



AGBU ARMENIA NEWS BULLETIN

Monday, December 22, 2008

TRANSLATIONS FROM YEREVAN NEWSPAPERS AND OTHER NEWS AGENCIES

POLITICS

1. GAGIK JHANGIRIAN: THE REGIME HAS A MAXIMUM OF 25 DAYS TO RELEASE POLITICAL PRISONERS [NOYAN TAPAN, 12/19/08]

Judge Zhora Vardanian presiding over the December 18 court sitting on the case against Gagik Jhangirian, former deputy prosecutor general of Armenia, rejected the defence's petition for his self-challenge and went to the consultation room to make a decision about the next petition for his self-challenge. This decision will be made public at the court sitting on December 22. The court did not examine either the defence's petition on inadmissibility of recognizing the military jacket as material evidence as it was confiscated with gross judicial violations and there are no words "Spetsnaz" written on its back as it was testified by a policeman. According to the presiding judge, the court will express an opinion about the petition in its sentence.

The defence complains that the court has a preconceived opinion about the case, acts on the prosecution's side, does not protect the interests of the law and uses double standards. The defence believes that the court is not unbiased and objective and it is evident, in particular, from the presiding judge's statements that the case against G. Jhangirian is not one of the March 1 cases: it is clear even to a child that G. Jhangirian is persecuted for his political views. "You also took part in illegalities by permitting eavesdropping at the presidential election on February 19," the defence lawyer Lusine Sahakian said. According to the defence, the decision of the presiding judge not to recognize G. Jhangirian as a victim is also biased, even though the judge admitted the fact of G. Jhangirian's being subjected to beating: "it is not known who beat him". G. Jhangirian in his turn said that the conduct of the court proves once again that his case is not criminal but it is a political requital. "From the case of political hostages, only the rod of Myasnik Malkhasian will remain, the rest is nothing," he said, hinting at "the case of the seven". "The regime has a maximum of 25 days to release the political prisoners, we have waited for 10 months and will wait for another 10," G. Jhangirian added.

2. MOSCOW DECLARATION STIPULATES THAT FOR PRESENT SETTLEMENT OF KARABAKH PROBLEM IS NOT POSSIBLE [NOYAN TAPAN, 12/19/08]

In the opinion of the director of the Caucasus Media Institute Alexander Iskandarian, the defeat inflicted by Russian troops on the Georgian army caused a panic in Azerbaijan, nullifying the opportunity of a military solution of the Karabakh problem. The Armenian-Turkish contacts which, regardless of further development of the relations of the two countries, have already changed the situation in the region, have also contributed to the weakening of Azerbaijan's positions.

As A. Iskandarian said during the discussion on the subject "The Perception of the Karabakh Conflict by Society and the Results of the Negotiation Process in 2008", at the same time some panic moods were recorded in Armenia as well as some political forces and mass media outlets spoke about the inevitability of surrendering Karabakh to Azerbaijan in the near future. However, according to A. Iskandarian, such statements were made not based on an analysis of the situation but from political considerations.

The political scientist expressed an opinion that the Karabakh problem cannot be solved thanks to volitional abilities of some persons or forces or thanks to newly proposed solutions. It is a derivative of the balance among numerous players and factors in the region, and only in case of violation of that balance, a sharp change can be recorded.

In the words of the former deputy foreign minister of Nagorno Karabakh Masis Mayilian, the Russian-Turkish rapprochement after the August events creates a possibility of such a violation of the balance, which is fraught with danger of a not pro-Armenian solution of the Karabakh conflict.

As regards Georgia, in the words of A. Iskandarian, as a result of the Russian-Georgian war, Georgia has become much weaker, and not only from the economic and military point of view: its positions as a stronghold of democracy in the South Caucasus have weakened, while Georgian president Mikhail Saakashvili lost his reputation for being the most democratic president in the region.



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3. TRIAL ON "CASE OF SEVEN" STARTS [Azg, 12/19/08]

The trial on the "case of the seven" started on December 19, parallel to which people gathered in the yard of Yerevan Shengavit community court and in the adjoining street were holding an action of protest.

The seven persons, mostly activists of first President Levon Ter-Petrosian's preelection campaign, are accused of organizing mass disorders and seizing power after the February 19 presidential elections. In her interview to Noyan Tapan correspondent one of the action participants, Armenian National Congress member Anahit Tadevosian stated that they have come to fight for their imprisoned friends, who are unequivocally political prisoners and people prosecuted for their political views. RA Ombudsman Armen Haroutiunian was also at the court hall.

The court sitting (judge Mnatsakan Martirosian) started 15 minutes late. The people gathered in the hall met the seven defendants standing before the court with a storm of applause. From the very start writer-publicist Shant Haroutiunian made a statement mentioning that he is imprisoned only for expressing his political views. According to him, after the February 19 presidential elections he struggled against the Putin authorities of Armenia, who are the placemen of Russia.

Besides Shant Haroutiunian, former Foreign Minister Alexander Arzumanyan, National Assembly deputies Sasun Mikayelian, Miasnik Malkhasian, and Hakob Hakobian are among the defendants. The other two defendants are Grigor Voskerchian and Suren Sirunian.

Defendant Suren Sirunian also made a speech saying that he has come to "box with the authorities" and will not permit it to turn into kickboxing. S. Sirunian warned the court that if unequal conditions are created for the defence and prosecutor parties, he will leave the court hall.

Defendant, former Foreign Minister Alexander Arzumanyan, in his turn, stated that the defendants on the March 1 case and he personally are the problem of the Republic of Armenia. He affirmed that the court was obliged not to accept the "case of the seven" for examination, as it is a mockery.

The defence party made a petition to challenge judge Mnatsakan Martirosian, which was turned down by the court after an hour's interval. The lawyers again submitted the same petition, after which the judge again announced an interval for two hours.

4. PACE DRAFT RESOLUTION IS AIMED AGAINST REGIME ACTING IN ARMENIA, ARMENIAN NATIONAL CONGRESS STATES [NOYAN TAPAN, 12/19/08]

The draft resolution approved by the PACE Monitoring Committee "is aimed not against Armenia and its people, but against the regime acting in Armenia." It was mentioned in the statement of the Armenian National Congress.

According to the statement, "this decision's whole responsibility lays on the very regime, which disregarding both the commitments assumed by the state and many appeals and requirements of Council of Europe, European and other authoritative international structures, for many months keeps in prisons dozens of political prisoners, grossly violates the most important norms of meetings, marches, freedom of expression, and human rights."

"Welcoming PACE monitoring group's latest decision as a step contributing to restoration of democracy and human rights in Armenia, the Armenian National Congress once more officially calls international structures for using only such sanctions, the target of which will be not the country, but the anti-popular regime and the goal establishment of democracy and legality in the country," the ANC statement read.

5. OPPOSITION ACTIVISTS ORGANIZE MARCH DURING "CASE OF THE SEVEN" COURT SITTING BREAK [Aravot, 12/19/08]

During the break of the December 19 trial on the case of seven oppositionists the crowd gathered in the yard of Shengavit general jurisdiction court organized a spontaneous march. Voicing "Freedom to Political Prisoners!," "Now!," "Free, Independent Armenia!," "Levon President" people led by Armenian National Congress Coordinator Levon Zurabian walked by Arshakuniats Avenue, Grigor Lusavorich street, monument to Alexander Miasnikian, Republic Square, then returned to the court building, where the trial on the "case of the seven" was to continue from 17:00.

It should be mentioned that several policemen came up to L. Zurabian near the monument A. Miasnikian and demanded stopping the action with the motivation of its being illegal. The ANC Coordinator informed the policemen that the march is spontaneous and does not need a permission in advance.



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6. PARLIAMENTARY HEARINGS OVER TV AIR CONTENTS AND TV ADVERTISEMENTS HELD [NOYAN TAPAN, 12/19/08]

Parliamentary hearings over TV air contents and TV advertisements legislative regulation were held on December 19 at the National Assembly. Representatives of the Television and Radio National Committee, State Language Inspection, Public Television of Armenia and private TV companies, advertisement companies, NGOs, professional unions, and experts were invited to the hearings. Hearings' initiator Armen Ashotian, the Chairman of the NA Standing Committee on Science, Education, Culture, Youth, and Sports Affairs, said that a number of bills on electronic media activity, telecommunication and advertisement spheres are circulated at the parliament at present. In consideration of many problems in these spheres and their public resonance, the committee considered it expedient to hold as wide discussions on the above mentioned subjects as possible.

A. Ashotian said that a legislative package on advertisement activity will be discussed at the parliament soon, and the committee is ready to take into consideration and to involve the hearings participants' proposals and opinions, as well.

Saying that the issue of membership to the European Convention on Transborder Television will be discussed at NA next year, the NA Standing Committee Chairman attached importance to the necessity to bring Armenia's legislation in line with European standards in this sphere. In his words, the committee is going to organize parliamentary hearings on this issue, as well as the issue of telecommunication digitalization.

7. COURT SITTING ON "CASE OF THE SEVEN" POSTPONED UNTIL DECEMBER 23 [Aravot, 12/19/08]

At the court sitting on the "case of the seven" resumed at 17:00 judge Mnatsakan Martirosian for the second time rejected defence party's petition on judge's challenge. However, the lawyers submitted the same petition for the third time. Prosecutor Koryun Piloyan was going to oppose to lawyers' petition, and the people gathered in the hall made a noise. The court sitting was postponed until December 23. It should be mentioned that RA NA deputies Myasnik Malkhasian, Hakob Hakobian, Sasun Mikayelian, former RA Foreign Minister Alexander Arzumanyan, writer Shant Haroutiunian, as well as Suren Sirunian and Grigor Voskerchian are accused of organizing mass disorders on March 1.

8. MUSHEGH SHOUSHANIAN AND HIS DEFENCE LAWYERS FILE COMPLAINT TO CRIMINAL APPEAL COURT [NOYAN TAPAN, 12/19/08]

Ara Zakarian, Tigran Atanesian and Arthur Grigorian - the defence of lawyer Mushegh Shoushanian - filed a complaint to the Criminal Appeal Court on December 19. They disputed the decision of the court of general jurisdiction of Yerevan's Kentron and Nork-Marash communities (Judge Gayane Karakhanian) on rejection of their petition for appealing to the Constitutional Court and suspending the case, NT was informed by the press service of the RA Cassation Court.

To recap, lawyer M. Shoushanian is accused of showing a disrespectful attitude to the court. According to the charge, while acting as a defence lawyer in one of the March 1 cases, he left the courtroom without permission of the presiding judge Arshak Petrosian.

9. THANKS TO STRUGGLE OF ARMENIAN OPPOSITION, PACE USED TERM "POLITICAL PRISONER", VLADIMIR KARAPETIAN SAYS [NOYAN TAPAN, 12/19/08]

"I expect the political prisoners to be released right today and this show to end," the coordinator of foreign policy issues of the Armenian National Congress (ANC) Vladimir Karapetian said during a talk with NT correspondent before the December 19 court sitting on the case of seven oppositionists. In his words, not only the Armenian people but also the international community in the form of the PACE Monitoring Committee expressed its opinion about the persecutions of the opposition political figures. "The Monitoring Committee has clearly defined the status of the people behind bars: political prisoners," V. Karapetian noted.

In the opinion of the ANC's representative, it is thanks to the unceasing struggle of the Armenian opposition that PACE finally used the term "political prisoner".



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10. ARMENIAN PRESIDENT LEAVES FOR KAZAKHSTAN TO PARTICIPATE IN UNOFFICIAL SUMMIT OF HEADS OF CSTO MEMBER STATES [NOYAN TAPAN, 12/19/08]

The Armenian president Serzh Sargsyan on December 19 left for Kazakhstan in order to participate in an unofficial summit of heads of the Collective Security Treaty Organization (CSTO) member states. According to the RA presidential press service, the summit with the participation of the presidents of Armenia, Russia, Kazakhstan, Tajikistan and Kyrgyzstan is being held in the winter resort of Shuchini-Borovy near the city of Kokchetau.

Prior to the beginning of the summit S. Sargsyan had a short meeting with the president of Kazakhstan Nursultan Nazarbayev. The sides expressed a high opinion about the current level of Armenian-Kazakh relations and the political dialog between the two countries. They underlined the role of Kazakhstan's Armenian community in the strengthening of bilateral friendly links.

S. Sargsyan and N. Nazarbayev attached importance to further development of economic cooperation, saying that the new routes of the planned railway communication will help increase the trade turnover.

Then the unofficial summit started its work. Issues related to the prospects of CSTO's regulation, cooperation within this organization, the global financial crisis and the integration processes in the territory of CIS are on the agenda.

11. SERGEY LAVROV TO DISCUSS KARABAKH CONFLICT REGULATION IN AZERBAIJAN [ARMENPRESS, 12/22/08]

Russian Foreign Minister Sergey Lavrov will visit Azerbaijan in late January.

A source from Russian Foreign Ministry told "News Azerbaijan", that at present the date and program of visit of Sergey Lavrov to Baku is being specified.

It is planned that during the visit Azerbaijani President Ilham Aliyev and Foreign Minister Elmar Mamedyarov will receive Lavrov. The bilateral relations, issues of regional security and the process of Karabakh conflict regulation will be discussed during the meetings.

Besides, Sergey Lavrov is expected to participate in the opening ceremony of Russian information-cultural center in Baku.

12. ARMENIAN FM MEETS WITH KARABAKH PRESIDENT [ARMENPRESS, 12/22/08]

Armenian Foreign Minister Edward Nalbandian who is in Karabakh on a two-day working visit met 19 December with Karabakh President Bako Sahakyan.

Central Information Department of Karabakh President's Office told Armenpress that during the meeting the sides discussed issues related to widening of cooperation between the foreign ministries of the two Armenian states, the current stage and prospects of the Nagorno Karabakh conflict settlement.

Karabakh Foreign Minister Georgy Petrosyan also was present at the meeting.

13. E. NALBANDIAN PRESENTS THE LATEST DEVELOPMENTS OF KARABAKH CONFLICT REGULATION IN STEPANAKERT [ARMENPRESS, 12/22/08]

Armenian Foreign Minister Edward Nalbandian paid a one-day visit to Stepanakert on December 19.

Press service of Armenian Foreign Ministry told Armenpress that in the evening December 19 President of Nagorno Karabakh Bako Sahakyan received Edward Nalbandian.

During the meeting the latest developments in the regulation of Karabakh issue have been discussed. Minister E. Nalbandian presented to the Karabakh president the results of the Helsinki meeting of OSCE Foreign Ministers as well as the details of his Helsinki meeting with OSCE Minsk group co-chairs and Azerbaijani Foreign Minister Elmar Mamedyarov.

The sides highly assessed the statements of foreign ministers of OSCE Minsk group co-chairing countries and the council of OSCE Foreign Ministers over the Karabakh issue regulation.

In the morning December 20, Edward Nalbandian visited Artsakh State University, where he first put flowers on the memory-stone of university members who were killed during the war. Afterwards the Armenian Foreign Minister delivered a speech in front of the professors and students of the University presenting the prospects of the negotiation process of Karabakh conflict regulation.



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Edward Nalbandian also answered a number of questions of the students. Referring to the issue of participation of Karabakh authorities in the process of conflict regulation E. Nalbandian stressed that no agreement can be reached without a full participation of the Artsakh side in the negotiation process.

The Foreign Minister also had a briefing with the local journalists in the Artsakh State University.

Edward Nalbandian also met with the Speaker of Karabakh parliament Ashot Ghulian and Foreign Minister Georgi Petrosian. On the same day he returned to Yerevan.

14. TURKISH PRESIDENT DENIES NEWS OF HIS ARMENIAN ORIGIN [ARMENPRESS, 12/22/08]

Turkish president Abdullah Gul denied the news about his Armenian origin, reported the CNN Turk.

Gul said that he was born in Turkish Kaiser town. "Our family, the maternal roots of which derive from Satoghlu and paternal roots – from Gul tribe, belonged to Muslims and Turks from the ancient times", the president noted.

According to Gul, his birth certificate and compatriots from Kaiser town can confirm his Turkish origin.

15. S. SARGSYAN; "ISSUE OF ALL OF US IS TO CONFRONT EXISTING CHALLENGES BY COOPERATION OF THE STATE AND PRIVATE SECTOR" [ARMENPRESS, 12/22/08]

On the occasion of New Year and Christmas Armenian President Serzh Sargsyan called today a reception in his residence for more than 100 representatives of business community.

Presidential press service told Armenpress that congratulating the present on the coming New Year and Christmas, the president of the country said, "We all realize well that the 2009 will be year of hard work. The issue of all of us is to confront the existing challenges in close cooperation of the state and private sector and seize the examination of the time. The success of each of us in his/her field, in all, is success of all of us."

Remembering old saying "It is hard to be rich in poor country", Serzh Sargsyan said that "in such cases there is only one solution – enrich and strengthen the country".

Armenian president wished the businessmen success, high mood and effective work in the coming year.

16. ARMENIAN SIDE REGISTERS PROGRESS IN KARABAKH CONFLICT REGULATION PROCESS DURING THE PASSING YEAR [ARMENPRESS, 12/22/08]

The Armenian side is going to continue the negotiations over the Nagorno Karabakh conflict regulation in 2009 according to this year's registered progress.

Spokesman for the Armenian foreign minister Tigran Balayan, assessing the passing year in respect of the Karabakh conflict regulation process with request of Armenpress, said that the Armenian side considers the two meetings of the Armenian and Azerbaijani presidents during this year, the signing of Moscow Declaration, documents signed in Helsinki during the annual gathering of the OSCE Foreign Ministers as progress.

"Armenian side is ready to continue the negotiations over Nagorno Karabakh conflict regulation within the frameworks of the OSCE Minsk Group on the basis of the progress registered during this year," T. Balayan said.

BUSINESS

17. ARMENAL NOT CLOSED AND INCREASES ITS PRODUCTION GROWTH RATES [NOYAN TAPAN, 12/19/08]

ArmenAl was not closed and it is increasing its production growth rates, NT correspondent was informed by Alexander Melkumian, spokesman for foil rolling ArmenAl company making part of Rusal group (Russia). To recap, at the December 17 press conference the member of the Armenian National Congress (ANC) Vahagn Khachatryan said that there is already an economic crisis in Armenia as all mining enterprises, ArmenAl, etc, have been either closed or half-closed.

A. Melkumian said that the foil production grew by 3.2% to 9,740 tons at ArmenAl in January-October 2008 on the same period of last year. In his opinion, the growth rates will remain the same. The



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company currently employs over 700 people. ArmenAI's production is exported to Europe, the U.S. and the Middle East.

18. ARMENIAN GOVERNMENT APPROVES LIST OF MEASURES ON IMPROVEMENT OF GARNI-GEGHARD TOURIST ROUTE [NOYAN TAPAN, 12/19/08]

At the December 17 sitting, the Armenian government approved the list of measures on improvement of the Garni-Geghard tourist route.

According to the RA Government Information and PR Department, it was established that the annex of the decision envisages measures (except for Point 4) to be implemented by the respective responsible bodies at the expense of state budgetary resources allocated for their activities. The RA minister of finance was instructed to submit a proposal to the government within a month regarding allocation of 29 mln drams (about 95 thousand USD) to Kotayk regional administration from the reserve fund of the government with the aim of implementing the measure envisaged by Point 4 of the annex: organization of regular garbage collection in Goghthi community and communities included in the Garni-Geghard tourist route.

The bodies responsible for implementation of the measures envisaged by the decision were instructed to submit information on the measure's implementation to the RA minister of economy within 10 days after the end of the implementation period. By another instruction, the RA minister of transport and communication is to submit a proposal on ensuring the servicing of the first kilometer of the motorway from the border of Yerevan's Nor Nork community to Jrvezh community to the government within a week.

The RA minister of economy was instructed to submit a summary report on the measures implemented during 15 days to the government after receiving the above mentioned information envisaged by 4th point of the decision.

19. INSURANCE OF LIABILITY PROCEEDING FROM USE OF MOTOR TRANSPORT TO BECOME COMPULSORY IN ARMENIA [NOYAN TAPAN, 12/19/08]

At the December 17 sitting, the Armenian government approved the draft law on compulsory insurance of liability proceeding from the use of motor transport.

According to the RA Government Information and PR Department, based on the draft law, the government also approved the bills on additions to the RA Customs Code, the RA Law on Central Bank of Armenia, the RA Law on Insurance and Insurance Activity, the RA Law on Registration of Legal Entities, the RA Law on Ensuring the Safety of Road Traffic, the RA Law on Motor Transport, and the RA Law on Personal Data. The indicated bills will be submitted to the RA National Assembly in order envisaged by law.

20. IT IS PROPOSED CREATING PRIVATE COMPULSORY ENFORCEMENT SYSTEM IN ARMENIA [NOYAN TAPAN, 12/19/08]

The team of the program studying the current compulsory enforcement system in Armenia and the expediency of introducing a private system has proposed creating a private, self-sufficient and self-financed system of enforcement of court acts and decisions in the country and discontinuing the functions of the current state system. This World Bank-financed study was done by consulting companies DPK Consulting (the U.S) and Ameria (Armenia) and the Program Implementation Office of the Ministry of Justice that propose creating a parallel private system competing with the state one - as an alternative, as well as a third version: the gradual introduction of a private system, during which the functions of the state system will be reduced.

The program executives propose compulsory enforcement-related reforms in Armenia, in particular, a new law on compulsory enforcement system.

The program head Joseph Traficanti said that the problems of the service on compulsory enforcement of court acts are system ones in Armenia. According to him, an educational visit of 5 persons from Armenia to three countries: Macedonia, Bulgaria and Estonia was financed under the program. The experience of the indicated countries was studied during the visit. J. Traficanti said that a private system will be of great use to Armenia: one of its positive aspects is that it is neutral for the state in terms of expenditures. In reality the system is a semiprivate one as its activities are regulated by a state body and sums collected are also managed at the state level.

In the words of Nevenka Ivanovska, an expert representing Macedonia's compulsory enforcement system, Macedonia, Estonia, the Netherlands, Latvia and Lithuania are examples of positive experience



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for Armenia because the efficiency of activity has increased threefold after the introduction of a new system in these countries.

The Armenian government will examine the conclusions of the study and make a respective decision.

21. AUCTION OF STATE BONDS WITH 11-WEEK REDEPTION PERIOD HELD [NOYAN TAPAN, 12/19/08]

An auction of state (treasury) short-term bonds of AMGT11053095 issue with a 11-week redemption period was held on December 18.

According to the RA ministry of finance, the total amount of bonds subject to placement made 1 billion drams (about 3 million 247 thousand USD), demand - 1 billion 306 million 572 thousand drams. The placement of bonds made 1 billion drams. The revenues from placement amounted to 981,112,233 drams. The weighted average yield of placement made 9.0006%. 9 dealers and the treasury depository participated in the auction.

22. ARMENIA TO MAKE USE OF GSP+ TRADE REGIME STARTING FROM JANUARY 2009 [NOYAN TAPAN, 12/19/08]

On December 9, 2008, the European Commission approved the list of countries eligible to use the EU's GSP+ (GSP - Generalized System of Preferences) trade regime for sustainable development and efficient governance. The countries can make use of the GSP+ trade regime in the period of January 1, 2009 up to the end of 2011.

Among the countries to use GSP+ system are Armenia, Georgia, Azerbaijan, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mongolia, Nicaragua, Paraguay, Peru, Sri Lanka and Venezuela. The precondition for using GSP+ system is ratification and efficient use of the conventions adopted by the United Nations and the International Labor Organization (ILO), as well as 27 international conventions. The conventions are related to human rights, major labor standards, environment and governance principles.

GSP+ allows countries to export about 6,400 types of goods to EU market at zero or considerably reduced customs duties (the reduction of customs duties makes: for cigarettes - up to 52%, various natural juices - 30%, fruit - 20%, vegetables - 14%, fish products - 20%, and honey -17%).

In 2007, the trade conducted within the framework of GSP+ system amounted to 4.7 billion euros. The exporters from the countries using GSP+ system paid customs duties by 357 million euros less than they would pay in case of using GSP.

23. THE SIX MAIN CANALS REHABILITATION CONTRACT SIGNED [NOYAN TAPAN, 12/19/08]

The Millennium Challenge Account-Armenia (MCA-Armenia) SNCO announced the award of a contract to "SADE" (France) in consortium with "SHMSH-23" (Armenia) for the rehabilitation of the first package of six main canals, a \$5.7 million contract under the MCA-Armenia Irrigated Agriculture Project Infrastructure Activity. The contract was signed at the MCA-Armenia Offices on December 16 2008 by MCA-Armenia CEO Ara Hovsepyan and Mr. Francis Marquez of "SADE".

The first package rehabilitation works will involve sectional concrete lining along approximately 4.2 kilometers of the Arzni-Shamiram main canal and rehabilitation of the hydro-technical structures in the sections of Artashat, Lower Hrazdan, Armavir, Talin, Arzni-Shamiram and Shirak main canals that are in a critical state and require immediate attention. The work will cover the Armenian marzes of Armavir, Aragatsohn, Ararat, Kotayk and Shirak, and will begin in January 2009.

The contract also includes a pilot sub-component to test shotcrete and other advanced technologies in lining of approximately 200m of the canal. If successful, the shotcrete or other advanced technologies will be applied in the future civil works for rehabilitation of canals and hydro-technical structures, MCA-Armenia Office reported.

24. VENTURE INVESTMENT FUND TO BE SET UP IN ARMENIA WITH PARTICIPATION OF SITRONICS [NOYAN TAPAN, 12/19/08]

Issues related to further development of cooperation in the high-tech sector were discussed at the December 19 meeting of the Armenian prime minister Tigran Sargsyan with the chairman of Sitronics



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OJSC Sergei Aslanian, the deputy chairman Sergei Urezchenko and the authorized representative of the company in Armenia Armen Khachatryan.

S. Aslanian presented Sitronics's activities, its participation in federal target programs in Russia, its international links and involvement in the forthcoming initiatives and projects on cooperation in the high-tech sector in Armenia, CIS, Central and Eastern Europe and some other countries. In particular, he spoke about the possibility of creating a free economic zone of research type in the area of RAO Mars CJSC transferred to Russia under the Property for Debt Agreement. This possibility was an instruction given at the 10th sitting of the Armenian-Russian Intergovernmental Commission on Economic Cooperation Issues. S. Aslanian also discussed the creation of a venture investment fund in Armenia with the participation of Sitronics, noting that their company is prepared to present its cooperation program on this issue soon.

According to the RA Government Information and PR Department, T. Sargsyan attached importance to cooperation with Sitronics, expressing confidence that this cooperation in the high-tech sector will be mutually beneficial and efficient.

25. ARMENIAN TAX BODIES DO NOT COLLECT ADVANCE PAYMENTS, SRC DEPUTY CHAIRMAN SAYS [NOYAN TAPAN, 12/19/08]

New types of cash register tapes must be used in Armenia starting from January 1, 2009. The economic entities not to use such tapes will be fined: in case of revealing a violation for the first time, value added tax (VAT) payers will pay a fine of 150 thousand drams, non-VAT payers will pay a fine of 75 thousand drams. In case of two and more violations, the amount of the fine will be doubled. The deputy chairman of the RA State Revenue Committee (SRC) Armen Alaverdian announced this at the December 19 meeting with reporters. The coupons of new cash register tapes will be protected, with special numbers of casting of lots being available on their inner side.

According to A. Alaverdian, cash register users can purchase tapes of the new type starting from December 22, from the points of sale in the building of the tax inspection of their place of residence or registration. The sale of tapes will be made only by invoices, and tapes are not subject to resale. Their price will not exceed 350 drams a roll.

Another chairman of SRC, Artashes Beybutian denied the mass media-spread rumors about collection of advance payments by tax bodies. In his words, a tax body does not collect advance payments, it carries out current control of tax calculation and payments, and in case of revealing a violation, it draws up a report on check-up, and the sum of the tax liabilities unpaid due to the violation is transferred to the state budget.

26. OVERALL ASSETS OF ARMENIAN BANKING SYSTEM PASS THRESHOLD OF 1 TRILLION DRAMS [NOYAN TAPAN, 12/19/08]

Last week the overall assets of the Armenian banking system grew by 16.2 billion drams and made 1 trillion drams (about 3 bln 243.5 mln USD), passing this threshold for the first time. There was mainly a growth in correspondent accounts in banks, cash in banks and credits. The credits increased by 3.3 billion drams, including a growth of 1.8 bln drams in credits to legal entities and that of 1.4 bln drams in credits to natural persons.

According to the PR Service of the Central Bank of Armenia (CBA), the overall capital of the banking system increased by 5.9 bln drams in the indicated period and made 229.4 bln drams, which was conditioned by replenishment of a total of 4.2 bln drams in the authorized funds of 3 banks and a profit of 1.7 bln drams made by the banking system last week. The liabilities of the system grew by 10.3 bln drams to 771 bln drams. The deposits of natural persons grew by 3.7 bln drams.

27. ARMENIA'S FOREIGN TRADE TURNOVER AMOUNTS 1 TRILLION 526 BILLION USD DURING 11 MONTHS OF THIS YEAR [ARMENPRESS, 12/22/08]

In the 11 months of this year the foreign trade turnover of Armenia has increased by 27.6 percent as compared with the same span of 2007 making 4 billion 992.6 million USD or 1 trillion 526 billion AMD. As compared with October, in November the figure decreased by 15.8 percent.

Armenian National Statistical Service told Armenpress that in January-November export amounting to 1 billion 7.6 million AMD or 308 billion AMD was made.



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The volume of import in January-November as compared with the same span of the last year (calculated in USD) increased by 39.5 percent making 3 billion 985 million USD or 1 trillion 218 billion USD.

28. A MEMORANDUM OF INTENTIONS SIGNED [ARMENPRESS, 12/22/08]

Armenian deputy finance minister Suren Karayan and the head of the USAID program of development of financial sphere Martin Dining signed today a memorandum of intentions on the cooperation in translation of international standards of financial reports into official Armenian.

Press service of Armenian Finance Ministry told Armenpress that the memorandum aims at establishment of the international standards of financial reports which are liable to the translation, conducting their translation as well as providing an official recognition of translated standards by the International accountant standards' commission fund (IASCF) and its adoption by the Armenian government with an aim to implement it in Armenia.

29. 22 BUSINESSMEN TO COMPETE FOR "MERCURY" AWARD OF ARMENIAN CHAMBER OF COMMERSE AND INDUSTRY [ARMENPRESS, 12/22/08]

About 22 businessmen will compete for the "Mercury" award of Armenian Chamber of Commerce and Industry. The prize awarding day is being clarified.

Spokesman of the chamber Vrezh Sarukhanian told Armenpress that the prize giving is conducted already for the third time for encouraging the entrepreneurs who have reached notable successes: this year's prize will be awarded for 2007 results.

Based on the suggestions got by the chambers of the provinces the task group formed the list of candidates. The award will be given for the notable contribution to reprocessing of the agricultural food, light industry, in the sphere of international cargo transportation, preservation and development of traditional industry for Armenia and in the sphere of export.

An award is also intended for notable successes in establishment of small and medium-sized enterprises, conduction of an efficient activity, providing of medical services and tourism, as well as for a notable contribution to the development of IT sphere in Armenia and support to the development of entrepreneurship.

In 2005 18 individual entrepreneurs and people who supported the issues of entrepreneurship have been awarded with "Mercury" award and in 2006 – 24 people.

30. DEPUTY HEAD OF ARMENIAN CENTRAL BANK SAYS THERE ARE NO CRISIS PHENOMENA IN THE ARMENIAN FINANCIAL MARKET [ARMENPRESS, 12/22/08]

The mortgage lending has not stopped in Armenia, simply taking into account the market tendencies the banks have a little bit raised the interest rates.

Deputy head of the Armenian Central Bank Vache Gabrielian told Armenpress that at present in Armenia less credits are provided which is a natural phenomenon as "as a result of certain economic developments the banks provide credits with more strict terms".

"Even if we have had a non significant outflow of investments, parallel to it the sizes of crediting have increased compared with the last year", V. Gabrielian noted.

He found difficulties in predicting how much the interest rate will increase next year "as interest rates have inertia".

According to him, the increases of interest rates have started yet from June-July this year which was also a result of increase of the demands for the money-loan policy in the country and the crisis pressures are much higher.

Therefore, according to the deputy head of the Central Bank, the phenomena should not be ascribed to this autumn. He assured that no crisis phenomena exist in the Armenian financial market.

"It is natural that there is a certain tension in the economy, but they are far away from being called a financial crisis", - he pointed out.



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DIASPORA

31. RA MINISTRY OF DIASPORA TO HAVE OFF-BUDGET BANK ACCOUNT "ARMENIAN DIASPORA" [NOYAN TAPAN, 12/19/08]

At the December 17 sitting, the Armenian government allowed the staff of the RA Ministry of Diaspora to open an off-budget bank account "Armenian Diaspora" at local units of the RA Ministry of Finance - under the RA Law on the Budgetary System of the Republic of Armenia.

According to the RA Government Information and PR Department, it was established that incomes of the given account will form from donations of benefactors. Expenditures from this account will be made by an estimate agreed on with the minister of finance with the aim of financing Diaspora-related programs by order of the minister of Diaspora.

32. CONGRESSMAN MARK KIRK ANNOUNCED CO-CHAIR OF CONGRESSIONAL CAUCUS ON ARMENIAN ISSUES [NOYAN TAPAN, 12/19/08]

The Armenian Assembly of America welcomed the election of Mark Kirk (R-IL) as a new co-chair of the Congressional Caucus on Armenian Issues. In this post M. Kirk will replace the co-chair Joe Knollenberg who will leave Congress in January 2009.

In the words of M. Kirk, after working with the Armenian American community on promotion of U.S.-Armenia issues for 20 years, it was a great honor and inspiration to him to serve together with Congressman Pallone as a co-chair of the Caucus on Armenian Issues. He said that the Caucus on Armenian Issues is famous for its work on development of U.S.-Armenia relations and recognition of the Armenian Genocide, and he anticipates to work with Congressman Pallone and all the members of the Caucus to promote U.S.-Armenia relations in the 111th Congress.

M. Kirk was first elected to Congress in 2000, replacing John Porter (R-IL) who was the first co-chair of the Caucus from the Republican Party.

M. Kirk serves in the U.S. House of Representatives' Appropriations Committee and is included in the Committee's Subcommittee on Financial Services and the Subcommittee on State, Foreign Operations and Related Programs, under whose jurisdiction is the issue of financing of Armenia.

Congressman Kirk has sponsored many resolutions on the Armenian Genocide. Besides, he assisted with adoption of resolutions on the use of a normal constant trade regime between the U.S. and Armenia and co-sponsored resolution 3361 of the House of Representatives, which banned the allocation of taxpayers' money for financing construction of a railway bypassing Armenia.

SOCIAL

33. VIVACELL-MTS ALLOCATED 17 MILLION AMD FOR CONSTRUCTION OF LOCAL HEATING SYSTEM OF ASHTARAK COLLEGE AFTER VARDGES PETROSIAN [ARMENPRESS, 12/22/08]

With the 17 million AMD allocated by VivaCell-MTS, local heating system of Ashtarak college after Vardges Petrosyan was put into operation today.

An official from VivaCell-MTS told Armenpress that corporative social intervention in the college included installation of local heating system with high-quality batteries 5 turbo boilers as well as the construction of metallic-plastic water pipeline. Comfortable conditions have been created for 197 pupils of the college which has 11 classes.

"We hope that the classes organized in warm classrooms will be effective for pupils of the college. Our company creates economic value and invests part of its revenues in the form of multiple CSR programs including education because today's social investment in human capital will be translated into more developed, economically-protected and strong country", noted General Manager of VivaCell-MTS Ralph Yirikian during the inauguration of the heating system.

34. "INFORMATION WARS" INTERNATIONAL CONFERENCE WRAPS UP ITS WORK [ARMENPRESS, 12/22/08]

The "Information Wars" international conference dedicated to the 90th anniversary of Armenpress news agency continued its second day's work December 19 in sections.

Professor Mushegh Hovsepian and candidate of philological science Anahit Menemeshian made reports on "Current Challenges of Information Field" and "Information Security Issues of Republic of



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Armenia” and the head of “IREX-Armenia’s Mass Media Support Program” Robert Evans presented their “Alternative Media” project.

According to R. Evans, the main goal of their programs is that mass media be self-satisfied and standing and develop regularly. R. Evans has a great experience in this sphere: years ago he was deputy head of “NTV” TV channel, worked in “CBS” TV company. “We want to prove that the most useful and beneficial for the public are mass media. Their goal is to have more audience for which it is necessary to be attractive and successive,” he said.

Referring to their program, R. Evans noted that it consists of two parts. About 20 Armenian mass media participate in it. “With the program no penny is provided to mass media, we teach them working in ad market so that each media is able to feel financially secure. During our four-month long activity the ad turnover of the mentioned 20 mass media reached 40 million from 3.5 million USD,” the head of the program said, adding that the increase promotes the development of the country’s economy as well. According to him, the information describing the increase of ad market increases the trust of advertiser which promotes the financial stability of mass media.

Referring to the alternative mass media, Robert Evans highly underscored their existence. “The goal of our programs is to create and help the consolidation of such mass media,” he assured, noting that in many countries information wars are being held between mass media. “We want by all means support the creation of alternative mass media which almost in all the countries exist through web-sites and unlike TV channels, Internet sites do not have ethic norms,” he noted, at the same time advising the students trust those mass media which do not base on the opinion of only one person or source.

The deputy head of the program Artashes Parsadianian noted that the program, after passing certain rounds for mass media, ensures credit means too. Before that mass media passes development round in which the mass media must display potential of self-existence, be independent and devoted to its work. In the development round the organization conducts in the mentioned media a familiarizing research and if everything passes successfully the media enters the program assessment round during which more deep analysis of the activity of the media is conducted. After successfully finishing these processes a working plan is formed on the basis of needs of the media with which different consultations are being organized by which the development plan of mass media is being formed. Only after all this with guarantee of “IREX” the mass media applies to banks to receive credit with five-year term.

Representative of the program Sona Petrosian said that from June of this year Yerevan and several mass media of provinces with their mediation received development credits. “We are happy to somehow help Armenian mass media. We consider this program a great success,” she said adding that it has not ended yet and will continue for another year. The program also supports technically and about 200 million USD have been invested in it.

In the second part of the program “Web-Master” classes are being conducted for representatives of mass media, technical groups are being formed which support the development of mass media and consolidation of their stability. With these programs grants amounting 100,000 USD are being provided.

35. COMPLAINTS ON CASES OF SMOKING IN THE PUBLIC TRANSPORT DECREASE [ARMENPRESS, 12/22/08]

About 134 complains have been voiced via “39-16-53” hot line of “Yerevantrans” company during the last three months of this year which mainly concerned the disrespectful attitude towards the citizens having a right to privileged transportation and 19 complaints smoking in the public transport.

Head of the company Suren Hakobian told Armenpress that all the complaints were taken into consideration, the entrepreneurs have been warned and the drivers – fined by 25,000 drams. 90% of the fined money has already been paid. Compared with previous months, during the last three months complaints on the cases of smoking have reduced.

“The law on limitations of sale, consuming and usage of cigarette” forbids to smoke in the public transport.

Via the “Hot line” also complaints have been registered on the bad activity of min-vans and on stops in wrong places.

36. ARMENIAN BARS CHAMBER TO ESTABLISH AN ELECTRONIC LIBRARY IN 2009 [ARMENPRESS, 12/22/08]

Armenian Bars Chamber intends to establish an electronic library in 2009. Head of the chamber Ruben Sahakian told Armenpress that the necessary devices have already been purchased, the preparatory works have been conducted and the server – created.



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At present 540 units of professional literature are kept in the library of the chamber, there are also 4,000 units of old literature the majority of which is kept in the archives. This year the chamber has been filled up with new literature, precedents of the European court have been got and books have also been provided by the Armenian Court of Cassation. Works of establishing of the electronic library will start from January, 2009 and are intended to be finished in March.

In 2009 the Bars Chamber will continue implementing training program of lawyers. About 20-25 lawyers are intended to be involved in the courses each week.

According to R. Sahakian, seminars on different themes and meetings with specialists of other countries will also be organized for exchange of experience.

On January, 2009 a TV bridge with lawyers of England will also be conducted.

"Besides the themes we are interested in, we study their cases and send questions on concrete cases beforehand. The cooperation with specialists of other countries is very important", R. Sahakian said.

37. FIFTH ANNUAL EXHIBITION-SALE "SHIRAK EXPO 2008" TO BE HELD IN GYUMRI [ARMENPRESS, 12/22/08]

"Shirak Expo 2008" fifth annual exhibition-sale will kick off December 23 in Gyumri "Aragats" sport-culture complex.

Enterprises of the sphere of food industry, beer, IT, stone industry, honey production as well as companies providing services and individual entrepreneurs of the province have presented applications for participation.

Head of the Shirak "Competition Center" fund Gayane Avakian (the exhibition is held with the initiative of the fund) told Armenpress that formerly attempts have also been made by the fund through small exhibitions to present to the guests with what Shirak can compete in the republic and abroad.

From 2003 with an initiative of the fund representatives of industrial, IT and service sphere also took part in the "EXPO" international exhibitions organized in Yerevan.

The "Shirak Expo" annual exhibition started from 2004: the fund was the first one in the province which presented the industrial potential of Shirak and the real state of the existing services in this specialized first exhibition the number of participants of which was more than three dozen: during the next years arts figures also had an opportunity to take part in the exhibition.

38. Y. ZAKHARIAN SAYS THE YEAR WAS NOTABLE FOR THE DEVELOPMENT OF YEREVAN [ARMENPRESS, 12/22/08]

"2008 was notable for the development of Yerevan. It was conditioned by the general economic development of the country as well as the implemented urban programs", mayor of Yerevan Yervand Zakharian said today at a press conference, summing up the year of 2008.

According to him, no such extended town building works have ever been conducted in the capital during the last 20 years. The sum of these works reached nearly 226.5 billion drams this year.

Y. Zakharian stated that all the planned programs of the year have been implemented and no big flaws have been registered.

"I usually think that always more can be done. Mobilization of additional forces, belief and consistency is needed for doing more", he noted.

The town authorities are today concerned with the issue of organization of garbage removal. Y. Zakharian informed that corresponding works are conducted with the World Bank in this direction: a tender is planned to be announced in August next year with an aim to solve the garbage issues in Yerevan and to construct a factory of garbage reprocessing.

Mayor of Yerevan expressed hope that in spite of world financial crisis the planned programs in Yerevan for the next year will entirely be implemented.

"To prevent the negative impact of the world financial and economic crisis we must work more responsibly especially with the investors. During the sessions of the Armenian government prime minister has already noted that a commission has been established which will discuss all the investment programs. During the next year an additional oversight will also be conducted on the budget expenditures. The authorities do their best so that tax field be equal for everyone", the mayor said.

According to him, the world financial crisis will certainly have its impact on the Armenian economy. Therefore the responsibilities of the government, town authorities and district communities will increase, "so that everyone conducts his/her activity more transparently and responsibly and the shortcomings and flaws which existed for years be eliminated".



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