

The ‘Armenian Engineering Companies Guide’ was prepared within the scope of the ‘Armenian Engineering Sector Survey’ –conducted by the 3D Modelers Union of Armenia. Commissioned by the USAID-funded Competitive Armenian Private Sector (CAPS) Project and supported by EIF, the survey was implemented over a two-month period, commencing March 15, 2010.

In defining the Engineering Sector, the NACE classification was used, particularly subcategory 71.12 ‘[Engineering activities and related consulting services](#)’, enabling the collection and international benchmarking of comparable data.

The definition describes the engineering sector as comprising entities that conduct the following:

***“Design of architectural and engineering objects, systems and sub-systems, technical testing and analysis, consulting in this and related spheres applying engineering tools. Engineering tools are considered as consisting of engineering knowledge, methods and tools. Production of the engineering sector or the services rendered in the sector represents copyright/intellectual property and is materialized in schemes, prototypes, engineering and architectural designs, printed or in electronic version”.***

The Engineering Cluster Survey resulted in a better understanding of the scope of engineering companies, their products and services, which will enable promotion of new market opportunities. Findings have been reflected in the [Engineering Cluster Guide](#), which shows the full list of Armenian Engineering companies, as well as research and development institutions.

Of the 66 companies that participated in the survey, 55 are included in the Cluster Guide, grouped together under 16 categories: engineering design, power construction and power stations, hydraulic work, electronic and electro-technology, mechanics, automation and robotics, heating / ventilation, communications, security, seismic systems, measuring means, bio-chemical engineering, laser physics, geodesy, logistics, aircraft building, and machine-tool construction.

The situation in this sector can be described as follows:

- Approximately 25% of the companies were established on the basis of research institutes or state enterprises as a result of the privatization process.
- Companies are mainly engaged in the energy (12.96%) and construction (12.96%) sectors, followed by companies’ activities in the sectors of telecommunications (7.4%), design (7.4%), and transport construction design (7.4%).
- The majority of companies are of a medium size, comprising 20-100 employees.
- Over the past 3 years, approximately 50% of companies increased their turnover.
- Design services comprise 1/3 of exports.

As key drivers of the sector, the following points can be highlighted:

- Technical and R&D capabilities remaining after break up of the Soviet Union.
- Engineering background.
- Sufficient domestic market and large international market
- Profitability of engineering services
- Existence of 3D Modeling Union as a cohesive and supporting mechanism;

These factors allow the sector the opportunity to become a priority sector in Armenia.