# Armenia’s drive to become a Silicon Valley of the Caucasus



In Armenia, a concerted effort is underway to transform the nation into a leading technology hub in the Caucasus region, rivalling established centres like Silicon Valley. This ambition is underscored by early emphasis on tech education, innovative public-private partnerships, and leveraging the country's rich heritage in mathematics and computer science.

In the suburbs of Yerevan, Armenia’s capital, state schools have become arenas for nurturing young inventors. At one such three-storey school, nine-year-old Slavik demonstrates his invention – a box equipped with three LED lights that he controls through code he has written himself. Nearby, teenagers Eric and Narek showcase a smart greenhouse, which monitors temperature and regulates fans via a mobile application. Other children present projects ranging from games and robots to smart home systems. These students participate in engineering lab classes under a programme known as Armath, which was initiated in 2014 and now boasts 650 labs across Armenian schools. The labs cover subjects including programming, robotics, coding, and 3D modelling.

Maria, a 21-year-old tech coach leading Slavik’s class, explains that he has mastered the programming language to control his invention firsthand. Eleven-year-old Arakel, another young inventor, describes his cardboard model of a house with a retractable clothesline designed to protect clothes from rain automatically.

Armath was established by the Union of Advanced Technology Enterprises (UATE), a business organisation representing over 200 Armenian tech firms. Sarkis Karapetyan, the chief executive of UATE, highlighted in conversation from his office in Yerevan the vision to establish Armenia as a “tech centre powerhouse” delivering immense value domestically and internationally. He noted that the country currently hosts around 4,000 tech companies.

Describing Armath as the country’s most successful public-private partnership, Mr Karapetyan outlined the operational model: the private sector funds the setup of Armath labs and donates equipment, while the education ministry provides a $2 million annual budget to pay for the coaches’ salaries. There are now over 600 coaches and 17,000 active students, with a goal set for 5,000 talented youths to become engineers each year.

Armenia, a landlocked country of 2.7 million people in the South Caucasus, faces geopolitical challenges with closed borders to Azerbaijan and Turkey. Unlike neighbouring states endowed with natural resources or sea access, Armenia channels its historical strengths in mathematics and computing for economic growth. During the Soviet era, the Yerevan Scientific Research Institute of Mathematical Machines pioneered early computer development.

This legacy fuels current ambitions to become the Caucasus' preeminent technology hub. Several Armenian-founded companies have achieved notable success: Picsart, an AI-powered photo and video editing platform launched in 2011, is now valued at $1.5 billion with headquarters in Yerevan and Miami. Other tech firms such as Krisp (audio-processing software) and Service Titan (enterprise software) have also risen to prominence.

An annual regional ranking places Armenia as the best country in the Caucasus to launch a company, positioned 57th globally—surpassing Georgia at 70th and Azerbaijan at 80th.

A crucial element underpinning Armenia’s tech sector is its global diaspora, which is estimated to include 75% of Armenians living outside the homeland. This diaspora maintains strong connections to the US tech industry, especially in California, home to approximately 1.6 million individuals of Armenian descent. Samvel Khachikyan, director of programs at the venture capital firm SmartGate, shared that Armenian executives are commonly present within the top 500 US companies. SmartGate supports Armenian entrepreneurs by facilitating their integration into the US market, describing this as akin to “the launch of the rocket, the first couple of seconds is the hardest.” The firm runs intensive networking sessions in Silicon Valley and Los Angeles for Armenian start-ups.

Many start-ups test their products first domestically. Irina Ghazaryan, an Armenian entrepreneur and founder of the Dr Yan app, is modernising healthcare access by enabling easier doctor appointment bookings. She highlighted the problem that “patients couldn’t find the right doctors, and doctors were suffering from endless calls.” The app operates on a subscription basis and is currently nearing break-even, growing at 25% revenue month on month, with plans to expand to other markets such as Uzbekistan.

The Armenian tech landscape received an unexpected boost in 2022 after Russia’s invasion of Ukraine prompted thousands of Russian IT professionals to relocate to Armenia. The US technology giant Nvidia also moved its Russian office to Yerevan. Vasily, a Russian IT consultant who moved to Armenia in 2023, remarked, “Armenia was the most friendly to people from Russia in order to help them move, adapt and so on,” estimating the Russian IT community there now numbers between 5,000 and 8,000 individuals. The influx has helped address skill shortages in data processing, cybersecurity, and financial technologies. Vasily noted that reducing taxes for IT firms could help retain this talent.

Despite the challenges, optimism prevails. Samvel Khachikyan pointed to Service Titan’s 2023 New York Stock Exchange debut as evidence of the sector’s potential; the company is valued at over $10 billion. As Armenia continues investing in education, leveraging its diaspora, and supporting start-ups, its vision of becoming a Silicon Valley within the Caucasus resonates strongly across the region.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://time.com/7095800/armenia-war-russia-azerbaijan-west-economy-tech-hub/> - This article corroborates Armenia's ambition to become a leading technology hub in the Caucasus through initiatives like the Armath Engineering Labs, which offers STEM education to 17,000 students across 650 labs in Armenian schools, and mentions the country's growing tech startup ecosystem in Yerevan suburbs.
2. <https://armenian-lawyer.com/business-immigration/armenia-it-outsourcing-software-development-hub/> - This source verifies Armenia's emergence as a regional IT and software development hub with over 30,000 developers expected by 2025 and highlights government initiatives, public-private partnerships, and the growth of Armenia's tech sector driven by education reforms and entrepreneurship.
3. <https://eufordigital.eu/armenias-tech-evolution-2025-market-insights-industry-trends/> - This report provides up-to-date market insights on Armenia's tech industry growth in 2025, including details on workforce expansion, investment growth, and the country's strategy to leverage its historic strengths in mathematics and computing for technology development.
4. <https://codeex.io/why-armenia/> - This article details why Armenia is a preferred destination for IT outsourcing and software development, supporting claims about its skilled tech workforce and thriving tech environment, reflecting the country’s efforts to build a vibrant technology sector backed by education and innovation.
5. <https://riacevents.org/ACE/armenia/> - This site underscores Armenia's rapid growth as a technology hub with a strong startup ecosystem and expanding ICT sector, which aligns with the article's emphasis on Armenia’s vision to compete regionally through tech education and innovation.
6. <https://time.com/7095800/armenia-war-russia-azerbaijan-west-economy-tech-hub/> - This source also supports the claim about the influx of Russian IT professionals relocating to Armenia following regional geopolitical events, such as the 2022 Ukraine conflict, and the presence of international tech companies like Nvidia relocating offices to Yerevan, which helped address skill shortages.
7. <https://news.google.com/rss/articles/CBMiggFBVV95cUxNOWpaS05qekJySF92V2lTeFZ0S1V0WV93VXRxZ1Q3NkJqNjlQVG1tdTFPR2ZDZHU2WXVQc2NnVDNqZkdoY2Z6UHRldS1Rd09UdUpnYkV3MzJtYnFxRVRkSzVjY2RBOXl5OVpaeE5MRWdIUy1kQzk5UDZaekhncFNDRUpn?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data