



**ARMENIA'S INVESTMENT POLICY TO ALLOW CREATING 750 JOB OPPORTUNITIES PAGE 3**



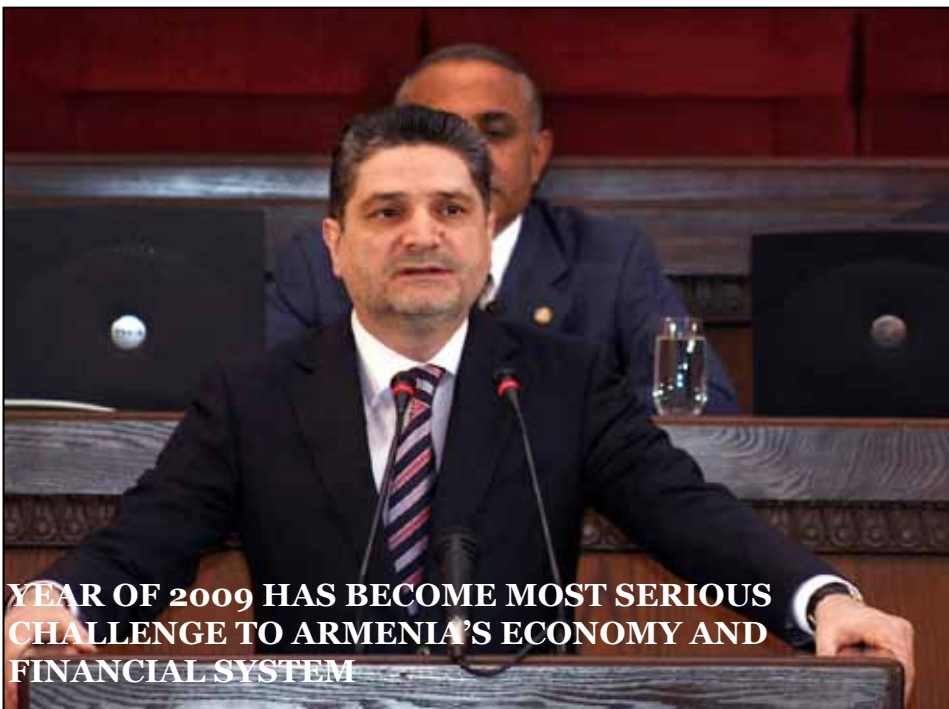
**WHEN WORLDS COLLIDE: SOCCER VS. POLITICS PAGE 4**

# ARMENIA HIGHLIGHTS

Weekly Digest of the Government of Armenia

June 7 - 13, 2010

## THEMA



**YEAR OF 2009 HAS BECOME MOST SERIOUS CHALLENGE TO ARMENIA'S ECONOMY AND FINANCIAL SYSTEM**

Armenian Prime Minister Tigran Sargsyan said that the year of 2009 has become the most serious challenge to Armenia's economy and financial system in the country's modern history. During a discussion of the report on 2009 budget fulfillment in the Armenian parliament, the Prime Minister noted that despite 14.4% decrease in GDP recorded by the end of 2009, the financial, social and economic

systems have displayed their viability. Meanwhile, the anti-crises measures of the government led to positive results, which allowed alleviating the negative consequences in the social field, Sargsyan said. Besides, according to him, the governmental anti-crises measures were aimed at facilitating the economic growth and creating new jobs.

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

### ARMENIAN PM PARTICIPATES IN "DIGITEC BUSINESS-2010" ANNUAL FORUM-EXHIBITION

On June 9 Armenian Prime Minister Tigran Sargsyan participated in the opening of the "DigiTec Business 2010" 3d annual exhibition-forum. The forum is being conducted under the "Dialogue of the Business and Technologies" slogan.

Governmental press service told Armenpress that the head of the government welcoming the participants of the forum pointed out the importance of the business forum and efficiency in the development of IT in Armenia.

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

### "Quote of the week"

"ARMENIA HAS THE BIGGEST POTENTIAL IN THE CAUCASIAN REGION FOR THE DEVELOPMENT OF HYDROPOWER PLANTS"

THOMAS LUBECK  
INTERNATIONAL FINANCIAL CORPORATION REGIONAL HEAD,  
CAUCASUS

### Upcoming Events

**June 14-18:** A NATO week to start in Armenia

**July 1-2:** VII CIS and Baltic Region Bond Congress

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

**July 11-18:** The seventh annual Golden Apricot Yerevan International Film Festival

### USEFUL LINKS

- [www.president.am](http://www.president.am)
- [www.gov.am](http://www.gov.am)
- [www.parliament.am](http://www.parliament.am)
- [www.mfa.am](http://www.mfa.am)
- [www.armenpress.am](http://www.armenpress.am)
- [www.panarmenian.net](http://www.panarmenian.net)
- [www.matenadaran.am](http://www.matenadaran.am)

## RA PRESIDENT OBJECTS TO INTRODUCTION OF AMENDMENTS TO RA ELECTORAL CODE

On June 11, Armenian President Serzh Sargsyan signed a law on “Making Changes in RA Electoral Code”, which had been recalled to the National Assembly and adopted taking into consideration the proposal of the Armenian President. Armenian presidential press service told Armenpress that the president also signed the laws on making changes and amendments in RA laws “on Special Investigation Service”, “on Prosecutor’s Office”, “on State Duty”, “on State Registration of Juridical persons”, “on Fixed Payments” and “on Psychiatric Aid”.

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



## TIGRAN SARGSYAN: ARMENIA INTERESTED IN DEVELOPING TOURISM BY APPLYING ITALIAN EXPERIENCE



On June 7, RA Prime Minister Tigran Sargsyan met Italian delegation led by the head of Milan regional council Bruno Dapei. Armenian Prime Minister gave high assessment to bilateral collaboration

in economic and cultural spheres, emphasizing the importance of realizing the full collaboration potential. Tigran Sargsyan specifically noted expansion of Italian investments in Armenia, financial center construction in Dilijan, and Gyumri projects. “Armenia is interested in developing tourism by applying Italian experience,” the Prime Minister noted. Head of Milan regional council emphasized the importance of Diaspora’s contribution to development of Armenia-Italy relations.

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

## CENTRAL BANK OF ARMENIA KEEPS REFINANCING RATE UNCHANGED

At the June 8 session, the Central Bank board resolved to keep the current refinancing rate unchanged, the RA CB press service reported. 1% inflation rate was recorded in May 2010, as a result of which the annual inflation index decreased by 0.5% as compared with the same index in April, totaling 6.3%. The Board believes that though the inflation environment persists, the inflation rate will decrease soon with respect to drop in international prices for raw materials and foodstuffs,

as well as the current behavior of the AMD exchange rate. The Board also noted that debt problems of several European countries have significantly contributed to the uncertainty in international prices for raw materials and foodstuffs. Besides, prices for seasonal agricultural products are still unclear. Thus, the Board believes that it is expedient to refrain from changing the credit-monetary conditions.

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

## ARMENIA EXPECTS TO RECEIVE \$25MLN FROM MILLENNIUM CHALLENGE CORPORATION FOR THIRD QUARTER OF 2010

The Armenian government hosted a sitting of the Governing Council of Millennium Challenge Account – Armenia (MCAA) led by Prime Minister, Chairman of the Council Tigran Sargsyan. The Council approved the 16th application for appropriation, which will be submitted to the Millennium Challenge Corporation, the RA government’s press service

reported. According to the application, the MCAA expects to receive \$25mln for the third quarter of 2010 (July-September.) The sum will be mostly directed to implementation of works under Irrigated Agriculture subprogram, while the rest will be allocated for the monitoring, evaluation and management of the program, as well as control over its implementation.

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

## HEADLINES OF THE WEEK

- **JUNE 7:** Naregatsi Art Center hosts Japanese photographer’s exhibition **AH**
- **JUNE 8:** Armenia, Fiji Islands establish diplomatic relations **AH**
- **JUNE 8:** Turkmen Ambassador completing mission in Armenia **AH**
- **JUNE 9:** Armenian medicine manufacturers seek outlet to European markets **AH**
- **JUNE 9:** Armenian medicine manufacturers seek outlet to European markets **AH**
- **JUNE 10:** Social co-payment pilot program launched in Armenian medical establishments **AH**
- **JUNE 10:** RA state structures to use Armenian Unicode fonts **AH**
- **JUNE 10:** Group of Austrian businessmen to pay fact-finding visit to Armenia **AH**
- **JUNE 11:** EU Advisory Group presents report on its activity in Armenia **AH**
- **JUNE 12:** Armenia overcame crisis with minimal losses **AH**
- **JUNE 12:** U.S. not to punish Turkey through Armenian Genocide recognition **AH**

## CHARTER OF “ARMENIA YOUTH FOUNDATION” APPROVED

The session of the Board of Trustees of “All-Armenian International Youth Center” was held on June 11 in the Armenian government, headed by Armenian Prime Minister, chairman of the Board of Trustees Tigran Sargsyan. Armenian governmental press service told Armenpress that conformable to the proposals put forth at the session, the board has discussed and approved the charter of “All-Armenian International Youth Center” fund with new edition. The fund has been renamed “Armenian Youth Foundation”. With another item of the agenda Karen Avagyan has been appointed coordinator of the board. In addition to other issues discussed at the session, Prime Minister Tigran Sargsyan has assigned to present at the next session the fund’s activity plan for 2010, as well as the budget and the staff list.

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

**ARMENIAN PM RECEIVES THE DELEGATION OF SYTRONICS INC.**

**R**A Prime Minister Tigran Sargsyan received on June 8 the delegation of the staff of the Russian Sytronics Inc., headed by the President of the company Sergey Aslanyan. The Governmental press service told Armenpress that during the meeting the two sides discussed the projects, intended to be implemented jointly. They discussed the opportunities of creating a free economic zone on the base of the innovative technologies of 'RAO Mars' CJSC, as well as the possibilities of establishing a venture fund.

**STATE SERVICE OF EMPLOYMENT CONTRIBUTES TO RETURN OF EMIGRANTS TO ARMENIA**



**O**n June 8, the Armenian State Service of Employment at the Ministry of Labor and Social Affairs presented a qualification register, which has been placed on its website: [www.employment.am](http://www.employment.am).

**ARMENIA RANKED MOST PEACEFUL IN THE REGION**



**V**ision of Humanity has announced 2010 Global Peace Index (GPI) rankings for the most peaceful states of the world. Armenia is ranked 113th in GPI list, Azerbaijan- 119th, Georgia- 142nd, followed by Russia. Azerbaijan's peacefulness rankings are dwindling, the country moving from 101st place in 2008 to 119th in 2010. Turkey, having been placed 126th in the list, is recognized as a less peace-

**SOUTHEAST EUROPEAN STATES TO PARTICIPATE IN DIGITEC BUSINESS FORUM**

**S**outheast European countries will participate in 2010 DigiTec Business forum due in Armenia on June 9-10. Representatives of foreign companies will make practical presentations to exchange experience with their Armenian colleagues. UITE-organized annual DigiTec Business forum aims at introduction of information technologies in different sectors of economy, presenting business oriented products and services.

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

Head of the State Service of Employment Sona Harutyunyan said that information posted on the website will be very valuable for the people, who were outside the country for a long time and, consequently, do not possess information about the labor market, legislative changes and vacancies. She added that it is important that the website is trilingual: Armenian, Russian and English. Besides, the website of the Armenian State Service of Employment has been upgraded and updated.

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

ful state, compared with Armenia. New Zealand, has been ranked as the country most at peace. Following New Zealand at the top of the list are Iceland, Japan, Austria, Norway, Ireland, Denmark, Luxembourg, Finland and Sweden. For the fourth year running, the country ranked least at peace is Iraq. Afghanistan, Somalia and Sudan follow Iraq as the least peaceful nations. Global Peace Index is an attempt to measure the relative position of nations' and regions' peacefulness. It is the product of Institute for Economics and Peace and developed in consultation with an international panel of peace experts from peace institutes and think tanks with data collected and analysed by the Economist Intelligence Unit.

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

**ARMENIA HAS BIGGEST POTENTIAL IN CAUCASIAN REGION FOR DEVELOPMENT OF MINI HYDRO POWER PLANTS**



**T**homas Lubeck, the International Financial Corporation (IFC) Regional Head, Caucasus, said that Armenia has the biggest potential in the Caucasian region for the development of hydropower plants. It is important to have renewable energy sources inside the country, as currently Armenia is importing 2/3 of energy sources, Lubeck told journalists in Jermuk town, Vayots Dzor region of Armenia. According to him, hydropower plants are also advantageous, as carbon dioxide is not emitted. "Hopefully, carbon dioxide emissions will reduce by 30t in Armenia upon completion of the program on construction of mini hydro power plants," said Lubeck. For his part, head of the Program on Financing of Stable Energy of Armenia Tigran Parvanyan said that today there is a great potential of primary energy.

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

**ARMENIA'S INVESTMENT POLICY TO ALLOW CREATING 750 JOB OPPORTUNITIES**

**A**rmenia's government has applied a range of mechanisms to tackle the global financial crisis and overcome its consequences. These included introduction of amendments to the RA Law on Value-Added Tax, under which those companies, which invest AMD 300mln or more, are provided with the opportunity to prolong VAT payment for three years. Armenian Deputy Minister of Economy Ara Petrosyan said that eight companies used this privilege: Natfood, Shamb Business, U!Com, Arax poultry, Estate and Administration Company, Golden Grape Armas, Biga and Saranist. According to him, these companies applied to the RA government and passed relevant procedures to gain the required points to obtain the approval for usage of these privileges. As a result, the amount of these companies' investments will total around \$51.5mln and some 750 new job opportunities will be created by the end of the first stage," Petrosyan said.

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

## WHEN WORLDS COLLIDE: SOCCER VS. POLITICS



Serious sport is war minus the shooting, remarked English author George Orwell. So it was refreshing last year when Armenia and Turkey used the beautiful game to make peace. The leaders of the two countries met

up to watch a World Cup qualifier between their nations after almost a century of bitterness following the killing of hundreds of thousands of Armenians by Turks during World War One. Turkish President Abdullah Gul attended the initial game in Armenia in 2008, which the hosts lost 2-0, and his counterpart Serzh Sarkisian agreed to join him for the return fixture the following year for further thawing of diplomatic relations. No doubt the fact that neither side had a chance of qualifying for South Africa helped keep things civil.

*Full story [edition.cnn.com](http://edition.cnn.com)*

## 'OLDEST LEATHER SHOE' DISCOVERED



The oldest example of a leather shoe has been discovered by archaeologists in a cave in Armenia. At 5,500 years old, the well preserved cow-hide shoe pre-dates Stonehenge by 400 years and the Pyramids of Giza by 1,000 years.

It was made of a single piece of leather and was shaped to fit the wearer's foot, the researchers say.

They have published details of the discovery from south-east Armenia in the journal Plos One. The shoe contained grass, although the archaeologists are uncertain as to whether this was to keep the foot warm or to maintain the shape of the footwear. The authors are unsure whether it was worn by a man or a woman. The shoe is relatively small, corresponding to a UK women's size 5 (European size 38; US size 7 women), but it could have been worn by a man of that period. It was discov-

ered at the Areni-1 cave in the Vayots Dzor province of Armenia, which borders on Turkey and Iran.

The archaeologists put the shoe's remarkable preservation down to the stable, cool and dry conditions in the cave and the fact that the floor of the cave was covered by a thick layer of sheep dung. This layer of excrement acted as a solid seal, preserving it over the millennia. "We thought initially that the shoe and other objects were about 600-700 years old because they were in such good condition," said co-author Dr Ron Pinhasi from University College Cork in Ireland.

"It was only when the material was dated by the two radiocarbon laboratories in Oxford and in California that we realised that the shoe was older by a few hundred years than the shoes worn by Oetzi the Iceman."

Other well preserved objects were also found in the cave, including large containers, many of which held wheat and barley, apricots and other edible plants. Sandals made from plant fibres found at the Arnold Research Cave in Missouri, US, pre-date the shoes from Areni by some 2,000-2,500 years.

*news.bbc.co.uk*

## RUSSIA WILL NOT PUT PRESSURE ON SIDES IN KARABAKH CONFLICT - PUTIN



Russia is not going to assume any "excessive responsibility" for securing the success of the Nagorno-Karabakh peace process, or to put pressure on sides in the conflict, Russian Prime Minister Vladimir Putin said. "We need to be patient and to continue negotiating our positions. Both Russia and all of the other participants in this process are ready to help, but we cannot substitute either Armenia or Azerbaijan. We cannot and will not assume any excessive responsibility, putting pressure on the sides," Putin said at a joint news conference with Turkish Prime Minister Recep Tayyip Erdogan in Istanbul. Otherwise, "one of the parties will say that it is our fault," he said. Russia has a very long history of relations both with Armenia and Azerbaijan, Putin said. "And we do not want anyone to think afterwards that we put pressure on one of the sides and secured a solution that was unfair to someone. We are ready only to provide guarantees of agreements to be reached by them," he said. The Russian prime minister said he was confident that only these two states involved in the conflict, "only these two nations will be able to find acceptable solutions and compromises through practical dialogue with each other." "Solutions to such issues have always been a compromise acceptable to both sides. Only Azerbaijan and Armenia themselves can say what is acceptable to them," he said.

*www.interfax.com*

"Armenia Highlights" is compiled in association with  &   
DISCLAIMER: Views expressed in "Armenia Highlights" do not necessarily reflect the views of the Government of Armenia.