

# Iran-Armenia gas pipeline inaugurated

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Armenia officially completed on Monday the construction of a natural gas pipeline from neighboring Iran which could reduce its heavy dependence on Russian energy resources and significantly boost its electricity exports.

It remained unclear, however, when Iranian gas could start flowing into the country.

The pipeline's second and final Armenian section was inaugurated in the presence of President Serzh Sarkisian and Alexei Miller, chairman of Russia's Gazprom giant. The two men, joined by other Armenian, Russian and Iranian officials, watched as workers welded together its last pipes.

Miller's presence at the high-profile ceremony underscored the fact that the pipeline will be controlled by the ArmRosGazprom (ARG) national gas distribution company in which Gazprom holds a controlling stake. ARG has financed and carried out work on the 197-kilometer stretch running through the country's mountainous Syunik region.

In a speech during the ceremony, Miller welcomed the completion of the 'very important project.' He said its implementation testifies to a 'high level of political cooperation between Russia and Armenia.'

Former President Robert Kocharian was also in attendance. Kocharian had inaugurated the pipeline's first, 41-kilometer section together with Iranian President Mahmoud Ahmadinejad in March 2007.

Speaking to the journalists, Energy Minister Armen Movsisian said the pipeline will undergo technical testing and be ready to pump Iranian gas within weeks. But he again avoided setting any dates for the start of Iranian gas supplies.

The new pipeline's operational capacity of approximately 2.3 billion cubic meters of gas per annum essentially matches the annual volume of Armenian gas imports from Russia that are carried out via Georgia. With Russian supplies meeting Armenia's needs, the bulk of Iranian gas is expected to be converted into electricity that will then be exported to the Islamic Republic.

As Movsisian pointed out, the pipeline would be vital for Armenia's energy security in case of 'force majeure situations.' The minister clearly referred to a possible disruption or termination of Russian gas deliveries to Georgia that would almost certainly affect Armenia as well.

The prospect of a cut-off in Russian supplies has become even more real since the August war between Georgia and Russia. A senior Georgian official predicted last month that the Russians will at least cut back on those supplies this winter.