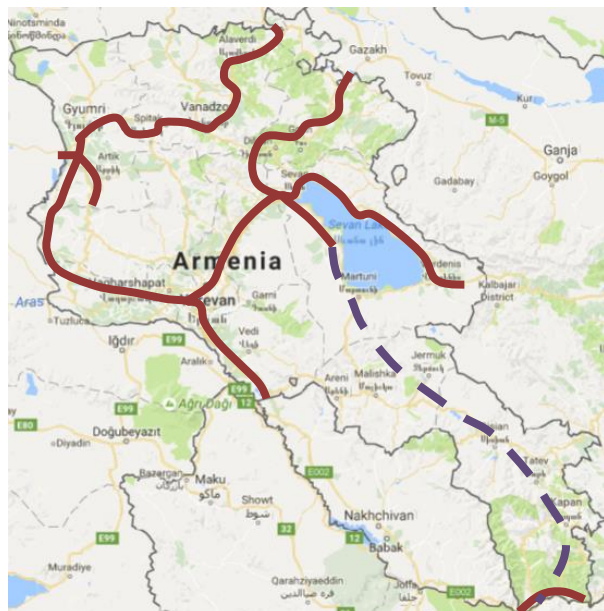


THE SOUTHERN ARMENIA RAILWAY PROJECT

Location: southern part of Armenia, from border with Iran to existing network

Project cost: USD 3.2B

Project background:



The Southern Armenia Railway is a major infrastructure project implemented in Armenia with the aim to connect borders with Iran with the border of Georgia. As a result, the railway, when constructed, will connect China-backed Silk Road Railway and Persian Gulf through South Caucasus railway system with Black Sea and further with Europe. Hence, the railway is a missing part to connect East to West and South to North and is meant to connect Europe with Middle East, Persian Gulf and West Asia. The project is part of the UN Trans European railways agreement and is

included in the Action plan, Vienna 2014-2024, on landlocked developing countries.

The Southern Armenia Railway is set to be a 304.7 km long electrified single-track railway that will connect Gavar, near Lake Sevan, to the southern border of Armenia and will be integrated with the existing railway system of Armenia. Indeed, as Armenian network is already linked to that of Georgia, the new railway will create a good opportunity for organization of passenger and cargo transportation along the routes of Silk Road – starting from China, passing through Iran and reaching EU countries. Moreover, the railway will become the shortest cargo transportation route between Middle East and Europe for oil products, ferrous and non-ferrous metals, reducing the required time by up to 1.5 months.

The project assumes construction of 84 bridges with total length of about 20 km; 60 tunnels with the total length of circa 102 km, 27 stations. The estimated speed of the railway for passenger trains is to be 80 km per hour.

General data

Length of railway lines	304.71 km
Minimum curve radius	500 m for ordinary cases, 300 m for complicated ones
Maximum curvature	30%
Traction type	Electric
Cargo traction	2100 tons
Estimated width of the arrival-departure	550 and 850 m

lines		
Estimated annual cargo volumes and number of passengers		
	by 2025	15.4 mln tons annually
	by 2035	18.3 mln tons annually
	by 2025	600 thousands passengers annually
	by 2035	1.1 mln passengers annually

Within the framework of the project, concession agreement is already signed with UAE based Russia FZE company. China Communicating Company (CCC) has developed the feasibility study of the project. A memorandum of understanding is signed between the Ministry of Transport and Communication of the Republic of Armenia and the Ministry of Transportation and Urban Development of the Islamic Republic of Iran regarding the railway networks connection between the two countries. The Government of Georgia has also expressed its interest in the project implementation.

The railway construction will be implemented as PPP project under which the state will co-finance:

- duties, taxes as well as project expertise and control costs;
- environmental and land acquisition costs;
- costs of technical inspection and control;
- costs for construction permits, formulation of the final act.