
South Caucasus Railroad Company To Develop Armenia's Cooperation With Neighboring Countries

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YEREVAN, June 9. /ARKA/. South Caucasus Railroad closed joint stock company (fully owned by Russian Railroads open joint stock company) is planning to develop Armenia's cooperation with Georgia, Azerbaijan, Turkey, Ukraine and other countries, the General Director of South Caucasus Railroad CJSC Alexander Kuznetsov said.

The main objective of the company is ensuring compliance of the Armenian railroad with the Russian norms of maintenance, he said.

The company is planning to repair the railway, renew the rolling-stock, establish communication systems, to gradually raise the speed of train operation, improve service of cargo owners and passengers and train the personnel.

The priority will be given to directions where 80% of the traffic is concentrated, particularly Yerevan-Batumi and Yerevan-Poti routes, Kuznetsov said.

According to preliminary estimates, freight turnover is expected to increase up to an annual of 30mln tons at the South Caucasus Railroad.

Including the South Caucasus Railroad in the system of "area 1520" allows offering international business community an effective railroad product, Kuznetsov said.

On June 1 the South Caucasus Railroad CJSC had the property of Armenian Railroads transferred on its balance: over 2,000 freight cars, 58 passenger cars, 85 locomotives and 30 train sections. All the staff consisting of 4,300 people remained on their jobs.

On January 16 the "Russian Railroads" open joint stock company was declared winner in the tender on transfer of the "Armenian Railroads" in concession. The Russian company stated its intention to invest \$570mln in the Armenian Railways, with \$230mln to be invested within the next five years.

"South Caucasian Railroad" closed joint company has been set up for concession management.

"Armenian Railroads" is in charge of 805 km of Armenia's 1,125-km-long railways. Since 2001, the company has been operating at a profit. In 2007, "Armenian Railroads" transported a total of 3mln tons of cargoes against 2.7mln tons in 2006. -0--
