
Armenia Expecting Anti-Crisis Financial Assistance From Russia And China

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In late December Armenian authorities launched negotiations with Russia and China for possible stabilization loans to counter the negative consequences of the world financial crisis, a high-ranking official participating in the negotiations told ArmInfo on condition of anonymity. He said rather big amounts are in question. 'In the negotiations with Russia we hope to receive nearly one billion dollars. From China 2 billion dollars were requested', he said.

Yesterday Finance Minister of Russia Aleksey Kudrin confirmed existence of the above mentioned negotiations with Russia. Speaker of the Armenian Parliament Hovik Abrahamyan voiced the initial request to China during his official visit to the People's Republic of China in the second half of December. Independent experts say the initial amounts requested are rather big for Armenia.

However, it is better ask for much to get at least part. Apparently an amount of 300-400 million dollars from Russia and 200-300 million dollars from China are real. These amounts alongside with assistance from international financial organizations may be enough to take stabilization measures for the coming 1-1.5 year.

Earlier, Prime Minister of Armenia Tigran Sargsyan told ArmInfo that Armenia is negotiating with international financial organizations for credits. He said the government will put the emphasis on infrastructure projects. For instance, construction of roads, energy, water supply, and irrigation facilities, as well as the disaster zone rehabilitation. Thus the Government intends to invest in infrastructure projects in energy sector nearly \$300 million, in water supply and irrigation sector - nearly \$300 million, in large-scale construction in the disaster zone - about \$250 million on the funds of the budget, government reserves and the World Bank, Asian Development Bank, credits from other sources. Tangible funds will be invested also in construction and reconstruction of the highway linking Armenia and the Georgian town of Batumi.

'These are large-scale projects we will start next year and, naturally, such increase in crediting of infrastructure facilities will create new jobs and support aggregate demand in the country', Tigran Sargsyan said. At the same time the government took measures to increase crediting of SMEs - nearly \$250 million, including \$50 million have already been allocated to the German Armenian Fund (GAF). In case of necessity, IMF is also ready to support Armenia.
