
South Caucasus Railways - Manager Of The Armenia-Iran Railway

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Statements of state leaders about the construction of the Iran-Armenia railway are attempts to mislead the people. Some economists argue that up to now, the government has not pointed out specific financial sources for the construction of this project.

No budget earmarked for project

Besides, analysts believe that the construction of the railway requires quite a big amount of money, and the next year's budget has no corresponding provisions. They believe that although statements alleging Russia's readiness to support the construction of the railway, the Russian state budget does not envisage this either. Besides, Russian Minister of Transport Igor Levitin has said quite recently that they will not carry out such a policy.

We tried to clarify from Minister of Transport and Communications Gurchen Sargsyan how realistic this project is and at what stage the design work of the Iran-Armenia railway is. Sargsyan said: "All big and good projects have been stalled at the initial stage. It is true that it is quite expensive for our republic, but the global experience shows that such projects are not implemented alone, not a single state deals with such an issue on its own. The construction of the railway has fundamental regional importance and aims at connecting Asian countries with Europe. One of its importance is that Armenia will become a transit country for cargo and passenger transit and will ensure transport from Asia to Europe via Armenia. There is no other route that would ensure such a transit at present."

Financial institutions ready to fund project

In a reply to a question on funding the railway construction, Sargsyan said: "Naturally, our state cannot implement such a project on its own; however, taking into consideration its significance, fortunately, there are states and finance organizations, which are ready to co-finance the construction. At present, the Asian Development Bank shows interest in financing a feasibility study of the project and also participation in the construction in the future. Discussions have been held with the World Bank and the European Bank for Reconstruction and Development as well."

As for that Russia does not have a real desire to take part in the project, Sargsyan said: "There is no point to speculate on this issue, there is a fact recorded. This issue was discussed during the meeting between the Armenian and Russian presidents, and [Russian President] Dmitriy Medvedev clearly said in this regard that let's clarify what amount of money is needed so that we are able to elaborate the degree of our participation in the project. According to Sargsyan, Iran is also interested in implementation of this project.

[Passage omitted: Sargsyan said Armenia and Iran will have discussions on the design of the railway]

Construction of railway would stimulate economy

Sargsyan is sure that our economy will essentially develop due to the construction of the railway: "The railway is of strategic significance for

the development of economy. If we are a transit country, everyone will use this route, as there is no other alternative route. At present a railway line, which goes from China via Middle East and connects to Iran's railway network, is being constructed and we have an opportunity to become a corridor - from the Black Sea, Europe to China - via the railway line. This is a very serious transport route."

[Passage omitted: Sargsyan puts the construction of the China-Iran railway at about 1.5-2bn dollars]

The minister said that by the end of 2009, we will have some solution regarding the construction of the railway. As for the issue who will operate the new railway, Sargsyan said: "The South Caucasus Railways [a Russian railway company]. It will be logical if this is done by this concessionaire, which operates our railways. I do not think that there will be two operators for a few kilometres of the line. However, the final decision will be made at a political level." Sargsyan did not wish to speak about disagreements regarding the operation of the South Caucasus Railways and the activities of the company.

While answering our question how realistic he himself considers the implementation of the project, Sargsyan said: "As a citizen, minister of transport and communications, I am personally quite enthusiastic about this project and will do my best so that it comes true by all means."

[Passage omitted: Armenia is optimistic about the project]
