
Russia's plan to buy Iran-Armenia gas pipeline is a « Strategic Loss ».

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1/7/2006

Excerpt from report by Armenian newspaper Aykakan Zhamanak on 1 July headlined "New sign of Russia's ill will"

At the stage of planning a gas pipeline from Iran to Armenia, Russia had done everything possible for it to be only of local significance. As a result, the gas pipeline was built with the diameter of 700mm. After putting it into operation, its transit capacity will be 1.2bn cu. m. of gas a year.

This will cover slightly more than half of Armenia's annual demand. The volume of the supplied gas will reach 2bn cu.m. at a later stage. But by that time, Russia will already own the gas pipeline. There were two reasons for Russia being against the construction of the pipeline with a larger diameter. One reason is that such pipelines could be both of regional and European significance. That is to say, it could become the first section of a new gas pipeline towards Europe. But the existence of such a gas pipeline is beneficial to Russia because an alternative would deprive it of an opportunity to apply gas levers to gain concessions from Europe and Armenia.

By intending to acquire the Iran-Armenia pipeline, Russia is trying to deprive Armenia of gas. There is also a political aspect: will the Armenian authorities be able to preserve at least this strategic facility to ensure a better future for their country?

The future of the gas pipeline depends on Iran. The West promises the latter greater economic benefits in case of a peaceful settlement of the nuclear crisis. Let us assume that the crisis is settled peacefully, Iran will benefit from that by getting the status of an alternative gas supplier for Europe.

Naturally there are several ways in which Iranian gas could reach Europe.

Iran would prefer the Armenian route. Of course, in terms of geography Azerbaijan is also an option. But Iran is not going to benefit from Azerbaijan's acquisition of an extra source of income because it cannot help but worry about Azerbaijan.

Naturally Armenia has no alternative in this sense. But there is one "but".

It is a matter of principle for Europe that the new gas pipeline should not belong to Russia, but if it does, Armenia will stop being seen as a transit route and Azerbaijan will become the only route. In this sense if Russia buys the Iran-Armenia gas pipeline, it would be a strategic loss to Armenia. The point is that Russia does not need the pipeline, to be correct, it needs it but not to satisfy its own needs but to hinder others.

By the way, Russia has clashed with Turkmenistan as the latter does not want to supply cheap gas to Russia as the latter sells it more expensively to Europe. The conflict might result in Turkmenistan supporting the construction of a gas pipeline to Europe via the South Caucasus. And if Russia buys our pipeline, then the gas from Iran and Turkmenistan will enter Azerbaijan and Europe via Georgia.
