

THE TRENDS OF ENERGETIC SECURITY AND LIBERALIZATION OF ENERGETIC MARKET IN THE REPUBLIC OF ARMENIA

Hayk Sargsyan

*Dean of Economics and Management Faculty of Yerevan State University,
Doctor of Economics, Professor*

Elyanora Matevosyan

*Lecturer of the Chair of Finances and Accounting
of Yerevan State University,
Ph.D. in Economics*

Ashot Markosyan

*Professor of the Chair of Management
and business of Yerevan State University,
Doctor of Economics*

1. Energetic security is the security of energetic sphere of a State (States) from external and internal environments, factors and processes, which may constitute a threat to sustainable development of the sphere and to energetic independence of the State.

2. The main obligation and the key function of the State in the field of energetic policy is the provision of sustainability of society, safe-protection and development, the deterring of possible threats to security of the State. For that reason should be strictly determined a system of signs and indicators of economic security. The mentioned indicators, marked with distinguishing numbers, send tentative alerts about the upcoming threat and allow taking measures for its prevention.

The issue of creation of cooperation between the energetic system and the State is the issue of providing the economic security and new energetic policy of the State, which is based on commodity (or productive) opportunities and problems determined for providing the “sustainable development”. Energetic system, as a combination of energy, economics and ecology, is the main direction of the further development of Armenia.

3. In energetic system of Armenia have been recently implemented fundamental reforms, which impacted both the economics and the social life. Still being the basis of modernization of economics, energetic system in the process of formation of modern conditions of human society viability and in the context of sustainable development in the future, acquire features of special social infrastructure. The amount of energetic production and quality,

to a large extent, predict the security of economic subjects and citizens, the level of standard of living and business activism.

4. The purpose of strategy of the RA energetic security is to determine the main ways of achieving the determined level of energetic security, compensating the absence of local energy reserves of industrial importance, provision of economically available sustainable energy of accessible quality on everyday basis, in a case of emergency and war¹⁹.

5. The recent reforms initiated by the RA Government relate to the transition of Armenia to new, modern electricity market, the necessity of which is caused by needs of internal market, as well as they are important from the point of view of the use of opportunities of trade between States²⁰.

For the liberalization of electricity market should be implemented the transition to a new model of market, which will contribute to increase of effectiveness of wholesale and retailing and the promotion of trade between States will give opportunities to have certain elements of competition in the local market.

6. Changes which have already been implemented in a number of laws highlight the determination to implement a program by the RA Government. The main purpose of changes are to:

➤ Determine (separate) the functions of the RA Ministry of Energy Infrastructure and Natural Resources, the RA Public Services Regulatory Commission and other public agencies;

➤ Transit from current regulating model of one seller-buyer market to a new liberal model, adapt modern rules of trade, improve the system of price regulation;

➤ Apply new tools for promotion of inter-State trade having as a preference the security and distribution of responsibilities between the participants of the market²¹.

¹⁹ Decree of the RA President of 23 October, 2013 N NK-182-N «On approving of strategy on providing energetic security of the Republic of Armenia», www.arlis.am

²⁰ The protocol decision of the RA Government “On approving of program-schedule of measures for liberalization of electricity market and development of inter-State trade of the electricity system of the Republic of Armenia” of 27 October, 2017, www.e-gov.am/sessions

²¹ On approving the package of the RA law-projects “On Energy”, “On Licensing”, “On State Fee”, adopted at the session of the RA Government of 7 September, 2017, www.e-gov.am/sessions/.