
Where Do The Investments In Armenian Railway Go

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When Armenia's railway network was handed over to "Russian Railways" for a long-term management, many people thought it would be the bases of the salvation of "Armenian Railways". But the concessionaire's activity of the past months displayed that they didn't live up to the expectations.

Instead of raising the effectiveness of the railway's governing system, restoring and refreshing the infrastructures, technically rearming the railway, improving the quality of the service, the investment means were directed to buying expensive cars, purchasing apartments in the center of Yerevan, making representational expenses, arranging different events and celebrities, giving astronomical salaries to the administrative staff of the railway.

Moreover according to our information "Russian Railways" Company is planning to say a new word in the world economic history. The repairing of our one engine, which is realized in Georgia, is more expensive than the repairing of a plane. Does the mechanism of "recoil" work here.

On What Terms Was The Railway Handed Over For Management

The agreement on handing the management of "Armenian Railways" over to the Russian company was signed on February 13 of the current year.

According to the before mentioned agreement the management of "Armenian Railways" was handed over to "South-Caucasian Railways" Company for (established by "Russian Railways") 20 years. It is previewed that after the expiration of this term the agreement will be prolonged for another 20 years.

The accredited manager pledged to invest 174,5 billion drams or around 570 million dollars for the improvement of Armenian railway system. During the first five years it is previewed to invest 67,3 billion drams, from which 59,3 billion - for the restoration of the infrastructures, 8 billion - to purchase rolling stocks.

It is noteworthy that the investments promised by the manager are more than expected. Armenia anticipated only 170 billion dollars investment for the effective operation of the railway. But strange as it may seem the concessionaire promised three times more.

The promises were incomparably great for the opening of the transit ways.

But this is another topic.

The main purpose of handing "Armenian Railways" over to accrediting management was the involvement of investments, which should have raised the effectiveness of the railway's activity. Because of the lack of financial means, during the last 15-20 years the system collapsed. The small-scale investments didn't provide opportunity to achieve serious results. The state budget didn't possess such means. The involvement of the credit means was not considered effective. Although during the previous months the concessionaire made investments of several dozen dollars in Armenia, the latter was directed to the welfare of the administrative staff, and far not the restoration of the infrastructures. Though these money was formulated as investment.

Expensive Cars And Apartments Purchased

Instead of repairing the worn out railway system, during the past 8-9 months the manager bought several dozen expensive cars, mainly "Jeep". The number exceeds 50. Whereas according to our information the cars were purchased by prices much higher than the market ones.

It is difficult to say why the railway needed that amount of transportation means, especially when the system faces more serious problems. It seems the new leadership of the railway is absolutely not concerned about this fact.

They pursue other goals; otherwise they wouldn't spend the money that way.

Besides the cars the company managed to purchase several expensive apartments in the center of Yerevan, most probably to provide flats for the Russian officials who shifted to Armenia. According to our information the salary of the Railway's General Director is 17 thousand dollars. The salary of the management staff exceeds 10 thousand drams.

The money directed to the company's service and business tours have increased.

These are expenses that in reality have nothing to do with raising the effectiveness of the Railway's activity, the security, technical improvement, or the punctual and secure transportation of the loads.

To be continued
