
South Caucasus Railway To Consider Armenian Railway Infrastructure Modernization Among Top-Priority Focuses - Yakunin

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Yuzhnokavkazskaya Zheleznaya Doroga (South Caucasus Railway) CJSC will consider Armenian railway infrastructure modernization among top-priority focuses, Vladimir Yakunin, president of the Russian Railways public corporation, said Wednesday in Yerevan.

He told journalists that South Caucasus Railway's directorial board would hold session soon consider the business plan for embarking on carrying out contractual obligations.

He said that the major attention will be paid to the infrastructure modernization, since without it nothing can operate.

"This is a joint opinion that worked out by Russian and Armenian railways' authorities and will be taken as top priority in our activity in Armenia, especially at the first stage", Yakunin said.

He said that at least three or four electric trains will be brought to South Caucasus Railway for commuter traffic in Armenia.

"We also intend to improve Caucasus ferry way's work, to build up cargo exchange between Armenia and Russia as well as other nearby countries", he said and expressed hope for Armenian people's and authorities' support.

Armenian Transport and Communication Minister Andranik Manukyan pledged support saying Armenian people are happy about Armenian Railway handover to Russian railways and adding that he sees no problems.

The agreement on Armenian Railway handover to Russian Railways for concession administration was signed on February 13 in Yerevan.

Russian Railways expressed willingness to invest \$570 million in Armenian Railway. The Russians said 230 million of this amount would be invested within five years.

They said the investments will grow to \$610 million, if railway communication with Turkey opens, to \$1.8 billion if the same happens with Azerbaijan and \$2.2 billion in the event of Abkhazian section launch.

The Russian entrepreneurs' activity in Armenia is expected to start at the first half of 2008. Armenian Railway possesses 805 kilometers of Armenia's 1125 km railways.

The company started gaining stable profit in 2001.3 million tons of cargo was carried through the railway in 2007 against 2.7mln in 2006.

The company's profit totaled AMD 12 billion in 2007 against 11 billion in the previous year. (\$1 = AMD 309.82).
