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# Strategic Facilities Not To Be Nationalized In Armenia

ARKA News Agency, Armenia - 7/2/2008

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Facilities of strategic importance are not to be nationalized in Armenia, Armenia's Prime-Minister Serge Sargsian said at the Parliament. Nationalizations conflicts with the current economic policy, he said.

The Prime-Minister pointed out that the nationalization is usually brought up by people who do not understand the problem and particularly consider the construction of a new nuclear power plant in Armenia very dangerous.

"But there is no difference is the energy produced from nuclear material or from water and whether the state or a private person deals with it: the safety requirements are mandatory for everyone regardless of the form of property," Sargsian said.

He also said that the Armenian Nuclear Power Plant (NPP) is under supervision of the International Atomic Energy Agency (IAEA) and the country's President-headed Commission for Atomic Energy. Previously state-owned facilities that were privatized work more efficiently now, the Prime-Minister added.

Speaking of the transfer of the Armenian NPP and the Armenian railroads to Russian companies, the Premier said it would be desirable to maintain the state ownership for these facilities. But about 1.8bln dollars are required for construction of the new NPP and 1bln dollars is needed to connect Armenian railroad with the Iranian one: the state is short of this money, he said.

"Is there any sense to keep these facilities as state property and spend the money to be spent on social programs to develop these facilities or it is more expedient to hand the "Armenian Railroads" company to the "Russian Railroads" maintaining the government co-financing," Sargsian said.

The Armenian Nuclear Power Plant (NPP) was commissioned in 1976 (the second unit - in 1980). Currently only the second unit operates providing 40-50% of the overall power produced in Armenia.

In September 2003, the financial flows of Armenian NPP were transferred to trust management of INTER RAO EES Closed Joint Stock Company - the daughter enterprise of RAO "EES Russia" (60% of the shares) and "Rosenergoatom" concern (40%). According to experts, the plant can operate till 2016.

On January 18 the "Russian Railroads" open joint stock company was declared as winner in the bidding on handing over the "Armenian Railroads" for concession management. The Russian company has already stated its intention to invest \$570mln in the Armenian Railways, with \$230mln to be invested within the next five years. Apart from that, the "Russian Railroads" will be transferring 2% of the overall revenue from the Armenian Railroads to the state budget of Armenia every year.

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