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# Armenian Gas Operator Vows To Complete Iran Pipeline.

By Emil Danielyan  
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Armenia's Russian-owned national gas company has reportedly pledged to build the second and final section of a natural gas pipeline from Iran by the end of next year.

The first 40-kilometer Armenian section of the pipeline stretching from the Iranian border to the southeastern town of Kajaran was inaugurated in March by the president of the two neighboring countries. Officials said then that Armenia will be able to import large volumes of Iranian gas only after the construction of the pipeline's second, much longer section that would extend it from Kajaran to the southern Ararat Valley.

The Arminfo news agency quoted Karen Karapetian, chairman of the ArmRosGazprom (ARG) operator, as saying late Wednesday that his company, which is controlled by Russia's Gazprom gas monopoly, is already beginning work on the 197-kilometer stretch and plans to finish it in late 2008. He said ARG will invest 52 billion drams (\$149 million) in the construction.

The remarks suggest that ARG has, after all, been granted ownership of the pipeline's Armenian section as part of a 2006 Russian-Armenian agreement that reinforced Russian control of the Armenian energy sector. Armenian government officials have said until now that the pipeline's transfer to ARG is not a forgone conclusion.

Armenia currently imports each year approximately 1.2 billion cubic meters of Russian gas which generates about 40 percent of its electricity and serves as the main source of winter heating for Armenian households.

Officials have said that the pipeline from Iran will have an annual capacity of 2.3 billion cubic meters. Most of the Iranian gas is expected to be used for producing electricity and exporting it to Iran.

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