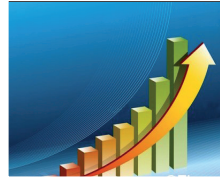




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# ARMENIA HIGHLIGHTS

Weekly Digest of the Government of Armenia

10 - 16 May, 2010

## THEMA



**PRESIDENT SERZH SARGSYAN RECEIVED THE  
PRESIDENT OF THE PACE**

On May 12 the President of the Republic of Armenia Serzh Sargsyan received on the President of the Parliamentary Assembly of the Council of Europe, Movlut Cavusoglu. Welcoming the guest, the President of Armenia expressed hope that the visit of the PACE delegation headed by Mr. Cavusoglu would allow to see first hand and give a more objective assessment to the challenges present in Armenia and in the region. "This visit is a good opportunity to discuss also the items on our agenda, and I am confident that it will promote a deeper cooperation between Armenia and the Council of Europe, particularly, between the National Assembly of Armenia and the PACE.

We are ready and willing to expand our cooperation and strengthen our relations," the President of Armenia noted. Movlut Cavusoglu said that as the newly-elected President of PACE he views the enhancement of the relations between the Parliamentary Assembly and the member states as a priority in his activities. He also believes that all countries should be treated equally and impartially and ruled out the application of "double standards". The President of PACE also noted that he has been working actively with the Armenian delegation in PACE. He hailed Armenia's progress in democracy building and fight against corruption.

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[www.president.am](http://www.president.am)

### "Quote of the week"

*"We want Internet to be used also as a source of knowledge in Armenia. That is why we support development of thematic blogs in Armenia"*

*Vardan Papikyan  
Head of Armenian Blog Feeds  
site project*

### Upcoming Events

**May 17:** Chzeck Prime Minister Jan Fisher to visit Armenia

**May 21:** PM Tigran Sargsyan to participate in the meeting of the Council of the Heads of CIS Governments and EurAsEC 26-th meeting in Sankt-Petersburg

**May 25 - 26:** Concert of "Deep Purple" in Yerevan

**May 28:** Armenia marks Republic day

**June 26 - July 6:** International Open Chess Tournament in Jermuk

**RA PM AND FAO DIRECTOR-GENERAL DISCUSS THE PROSPECTS OF IMPLEMENTING JOINT PROJECTS**



Received today Jacques Diouf, Director-general of the Food and Agriculture Organization of the United Nations (FAO). An official from the press and PR office of RA Government told Armenpress that Tigran Sargsyan welcomed the guest and said he appreciates the efficient cooperation between the Republic of Armenia and FAO. He also mentioned that Armenia is interested in deepening the cooperation. Speaking on the forthcoming joint projects, the two sides stated they consider the deepening of

cooperation in the direction of developing infrastructures for irrigation and reserving, producing agricultural means (seeds, pest killers), as well as creating market management system to be quite prospective. RA Prime Minister Tigran Sargsyan emphasized the importance of FAO experts' participation in public discussions on conception of agricultural development. In this context, the FAO Director-general represented the international practice. The speakers also stressed the importance of implementing complex projects for the development of villages, which will have a good influence of decentralization of agriculture. Issues on the works for the 27th conference of FAO Sub regional Offices for Central and Eastern Europe and for Central Asia were touched upon as well. Director-general of FAO Jacques Diouf expressed his gratitude for organizing the conference, held in Yerevan May 13-14, properly.

[www.armenpress.am](http://www.armenpress.am)

**ARMENIAN BLOG FEEDS SITE INCLUDES AROUND 110 BLOGS**

Armenian Blog Feeds site, which is created to systematize the field of Armenian blogs, includes around 110 blogs.

"We want Internet to be used also as a source of knowledge in Armenia. That is why we support development of thematic blogs in Armenia," Head of the project Vardan Papikyan told a PanARMENIAN.Net reporter. Mr. Papikyan and expert in information security, blogger Samvel Martirosyan believe that there are around 500 active bloggers in Armenia. According to the results of unofficial census conducted by Martirosyan for the fourth time on his blog, LiveJournal system includes 190 Armenian bloggers worldwide. "These are those bloggers, who have disclosed their names, making around 10% of all Armenian bloggers in



However, Blogspot and Wordpress platforms start enjoying greater popularity in Armenia today. "It is more convenient to monetize, index blogs at these platforms. Besides, the access to international audience is easier through them," Samvel Martirosyan said.

[www.pamarmenian.net](http://www.pamarmenian.net)

**3 ARMENIAN CHESS PLAYERS TO PARTICIPATE IN U.S. CHAMPIONSHIP**

Grandmasters Varuzhan Hakobyan, Melikset Khachiyanyan and international master Levon Altunyan will participate in the U.S. Chess Championship to be held in Saint Louis, Missouri, from May 14 to 25. The championship will bring together 24 chessplayers, 20 of whom are grandmasters.

[www.pamarmenian.net](http://www.pamarmenian.net)

**ARMENIA ASSISTS TAJIKISTAN IN OVERCOMING FLOODS CONSEQUENCES**

The Armenian government will allocate \$100,000 to assist Tajikistan in overcoming consequences of floods that took place in Tajikistan in May 2010. According to the RA legislation, the funds will be allocated to the RA Ministry of Foreign Affairs to provide them to the government of Tajikistan.

[www.panarmenian.net](http://www.panarmenian.net)

**CHRONICLES OF THE WEEK**

- **MAY 11:** Newly appointed Belgian Ambassador to Armenia Stephane De Loecker handed his credentials to Armenian President Serzh Sargsyan. AH
- **MAY 12:** Armenian Foreign Minister Edward Nalbandyan holds meetings in Strasburg. AH
- **MAY 12-13** The World Bank hosted the Fourth Donors' Coordination Meeting on Transport Perspectives in the South Caucasus. AH
- **MAY 14:** Deputy Assistant Secretary for Bureau of European and Eurasian Affairs, Ms. Tina Kaidanow will meet with Armenian President Serzh Sargsyan and Foreign Minister Edward Nalbandian to discuss regional and international issues as well as Armenian-American relations. AH
- **MAY 14:** Yerevan hosted political consultations between the Armenian and Romanian Foreign Ministries. The parties referred to a wide range of bilateral relations. AH
- **May 15:** The public is invited to participate in a Museum Night international initiative and enjoy a free admission to all galleries of Yerevan. AH
- **May 14-16:** Yerevan hosts the second international comics festival. AH

**ARMENIA IN THE PAGES OF AUSTRIAN AIRINES SKYLINE MAGAZINE**

Austrian Airlines Skyline magazine of the Austrian Airlines published an article dedicated to Armenia, at the initiative of the Austrian Embassy in Armenia and through the assistance of the RA Ministry of Economy. The article describes Armenia's historical and cultural heritage, as well as historical traditions in German and English languages, the press office of the RA MFA.

[www.panarmenian.net](http://www.panarmenian.net)

RA GOVERNMENT AMENDS LAW ON TELEVISION AND RADIO



On May 13, the Armenian government approved the draft law on amendment of the RA Law on Television and Radio. The draft law includes a range of new ideas and provisions arising from the govern-

mental concept on transfer to digital system of television and radio broadcasting. Armenian Prime Minister Tigran Sargsyan stressed that the draft law has passed a relevant international expertise. Besides, the Prime Minister noted that the television and radio field is very sensitive, as it is often used for political purposes. He said that the draft law allows developing political, cultural and educational TV programs in the country to meet the needs of all groups of population and to secure effective competition.

[www.panarmenian.net](http://www.panarmenian.net)

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YEREVAN TO HOST PRESENTATION OF POLARIS GUIDE ON ARMENIA

10-day events aimed to facilitate tourism in the country, provide networking opportunities and exchange experience in tourism industry will kick off in Armenia on May 13, the press service of the National Competitiveness Foundation of Armenia reported.

The 4th Armenian Tourism Competitiveness Conference, CTS2010 International Annual Tourism Fair, as well as presentation of Italian Polaris guide on Armenia will be organized in the framework of the initiative. Besides, the events will include thematic seminars and courses for local and regional tour operators, as well as discussions with participation of Armenian parliament members and representatives of relevant ministries.

The events will bring together representatives of tourism industry, educational establishments, hotels and restaurants, as well as experts and journalists from Armenia, Georgia, Turkey and other countries. The events are organized by the National Competitiveness Foundation of Armenia, the USAID-funded Competitive Armenian Private Sector (CAPS) Project in partnership with the RA Ministry of Economy.

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[www.panarmenian.net](http://www.panarmenian.net)

MTS ESTABLISHES DIRECT CONNECTION BETWEEN ARMENIA, RUSSIA



Mobile Tele Systems (MTS, NYSE: MMBT) has announced establishment of a direct connection between Armenia and Russia, MSKIT.ru reported.

“Direct connection will ensure 10% reduction of traffic termination costs and guarantee high quality of international voice traffic,” said Evgeny Moskaev, MTS Director for Convergence.

MTS obtained a license for long distance communications in 2006. In November 2008, the company commissioned long distance communication network and obtained a permit from the RF Ministry of Telecommunications and Mass Media for internal and long distance traffic transfer through its own network. As a result, it has become possible for the company to establish direct connections with global operators. Previously, according to regulations in force, MTS had to transfer international traffic through long distance operators that in their turn established connections with global operators.

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[www.panarmenian.net](http://www.panarmenian.net)

NATO THANKS ARMENIA FOR PARTICIPATION IN PEACEKEEPING MISSIONS



[www.nato.int](http://www.nato.int)

Armenia’s Minister of Foreign Affairs Edward Nalbandian and Minister of Defense Seyran Ohanyan took part in the 28+1 North Atlantic Council meeting in Brussels on May 12.

In his speech, Minister Nalbandian dwelled on Armenia’s foreign policy priorities, Nagorno Karabakh settlement process, Armenian-Turkish rapprochement and security problems in the Caucasus while Minister Ohanyan briefed on defense reforms carries out in the republic.

The NATO Deputy Secretary General and representatives of Alliance members assessed highly the outcomes of Armenia-NATO Individual Partnership Action Plan (IPAP), the reform process as well as Armenia’s participation in peacekeeping missions and efforts for establishment of peace and stability throughout the South Caucasus, RA MFA press office reported.

[www.panarmenian.net](http://www.panarmenian.net)

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PRIVATE REMITTANCES TO ARMENIA TOTALED \$261.7MLN IN FIRST QUARTER OF 2010

\$261.7mln was transferred to individuals through the Armenian banking system in January-March 2010. According to the RA Central Bank’s monthly bulletin, 0.03% or \$86,000 drop was recorded as compared with the same period of last year. Meanwhile, Russia keeps the biggest share of remittances to Armenia - \$162.8mln, followed by the US - \$29.5mln and Germany - \$4.7mln. The amount of remittances from Turkey amounted to \$665,000. Besides, the amount of remittances from Armenia totaled \$138.6mln in January-March 2009 that is 5.4% higher as compared with the same period of 2009. During the reported period, the net cash inflow decreased by 5.5% amounting to \$123.1mln against \$130.3mln in January-March 2009.

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[www.panarmenian.net](http://www.panarmenian.net)

## MEDVEDEV OPTIMISTIC ABOUT ARMENIAN-TURKISH RELATIONS, KARABAKH SETTLEMENT



Russian President Dmitry Medvedev said on Wednesday he hoped Turkey and Armenia will be able to “restore full-fledged relations.” “We are closely watching the development of relations [between Ankara and Yerevan] and hope the positive momentum gained after the signing of relevant documents in Zurich will go on,” Medvedev told a news conference after his talks with Turkish President Abdullah Gul. Although, Medvedev noted, “the

process of mending relations between the two countries are not easy and find different response in Turkey and Armenia.” “Encouraging steps have recently been taken to settle the Nagorny Karabakh problem,” Medvedev noted. “The sides are holding meetings, are speaking with each other, certain progress has been reached on a number of issues, but it does not mean all issues have been agreed. I personally offered the two presidents my intermediary services. I hope it will go on. Naturally, other members of the [OSCE] Minsk group should make their contributions, but all the issues should be discussed by the conflicting sides, i.e. Armenia and Azerbaijan, first.” The Russian president refused to comment on “certain disputable aspects” of the Karabakh settlement, saying “the subject requires more scrupulousness.”

[www.itar-tass.com](http://www.itar-tass.com)

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## ARMENIA RAISES RATES AGAIN TO FIGHT INFLATION

Armenia's central bank on Tuesday raised its key refinancing rate by 25 basis points to 7.25 percent, the fifth hike this year in a bid to fight inflation.

The bank said in a statement that annual inflation in April was 6.8 percent, 2.0 percent lower than in March but still above the target of 4.0 percent plus/minus 1.5 percentage points.

The bank said it expected the inflationary environment to continue and that it would continue to pursue a gradual tightening of monetary policy to minimise deviations of inflation from the target rate.

The central bank said in a statement that tough monetary policy would remain a priority, but that it would be implemented more gradually.

Armenia's refi rate is one of the central bank's monetary instruments and is used by commercial banks as an indicator for their own rates.

After several years of strong growth, the landlocked former Soviet republic of 3.2 million was hit hard by the global economic crisis and by recession in close econom-



[www.cba.am](http://www.cba.am)

ically Russia, seeing a sharp fall in remittances and exports and a steep contraction in the construction sector.

Armenia's gross domestic product (GDP) contracted 14.4 percent in 2009. The government has forecast growth in 2010.

Armenia is drawing on an \$823 million loan from the International Monetary Fund.

The loan, initially for \$540 million, was secured in March 2009 after the Armenian central bank decided to float the dram currency.

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[www.iii.co.uk](http://www.iii.co.uk)

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## GAS SUPPLIES TO ARMENIA CONTINUE - GAZPROM

Gas supplies to Armenia continue unabated despite a landslide that damaged the Georgian section of a key pipeline on Wednesday. Gas is being pumped

from a reserve underground terminal, a spokesman for the Russian Gazprom company told reporters. Georgian officials say repairs could take a few days.

[english.ruvr.ru](http://english.ruvr.ru)

## ARMENIA ECONOMY: RECOVERY MODE

Armenia has begun to recover from its first serious economic crisis since the early 1990s. Data from the National Statistical Service (NSS) reveal that real GDP rose by 5.5% year on year in the first quarter of 2010. Growth was supported by a strong performance in industrial output, which was boosted by the rise in international prices for base metals.

An increase in remittance payments from Armenians working abroad has also been a contributing factor to the economic recovery. The recovery progressively accelerated during this period, with the year-on-year rate of economic growth standing at 2.4% in January and 3.1% in January-February. These indicators led the government in late March to revise its full-year growth forecast for 2010 from 1.2% to 1.8%. Nonetheless, government officials stated that growth could exceed their expectations. With real GDP declining by 14.4% year on year in 2009, Armenia was among the countries hardest hit by the global recession. The recession reflected the increasing vulnerability of the Armenian economy, which had grown overly dependent on construction, workers' remittances and higher global metal prices. In early April the president, Serzh Sargsyan, said that the economy was currently in a recovery phase. The finance minister, Tigran Davtian, expects the recovery to be sluggish at least until the second half of 2011. In late February the head of the World Bank office in the Armenian capital, Yerevan, Aristomene Varoudakis, likewise cautioned that only the acute phase of the crisis is over and that the economy would probably remain weak for a prolonged period. The World Bank forecasts that real GDP in Armenia will expand by 2% in 2010.

First-quarter growth was primarily driven by a 10.4% year-on-year rise in industrial output, which contributed nearly one-third of GDP. According to the NSS, production gains were registered in all the main manufacturing sectors except food-processing in January-February. At almost Dram63bn (US\$163m), the combined output of the export-oriented mining and metallurgy sectors was up by around 27% year on year, owing to the continuing rally in the global prices of copper and other non-ferrous metals, which began in late 2009. Chemicals output increased more than threefold in year-on-year terms, to total Dram2.9bn in January-February.

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Full story [www.veiwwire.ein.com](http://www.veiwwire.ein.com)