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## *PROMOTING HERITAGE - AND CULTURE - BASED EXPERIENTIAL TOURISM IN THE BLACK SEA BASIN*

Project No BSB-1145



### REGIONAL NEEDS ASSESSMENT: ARMENIA

**COMMON BORDERS. COMMON SOLUTIONS.**



This Report has been prepared by:

Aleksanyan Gor, Yerevan State University, PhD in Geography, Associate Professor

Suvaryan Seyran, Yerevan State University, PhD in Geography, Associate Professor

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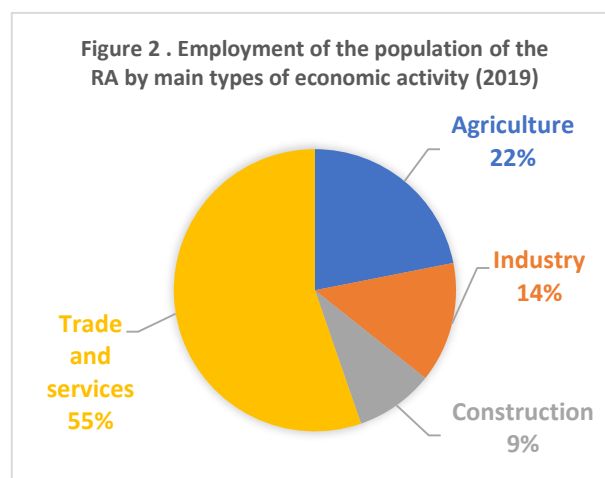
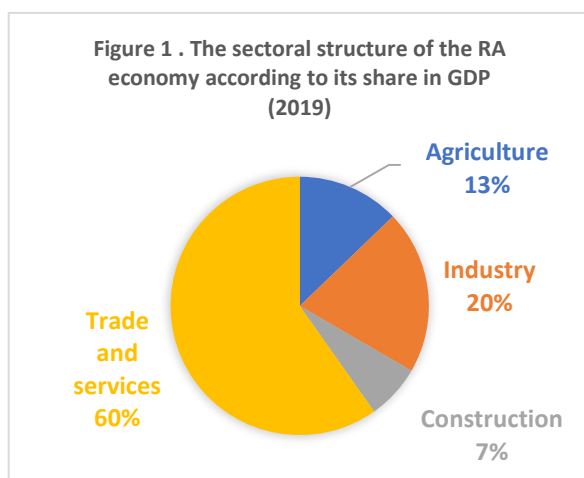
## General overview of the Republic of Armenia (RA).

Today's RA is located in the northeastern part of the Armenian Highlands (the latter is adjacent to the plateaus of Asia Minor and Iran) (National Atlas of Armenia, 2007). Armenia, being one of the oldest countries in the world, and the Armenian people being one of the oldest peoples in the world (3rd-2nd millennium BC), gained independence in its current territory in 1991 on September 21, before that, gaining and losing it in different historical periods (Katvalyan M.A., Hovhannisyan P.H., Minasyan E.G., 2012). The RA became a parliamentary republic as the result of the constitutional changes in 2015 and is led by the Prime Minister elected by the parliament. The current territory of the RA is 29 743 km<sup>2</sup>. The RA borders with Georgia in the north, with the Islamic Republic of Iran in the south, with Turkey in the west, with Azerbaijan in the east and southwest, and internationally not yet recognized with the Artsakh Republic in the east. The RA is a unitary country which is administratively divided into 10 regions, and city of Yerevan as a community (National Atlas of Armenia, 2007). The population of the RA is 2 959 700 which 63.9% are urbans (living in 49 cities) (Statistical Committee of the Republic of Armenia, 2021). The capital of the RA is Yerevan with a population of 1 084 000. The RA is considered a monoethnic country, 98.1% of the population of which is Armenian, there are also Russians, Yezidis, Assyrians, Ukrainians, Georgians, Greeks, and 99% of the population professes Christianity (Statistical Committee of the Republic of Armenia, 2021).

### *The economic profile of the RA.*

According to the Human Development Index expressed by the main socio-economic macro indicators the RA in 2019 was ranked 81st out of 189 countries with a score of 0.776 (United Nations Development Programme: Human Development Reports , 2020), which is considered as a high score. The RA's GDP made about 13 billion US dollars in 2019, which is about 4 400 US dollars per capita. The poverty rate of the RA was 26.4% in 2019 and the economically active population is 41.7% of the total population, of which the number of employed is 48.3%. The unemployment rate in the country is about 18%. Currently, the average monthly nominal salary is 182,673 drams (about \$ 350 US) and the minimum salary is 68,000 drams (about \$ 120 US). The RA economy, according to the key types<sup>1</sup> of economic activity, is divided into the following groups: agriculture, industry, construction, trade and services (Statistical Committee of the Republic of Armenia, 2021).

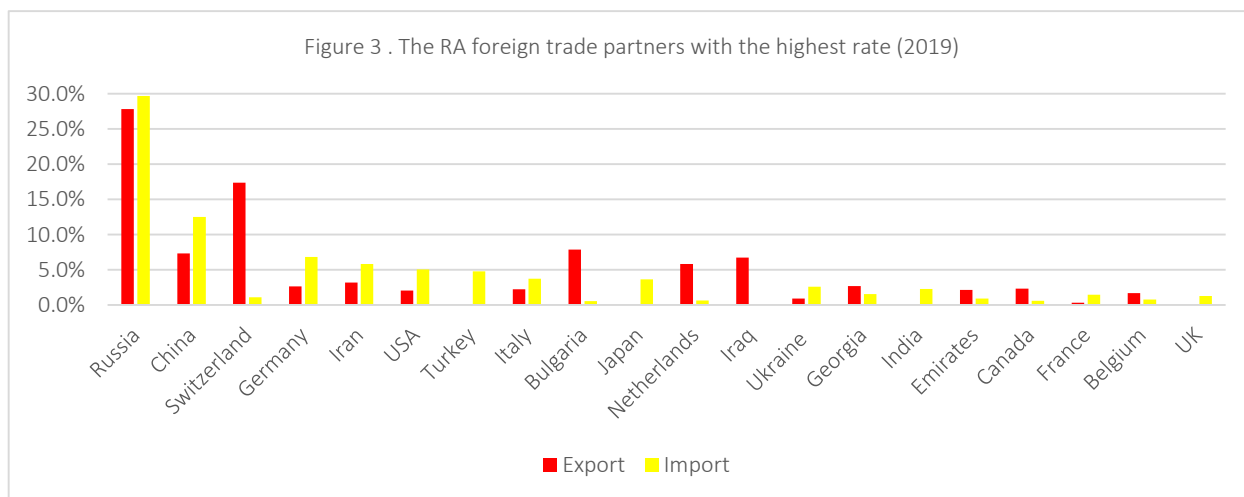
<sup>1</sup> Economic activity is divided into three main sectors: *primary* (Agriculture, forestry and fisheries, Mining and open pit mining), *secondary* (Manufacturing, Electricity, gas, steam and air conditioning supply, Water supply, sewerage, waste management and recycling, Construction), *tertiary* (Wholesale and retail trade, repair of motor vehicles and motorcycles, Transportation and storage, Accommodation and catering, Information and communication, Financial and insurance activities, Real estate activities, Professional, scientific and technical activities, Administrative and auxiliary activities , Public administration and defense, Compulsory social security, Education, Health and social services, Culture, Recreation and leisure, Other services, Household activities as an employer, the production of goods and services in households that are not differentiated for own consumption). The listed types are grouped according to the main branches of the economy: agriculture, industry, construction, trade and services.



(Statistical Committee of the Republic of Armenia, 2021)

As shown by the Figures 1 and 2, the leader in the RA economy both in terms of GDP and employment is the field of trade and services, which testifies to the its importance for the economy, but it should be noted that such a structure is due to the relatively low development of other sectors then the highly developed trade and service sector.

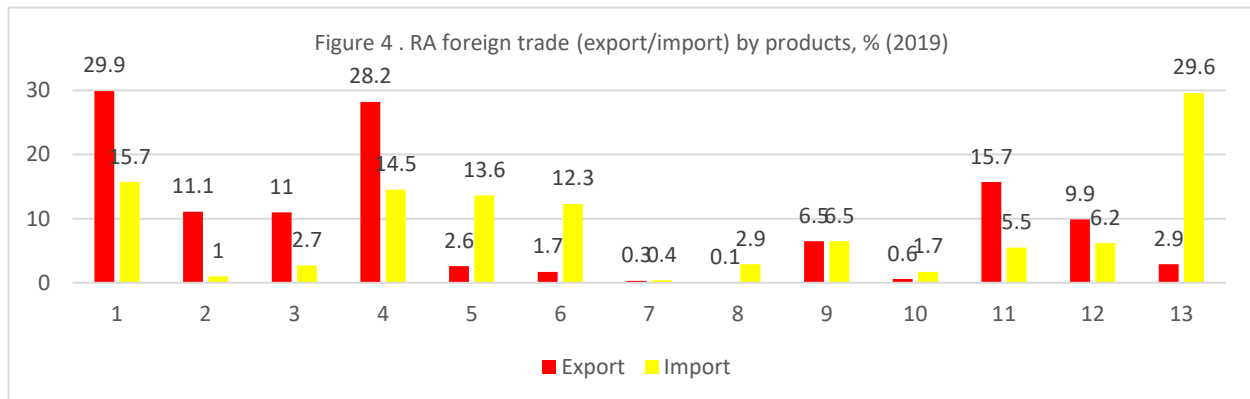
The trade turnover in the RA economy in 2019 was: export - 2 636 616 000 US dollars, import - 5 553 269 000 USD, that is, it has a negative balance: import exceeds export.



(Armenia Custom Service of the Republic of Armenia , 2020)

As Figure 3 shows, the RA has the largest trade turnover with Russia, followed by China and Switzerland (2019). The list of countries with the largest trade turnover with the RA includes countries of the Black Sea Economic Cooperation (BSEC) as well: Russia, Turkey, Bulgaria, Ukraine, Georgia. Armenia also has trade turnover (with the exception of Azerbaijan) with other BSEC member states, but to a lesser extent.

As Figure 4 shows<sup>2</sup>, the RA mainly exports food, agricultural raw materials, minerals and precious stones and metals, and imports machinery, equipment and vehicles, food, agricultural raw materials, minerals, fuel and energy products, chemical products and rubber. In other words, the RA economy is rather a raw material economy based mainly on the extractive branches, and not on the branches of the processing-producing economy.



(Armenia Custom Service of the Republic of Armenia , 2020)

In the last decade, tourism, which has a special place in foreign trade, has been declared a priority for economic development. It will be presented in more detail in the next chapters. In recent years, the share of tourism in the RA GDP has begun to grow in large volumes. According to the WTTC, the share of GDP in 2019 reached 11.8%, which created 124,600 jobs (12.5% of total employment), provided 23.9% of total exports, or \$ 1,253.7 million, of which 85% was spent on leisure and 15% on business (WTTC, 2020). In the field of services, the elements directly related to tourism, which are part of its structures - accommodation, catering services - make up 2.2% of GDP, and culture, entertainment and leisure services - 6%. They employ 3.1% and 1.8% of the working population, respectively (Statistical Committee of the Republic of Armenia, 2021). According to the WTTC Competitiveness Index (2019), the RA ranks 79th out of 110 countries with a score of 3.7.

### *General overview of the RA tourism sector.*

All over the world, including the RA, the last 20 years have been marked by the progressive development of tourism. This is evidenced by the growth of both international and domestic tourism flows, the number of people employed in the tourism sector, the increase in the share of tourism in GDP. Such growth was due to a number of factors, some of which were the most important: increasing people's free time, increasing solvency, establishing stable international relations, abolishing or facilitating visa regimes, the development of the latest information and communication technologies, etc.

<sup>2</sup> 1- Food, agricultural raw materials, 2-Alcoholic, non-alcoholic beverages, 3-Cigarettes and raw materials, 4-Minerals, 5- Fuel and energy products, 6-Chemical products, rubber, 7- Fur, leather, products, 8-Wood and paper products, 9-Textiles, footwear, 10-Stone, gypsum products, ceramics, glass, 11-Precious stones, metals, 12-Metals and products, 13-Machines, equipment, vehicles

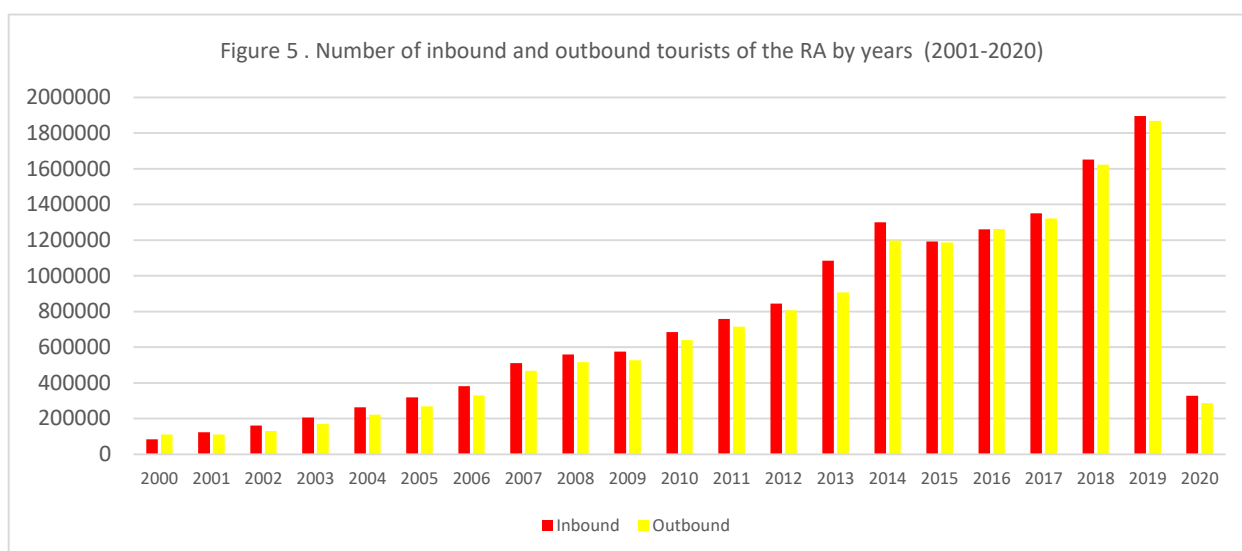


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### *International tourism in the RA.*

International tourist flows (inbound and outbound) in the RA have grown steadily over the last two decades, which has increased the importance of tourism in the economy, the country's development and the international image.<sup>3</sup> Taking into account the growth rates of previous years, it was predicted that in 2020 the number of inbound tourists would exceed 2 million, but due to the situation caused by COVID-19, as shown in Figure 5, the number of inbound and outbound tourists as well sharply decreased by 2020. Moreover, 70% of the visits registered in 2020 were before March, before declaring a state of emergency and closing the country's borders. The picture is the same in the case of outbound tourism. Figure 5 shows that in 2019 compared to 2000 inbound tourist flows increased more than 22 times, from 84 461 to 1 894 377 tourists. The picture is similar for outbound tourism, which increased 17 times in the same period, from 111 250 to 1 867 888 tourists. At the same time, the number of inbound tourist



visits without tour operators/agencies is increasing, in particular, in 2019, only 18% of inbound tourists used the services of these companies, and in the case of outbound ones, this figure did not exceed 1% (Statistical Committee of the Republic of Armenia, 2021).

As Figure 6 shows, the RA has leaders of inbound tourism countries, of which Russia is the first one in the number of visits since 2000. The other leading country was the United States, but the share of visits from the United States has decreased over time. Visits from France and Germany remained relatively stable, and from 2010 Ukraine, the Netherlands and Italy became emerging markets for Armenia. Moreover, according to the visits, the three leading countries - Russia, USA, France - also coincide with the three leading countries most populated by Armenians in the Armenian Diaspora (in the same order). It should be noted that in the last few years there has been a dynamic increase in visits from the Middle East, South and Southeast Asia, but the number of visits from these countries was significantly lower than the leading countries (Statistical Committee of the Republic of Armenia, 2021). These

<sup>3</sup> The data for 2020 are given according to the first three quarters.

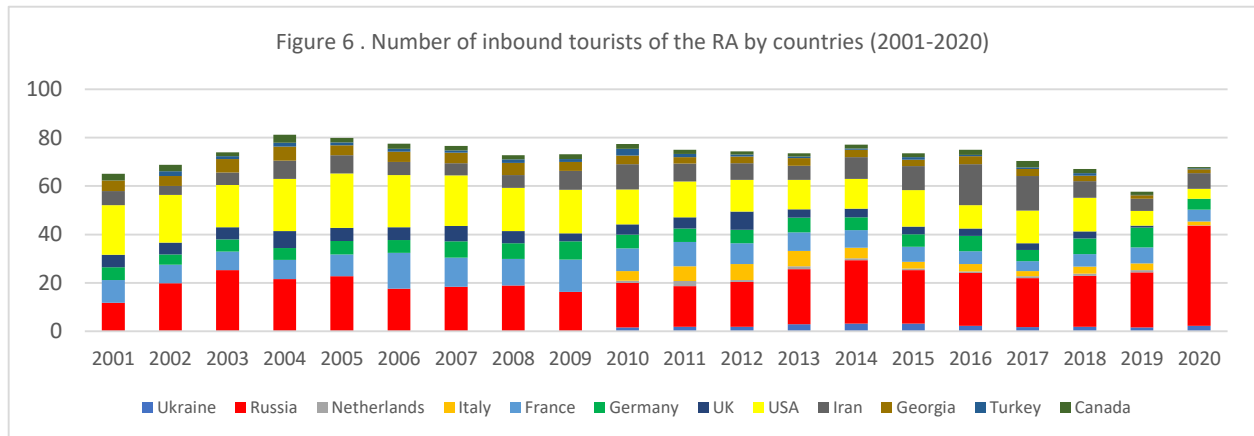




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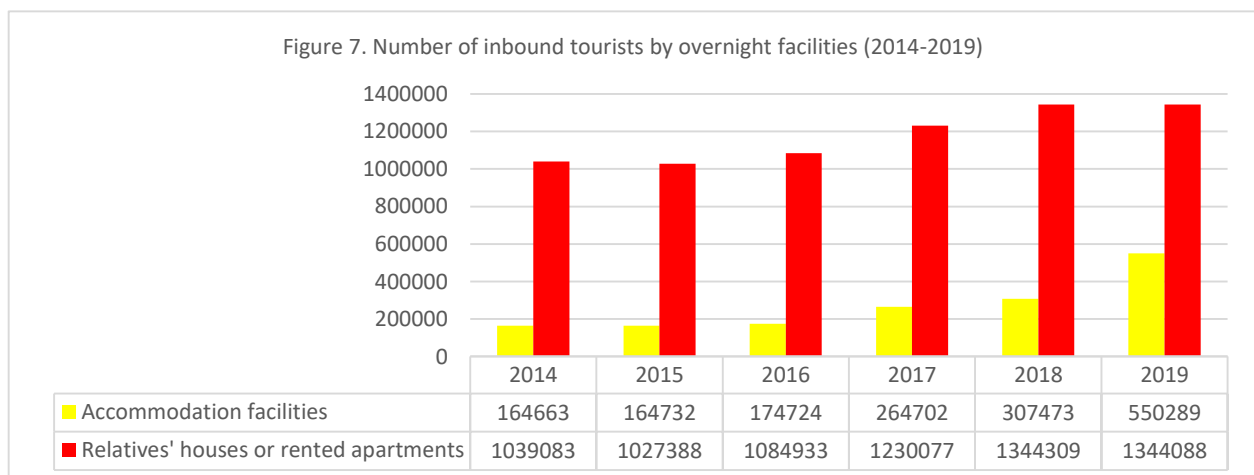


tendencies, the existing dynamics and the current situation show which countries should be considered as existing and perspective markets for the development of tourism in the RA. As we can see, Russia, Ukraine, Georgia and Turkey are considered to be members of the BSEC member states. Incoming visits, according to the rate of overnight stays in accommodation facilities, are dominated by overnight stays in relatives' houses or rented apartments, compared to overnight stays in hotel facilities (hotels, hostels, resorts, rest houses etc.).



(Statistical Committee of the Republic of Armenia, 2021)

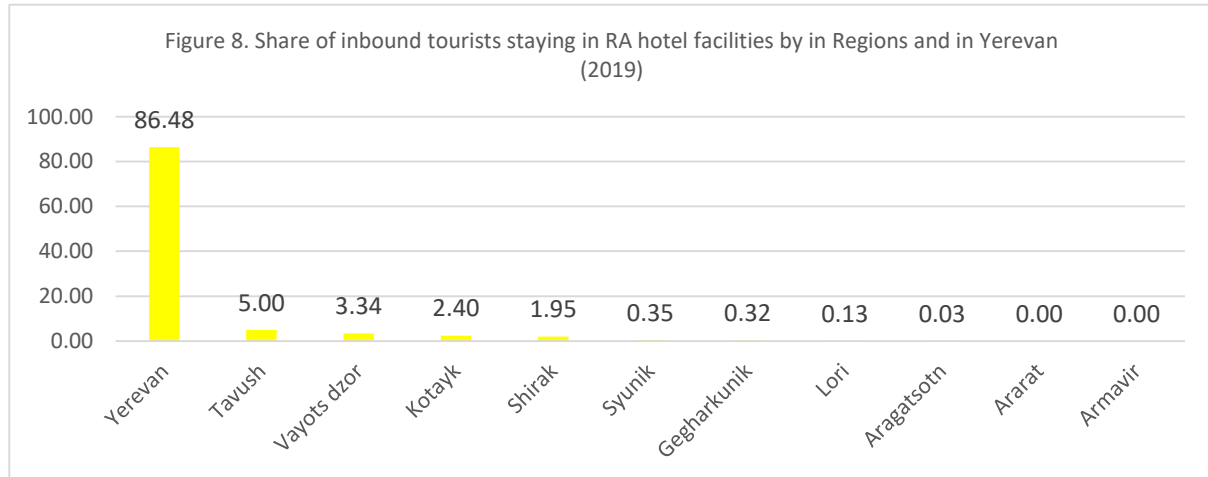
However, the number of overnight stays in hotel facilities has grown steadily in recent years, reaching about 41% in 2019 (Figure 7).



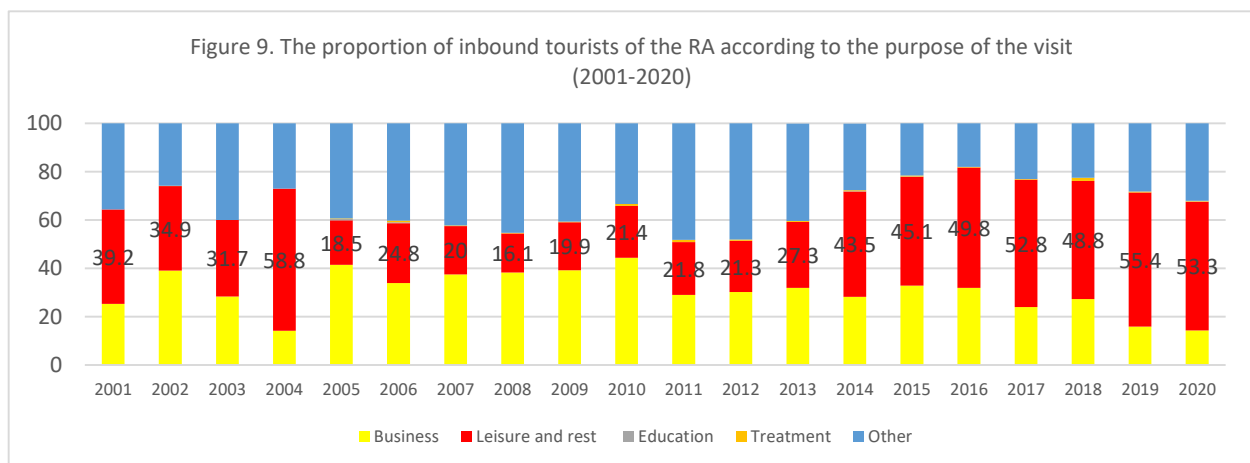
(Statistical Committee of the Republic of Armenia, 2021)



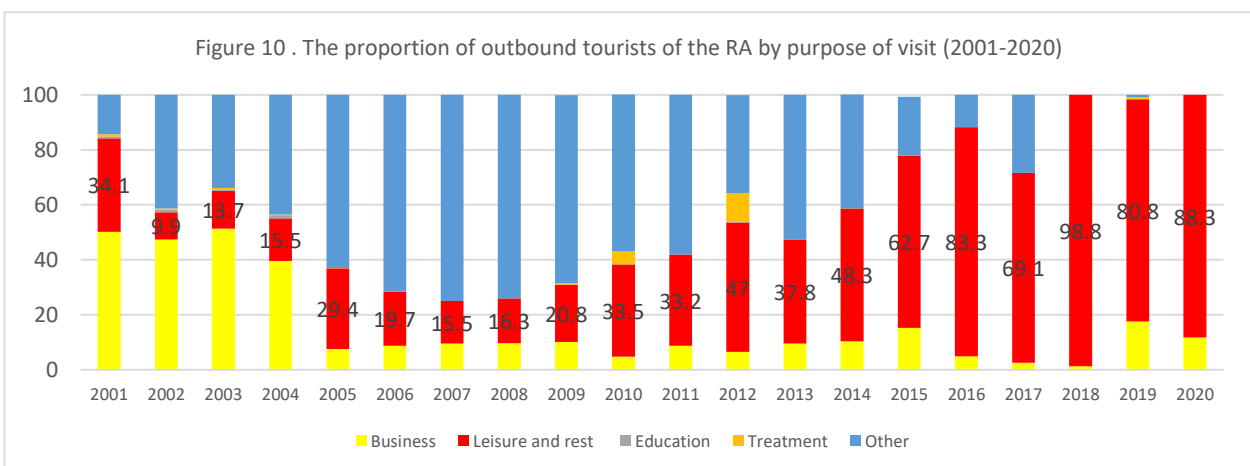
There is also a significant difference in the overnight geography of inbound tourists. About 87% of them spend the night in Yerevan (Figure 8).



(Statistical Committee of the Republic of Armenia, 2021)



(Statistical Committee of the Republic of Armenia, 2021)



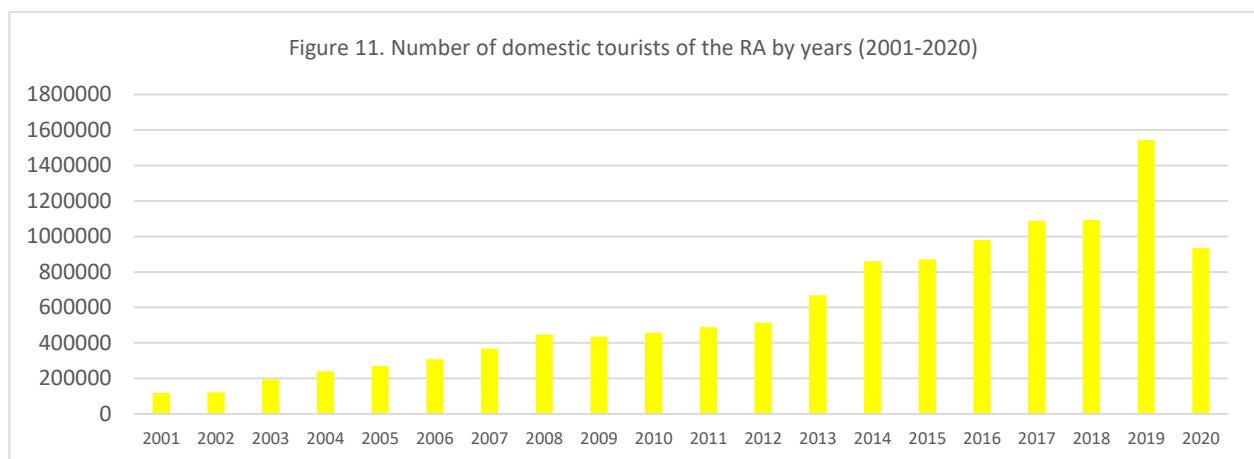
(Statistical Committee of the Republic of Armenia, 2021)

Figures 9 and 10 show that in both inbound and outbound tourist flows, leisure and rest and business visits were leading according to the visitors' goals. Over the years, the specific weights of these goals have changed, but since 2014, especially in incoming tourist visits, leisure and rest visits have prevailed, which have been primarily motivated by Armenian cultural heritage and food, hospitality, nature, quality of services.

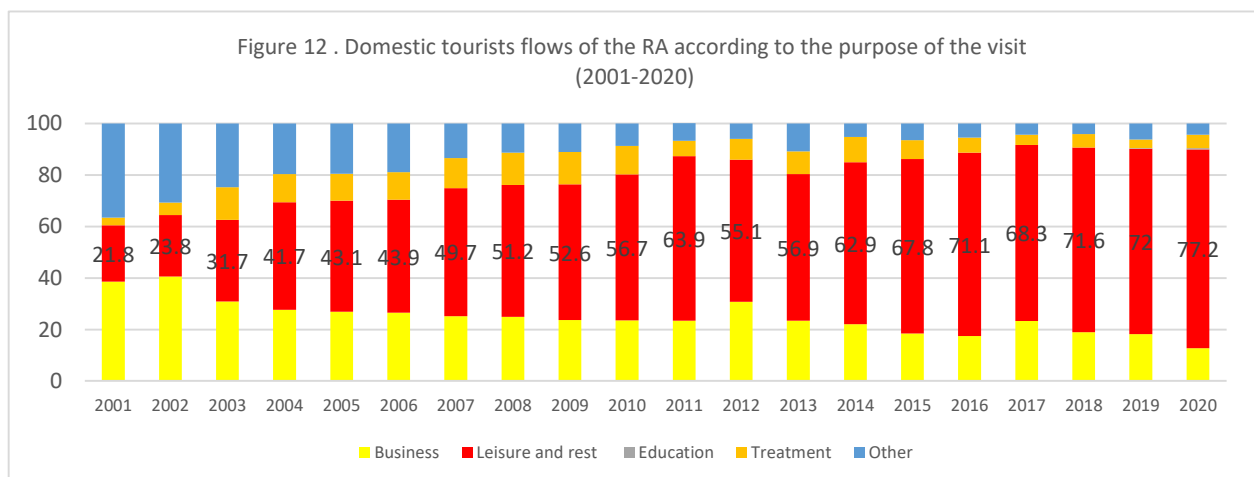
### *Domestic tourism in the RA.*

Domestic tourism in the RA, expressed in the form of domestic tourism flows, has also developed during the last two decades (Figure 11). That is, in the RA, in 2019, every second citizen traveled within the country. However, it should be noted that only about 50% of these trips were organized by travel companies (which is decreasing) and only about 20% were with overnight.

Figure 12 shows that leisure and rest visits also predominate in the domestic tourist flows of the RA but unlike the incoming one, nature is considered as the motivation for the visits, followed by the cultural heritage.



(Statistical Committee of the Republic of Armenia, 2021)



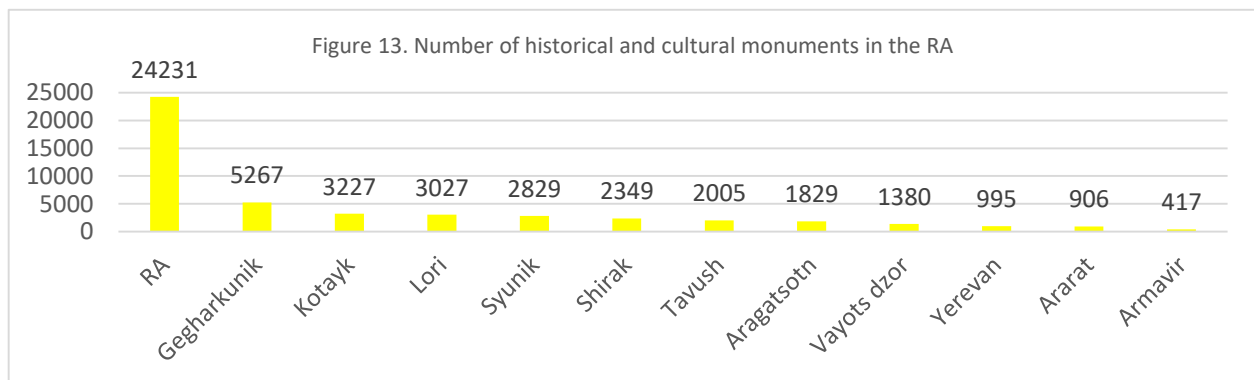
(Statistical Committee of the Republic of Armenia, 2021)

### *RA key tourism resources, products, competitive advantages.*

Due to its unique geographical location, diverse natural-climatic conditions, millennia-old history and culture, the RA stands out with its high tourist attractiveness.

As it is known, Armenia is considered one of the countries with the oldest culture and history of the world. Particularly, significant is the fact that Armenia is the first country in the world to adopt Christianity as a state religion (301), after which the country's culture has been enriched with Christian heritage and values, becoming a precondition for the development of religious tourism. Currently, there are about 24 231 historical and cultural monuments (Figure 13) in the RA (most of them khachkars (cross-stones), churches and monasteries, castles and fortresses), which are also complemented by national traditions, customs, rituals, music, dances, writing and literature, cuisine, Armenian hospitality, Armenian family and family relations.

The preservation of the mentioned cultural values and heritage and the importance of tourism also increase the special attitude towards them by UNESCO (Table 1).



(MESCS, 2020)

Table 1 . The cultural heritage of the RA included in the UNESCO World Heritage List

No	Tangible cultural heritage values (UNESCO , 2020)	Intangible cultural heritage values (UNESCO, 2020)
1.	Cathedral and Churches of Echmiatsin and Archaeological Site of Zvartnots	Duduk and its music
2.	Monasteries of Haghpat and Sanahin	Armenian cross-stones art. Symbolism and craftsmanship of Khachkars
3.	Monastery of Geghard and the Upper Azat Valley	Performance of the Armenian epic of “Daredevils of Sassoun” or “David of Sassoun”
4.	-	Lavash, the preparation, meaning and appearance of traditional bread as an expression of culture in Armenia
5.	-	Kochari, traditional group dance
6.	-	Armenian letter art and its cultural expressions
7.	-	Pilgrimage to the St. Thaddeus Apostle Monastery

At the same time, there are other cultural values that receive special attention from UNESCO, although they do not have a special status such as those listed before in Table 1 (such as Garni Pagan Temple, Tatev Monastery and Tatev Anapat, Noravank Monastery, more than 5500 year old shoes found in Areni Cave and 6100 years old wine complex). The mentioned cultural values increase the potential of the RA becoming a tourism destination based on cultural heritage. The development of tourism in the RA started on the basis of the tourism packaging of these cultural values, which took place especially since the 2000s. Initially, the main tourist cultural products were the values of tangible cultural heritage (churches and monasteries, including the above-mentioned and Sevanavank, Haghartsin, Goshavank, Makaravank, fortresses and castles: Erebuni, Amberd, museums: National Museum, Matenadaran, Sardarapat State Ethnographic Museum, etc.). Later, especially in the last ten years, the values of intangible heritage (as a primary, not accompanying tourism product) were added to them, due to which new tourism offers were formed in the country, expressed as festivals (Areni Wine Festival, Tolma Festival, Water Festival (Vardavar Holiday). etc.), in the form of gastrotours (gastro-yards, national-local restaurants, etc.) etc.

In recent decades, based on the listed cultural values (as tourism resources) in the early stages of positioning in the international tourism market (early 2000s), the RA began to become a tourist destination. Since then, the RA has mainly presented itself in the international tourism market as a country that mainly exports "cultural tourism products". In this sense, in a country as key types of tourism based on historical and cultural values are considered: religious (historical-cultural) tourism, wine tourism, gastro tourism.

The RA also stands out with its various natural-climatic peculiarities. It is located in the Alpine-Himalayan geosyncline zone, has a pronounced mountainous terrain, which, due to its location in the subtropical climate zone, stands out for its diverse natural conditions and landscapes (desert-semi-desert, steppe, forest, meadow-steppe, alpine, near-alpine, snow-covered) (National Atlas of Armenia, 2007). The mountainous nature of the RA, being far from the sea basins and being in the subtropical transitional climate zone has left its impact on the peculiarities of the country's climate, which is also distinguished by diversity (from dry subtropical to snowy) and expressed in 4 seasons of the year. The RA has a terrestrial climate, which is characterized by large fluctuations in summer and winter temperatures: hot summers and cold winters.

RA also stands out with its unique water resources - about 9479 mountain rivers (Debed, Aghstev, Hrazdan, Kasagh, Arpa, Vorotan, etc.), relatively large two dozen mountain lakes (Lake Sevan, Lake Kari, Clear Lake, Gosh, etc.), waterfalls (Shaki, Jermuk, Trchkan, Gegharot, etc.), mineral water with different chemical composition (chloride-hydrocarbonate, sodium-calcium, calcium-magnesium, etc.) (Jermuk, Hankavan, Arzni, etc.) (National Atlas of Armenia, 2007).

It is a typical mountainous country, the average height of which is 1873 m above sea level, and the maximum height at the top of Aragats is 4090 m. The relief of the RA stands out with its sharpness and at the same time "difficult to access" and "easily accessible". It is divided into

folded and volcanic types according to its origin, due to which various relief forms have emerged: plateaus, mountain ranges, canyons (Vorotan, Hrazdan, Debed, etc.), caves (Bears, Mozrov, Birds, Magili, etc.) etc. (National Atlas of Armenia, 2007).

Due to the above-mentioned factors and being at the crossroads of different floristic and faunistic regions (Caucasus and Ar-Mediterranean), the RA is also distinguished by its diverse flora and fauna. There are 3200 higher plant species in the RA, 120 of which are endemic (Patutuk Armenian, Oak Araksyan, Toron), and 12000 types of animal species are found in Armenia, of which 75 are mammals, 302 birds, reptiles 43 and more than 11,000 invertebrates. Some of these species are specific only to the Armenian Highlands and surrounding areas: Armenian wild sheep (mouflon), bezoar goat, Caucasian pheasant, etc. (Red Book of the Republic of Armenia, 2013).

In order to protect such diverse natural elements and conditions from human activity, there is a need to protect them, as a result of which specially protected nature areas have been created in the RA: 4 national parks (Sevan, Dilijan, Arevik, Lake Arpi), three reserves (Erebuni, Shikahogh, Khosrov forest) and about 27 sanctuaries (Vordan Karmir, Sosu Park, etc.), natural monuments (Satan Bridge, Mount Arai, Ajdahak volcano, Jermuk springs, Kasakh gorge, Old Goris volcanic rocks, etc.) (National Atlas of Armenia, 2007).

Based on the presented natural-climatic conditions, natural-based tourism products of international and local significance have been formed in the RA, expressed in the following types of tourism: ecological, rafting, medical and sanatorium, winter (skiing), adventure, geological (cognitive, scientific and cave), hiking, mountaineering. Such diversity of natural conditions has left its impact on the seasonality of tourism. In particular, the high tourist season of the RA is the period from April to September, during which about 60% of the inbound tourists arrive. The diversity of the natural-climatic conditions of the RA has also left its impact in the form of the emergence of internal spatial features of the intangible cultural values of the RA, expressed both in the kitchen based on natural goods and in the thinking and lifestyle of the people.

### *RA tourism sector management.*

The state management of the tourism sector in the RA is carried out by the third model of the tourism management, in which case the function of the state regulation of tourism is carried out by multifunctional departments. In Armenia, according to this model, the Ministry of Economy has a Tourism Committee, the purpose of which is to develop and ensure the implementation of the state policy in the field of tourism. Those responsible for tourism development in the regional governments (within the framework of regional governments' development programs, tourism and analysis department) are considered to be an element of state management in the sector of tourism. The RA Law on "Tourism and Tourism Activity" is considered a key tool for management. Currently, in order to make the state management of the tourism sector effective, a development strategy for the sector for 2020-2030 has been developed, which is still in the design phase and has not been approved by the government. In general, the key components of the sector, the enterprises, manage their activities according

to the relevant laws of the RA, of which they are of primary importance for the sector the following once - RA Law on “Trade and Services”, “Tax Code” of the RA, “Civil Code” of the RA, Law on “Consumer Protection”, RA Law on “Foreigners”, RA Law on “Advertising”, RA Law on “Food Safety”.

Public organizations, such as the “Armenian Tourism Federation”, “Armenian Guides Guild”, “Armenian Guesthouse Development Association”, “Festivar Armenian Festivals Association”, “Tavush Tourism Development Agency”, “Armenian Chefs Association” etc. play an important role in managing Armenia's tourism sector. In their field of activity, these organizations are engaged in the development of relevant tourism components and the revelation of problems and opportunities. A number of international organizations are also considered to be public organizations, which are also part of the management of the sector in the sense that they are also engaged in the planning and implementation of development programs throughout the RA. Such functions were done or are being performed by UNDP, USAID, GIZ, WFTGA.

### *RA tourism industry.*

In recent years, quantitative and qualitative positive changes in the tourism industry of the Republic of Armenia have been observed. Especially the development of the following key components - tour operators/agents, accommodations, catering, transport infrastructure should be highlighted.

Currently, there are about 540 travel companies (operators/agencies) in the RA, about 97% of which are located in Yerevan, and about 70% of which are located in the Kentron district of Yerevan (Spyur Information System, 2020).

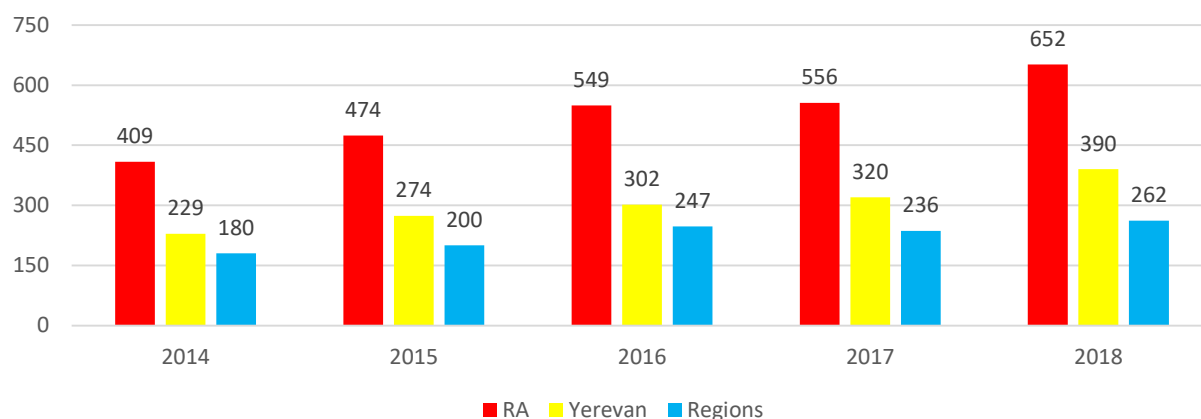
The number of accommodations in the RA has significantly increased in recent years. Figure 14 shows that accommodations are also unequally distributed, most of them located in the city of Yerevan. In recent years, there has been an increase in the number of small hotels and guesthouses, which leads to an increase in the number of such enterprises outside Yerevan and ensuring spatial proportions. Small hotels, especially in the regions, are currently being built in rural communities or in rural areas, which also ensures the active involvement of locals in the field, the creation of new jobs and the opportunity for tourists to be closer to Armenian culture and lifestyle.



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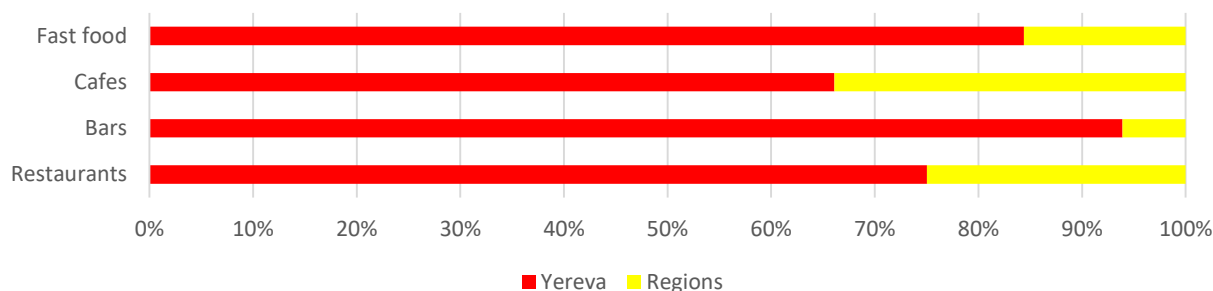


Figure 14. Dynamics of the number of hotel facilities in the Republic of Armenia (2014-2018)



(Statistical Committee of the Republic of Armenia, 2021)

Figure 15 . Distribution of the RA food service enterprises by Yerevan city and regions:% (2020)



(Spyur Information System, 2020)

The food service sector has advanced rates of development. Especially, restaurants based on Armenian culture, national values and cuisine began to develop. Despite the fact that almost all types of food serving enterprises can be found in all regions, nevertheless, in this sphere again there is an unequal spatial distribution. Currently, there are about 1,220 food service enterprises in the RA, of which about 735 are restaurants, 115 are bars, 230 are cafes, and 140 are fast food. From Figure 15 it becomes clear that the city of Yerevan is the leader in all types of food service enterprises, but, in comparison, cafes and restaurants are the leaders in terms of the share of enterprises in the regions. The relatively large number of the latter also contributes to the active involvement of local human and cultural resources in the tourism sector, especially in the development of gastronomic tourism in rural or other urban communities far from Yerevan.

Transport infrastructure has also been developed in the RA in recent years, but due to the regional geopolitical situation (transport blockade of the RA by Azerbaijan and Turkey, stopped railway connection with Russia due to the conflict between Russia and Georgia), Armenia's foreign transport relations have problems which affects the development of tourism.

Common borders. Common solutions.



Currently, there are two international civil airports in the RA - "Zvartnots" in Yerevan and "Shirak" in Gyumri, through which mainly incoming tourists arrive. Domestic transport is expressed in the form of inter-community passenger transportations (by minibuses/buses) and by taxi services. In recent years (especially during the high season) there has been an increase in private taxi drivers offering tourist transportation services to different regions of the RA. Domestic interregional passenger transportation in Armenia is carried out by railways as well (Yerevan-Gyumri-Yerevan, Yerevan-Araks-Yerevan, Yerevan-Yeraskh-Yerevan). In recent years, the zipline (Yerevan, Tsakhkadzor, Yenokavan) has developed as a unique tourist transport infrastructure in the RA, as well as ropeways in Tsakhkadzor, Jermuk and Tatev (registered in the Guinness Book of World Records as the longest reversible aerial ropeway built in only one section, and holds the record for Longest non-stop double track cable car).

### *The key issues of the RA tourism sector.*

The situation created by the COVID-19 epidemic is currently considered a serious problem for the development of tourism both in the world and in the RA. But, apart from this issue, at present a number of key issues for the development of tourism in the Republic of Armenia are considered, which are presented below, by types.

Table 2. The key issues of the RA tourism sector

Types of the issues	Issues
Managerial	a) At present, the tourism sector of the RA does not have a single management system as such. The only state body, the Tourism Committee, is unable to fully perform its main management functions, especially monitoring the sector, due to its lack of powers and rights;
	b) There is no bottom-up model of sector management in the RA as a tool to support the existing top-down model;
	c) Inadequate cooperation between stakeholders in the tourism sector (state, private, education/science);
Legal	a) The current RA Law on "Tourism and Tourism Activities" does not meet the current requirements of tourism, and the new law is still in the draft stage, which also needs to be amended;
	b) The absence of licensing of units operating in the tourism sector;
Strategic	a) RA tourism does not have a development concept (the previous concept was valid in 2008-2018);
	b) RA tourism does not have a development strategy: the tourism development strategy (2020-2030) has not yet been approved by the government;
Geopolitical	a) Transport and economic blockade of the RA by the two neighboring countries, Turkey and Azerbaijan, and the war unleashed by them in 2020 (Sep.-Nov.) and the tension on the interstate borders;



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	b) Due to the previous point, difficult transport access for the non-bordering countries of the territory of the RA;
Spatial disproportion	a) Spatially disproportionate distribution of RA tourism infrastructure;
	b) The spatial disproportion of the use of RA tourism resources;
Marketing	a) Weak representation of the RA in digital platforms;
	b) Lack of a unified marketing policy;
	c) Weak international recognition of the RA from the point of view of tourism
Infrastructural	a) Inadequate transport infrastructure leading to tourism resources;
	b) Insufficient number of restrooms and poor condition or absence in some areas;
Environmental	a) Pollution of areas that are attractive for tourism (especially household waste);
	b) Environmental pollution (especially by sewage) by tourism industry enterprises;
Natural hazards	a) Impact of landslides on tourism, especially on transport infrastructure;
	b) Being a seismic area.

*Continuation of Table 2*

## Heritage and Cultural-based experiential tourism (HCBET) in the RA

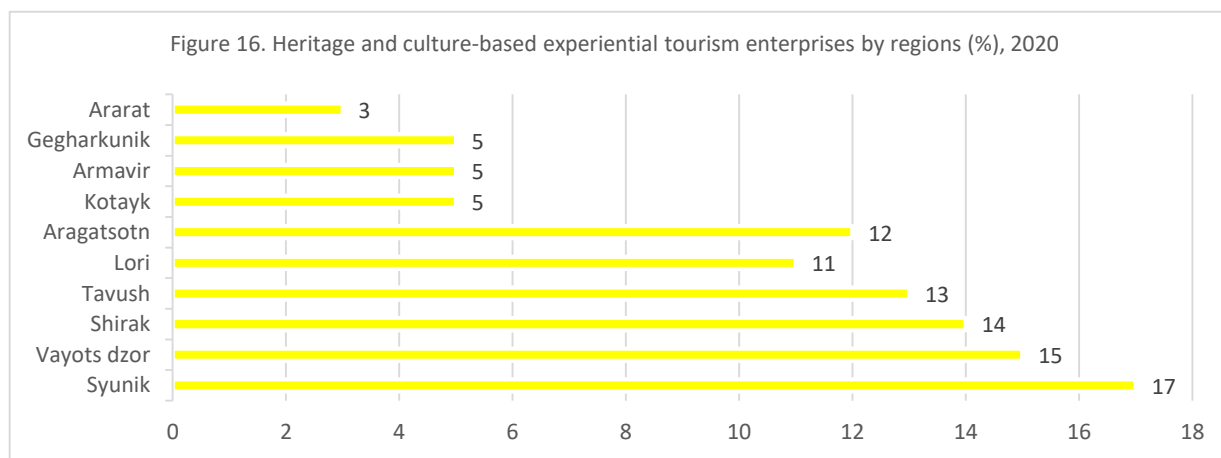
### *Historical overview.*

The roots of cultural tourism in Armenia can be found as far back as the 1960s, when, especially Armenians living in the Diaspora, visited their historical homeland to re-perceive, enjoy and reinterpret it. These visits were mainly of cognitive nature, in the form of excursions to tangible historical and cultural monuments. After the independence the same picture was preserved in the RA, but as presented in the previous chapter, especially in recent decades, the RA began to use intangible cultural heritage for touristic purposes as well, which laid the foundation for the development of HCBET in the country. At present, this tourism is developing in the RA on an organized basis, that is, with the support of various, particularly international organizations, locals are found who carry unique elements of the Armenian intangible cultural heritage, all this becomes a tourism product in the form of micro, small or medium enterprises or simply in the form of tourist cultural tours. In recent decades, the development of this tourism in the RA has been based on the USAID's "My Armenia" program, which is implemented by the Smithsonian Institution and by the "Integrated Rural Tourism Development (IRTD) Project (Development of Gastro Yards)" implemented by UNDP and funded by the Russian Federation in partnership with the Ministry of Territorial Administration and Development of the RA (this project has already been completed). The mentioned organizations have established enterprises in the RA based on the usage of intangible cultural heritage and have developed the existing potential of HCBET of the RA.

### *Current situation.*

There are currently more than 60 enterprises with the offerings of HCBET, located mainly in the regions, especially in rural communities (Figure 16). In Yerevan such offers are limited to a few large national restaurants (lavash baking, national dances) and hotels (carpet weaving).

These offers are based, as it was said, on the Armenian intangible cultural heritage, mainly expressed in the form of master classes, storytelling and cognitive visits (tours).

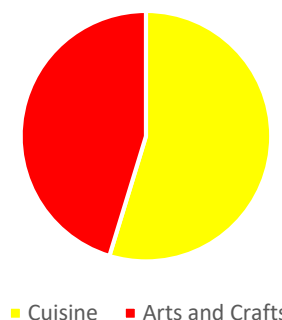


(Integrated Rural Tourism Development project , 2020), (My Armenia, 2020)

Figure 17 shows that from the values of Armenian intangible cultural heritage the national cuisine and elements of Armenian arts and crafts are used in HCBET (compiled after studying the offerings of more than 60 companies providing experiential tourism services (Intagreted Rural Tourism Development project , 2020), (My Armenia, 2020)). In particular, the national cuisine includes not only the tasting of the following elements but also the process of their preparation, which can also be attended by tourists: lavash, chanakh cheese, poghindz (khashil and khavits), tanapur, ghapama, baked bread, barbecue, wild plants (asparagus, sindrik or Polygonátum), tolma, pilaf with beech, ishli kufta,

gata, sweet sujugh, wine and homemade vodka (tasting), decanting of honey, zhengyalov bread, paklava. From the point of view of tourism from the elements of national arts and crafts, the following are packaged and offered: making tuff souvenir and engraving, traditional pottery, khachkar (cross stone) making, painting on ceramics, making of Armenian dolls, blacksmithing (hand processing of metals), making soaps, carpetmaking, woodworking, batik making, wood carving, willow weaving, kamancha musical instrument lessons. The festivals, which have become widespread and developed in recent years, also provide a unique experience for tourists in the RA, where in one place tourists can often see the values of intangible cultural heritage presented above and enjoy them in the local environment. In particular, not only in local but also in international markets there are famous festivals - Areni Wine (v. Areni), Yerevan Wine Days, Arts and Crafts (c. Dilijan), Gata (v. Khachik), Gutan (national dance and music) (c. Yerevan), Honey and berries (c. Berd), Khorovats (p. Lori), Tolma (p. Armavir), Sheep shearing (v. Khot), etc. The listed intangible cultural values as tourism offers, in addition to the traditional tourism offers based on tangible cultural values, further increase the tourist attractiveness of the RA and make it as one of the implementers and creators of new trends in world of tourism development. The development of this tourism contributes to the balanced spatial development of the tourism sector of the RA and the involvement of locals in a tourism value chain much more.

Figure 17. Key types of intangible cultural elements of the RA in experiential tourism (%)



### *Preservation of cultural heritage in the Republic of Armenia.*

The development of tourism on the basis of cultural heritage in any country is full of various risks, and for that reason its preservation and protection are of key importance. Legal relations in the field of cultural heritage in the RA are regulated by the RA “Civil Code”, the RA “Code on Administrative Offenses”, the RA “Criminal Code”, RA Government decisions, normative-technical documents, departmental and other legal acts and international treaties, conventions, which are called cultural heritage protection and by the governing bodies. Cooperation with the United Nations Educational, Scientific and Cultural Organization (UNESCO), International Council on Monuments and Sites / ICOMOS, the International Council of Museums (ICOM), and The International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) is of particular importance for the preservation and

development of cultural heritage. For the preservation of cultural heritage historical and cultural reserves, reserves-museums have been created in the RA (Table 3).

Table 3. Historical and cultural reserves and reserves-museums of the RA (MESCS, 2020), (Historical-Cultural Reserve-Museum and Historical Environment Protection Service, 2020)

Reserves	Reserves-museums
“Arpi” natural-historical	“Metsamor” historical-archeological
“Goshavank” historical-architectural	“Garni” historical-cultural
“Smbataberd” historical-cultural	“Glagzor University” historical-cultural
“Berd” historical-cultural	“Zvartnots” historical-cultural
“Zorats Qarer” settlement historical-cultural	“Kumayri” historical-cultural
“Lori berd” old city settlement historical-cultural	“Erebuni” historical-archeological
“Bjni Fortress” historical-cultural	“Dilijan” folk architecture
“Agarak” historical-cultural	-
“Amberd” historical-cultural	-

Table 4. The key organizational components of the RA cultural heritage preservation system (National Assembly of the Republic of Armenia , 2020), (Legal Information System of Armenia, 2020)

Conventions signed and ratified by the RA for the protection of cultural heritage	Key laws of the RA for the protection of cultural heritage	Management bodies in the field of protection and use of cultural heritage in the RA
Protection of Cultural Property in the Event of Armed Conflict (The Hague)	On the use of history, immovable cultural monuments and preservation of the historical environment	RA Government
European Cultural Convention (Paris)	On the basics of cultural legislation	Ministry of Education, Science, Culture and Sports



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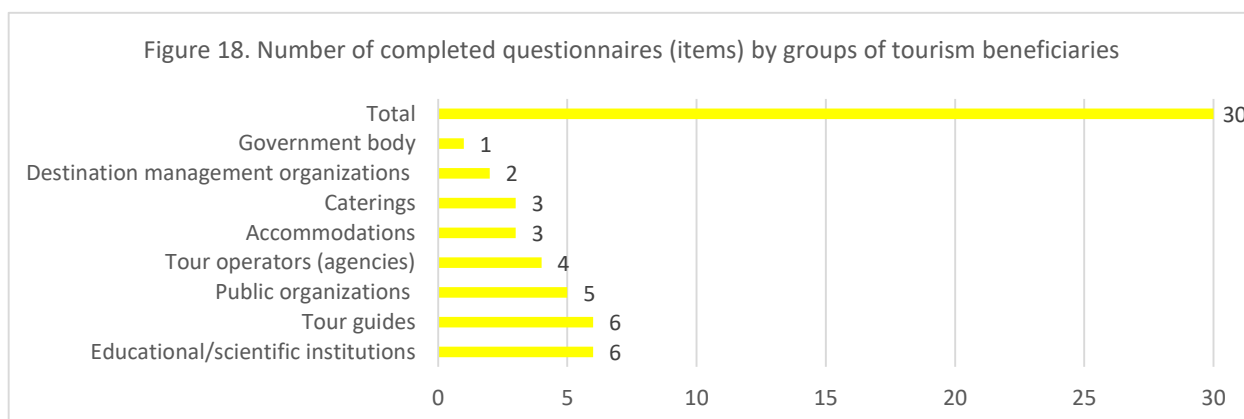


Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property (Paris)	On historical and cultural monuments not subject to alienation, which are considered state property of the RA	Department of Cultural Heritage and Folk Crafts
Protection of the World Cultural and Natural Heritage (Paris)	On the export and import of cultural values	Agency for the Protection of Historical and Cultural Monuments
Protection of the Architectural Heritage of Europe (Granada)	About intangible cultural heritage	Cultural Heritage Preservation Agency
Council of Europe Framework Convention on the Value of Cultural Heritage for Society (Faro)	About libraries and library work	"Expert Center for Cultural Values" State non-profit organization
European Convention on the Protection of the Archaeological Heritage (La Valletta)	About copyright and related rights	"Historical-Cultural Reserve-Museum and Historical Environment Protection Service" State non-profit organization
Safeguarding of the Intangible Cultural Heritage (Paris)	About the archive case	"Historical and Cultural Heritage Research Center" State non-profit organization
Protection and Promotion of the Diversity of Cultural Expressions	Mandatory copy of documents (ratifications)	-

## Need analysis of the RA Heritage and Cultural-based experiential tourism

### *Methodology.*

Target surveys were conducted to identify the needs of HCBET in the RA, with the exception of the above analysis based on data from secondary sources. Questionnaires were developed for tourism beneficiaries for the following groups: accommodations, caterings, tour operators (agencies), educational/scientific institutions, government body, public organizations (local, international), tour guides, destination management organizations (DMO) (Figure 18). A total of 30 people took part in the survey, the number of which according to the main groups of tourism beneficiaries is presented in Figure 18. A survey was also conducted within the framework of domestic tourists, in which about 100 people participated. The results of the survey and the analysis of the situation revealed based on them are presented according to the points extracted from the key questions in the questionnaires.



### *Perception of HCBET in the RA.*

In Armenia, this tourism is generally perceived with same meaning in the field of experts and practitioners, but it can be said that the ideas of the HCBET by experts are more coordinated, represent the key points, and in the case of practitioners it is somewhat identified with traditional cultural tourism including cognitive tourism based on tangible cultural and architectural resources as well (traditional approach). Nevertheless, it can be said that in general in the RA there is an established idea about HCBET, but there is still no common perception of it.

### *The future of development and opportunities of HCBET in the RA.*

It became clear from the study that HCBET is considered to be one of the key pillars of the tourism development of the RA, based on the discovery and usage of the hidden potential of the centuries-old Armenian rich culture. In order to build HCBET future, a clear state policy is needed, expressed in the form of strategic programs and investments. A key opportunity is also the government's possible announcement of this tourism as a priority or important direction



for the RA (not announced yet). At the same time, the sustainable future of this tourism depends on its management system, both at the state and regional levels. It is also necessary to introduce appropriate funding models to ensure its development. The future of HCBET development is especially connected with the increase of active cooperation between the business representatives of the sphere and the organization of tourism-oriented events based on intangible cultural values at the international level.

Opportunities include the development of gastronomic tourism offers, conditioned not only by rich cuisine, but also by ecologically clean food, which is highly valued especially by incoming tourists. A unique opportunity for the development of HCBET is considered to be the Armenian scientific-educational institutions in the field of cultural heritage and tourism, which have the necessary scientific base, justifications for the effective, scientifically based inclusion of culture in tourism. A unique opportunity for the development of this tourism is the hospitality of Armenians, as well as the cooperation of locals with their own tourism products and human, material and technical resources (cooking, organizing master classes, presenting unique stories related to the place, etc.) with the enterprises providing relevant services for HCBET.

### *Risks and problems hindering the development of HCBET in the RA.*

In general, the risks for this tourism for the RA have been considered from two perspectives: global and practical. Key global risks are the possible alienation and commodification and colonization of local culture, which can lead to the devaluation and loss of identity of that culture, misrepresentation and interpretation of cultural values (due to lack of relevant knowledge and skills), change in tourists' cultural preferences over time, geopolitical deterioration, the possibility of conflicts due to cultural differences between locals and visitors. Risks of a practical nature are considered the followings: the possibility of food poisoning, physical injuries while participating in specific experiences, the willingness of locals to be included in such tourism. Obstacles to the development of this tourism are currently the following problems as well: in most cases, lack of skills and abilities to organize and provide relevant local tourism services, lack of trained staff, lack of business standards and licensing related to this tourism (who can be HCBET enterprises), lack of financial and accounting knowledge, lack of language skills, lack of a unified marketing policy at the state level for this tourism, lack of statistics on experiential tourism, the price of the offered services often does not correspond to the quality - expensive but poor quality (in terms of service). Experiential tourism sites based on cultural heritage are often polluted by locals with household waste. One of the problems is that tour operators/agents in their tour packages mainly include and present the material cultural heritage as a primary tourism offer, and not the experiential tourism products or even do not include them. It can also be considered a problem that the universities preparing specialists in the field of tourism in the RA do not have educational programs for experiential tourism, in the best cases there are courses in the current programs related to culture or any kind of cultural values related to tourism. And, the uncertain situation created by the COVID-19 epidemic and the war unleashed by Turkey and Azerbaijan is considered a general problem for RA's HCBET.

### *The priority needs of the enterprises involved in the HCBET activities.*

The study showed that most of the companies involved in this tourism need employees who speak different languages, and this problem is currently being solved with the help of translators. Enterprises need a clear communication strategy in their field, as there is a lack of cooperation with both tour operators/agencies located in Yerevan and similar enterprises in other regions. Sometimes there is a need for in-depth professional research in order to present the existing cultural values correctly to tourists. There are enterprises that need appropriate interior decoration - furniture, equipment and quality human resources, organized service and development of skills. It is also necessary to increase the level of financial literacy of employees in enterprises. Although companies organize specialized training courses in order to carry out their business activities, there is a need for retraining for the development of general theoretical and practical knowledge of experiential tourism, based on international and local best practices.

### *Marketing communications of enterprises involved in HCBET activities in the RA.*

These companies use digital marketing platforms such as Facebook, Instagram, Google, booking and digital marketing tools: SMM, blogging, SEO, e-commerce and print media. It should be noted that oral marketing is quite effective in the RA, especially when it comes to accommodations and caterings, when customers are informed about the company by their friends, acquaintances or colleagues orally. However, it should be noted that these enterprises need marketing communication strategies to enter both local and international markets.

### *The impact of COVID-19 on the RA HCBET.*

COVID-19 had a relatively large impact, especially on inbound tour operators / agents, guides who did not work locally. Some times after the start of epidemic, some of these companies began to focus on the domestic market, offering their services to domestic tourists as well. However, similar enterprises and guides specialized in the domestic market were more competitive. Caterings and accommodations also suffered from the epidemic. It should be noted that if restaurants located in large settlements were able to mitigate the effects of the crisis to some extent by offering food delivery services in the domestic market, then restaurants located in rural communities which target were tourists as the main consumers do not have that opportunity due to the territorial peculiarities and the locals do not use food delivery services. In the case of accommodations specializing in this tourism, the situation is relatively better, as they are mainly small hotels and guesthouses, which allows domestic tourists to rent them with their families and, feeling relatively safer, use the services and experiential tourism offers. There is also a need to develop new standards for working in the conditions of commodity, which will be mandatory for everyone and will give an opportunity to develop the field. In general, due to domestic tourism, tourism companies were able to alleviate some of COVID-19's consequences. COVID-19 was a big blow to the experiential tourism, because in the situation created by COVID-19, communication is prohibited, and experiential tourism is impossible without communication.



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### *The role of the RA government in the development of HCBET according to the stakeholders.*

Stakeholders in this field attach great importance to the role of the state in the development of experiential tourism based on cultural heritage. In particular, they believe that the state should develop an appropriate development strategy and promote the implementation of investment programs, coordinate international marketing campaigns of enterprises included in this sector, raising awareness about the RA in the target markets for the RA inbound tourism. The provision of loans by the state on special terms and the definition of tax benefits are especially important according to stakeholders.

### *Business models of HCBET in the RA.*

The enterprises engaged in this tourism are mainly considered individual entrepreneurs from the legal-organizational point of view in the RA, because in that case there are more favorable tax conditions. According to the size the enterprises are micro, small or medium in size and the same time most of them are family-based companies. It is also interesting to note that these enterprises often operate under the philosophy of social entrepreneurship or are considered social enterprises. According to the business trade relationships, these companies mainly work with the B2B model, but they use the B2C model as well. These companies also operate by using sharing economy model as well.

### *HCBET development in the RA according to domestic tourists.*

The questionnaire was filled out by about 100 domestic tourists. 70% of tourists traveled 1 day, 25% 2-3 days, 5% 4-5 days. About 60% chose to discover/visits new areas, rest in a peaceful environment and discover the culture of the visited areas as primary goals. Other goals (learning new recipes and traditional dishes, participating in events, socializing, active recreation, treatment) were relatively low. Tourists were informed about the visited destinations mainly through social networks, friends and relatives (about 80%). Among the visited destinations, tourists mainly preferred (about 70%) master classes, national performances (if there will be any). The tourists were mainly satisfied with the hospitality, the quality of the service and products, the local food. The main complaints were related to the limited number of services, the price of services, the lack/absence of services for children, especially the insufficient quantity and quality of relevant information about the tourism destination/attraction on the Internet.

## Sustainability and Innovation in the RA's HCBET

One of the key principles of sustainability, particularly the principle of sustainable tourism - “Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance” and the following goals of its twelve goals “Economic viability (deliver benefits in the long term.)”, “Local prosperity (contribution of tourism to the economic prosperity of the host destination)”, “Employment Quality (creating new jobs and improving quality in the communities)”, “Cultural richness (respect for local culture, historical heritage)” are maintained in the offers of experiential tourism in the RA. They rely mainly on local communities, using local cultural and human resources, creating jobs for locals, and contributing to the greater involvement of local communities in the tourism value chain. At the same time, due to this tourism, not only the elements of the Armenian intangible cultural heritage have been preserved, but also, they have been revived and as a result of glocalization (which is an important component for sustainability) have reached a new territorial level, becoming world cultural values and tourist attractions. There are certain risks for sustainability in the long-term operation of established enterprises, based on the fact that some of them have lack in professional skills and professionalism, which may lead to the closure of these enterprises. From an environmental point of view, as these enterprises are small, their impact on the environment is also small (mainly in the form of use of water and energy resources). Nevertheless, the wastewater generated by them is discharged into various water basins without treatment, which over time can cause environmental problems (this problem has a global scale, expressed by the weak development of the wastewater treatment system in the RA).

By its nature, this tourism is considered a transformative or improving innovation in the RA, as it gave a new breath to cultural values and presented new tourism offers in the market, based mainly on Armenian cuisine and crafts and arts. According to the prevalence of the market, it is considered a local innovation in the RA, as the products have not yet gained wide international recognition and distribution. In Armenia, HCBET from economic innovations belongs to the types of experience and shared economy innovations (the offered products can leave unforgettable impressions, and enterprises follow the philosophy of shared economy), as well as it is presented as a social innovation (as there are enterprises that work as social entrepreneurship). In any case, it should be noted that we must be more than careful with innovations in this field, because we are dealing with a culture where traditional values are of paramount importance.



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## Main conclusions

1. HCBET is already developing in the RA, mainly due to the investment programs of international organizations.
2. HCBET has developed mainly in the regions, especially in rural communities of the RA.
3. HCBET is based on the use of the intangible cultural heritage of Armenian cuisine, arts and crafts.
4. HCBET does not yet have a widespread perception or interpretation in the RA.
5. The RA does not have a HCBET development policy, expressed in the form of concept, strategy and development programs.
6. Public-private-educational/scientific cooperation is almost non-existent for HCBET in the RA.
7. The development of HCBET is hampered by the problems of service in enterprises, sometimes low qualification of human resources, imperfection of legal regulations (within the framework of standardization-licensing), low or no cooperation between enterprises, lack of inclusion of these tourism offers in tour packages developed by tour operators.
8. Lack of educational programs on HCBET in the RA universities.
9. There is a need for specialized training for people involved in HCBET.
10. There is a need to improve marketing strategies for companies operating in HCBET.
11. There is a need for guidelines for COVID-19 epidemic for HCBET companies.

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The editor of the material: Yerevan State University  
Address: Armenia, 0025 Yerevan, 1 Alex Manoogian str.  
Phone: +374 10 550612  
E-mail: [international@ysu.am](mailto:international@ysu.am)  
Website: [www.ysu.am](http://www.ysu.am)

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