

Naveed Hassan Naqvi, said in an interview with Reuters.

“The World Bank expects the Azerbaijani economy to grow by 1-1.5 percent in 2018,” he said.

Naqvi said there were some signs of improvement in the business environment in the last 18 months, including simplification of visa regulations for foreign visitors.

Nariman Mannapbekov, the Asian Development Bank’s country manager, praised measures taken in the agriculture sector and the implementation of structural reforms to improve trade.

“We see good progress in the simplification of customs clearance, the introduction of electronic payments of custom duties, reducing the time period for getting some licenses,” Mannapbekov told Reuters. He said the Asian Development Bank (ADB) wanted to see reforms in agriculture that were sustainable and results-oriented, and said the introduction of strong corporate governance at large state-owned enterprises would be “beneficial for the economy and its diversification.” Mannapbekov said that in April the ADB might raise its forecast slightly for 1 percent economic growth in Azerbaijan this year. Azerbaijan joined the WB group in 1992 and ADB in 1999.



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Macroeconomics

International financial organizations positively assess economic reforms in Azerbaijan

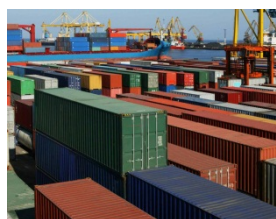
Oil-rich Azerbaijan is making progress in its drive to diversify sources of economic growth and improve its business environment, but needs to do more, say officials from the World Bank and the Asian Development Bank.



“There is still a lot of work to be done, but the Azerbaijani government is taking measures to encourage the non-oil part of the economy to grow,” the World Bank’s country manager,

Country's foreign trade turnover jumps

The growth of the foreign trade turnover of Azerbaijan was favored both by the rise of oil prices in world markets and by the implementation of projects to commission new enterprises.



Statistics of foreign economic activity of Azerbaijan shows that in January 2018 the volume of foreign trade turnover of the country amounted to \$1.727 billion, which is \$473 million, or 37.7 percent more compared to the same period in 2017.

At the same time, the export of Azerbaijani products amounted to \$1.038 billion, while imports reached \$688 million. Thus, in foreign trade activities in January, a positive balance of \$350 million was recorded. The main export commodities in January 2018 were crude oil - \$874.8 million (84.2 percent), natural gas - \$22.7 million (2.19 percent) and fruits and vegetables - \$34.8 million (3, 36 percent).

In the import of goods, the leading place was occupied by equipment from the world's leading manufacturers, which is connected with the expectation of commissioning of new enterprises

equipped with modern production lines.

The main trade partner of Azerbaijan in January 2018 was Italy, which accounted for \$297.8 million, or 17.24 percent of the total turnover.

Among the leading trade partners of Azerbaijan are also Russia - \$163.9 million (9.49 percent), Israel - \$138.8 million (8.04 percent) and Turkey - \$124.3 million (7.2 percent).

In foreign trade were involved 3,568 persons in January 2017 who conducted trade operations with 121 countries around the world.

In general, in 2017 foreign trade turnover amounted to \$24.257 billion, which is 12.3 percent more than a year earlier, the State Statistics Committee reported.

Industry

Energy minister talks on Azerbaijan's oil and gas strategy

Azerbaijan's oil and gas strategy is to



continue to remain a reliable partner, Azerbaijani Energy Minister Parviz

Shahbazov said. Shahbazov made the remarks at a press conference in Baku following the Fourth Ministerial

Meeting of the Southern Gas Corridor Advisory Council.

He added that Azerbaijan for many years has proved itself as an oil country.

"However, after the implementation of such a giant project as the Southern Gas Corridor, Azerbaijan is becoming a big producer and exporter of gas to Europe and is becoming famous as a gas country," Shahbazov said. "Gas compared to oil is a more environmentally friendly product and the need for it, including in Europe, is growing. Taking into account this and Azerbaijan's rich natural resources, gas export is a priority for the country."

He added that Azerbaijan has proved itself as a reliable partner and its strategy is to continue to remain such a partner.

The Southern Gas Corridor is one of the priority projects for the EU and provides for the transportation of 10 billion cubic meters of Azerbaijani gas from the Caspian region through Georgia and Turkey to Europe.

At the initial stage, the gas to be produced as part of the Stage 2 of development of Azerbaijan's Shah Deniz field is considered as the main source for the Southern Gas Corridor projects. Other sources can also connect to this project at a later stage.

As part of the Shah Deniz Stage 2, the gas will be exported to Turkey and European markets by expanding the South Caucasus Pipeline and the construction of Trans Anatolian Natural Gas Pipeline (TANAP) and Trans Adriatic Pipeline (TAP).

Agriculture

Agriculture programs to lower Azerbaijan's dependence on import: minister

Adoption of development programs in various agricultural



sectors in Azerbaijan will allow to significantly lower dependence on imports, Minister of Agriculture Heydar Asadov said. He noted that three such programs were adopted from July 2017 and three more – since the beginning of 2018.

"These programs show that we have a goal to decrease imports and increase exports not only regarding one product, but regarding several directions," Asadov said. "Besides ensuring the population's demand, it is also necessary to ensure currency inflow to Azerbaijan through expansion of exports and increasing its volumes."

The minister noted that in 2017, Azerbaijan considerably increased exports of agricultural products.

“Last year, we imported products worth \$715 million, while exports were worth \$570 million,” Asadov said. “Compared with 2016, imports increased by \$30 million, while exports grew by \$164 million.”



Azerbaijan to significantly expand wine export

Azerbaijan plans to expand the volume and geography of local wine exports, Rufat Mammadov, president of the Azerbaijan Export and Investment Promotion Foundation (AZPROMO), said on March 2 at a joint event of AZPROMO and the National Confederation of Entrepreneurs (Employers) Organizations of Azerbaijan.

Noting that presently Azerbaijan delivers wine mainly to Russia, Mammadov said that last year the volume of export of Azerbaijani wine abroad amounted to \$6 million, which is 67 percent more than in 2016.

“The Chinese market is one of the most important directions for us,” he added, noting that this year, Azerbaijan’s wine house will open in Shanghai. It is noteworthy that last

year, Azerbaijani wines worth \$1 million were delivered to China.

Mammadov further said that about 60 percent of subsidies allocated for export promotion in Azerbaijan last year accounted for wine producers. In general, Azerbaijani entrepreneurs received subsidies worth 3 million manats (\$1.76 million) as part of the export promotion mechanism in 2017, he added. Currently, winemaking is a promising segment of the country's economy and the government continues to support its development. As many as 23 out of 38 alcohol producing companies operating in Azerbaijan are engaged in only wine production. Meanwhile, 20 of these companies are export oriented.

The country exports its wine products to Russia, China, Turkey, South Korea, France, Ukraine, Germany, Japan, Belarus, Georgia and some other countries. Thus, the Azerbaijani wine is becoming more and more popular around the world.

Transport

Baku to host conference of International Association of Ports, Harbors

Baku will host the annual conference of the International Association of Ports and Harbors (IAPH), which has more than 300 members from 88 countries, the Baku International Sea Trade Port CJSC reported on May 17.

A delegation from the Baku International Sea Trade Port



participated at the annual conference of the IAPH that was held in Panama on May 10-13. Baku Port has been a full member of the IAPH since 2010.

During the conference, IAPH Secretary General Susumu Naruse said that the Association was a wonderful forum for ports around the world to collaborate and share their experiences.

"We are happy to have chosen Baku as host city for the 2018 mid-term conference and look forward to visiting Azerbaijan and seeing at firsthand the developments in and around the new Port of Baku," added Naruse.

IAPH President Santiago Garcia Mila, in his turn, pointed to the significance of the decision to hold the IAPH conference for the first time ever in Azerbaijan and in a region of the world that has undergone such rapid economic growth.

"I trust that delegates from across the world will also eagerly anticipate a visit to Port of Baku in 2018 and seeing for themselves its role as the

transit and logistics hub for Eurasia," said Mila.

Director General of Baku port Taleh Ziyadov highlighted the importance of the Association's selection of Baku.

"Hosting the IAPH annual mid-term conference in 2018 will be a major opportunity to promote our country and its development," said Ziyadov. "We hope to welcome over 500 delegates from ports around the world to visit the country's capital in 2018." Participants will become acquainted with the new Baku port and Free Trade Zone (FTZ) that is being developed around it and also learn about Azerbaijan's history and culture, added Ziyadov.

The International Association of Ports and Harbors was established in 1955 and is headquartered in Tokyo, Japan. Its annual conferences feature discussions on important issues that include: port stability and security, the development of new port facilities, the impact of environmental change, information technologies and port operations. The 2015 annual conference was held in Hamburg, and Bali (Indonesia) is the venue for 2017. President Aliyev signed a decree on March 17 on measures to establish a special economic area in the Alat settlement, which will also include the territory of the new Baku International Sea Trade Port.

The decree has been signed for ensuring sustainable economic development, increasing the competitiveness and creating a multi-vector transport infrastructure in Azerbaijan.

Once established, the Free Trade Zone (FTZ) will bring huge revenues to Azerbaijan's state budget. The profitability of FTZ has many examples in the world; FTZ in Hong Kong or in Dubai turned both cities into a center of attraction for investors from all around the world, and paved the way for inflow of huge funds to the countries.

Tourism

Gabala declared Islamic tourism capital



Azerbaijan's picturesque Gabala city was chosen the tourist capital of the Islamic world for 2020 by the Organization for Islamic Cooperation (OIC). This was announced at the 10th Islamic ministerial conference on tourism, where Dhaka (Bangladesh) and Gabala was selected as capital cities of Islamic tourism in 2019 and 2020 respectively.

Previously Konya (Turkey), Madina (Saudi Arabia) and Tabriz (Iran) were named the Tourism Capital of the

Islamic world in 2016, 2017 and 2018, accordingly.

The Islamic trade fair should be staged in any of the two recipient cities as a means to further boost Islamic tourism activities, the OIC said earlier.

The capital of Bangladesh, Dhaka is hosting the 10th session of the Islamic Conference of Tourism Ministers (Session of Regional Integration through Tourism), which opened on February 6 and will be concluded with the adoption of Dhaka Declaration and a series of resolutions aimed at tourism development in the Muslim world.

Gabala, which is located about 225 km away from the capital city of Azerbaijan, is a perfect place for rest and tourism. The weather here is mild in spring and autumn, hot in summer and cold in winter. In addition to marvelous weather, Gabala suggests gorgeous historical monuments, which emerge all around the city and its vicinity.

Just like in past, today Gabala is a magnet for international and local events. It can be said that the city is the second popular destination of Azerbaijan after capital Baku. Numerous meetings of politicians and summits are held in this wonderful city. In 2013, Gabala was declared the Cultural Capital of the Commonwealth of Independent States,

in recognition of its long contribution to the history of Azerbaijan and the region. And today Gabala justifies its high title. Currently, everything possible is made in the city for the sake of coming tourists. Many hotels, including world hotel chains were put up in Gabala. The city contains an ice skating rink and a Greek-style theatre, built especially for outside concerts. Tourist can make shopping in several modern shopping malls constructed within the city. Additionally, Gabala is home to Tufan Ski Complex, one of the biggest ski resorts throughout the whole Caucasus, which serves up to 3,000 ski lovers a day.

Moreover, the largest entertainment park under the open sky in Azerbaijan – Gabaland is located at the area of 16 hectares in Gabala. Visitors are provided with extreme kinds of attractions, ice arena, carting, sports fields, theatre, convenient parking, great food in restaurants and cafes. In short, modern Gabala manages to combine both ancient greatness and modern development, and it can be said that Gabala is one of the most vivid examples of cities of contrasts, which are so loved by tourists.

Announcements and Notifications

Azerbaijan International Travel & Tourism Fair (AITF)

In 2018, the largest oil and gas event in the Caspian Region – the Caspian Oil & Gas Exhibition and Conference

Incorporating Refining and Petrochemicals – will celebrate its 25th Anniversary.

The history of Caspian Oil & Gas began in 1994 just before the ‘Contract of the Century’ was signed in September of that year, an agreement which defined the main development areas for the Caspian Basin’s hydrocarbon resources. This contract opened a new chapter in the history of oil in the country. The idea of organising Azerbaijan’s first exhibition dedicated to oil and gas was supported at the time by Heydar Aliyev, the country’s National Leader, and since then Caspian Oil & Gas has been a meeting place for leading oil, gas and energy professionals – a place where memoranda, agreements and contracts for future cooperation are signed.

An important part of the event’s business programme is the Caspian Oil & Gas international conference, which over 500 delegates from more than 30 countries take part in every year. Over the past 25 years, this conference has become the main platform for discussing Azerbaijan’s rich hydrocarbon and transit potential, its appeal to foreign investors, and opportunities for business cooperation.