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# ARMENIA HIGHLIGHTS

Weekly Digest of the Government of Armenia

June 22 - 28, 2010

## THEMA



### ARMENIAN PRESIDENT SERZH SARGSYAN MEETS WITH GERMAN CHANCELLOR ANGELA MERKEL

Armenian President Serzh Sargsyan who is in Germany on an official visit met on June 22 with the German Chancellor Angela Merkel. Presidential press office told Armenpress that issues on development of bilateral relations as well as using of the opportunities of the multi-sided format cooperation have been discussed at the meeting. Armenian

President Serzh Sargsyan, on June 21, met in the evening of the same day with representatives of the Armenian community. RA President Serzh Sargsyan, who is on an official visit to Berlin, on June 22 met with Chancellor of Germany Angela Merkel, as well as with President of the Bundesrat and acting Head of State of Germany Jens Buhnsen [22 June, 2010, www.armenpress.am](http://www.armenpress.am)

### SERZH SARGSYAN: BAKU JEOPARDIZES NOT ONLY ARMENIAN-AZERBAIJANI TALKS, BUT ALSO REGION'S STABILITY

During his visit to Germany, Armenian President Serzh Sargsyan met with Germany's Chancellor Angela Merkel on June 21. Referring to the Karabakh conflict settlement, the Armenian President voiced concern over the fact that Azerbaijan does not contribute to the process settlement, raising the issue of the conflict military resolution. According to Mr. Sargsyan, Baku jeopardizes not only the Armenian-Azerbaijani talks, but also the region's stability. Referring to the Armenian-Turkish normalization, the Armenian President voiced regret over the fact

that the efforts of Armenia and international community aimed at normalization of the two countries' relations have not yielded results. According to Mr. Sargsyan, Turkey wanted to exploit this process for other purposes and was rejecting the agreed principles of negotiations. The parties attached importance to continuation of the Armenian-Turkish normalization without preconditions. Meanwhile, they noted that the Karabakh conflict should be solved peacefully within the framework of the OSCE Minsk Group, the RA President's press service reported. .

[22 June, 2010, www.panarmenian.net](http://www.panarmenian.net)

### "QUOTE OF THE WEEK"

"IF PREVIOUSLY THERE WAS INTENTION THAT THE DYNAMICS OF GROWTH WILL BE OF IRREGULAR NATURE TODAY WE WITNESS AN OPPOSITE PHENOMENA. SPEAKING IN FORMAL RESPECT THE 8,8% IS REAL GROWTH, THE NOMINAL GROWTH IS HIGHER."

TIGRAN DAVTYAN  
FINANCE MINISTER OF RA

### Upcoming Events

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

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

### 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)

### SERZH SARGSYAN: AZERBAIJAN'S ACTIONS ARE CHALLENGE ADDRESSED TO MINSK GROUP AND RUSSIA



Armenian President Serzh Sargsyan said that the resolution of the Karabakh conflict is hampered by unclear approach of many structures, including European ones. These structures have concerns that they may hamper the conflict settlement, if they point to certain perpetrators of certain incidents, Sargsyan said at Konrad Adenauer Foundation, Germany. Referring to the recent incident in the environs of Chaylu settlement, the Armenian President said: "The entire world

knows that Azerbaijanis attacked, while the OSCE Minsk Group Co-Chairs, EU Special Representative for the South Caucasus give a general estimation to the incident and call on the sides not to make provocations. Who are these sides? Who is responsible for the certain incident? We (Armenia, Nagorno Karabakh and Azerbaijan) signed a trilateral ceasefire agreement in 1994 and we did it as per Baku's offer, through Russia's mediation. Thus, we have a legal obligation to follow the ceasefire regime. The incident, which took place immediately after my meeting with Azerbaijani President Ilham Aliyev, is unacceptable and is a challenge addressed to the Minsk Group, Russia and, of course, Armenia."

An Azeri recon element attempted to penetrate into Arstakh territory in the environs of Chaylu settlement, Mardakert region, on June 18, at 11.30 pm. As a result of retaliatory measures, the armed group was neutralized, leaving one dead and armament on the spot. The Armenian side lost 4 killed. 4 were injured.

June 23, 2010 [www.panarmenian.net](http://www.panarmenian.net)

### ARMENIAN, KUWAITI GOVERNMENTS SIGN AGREEMENT ON ENCOURAGEMENT AND MUTUAL PROTECTION OF INVESTMENTS



Armenian Prime Minister Tigran Sargsyan received a Kuwaiti delegation led by Minister of Finance Mustafa Jassem Al-Shamali. Armenian Minister of Finance Tigran Davtyan was also attending the meeting. The Armenian PM attached importance to the development of relations with Kuwait and expressed hope that the

delegation's visit will contribute to it, the RA government's press service reported. Outlooks of implementation of mutually beneficial investment programs, as well as creation of favorable conditions in the mining, tourism and air communication fields were in the focus of the meeting. Besides, the parties emphasized the necessity of establishment of an intergovernmental commission to develop economic ties.

In completion, Armenian Minister of Finance and his Kuwaiti counterpart signed an agreement on encouragement and mutual protection of investments between the Armenian and Kuwaiti governments.

June 25, 2010 [www.panarmenian.net](http://www.panarmenian.net)

### EADB ADOPTS PROGRAM TO SUPPORT SMES

The Eurasian Development Bank (EADB) adopted the Program on Support and Development of Small and Medium Enterprises through Provision of Targeted Credit Lines to Financial Institutions. The program aims to create favorable conditions for the development of small and medium enterprises (SMEs) of the bank's member countries and increase their competitiveness in internal and external markets, the EADB press service reported. The program addresses problems of the development of SME production

capacities, creating job opportunities, increasing tax payments to budgets, contributing to growth in internal trade and mutual investments, as well as at increasing the mutual trade turnovers among the bank's member countries.

If all requirements are met, the EADB will open a credit line for each financial institution with a maturity period from three to five years for targeted financing of SME projects.

June 24, 2010,  
full story [www.panarmenian.net](http://www.panarmenian.net)

### HEADLINES OF THE WEEK

- **JUNE 21:** Arman Kirakosyan, Peter Semneby discuss Armenian-Turkish relations **AH**
- **JUNE 21:** Monthly salary in Armenia comprises AMD 103 549 in January-May 2010 **AH**
- **JUNE 22:** Armenian government hosts meeting of commission regulating Armenia-EU cooperation **AH**
- **JUNE 22:** Armenia hosts conference on Scenarios for Prevention of Illegal Storage and Circulation of Nuclear and Radioactive Substances **AH**
- **JUNE 23:** Albanian Foreign Minister to visit Armenia **AH**
- **JUNE 23:** Armenia-Argentina collaboration to be intensified **AH**
- **JUNE 23:** NATO follows with great attention the development of the situation on Karabakh-Azerbaijan contact line **AH**
- **JUNE 23:** Italy welcomes Armenia's consistent policy in Karabakh conflict settlement **AH**
- **JUNE 27:** Holy Echmiadzin hosts service for commemoration of Azeri diversion victims **AH**

### ARMENIA BRIEFED CSTO MEETING ON CHAYLU INCIDENT

On June 24, Secretariat of the Collective Security Treaty Organization hosted a meeting of the CSTO Permanent Council with participation of Secretary General Nikolay Bordyuzha, his deputies and permanent representatives of the CSTO member countries.

During the meeting, Mr. Bordyuzha provided information on the visit CSTO Temporary Task Group will pay to Kyrgyzstan on June 25 and 26.

A draft statement of the CSTO member countries on Afghanistan drug threat was also considered.

Armenia's Representative to the CSTO delivered a report on Azerbaijan's subversive attack on June 18, 2010, in Mardakert region of Nagorno Karabakh, the press office of CSTO office in Yerevan reported.

June 24, 2010 [www.panarmenian.net](http://www.panarmenian.net)

## EUROPEAN PEOPLE'S PARTY OPENS DOORS FOR ARMENIAN COALITION FORCES



The European People's Party is opening its doors for the coalition parties of Armenia. The sitting of the task force on issues membership took place in Brussels on June 24. The task force decided to give an oppor-

tunity to Armenian coalition forces to join the European People's Party. Accession talks will soon start between the European People's Party and the Republican Party of Armenia, the Prosperous Party of Armenia and Orinats Yerkir Party. A high-level mission of the European People's Party will arrive in Armenia by the end of 2010 to see to what extent the Armenian coalition parties correspond to European standards.

25 June, 2010,

full story [www.armradio.am](http://www.armradio.am)

## ARMENIA RECORDED ECONOMIC GROWTH IN JANUARY-MAY 2010

According to updated statistical data, Armenia's industrial production increased by 12.1%, amounting to AMD 305.1bln. Meanwhile, 6.3% drop was recorded in the industrial production in May as compared with April 2010. 34.9% growth was recorded in the prices for industrial products during the reporting period, the Armenian National Statistical Service reported. Besides, the volume of produced electricity increased by 14.6, totaling 2657.6kW/hour in Jan-

uary-May 2010. However, 7.9% drop was recorded in the produced electricity in May as compared with April 2010. Specifically, 12.5% growth was recorded in the construction industry, the Armenian National Statistical Service reported. Besides, 0.9% growth was recorded in agriculture during the reporting period, while the increase in the fields of retail trade and services amounted to 1.3% and 6.8% respectively.

June 22, 2010 [www.panarmenian.net](http://www.panarmenian.net)

## FIDE PRESIDENT: JERMUK IS ONE OF CHESS DEVELOPMENT CENTERS



The opening ceremony of the 4th FIDE Women's Grand Prix took place in Jermuk, Armenia, on June 23. Welcoming the participants and guests, FIDE President Ilyumzhinov said, "Some two years ago chess lovers had no idea about Jermuk. Now, this wonderful resort is one of chess development centers." As a PanARMENIAN.Net reported from the scene, sixth world champion Nona Gaprindashvili was an honorable guest of FIDE Women's Grand Prix. From June 24 to July 5, Jermuk resort will be hosting FIDE Women's Grand Prix honor-

ing the memory of Genrikh Kasparian. Vice-President of the Chess Federation of Armenia Smbat Lputyan said that Grand Prix is among the strongest women's tournaments. It is difficult to predict the winner, Lputyan told journalists. "Three world champions will participate in Grand Prix. The participants will be gaining points, what will allow them to participate in the tournament for the world champion's title," said Lputyan. Armenian President Serzh Sargsyan and FIDE President Kirsan Ilyumzhinov arrived in Jermuk. The tournament will bring together grandmasters Lilit Mkrtchyan, Elina Danielyan (Armenia), Hou Yifan (China), Antoaneta Stefanova (Bulgaria), Pia Cramling (Sweden), Tatiana Kosintseva, Baira Kovanova (Russia), Maia Chiburdanidze, Nana Dzagnidze (Georgia), Xu Yuhua, Shen Yang (China) and Martha Fierro (Ecuador), [armchess.am](http://armchess.am) reported.

23 June, 2010, [www.panarmenian.net](http://www.panarmenian.net)

## ARMENIA, AUSTRIA TO BOOST ECONOMIC COOPERATION



Armenian Prime Minister Tigran Sargsyan met with Austrian Foreign Minister Michael Spindelegger, the RA government's press service reported. The Prime Minister hailed the current level of the Armenian-Austrian political relations, attaching importance to boosting of bilateral economic ties. For his part, Mr. Spindelegger noted that Austria is interested in developing cooperation with the South Caucasian countries. Referring to Armenia-EU cooperation, PM Sargsyan stressed the importance of Eastern Partnership initiative as a part of European Neighborhood Policy. The two men also attached importance to signing of association and free trade agreements. In addition, they noted the necessity to create favorable conditions for investment industry..

25 June, 2010, [www.panarmenian.net](http://www.panarmenian.net)

## TIGRAN DAVTYAN: ARMENIA HAS RETURNED TO THE NEW ECONOMIC DEVELOPMENT PHASE

During the first months of 2010 Armenia's GDP increased by 8,8%. Finance Minister Tigran Davtyan said on June 23 at the meeting with the reporters in the Armenian government that Armenia returned to the new economic development phase. Growth has been registered in all the branches of the economy. "If previously there was intention that the dynamics of growth will be of irregular nature on June 23 we witness an opposite phenomena. Speaking in formal respect the 8,8% is real growth, the nominal growth is higher. Taking all this into consideration we may say that we have reached 2008 state growth results," Tigran Davtyan said. He particularly singled out the growth of industrial, construction and export spheres. During the recent years the minister said such index of export volume has not been registered yet. Tigran Davtyan also noted the role of the developments taking place in the global economy, highlighting the measures undertaken by the Armenian government as a result of which Armenia's economy is growing day by day.

June 23, 2010 [www.armenpress.am](http://www.armenpress.am)

## G8 SUMMIT: JOINT STATEMENT ON THE NAGORNO-KARABAKH CONFLICT BY DMITRY MEDVEDEV, PRESIDENT OF THE RUSSIAN FEDERATION, BARACK OBAMA, PRESIDENT OF THE UNITED STATES OF AMERICA, AND NICOLAS SARKOZY, PRESIDENT OF THE FRENCH REPUBLIC



We, the Presidents of the OSCE Minsk Group's Co-Chair countries, France, the Russian Federation, and the United States of America, reaffirm our commitment to support the leaders of Armenia and Azerbaijan as they finalize the Basic Principles for the peaceful settlement of the Nagorno-Karabakh conflict. We welcome as a significant step the recognition by both sides that a lasting settlement must be based upon the Helsinki Principles and the elements that we proposed in con-

nection with our statement at the L'Aquila Summit of the Eight on July 10, 2009, relating to: the return of the occupied territories surrounding Nagorno-Karabakh, interim status for Nagorno-Karabakh guaranteeing security and self-governance, a corridor linking Armenia to Nagorno-Karabakh; final status of Nagorno-Karabakh to be determined in the future by a legally-binding expression of will, the right of all internally-displaced persons and refugees to return, and international security guarantees, including a peacekeeping operation. Now the Presidents of Armenia and Azerbaijan need to take the next step and complete the work on the Basic Principles to enable the drafting of a peace agreement to begin. We instruct our Ministers and Co-Chairs to work intensively to assist the two sides to overcome their differences in preparation for a joint meeting in Almaty on the margins of OSCE Informal Ministerial.

June 26, 2010 [www.whitehouse.gov](http://www.whitehouse.gov)

## ARMENIA'S GDP GROWTH

In the first five months of 2010 Armenia's GDP grew by 8.8% compared with the same period of last year. Its foreign trade turnover for this period was USD 1.776 billion, 34% more than in the same period last year. Head of the Armenian Parliament Committee responsible for economic issues Gagik Minasian has stated that this growth is determined by world market conditions. These have created economic growth in almost every country but in Armenia much was done by the Government in 2009 through the implementation of the anti crisis programmes. Armenia had

managed to slow down its economic decline even by the middle of 2009. In April 2010 more than 50% of the budgetary tax revenues in Armenia were paid by 344 big taxpaying organisations. The number of people employed in the country has not increased since April 2009, but their average incomes have increased by almost 16%. On this basis we can conclude that the economic development of Armenia is increasing, though the proportion of large taxpayers is quite high compared to those from small and medium-sized businesses.

23-24 June, 2010, [www.messenger.com.ge](http://www.messenger.com.ge)

## CLINTON TO VISIT SOUTH CAUCASUS

U.S. Secretary of State Hillary Clinton will visit Ukraine, Poland, Armenia, Azerbaijan and Georgia from July 1 to 5, the State Department said, seeking to promote stability in the volatile South Caucasus region. In Kiev, Clinton will meet Ukrainian President Viktor Yanukovich, who has reached out to Russia since taking office on Feb. 25, and then attend a meeting of the Community of Democracies in Krakow, an intergovernmental group that promotes democratic norms. After that, Clinton will visit

Armenia and Azerbaijan, long at odds over Azerbaijan's breakaway Nagorno-Karabakh region.

Announcing Clinton's trip, State Department spokesman P.J. Crowley said Friday that the United States had "invested a great deal of energy" to try to improve relations with Armenia and Azerbaijan and said the visit showed U.S. commitment to try to resolve their disputes. Clinton ends her trip in Georgia in a gesture of support for the country.

June 28, 2010, [www.themoscowtimes.com](http://www.themoscowtimes.com)

## US, RUSSIA, FRANCE BACK NAGORNO-KARABAKH PEACE MOVES

The United States, France and Russia on Saturday pledged to support Armenia and Azerbaijan as they try to agree basic principles for settling a dispute over Azerbaijan's breakaway Nagorno-Karabakh region. U.S. President Barack Obama, joined by French President Nicolas Sarkozy and Russian President Dmitry Medvedev, said both sides had made a significant step in accepting the overall framework of a deal and now needed to work on details. "Now the presidents of Armenia and Azerbaijan need to take the next step and complete the work on the basic principles to enable the drafting of a peace agreement to begin," the three leaders said in a joint statement issued during a Group of Eight meeting in Canada. U.S. Secretary of State Hillary Clinton plans to visit both Armenia and Azerbaijan early next month during a trip to the South Caucasus. The dispute between mostly Muslim Azerbaijan and mostly Christian Armenia remains a threat to stability in the South Caucasus, an important route for oil and gas supplies from the Caspian region to Europe. Skirmishes, sometimes fatal, erupt frequently along front lines near Nagorno-Karabakh, a small mountainous region under the control of ethnic Armenians who fought a six-year separatist war with support from neighboring Armenia. An estimated 30,000 people were killed and one million displaced before a cease-fire in 1994 but a peace accord has never been agreed and the ethnic Armenian leadership's independence claim has not been recognized by any country. The three powers' joint statement on Saturday said the so-called "Helsinki principles" now recognized by both sides relate to the return of the occupied territories surrounding Nagorno-Karabakh, interim status for Nagorno-Karabakh guaranteeing security and self-governance and a corridor linking Armenia to Nagorno-Karabakh. Tension has increased since Armenia and its traditional foe Turkey, which has close ties to Azerbaijan, reached a rapprochement last year. The accord crumbled this year when Armenia suspended ratification after Turkish demands that it first reach terms over Nagorno-Karabakh, a condition set by Turkey to appease Azerbaijan, an oil and gas producer.

June 26, 2010, [www.reuters.com](http://www.reuters.com)

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