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# **Armenias Transport Ministry : « Russian Railroads » Concession Proposals On Management Of « AR » Advantageous**

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YEREVAN, January 10. /ARKA/. The concession bid proposals of the (RR) open joint stock company are very good, Armenia's Minister of Transport and Communication Andranik Manukian said at the government briefing in commenting the transfer of "Armenian Railroads" (AR) closed joint stock company for concession management.

He said that the RR is expected to repair the most dangerous sections of the railroad and the infrastructures, Ayrum-Giumri, Dilijan-Ijevan in particular.

The Minister reported that the RR suggest building a new branch line, rehabilitating Akhurian terminal, bringing the Armenian railroads in line with the modern technical requirements, increasing the volume of transportation and capacity of the railroads.

The Minister also said that the Armenian Railroads will remain a state-owned company that is managed by the Russian company. "In our opinion, they will be more efficient managers, particularly because we would not be able to make such extensive investments," the Minister said.

Manukian reported that 805 of 1,125 kilometers of Armenia's railroads are within the competence of the AR. The company provides steady profit. In 2007, 3mln tons of cargos were transported through the AR against 2.7mln tons in 2006.

Two companies - the "Russian Railroads" and Indian RITES (Rail India Technical and Economic Services) - have been pre-qualified for participation in the tender on concession management of the "Armenian Railroads" closed joint stock company. Later RITES refused to participate in the tender as it decided to take part in a tender in Africa; consequently, the "Russian Railroads" became the only bidder in the tender held in Armenia.

According to the investment package opened on December 21, the RR plans to invest \$570mln in the AR, including \$230mln in the next five years. If the blockade around Armenia is raised, the Abkhazian railroad is opened and railway communication rehabilitated, investments will reach \$2bln 130mln.

In its bid package opened on January 8 the "Russian Railroads" offered bulk payment of 1.7bln Drams concession fee to Armenia's state budget and this proposal is not under consideration currently.

The "Armenian Railroads" closed joint stock company is 100% state company that owns the main part of the country's rolling stock and practically the entire railroad infrastructure (930.8 km as per the information of Armenia's National Statistical Service). (\$1=307.09 AMD).

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