chinese Shanxi University and YSLU, becoming **the first Confucius Institute in the South Caucasus**. In 2016, the Armenian Confucius Institute was recognized among top 15 globally. As

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<sup>103</sup> Interview with the head of the Confucius Institute at YSLU

<sup>104</sup> Asryan, G. "Soft Power: China's Spheres of Influence in Armenia. Analysis and Human Stories". 2024. Accessed May 12, 2025. Available from: <https://tinyurl.com/4k6ufzc6>

<sup>105</sup> YSU. "YSU students learning chinese received graduation certificates" [in Armenian]. June 19, 2018. <https://is.gd/1HXaJq>

<sup>106</sup> News.am. "China and Armenia celebrate 33rd anniversary of diplomatic relations" [in Armenian]. April 5, 2025. <https://is.gd/8sRTHm>

mentioned above, the Institute is fully funded by the Chinese government with an annual budget of approximately USD 80-100 thousand<sup>107</sup>. The Confucius Institute at YSLU promotes the study of the Chinese language by establishing language centers across the country. It is through the efforts of the institute that Chinese is taught as a third language in several public schools and universities.

The Confucius Institute at YSLU in Armenia fosters interest in China not only by promoting Chinese language learning but also by organizing a wide range of cultural and educational activities. In recent years, the scope of its initiatives has expanded, underscoring Beijing's broader efforts to strengthen soft power influence in the country. One of the most significant recent developments was the **launch of the annual "Yearbook of Armenian Chinese Studies" in 2024**, the first Armenian academic publication devoted entirely to the study of China and Chinese civilization. At present, the publication is issued annually, but there are plans to increase its frequency to twice a year<sup>108</sup>.

Among other notable initiatives, the Embassy of China in Armenia, together with the Confucius Institute, facilitated Armenia's first **participation in the "Chinese Bridge" competition in 2014**<sup>109</sup>. This annual international contest, designed for non-native speakers of Chinese, provides a platform for students worldwide to showcase their language skills and cultural knowledge. Since its debut, Armenia has taken part every year, steadily expanding both the scope and the level of its involvement. A particularly significant milestone came in 2022, when the Armenian round of the competition was opened not only to university and high school students but also to elementary school students, reflecting the growing popularity of Chinese language learning in the country. Participation has also increased considerably: while the first Armenian round attracted fewer than ten contestants, by 2022 the number had surpassed 60, and it has continued to grow in subsequent years<sup>110111</sup>. Beyond language skills, the competition has become a cultural event in itself, fostering greater interest in Chinese traditions and strengthening educational and cultural ties between the two countries.

In 2019, the Ministries of Education of Armenia and China signed a cooperation agreement in the field of education, under which each country provides **funding for 15 students annually** to study in the other country<sup>112</sup>. Since then, China has generally offered more than 15 scholarships each year, with only two exceptions, when the number was 8 and 11 (Table 1).

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<sup>107</sup> Interview with the head of the Confucius Institute at YSLU

<sup>108</sup> ABnews. "From learning Chinese to Chinese studies" [in Armenian]. October 24, 2024. <https://is.gd/hL7yq4>

<sup>109</sup> YSLU. "2014 annual report". [in Armenian] <https://is.gd/lzwfFk>

<sup>110</sup> YSU. "Chinese Bridge" international competition in Armenia". <https://is.gd/D8XgNf>

<sup>111</sup> RA MoESCS. "Winners of the Armenian round of the "Chinese Bridge" international competition will travel to China". [in Armenian] <https://escs.am/am/news/13130>

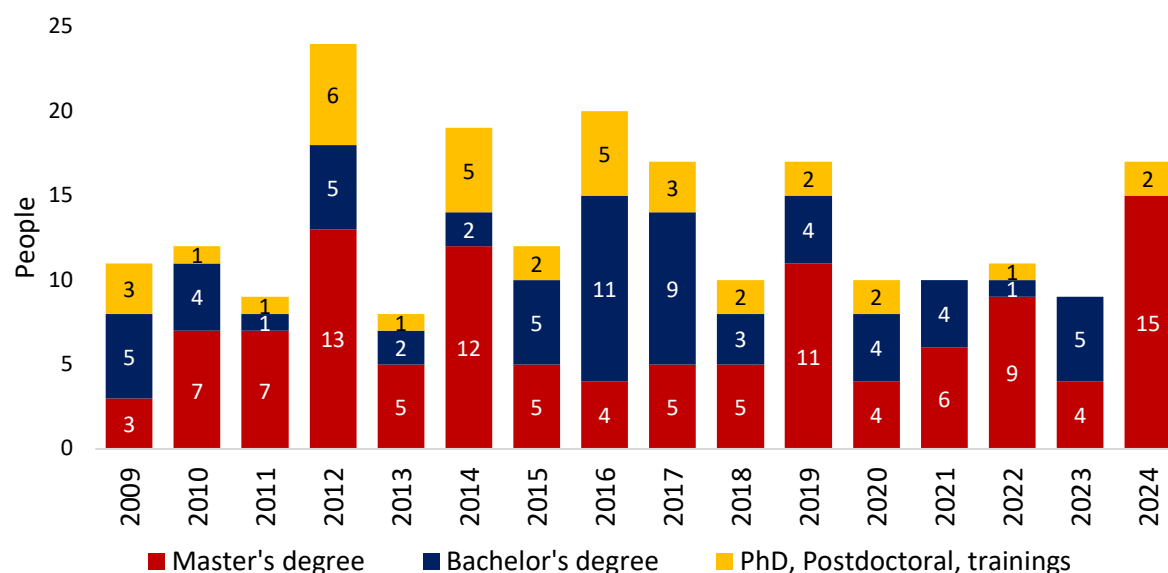
<sup>112</sup> RA MoESCS. Agreement between Ministries of Education of Armenia and China. [in Russian]. <https://is.gd/NHrNwd>

**Table 1. Chinese Government Scholarships Available Annually to Armenian Students under the 2019 Agreement<sup>113</sup>**

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Total scholarships</b>	<b>11</b>	<b>16</b>	<b>22</b>	<b>8</b>	<b>20</b>	<b>16</b>
<i>of which</i>						
Bachelor's degree	4	6	11	3	-	-
Master's degree	5	7	8	4	14	12
PhD	2	3	2	1	3	2
Postdoctoral research	-	-	-	-	2	1
Training (one year)	-	-	1	1	1	1

However, even before the 2019 agreement, a variety of scholarships were available under earlier intergovernmental agreements between the two countries. Together these programs provided opportunities for Armenian students to study in China across multiple fields and levels of education. Overall, under various intergovernmental agreements, in 2024, 15 Armenian students have been studying in China up from 9 in 2009.

**Figure 18. Number of Participants of Educational Programs in China from Armenia under Inter-Government Agreements**



Source: RA MoESCS

Apart from these inter-governmental scholarships Confucius Institute at YSLU is instrumental in securing Chinese government-funded scholarships. For example, in 2024, 30 such scholarships were provided<sup>114</sup>. Additionally, in 2025, the above-mentioned institute organized a 1-month visit

<sup>113</sup> RA MoESCS. Announcement for Competition for education at universities in the People's Republic of China for the years of [2025-26](#), [2024-25](#), [2023-24](#), [2022-23](#), [2021-22](#), [2020-21](#)

<sup>114</sup> Confucius Institute at YSLU after V.Brusov. Facebook post. April 4, 2025. <https://is.gd/FAqPI6>

of 8 students from YSLU to Shanghai Business School to study tourism<sup>115</sup>. Chinese Government's **Scholarships Great Wall Program**, established jointly with UNESCO<sup>116</sup>, as well as scholarships for study at Beijing University of Technology<sup>117</sup>, are also available for Armenian students and researchers. As part of the agreement between the Ministry of Education, Science, Culture and Sport of Armenia and the Ministry of Education of China, Chinese students have the opportunity to study academic disciplines related to Armenia, such as history, language, literature, etc., in Armenian universities<sup>118</sup>.

It must also be mentioned that, since 2023 Chinese embassy in Armenia has been organizing an **exhibition of China's leading universities**, allowing Armenian university students, schoolchildren, and those interested in education in China to personally meet with representatives of China's leading universities, learn about their admission process, scholarships, and specialties. In 2025, 40 leading Chinese universities, including 3 universities that are in the top 50 of the Shanghai Ranking, participated in this exhibition<sup>119</sup>.

Over the past decade, **partnerships between Armenian and Chinese universities have intensified**, with virtually all major Armenian universities now maintaining some form of cooperation with Chinese higher education and research institutions. This growing network of academic ties ranges from joint research projects and student exchanges to language and cultural initiatives. In 2025, the Central European Institute of Asian Studies (CEIAS), through its China-Europe Academic Engagement Tracker, began systematically documenting Armenia's academic engagement with China (Figure 19). According to the tracker, as of 2025 Armenia maintains at least 37 institutional links with Chinese counterparts, including 20 Chinese universities, two Chinese state institutions, three Chinese research institutions, three other types of Chinese entities, one Confucius Institute, and one Chinese corporation. Additionally, in September 2025, China's Tianjin University of Commerce and Yerevan Culture University signed a memorandum of cooperation to establish a Confucius Institute at Yerevan Culture University<sup>120</sup>. These connections illustrate how education and academic exchange have become a central pillar of Armenian-Chinese relations.

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<sup>115</sup> Interview with the head of the Confucius Institute at YSLU

<sup>116</sup> RA MoESCS. "Scholarship opportunity to study and conduct research at universities in China". [in Armenian]. January 22, 2025. <https://escs.am/am/news/27000>

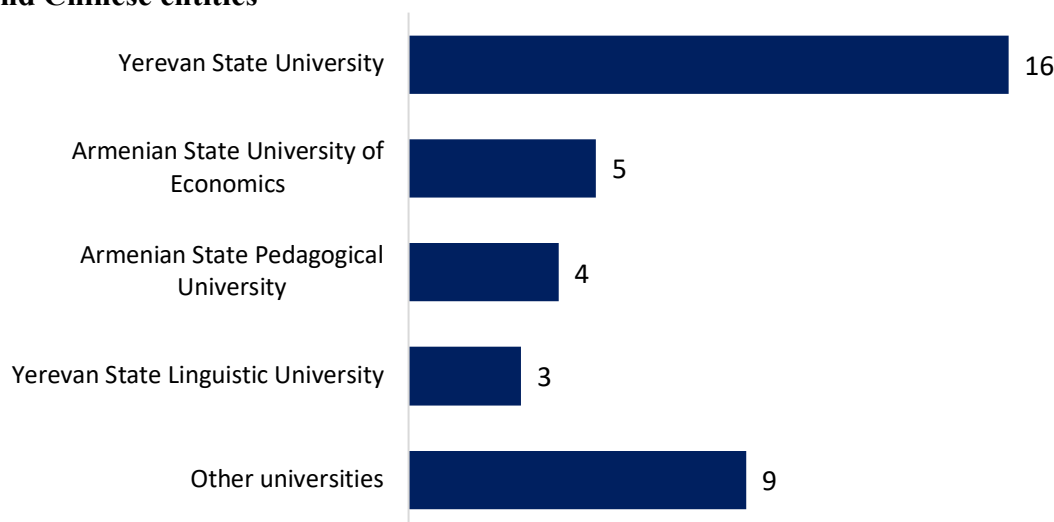
<sup>117</sup> RA MoESCS. "Competition for scholarship places to study at Beijing University of Technology". [in Armenian]. November 14, 2023. <https://is.gd/MhmWic>

<sup>118</sup> YSU. "Chinese Students Choose Armenian Studies as Their Area of Specialization". 2024. <https://is.gd/7lw92>

<sup>119</sup> News.am. "Bridge of education: Yerevan hosts exhibition of China's leading universities". May 16, 2025. <https://is.gd/qblvLX>

<sup>120</sup> CUA. "Signing of memorandum of cooperation" [in Armenian]. Accessed October 01, 2025. <https://is.gd/DkBCfh>

**Figure 19. Number of identified ties between Armenian universities and research institutes and Chinese entities**



*Source: CEIAS, Academic Engagement Tracker*

To promote cultural ties and strengthen the role of the Chinese language in Armenia, the Embassy of China launched the annual **“Chinese Language Learning and Teaching Award”** in 2018. The initiative aims to recognize and encourage both educators and students who have made significant contributions to the promotion and study of Chinese. Since its establishment, the award has grown in visibility and prestige, with more than 200 teachers and students honored for their achievements<sup>121</sup>. Beyond individual recognition, the award has also helped create a stronger community of Chinese language learners and educators in Armenia, further reinforcing educational and cultural links between the two countries.

Apart from scholarships, in recent years, **China has been funding an increasing number of annual training opportunities for Armenians** across various specialties. In 2024, the Embassy of China in Armenia funded the training of around 450 experts in China<sup>122</sup>. Moreover, in 2025, the Embassy began cooperating with the My Step Foundation, headed by Anna Hakobyan, the spouse of the Prime Minister of Armenia. As of September 2025, five groups of Armenian experts have already been sent to China to participate in trainings, seminars, and experience-exchange programs<sup>123</sup>.

<sup>121</sup> RA MoESCS. “Chinese language teaching and research professionals honored”. [in Armenian] December 21, 2024. <https://is.gd/MwdvK2>

<sup>122</sup> Confucius Institute at YSLU. “33-rd Anniversary of Armenian-Chinese Diplomatic Relations: The Path to Strengthening Cooperation”. April 4, 2025. <https://is.gd/FAqPI6>

<sup>123</sup> My Step foundation. ““My Step” Foundation is sending its 5th delegation to China”. September 4, 2025. <https://is.gd/PHLiVb>

Confucius Institutes' initiative to launch the yearbook of Armenian-Chinese studies, the first publication of its kind, reflects **China's growing efforts to stimulate academic interest and deepen knowledge about the country** in Armenia. This is also evident in other developments, such as the growing number of conferences and scholarly discussions, often organized with the support of the Confucius Institute<sup>124</sup>. In 2024 alone, the Institute of Oriental Studies of the National Academy of Sciences of Armenia organized four conferences on China and Armenian-Chinese relations. Similarly, the Confucius Institute at YSLU, Yerevan State University, the Russian-Armenian University, and other universities hold events focused on China, often with the participation of Chinese specialists and the ambassador. It is also worth noting that in 2021, the Ministry of Education, Science, Culture and Sports of the Republic of Armenia and the National Press and Publication Administration of the People's Republic of China signed a "Memorandum of Understanding on the Translation and Publication of Classical and Important Works". Under this agreement, Armenia is to translate and publish Chinese classical literature into Armenian, while China will translate and publish Armenian literature into Chinese. The implementation is ongoing: several classical works have already been published, and further translations are currently in progress.

Other areas of academic collaboration between Armenia and China extend beyond universities and government programs, with growing initiatives led by **think tanks and private companies**. In recent years, the number of non-profit organizations in Armenia dedicated to fostering Chinese-Armenian ties has increased, playing an important role in advancing cooperation through cultural, educational, and economic initiatives. At the same time, Chinese private companies have become active players in this sphere. For instance, **Huawei** has supported educational and technological training programs, while **NetDragon Websoft Holdings Limited** has engaged Armenian students through internship and exchange opportunities. Particularly, in 2021, the Huawei launched its first "Seeds for the Future" global program in the country, a talent development initiative that helps students from around the world learn about cutting-edge ICT technologies, develop leadership skills, and get acquainted with Chinese culture. The program was endorsed by the Ambassador Extraordinary and Plenipotentiary of the PRC to Armenia, who attended and delivered remarks at the opening ceremony. Furthermore, Armenia and China are exploring opportunities to implement joint programs in the educational sphere within the framework of the Armenian government's **Academic City** strategic initiative<sup>125</sup>. Academic City is envisioned as a major international educational hub that will host students, researchers, and professionals from around the world, offering state-of-the-art facilities and fostering strong global partnerships<sup>126</sup>. China has already expressed interest in becoming a part of this ambitious project, and the two sides have begun

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<sup>124</sup> Armenpress. "China is interested in Armenia's contributions to global science and culture -Ambassador". June 27, 2024. <https://is.gd/OaSyWh>

<sup>125</sup> Arminfo. "China Interested in Cooperating with Armenia under Academic Town Project". June 5, 2024. <https://is.gd/uBvOTv>

<sup>126</sup> Official website of the Academic city. <https://www.acarmenia.am/en>

discussions on potential joint programs, which could further expand bilateral cooperation in higher education, research, and innovation.

In recent years, China's presence in Armenia's education system has steadily expanded through variety of initiatives. Together, these initiatives have deepened educational collaboration, fostered people-to-people connections, and laid the groundwork for closer long-term bilateral relations between Armenia and China.



## Chapter 6. Strategic Outlook: Armenia and China 2025

Since the establishment of the diplomatic relationships between the Republic of Armenia and the People's Republic of China in 1992, bilateral ties between the two countries have developed steadily, gaining particular momentum over the past decade. A significant milestone was reached on August 31, 2025, when, during an official visit of the Armenian delegation to China, Prime Minister Nikol Pashinyan and President Xi Jinping signed an agreement establishing a **strategic partnership** between the two countries<sup>127</sup>.

In general, China maintains several main levels of diplomatic partnership: friendly and cooperative partnership, cooperative partnership, strategic partnership, comprehensive strategic partnership, and comprehensive strategic cooperative partnership<sup>128</sup>.

China has been steadily expanding its network of partnerships across the South Caucasus and broader region, pursuing differentiated forms of cooperation with each country in line with its broader Belt and Road Initiative and regional engagement strategy. The strategic partnership established with Armenia in August 2025 is the most recent addition to this network, marking an important step in Beijing's growing diplomatic and economic presence in the region. Examining this new partnership in comparison with China's relations with Georgia, Azerbaijan, and other neighboring states provides valuable insights into Beijing's evolving regional strategy and the relative positioning of Armenia within it. Such a comparative perspective helps to assess both the depth and strategic orientation of the Armenian-Chinese partnership and its potential implications for regional connectivity and economic cooperation.

### Newly established strategic partnership between Armenia and China

The recently established Armenian–Chinese strategic partnership encompasses political, economic, global, as well as scientific, technological, educational, and other sectoral cooperation. In addition to reaffirming the fundamental principles guiding international relations in each domain, the joint statement also outlines specific positions and future perspectives for bilateral collaboration. In particular:

- Armenia expresses its support for the One China principle, affirming that there is “but one China in the world” and that Taiwan is an inalienable part of China's territory, while China affirms its support for Armenia's political independence, sovereignty and territorial integrity, and welcomes Armenia's peace-oriented initiative, the “Crossroads of Peace.”

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<sup>127</sup> The Office Prime Minister of RA. “Joint statement Between the Republic of Armenia and the People's Republic of China on the Establishment of a Strategic Partnership”. August 31, 2025. <https://shorturl.at/StP1F>

<sup>128</sup> SCMP. “Quick guide to China's diplomatic levels”. January 20, 2016. <https://shorturl.at/YrGGG>

- On the economic front, the two sides highlight the goal of stimulating Armenian exports to China and attracting Chinese investment into Armenia, particularly in infrastructure, information technology, renewable energy, agriculture and industry.
- The parties agree to strengthen and modernize their contractual and legal frameworks for trade and investment, to liberalise and facilitate procedures, and explicitly support the inclusion of the Investment Facilitation for Development (IFD) Agreement into the legal structure of the World Trade Organization (WTO).
- To promote tourism, they stress the importance of the existing visa-free regime and envisage the possibility of launching direct flights between the two countries.
- In the field of science and technology, the parties commit to jointly develop innovation hubs, technoparks, and research centers, including cooperation within Armenia's "Engineering City" and "Academic City" initiatives.
- The cooperation is to be deepened also via the Chinese Belt and Road Initiative (BRI) and Armenia's "Crossroads of Peace" initiative, thereby linking Armenia's regional integration agenda with China's global connectivity strategy.
- Beyond bilateral frameworks, China has expressed its readiness to support Armenia's accession to the Shanghai Cooperation Organization (SCO) and to deepen cooperation via the Asian Infrastructure Investment Bank (AIIB).

### **A broader China-Georgia strategic partnership**

China's relations with Georgia are also defined at the level of a strategic partnership, formalized through a joint statement published in August 2023. The document closely mirrors the Armenian–Chinese statement of August 2025 in both structure and content<sup>129</sup>. However, Georgia is more deeply integrated into BRI, as it participates in both the BRI and the Middle Corridor transport route. As a result, the scope of cooperation outlined in the Georgian statement is broader, with a particular focus on the modernization and expansion of railway networks, and the use of Georgia's transit infrastructure for exporting Chinese goods to Western markets.

The two sides are also discussing the updating and expansion of existing agreements, including the 2018 Free Trade Agreement and the 1993 Agreement on Scientific and Technological Cooperation. Moreover, China has expressed its readiness to explore the provision of preferential loans for the implementation of social and infrastructure projects in Georgia

### **The comprehensive strategic partnership between Azerbaijan and China**

In July 2024, Azerbaijan and China established a strategic partnership, and less than a year later, in April 2025, the leaders of the two countries announced the elevation of their relations to a

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<sup>129</sup>Embassy of the People's Republic of China in Georgia. "Joint Statement of the People's Republic of China and Georgia on Establishing a Strategic Partnership". August 07, 2023. <https://shorturl.at/eLVqZ>

comprehensive strategic partnership<sup>130131</sup>. Both the depth of cooperation and the rapid progression from strategic to comprehensive strategic partnership are noteworthy and illustrate the growing significance of Azerbaijan in China's regional engagement.

To promote trade and investment, the parties agreed to establish a working group and to launch negotiations on a free trade agreement. Priority areas include petroleum products, metallurgy, textiles, pharmaceuticals, and machinery manufacturing. China has also expressed its support for Azerbaijan's early accession to the WTO.

Additionally, both sides emphasized the importance of the Agreement on International Multimodal Transport, aimed at facilitating the movement of goods between the two countries. China reaffirmed its readiness to cooperate in expanding cargo transportation between Azerbaijan and other countries along the China–Europe–China route, thereby strengthening the connectivity of the Middle Corridor.

### **Iran-China comprehensive strategic partnership**

Iran and China have maintained a comprehensive strategic partnership since January 2016, with the joint statement updated in February 2023<sup>132</sup>. While the updated statement follows the general structure of similar agreements with other states, it notably includes a dedicated section on security and defense<sup>133</sup>.

In terms of economic cooperation, both countries have emphasized collaboration in the agricultural sector, with plans to develop a 2023–2030 action plan. It must be mentioned that a "green lane" regime applies to Iranian agricultural products exported to China. Beijing has expressed readiness to assist Tehran in improving food security, establishing a joint laboratory, and implementing other agricultural projects.

The parties also agreed to implement the Memorandum of Understanding on Strengthening Industrial and Mining Capacities and Investment Cooperation, and to enhance collaboration in the energy sector, particularly by expanding Iran's photovoltaic energy production capacity.

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<sup>130</sup> President of the Republic of Azerbaijan. "Joint Declaration of the Republic of Azerbaijan and the People's Republic of China on the establishment of a strategic partnership was adopted in Astana". July 03, 2024. <https://shorturl.at/Vuh1v>

<sup>131</sup> President of the Republic of Azerbaijan. "Azerbaijan and China signed Joint Statement on Establishment of Comprehensive Strategic Partnership". April 23, 2025. <https://shorturl.at/EmeB1>

<sup>132</sup> China Daily. "Joint statement between China and Iran on the Comprehensive Strategic Partnership". Jan 23, 2016. <https://shorturl.at/CKCUu>

<sup>133</sup> Ministry of Foreign Affairs People's Republic of China. "Joint Statement of the People's Republic of China and the Islamic Republic of Iran", [in Chinese]. Feb 16, 2023. <https://shorturl.at/Ted7q>

China has committed to inviting Iranian officials and specialists to training courses in poverty reduction, health, and green development. A visa-free regime has been introduced for Chinese tourists in Iran, and the two countries will provide student scholarships and organize exchange programs for pupils, students, and teachers. Over the next five years, China plans to allocate 100 scholarships to train Iranian Chinese-language teachers.

The statement extensively references the maintenance of international peace, with China firmly opposing interference by external forces in Iran's internal affairs.

### **Türkiye-China strategic partnership**

Turkey and China have maintained a strategic partnership since October 2010<sup>134</sup>. Compared with joint statements signed with other countries in the region, which came later, this statement is relatively brief and largely outlines general principles of bilateral relations. It also references the April 2000 joint communiqué, reaffirming the points made there<sup>135</sup>.

Under that communiqué, protocols on economic and technological cooperation in the energy sector were adopted during a regular session of the Turkish-Chinese Joint Economic and Trade Committee. The statement also highlights the restoration of the Silk Road and Turkey's role as a bridge between Europe and China.

In summary, China is expanding its cooperation across the region, with the strategic partnership with Armenia being the most recent. Overall, China's regional engagement appears primarily driven by the "One Belt, One Road" initiative, which aims to revive the Silk Road and position the region as a key link connecting China and Europe.

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<sup>134</sup> Ministry of Foreign Affairs People's Republic of China. "Joint declaration of the People's Republic of China and the Republic of Turkey on the establishment and development of strategic cooperation relations", [in Chinese]. Oct 09, 2010. <https://shorturl.at/7mb03>

<sup>135</sup> Ministry of Foreign Affairs Republic of Turkey. "Joint Communiqué Between The Republic Of Turkey And The People's Republic Of China April 19, 2000, Ankara". <https://tinyurl.com/599ypmfv>

## **Conclusions**

Over the past decade, China's presence in Armenia has deepened across economic, social, and cultural dimensions, positioning Beijing as an increasingly influential actor in the country's development landscape. While the depth of engagement varies by sector, the overall trajectory reflects a steady diversification of ties, from trade and infrastructure to education, tourism, and diplomacy, all underpinned by China's broader Belt and Road Initiative and its regional strategic ambitions. However, this growing engagement, while opening new opportunities, also exposes Armenia to a set of economic, political, and institutional risks.

## **Economic and Trade Relations**

China has become Armenia's second-largest source of imports and one of its key export destinations. Bilateral trade volumes have increased sharply, driven by machinery, electronics, and vehicles on the import side and copper ores on the export side. Particularly, copper ore and concentrate constitute one of Armenia's main export commodities. Over the past 15 years, China's share in Armenia's copper exports has increased dramatically, from 12% to 78%. This sharp concentration creates significant vulnerabilities for Armenia, as any disruption, be it political, economic, or external, could have a serious impact on the country's export performance and overall economic stability. The re-export of Western brands produced in China to Russia since 2022 has further boosted trade volumes.

Despite temporary fluctuations in export shares, China's position as a vital trading partner remains stable. The 2025 update of the EAEU–China cooperation roadmap, Armenia's interest in upgrading its Shanghai Cooperation Organization status, and the “Crossroads of Peace” initiative suggest that trade and logistics connectivity with China will continue to strengthen.

## **Investment and Infrastructure**

Although Chinese FDI in Armenia remains limited, representing just 0.01% of total FDI stock as of 2024, Chinese contractors play a growing role in Armenia's infrastructure. The involvement of Chinese state-owned companies in major projects like the North–South Road Corridor, Kaps Reservoir, and Masrik-1 solar plant exemplifies China's expanding footprint in strategic sectors like energy and transport.

## **Tourism and People-to-People Exchanges**

Tourism has emerged as one of the most dynamic areas of bilateral cooperation. Between 2022 and 2024, the number of Chinese visitors to Armenia increased sixfold, placing China among the top seven source countries. Visa liberalization, new direct flights, and active cultural diplomacy, including festivals, exhibitions, and the work of non-profits promoting bilateral relations, have made Armenia increasingly visible to Chinese travelers, reflecting China's growing interest in Armenia.

## **Foreign Aid and Development Cooperation**

Chinese aid to Armenia, largely in the form of grants, equipment donations, and construction projects, fills gaps in public investment but also reflects Beijing's strategic use of development assistance as an instrument of influence. The focus on high-visibility infrastructure and media projects, such as the new pavilion for the Public Television Company of Armenia, indicates a shift from purely developmental to symbolic, soft-power-driven engagement.

## **Education and Cultural Influence**

Education has become a central pillar of Chinese soft power in Armenia. In recent years, China's presence in Armenia's education system has steadily expanded through variety of initiatives. The Confucius Institute in Yerevan, the first in the South Caucasus, and the Armenian-Chinese Friendship School have expanded the reach of Chinese language instruction to thousands of students. Academic cooperation between Armenian and Chinese universities has intensified, supported by scholarships, research linkages, and joint publications. As of 2025, at least 37 institutional ties exist between Armenian and Chinese academic institutions, and new Confucius Institutes are being established. Together, these initiatives have embed Chinese cultural presence in Armenia's academic ecosystem, and laid the groundwork for closer long-term relations.

## **Strategic and Diplomatic Dimension**

The establishment of the Armenia–China Strategic Partnership in August 2025 marks a turning point in bilateral relations, aligning Armenia with the broader regional pattern of China's deepening engagement in the South Caucasus. This partnership complements similar arrangements with Georgia and Azerbaijan. The partnership underscores the role of connectivity, economic cooperation, and people-to-people exchanges as the foundation for long-term cooperation.

In conclusion, China's influence in Armenia is evolving from a predominantly economic relationship toward a broader strategic partnership grounded in connectivity, education, and diplomacy. The sustainability of these ties will depend on Armenia's ability to leverage cooperation without compromising economic diversification or political autonomy.