

---

## « Armenian Railroads » : Its Further Fate

By Vasak Tarposhyan  
Hayots Ashkharh Daily, Armenia - 17/10/2007

---

The pre-qualification stage of the bid announced for handing the "Armenian Railroads" to accredited governance came to a close.

For implementing the governance of the Armenian rail network, two companies have submitted a claim; they are "The Russian Railroads" and "RITES", an Indian company. At the second stage of the bid the profitableness of the proposals submitted by each of the parties will be determined. And this will serve as a basis for announcing the name of the company taking over the leadership of the railroad. It is planned to end the process in January next year.

Handing the railroad to accredited governance for a period of about 30 years, the Government is first of all anticipating a solution to the problem of attracting investments and refreshing the system. Perhaps it is with this purpose that making a \$ 170 investment is one of the main requirements proposed to the participants of the bid. This is the sum that is required for providing a continuous railroad operation. Otherwise, the railroad will encounter serious difficulties in a short while.

With the purpose of increasing the effectiveness of the operation of "Armenian Railroads", a great number of constructive changes were made during the recent years. However, the railroad never gained anything from that. Considering that factor, the Government decided, after a long search, to hand it to concessionary governance which is actually an alternative opportunity for involving investments in the system.

Although, during the recent years the "Armenian Railroads" worked with gains, those sums are not enough to save the railroads by way of returning the money to the system in the form of investments. By making annual investments in the amount of a couple of million Dollars, it is impossible to repair a system that requires means, exceeding the above-mentioned number 100 times.

Obviously, if the things go on like that, the railroad will, in a short while, come face-to-face with a serious fact. Especially in a situation when all the operation time-limits are coming to a close.

The accidents which occurred one after another several months ago can be an evidence for this, as they were chiefly caused by the depreciated system.

The rolling stock of the railroad has a 25-30 years' history, which means that the railroad may totally become deprived of carriages in case of not receiving a relevant replenishment.

Fortunately, several electric trains were purchased from Russia this year. And what's more, in 1980 the "Armenian Railroads" acquired new locomotives for the last time.

Technically, both the railway and the railroad bridge are in an extremely hard condition. Even though separate railroad sections and bridges underwent repairs at the expense of different financial means during the past years, this cannot be considered a solution to the problem. There are bridges that were built around a hundred years ago and today, in the estimation of specialists, they are not merely in bad, but in extremely bad conditions.

Perhaps, everything produces an influence both on the speed of the railway and the efficiency of its operation. That's why using this particular service has become inappropriate both in terms of its high prices and its low speed.

It is not difficult in such conditions to imagine what would happen if the railroads providing a communication between Armenia and abroad opened today. And that this will sooner or later happen, there is no doubt about it. Therefore, it is necessary to prepare for such developments in advance, not to become faced with serious facts tomorrow.

---