



Economic News Bulletin
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Macroeconomics

Deputy PM: Azerbaijan aims at more active involvement of women in business

Azerbaijan aims to ensure that more women are engaged in activities in small and medium-sized enterprises (SMEs), thereby contributing to the country's economy, Deputy Prime Minister Ali Ahmadov said. He was speaking at a conference on the topic of new opportunities in women's entrepreneurship, dedicated to Global Entrepreneurship Week. He said that the activity of women is one of the



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most important indicators of social progress.

“Azerbaijani women are active in all spheres and participate in the formation of public opinion,” he noted. He noted that the employment level of women in Azerbaijan is high in a number of spheres, in particular in education and healthcare.

“We encourage equal participation of men and women in all spheres. In this aspect, wider participation of women in the business sphere is one of the directions of the policy being implemented. We encourage equal participation of men and women in all spheres. In this aspect, wider participation of women in the business sphere is one of the directions of the policy being implemented,” Ali Ahmadov stated.

Ahmadov added that the Azerbaijani government pays great attention to the development of SMEs, carries out the necessary work and allocates funds for the business development. “Azerbaijan will continue creating wide opportunities for SMEs,” he said. Nowadays, the stereotype that business is a purely male activity and there is no place for female entrepreneurs in it has already been destroyed.

In the current market economy, when the country switched to a new model of economic development, the role of

women is increasing. In Azerbaijan, the development of female entrepreneurship is supported not only by society, but also by the government. As a result, in recent years, the number of women in business has increased by several times.

Azerbaijan pays special attention to the development of entrepreneurship among women and young people, however, as throughout the world, the potential of women entrepreneurs in the country is not fully realized. If we compare the development of women's entrepreneurship in Western countries, then there is information to think about. In particular, in Western countries there are a lot more women working at the top management level. On the other hand, if we look at the CIS countries, a lot of women entrepreneurs have appeared in Azerbaijan in recent years. By 2015, this figure stood at the level of 15-18 percent in the region, now it makes about 30 percent. This was achieved largely due to the consistent policy of the country, the adoption of several important laws in the field of entrepreneurship and, more importantly, their implementation.

Non-oil sector growth projected in Azerbaijan

As a result of the measures taken in Azerbaijan, it is projected that the non-oil sector will grow 3.9 percent, Economy Minister Shahin Mustafayev

said at the plenary session of the Azerbaijani parliament. "Considering the changes taking place in the global economy and the economic situation in our main partner countries, Azerbaijan's Economy Ministry has prepared socio-economic indicators for 2019 and for the medium term over the next three years," Mustafayev said.

The minister noted that according to the forecasts of the International Monetary Fund (IMF), the average global economic growth in 2018 and 2019 will be 3.7 percent, and according to the calculations of the World Bank (WB), this figure will be 3.1 percent.



Mustafayev noted that along with the positive trend currently observed in the world, there are still some risks. As a result of tightening of financial requirements in a number of countries, the main risk factors include reduction in capital flows to developing economies, as well as the application of new trade tariffs, geopolitical tensions in some countries and the loss of value of the national currency of major trading partners, he said.

"The course of sustainable development and socio-political stability, the foundation of which was laid by national leader Heydar Aliyev, was further strengthened under the

leadership of his worthy successor President Ilham Aliyev,” Mustafayev added. “As part of this course, comprehensive measures were taken to accelerate diversification of the economy, the growth of production and export of the non-oil sector, as well as development of labor relations, was ensured, the improvement of the business environment and the regulatory framework in the sphere of entrepreneurship activity was ensured, and business support mechanisms were created.”

Mustafayev also noted that in the WB’s Doing Business 2019 report, Azerbaijan entered the list of the 10 most reformist countries in the world, and became the country that conducted the largest number of reforms.

The minister noted that in 2019, GDP is projected to increase by 3.9 percent, and in subsequent years by an average of 3.4 percent, while the current account balance is projected to be positive. The minister said that after analyzing the changes in the global economy and the forecasts of international organizations, the price of one barrel of oil for the medium term was set at \$60.

“Next year, an increase in oil and gas production at the Shah Deniz field is expected, an increase of 3.1 percent is expected in the oil sector, and an increase by an average of 3.2 percent

is expected in subsequent years,” the minister said. “Investments in fixed assets next year will be 17.9 billion manats, and the value of domestic investments will amount to 4 billion manats. In 2019, the construction sector is expected to grow by 2.5 percent.”

The minister also said that already 63 percent of companies that received investment promotion documents started their work, while the remaining companies are expected to start their work before the end of this year.

Industry

Azerbaijan improves position in WEC’s Energy Trilemma Index 2018

Azerbaijan has jumped up by four points and acquired the 27th position among 125 Countries in World Energy Trilemma Index 2018 published by the World Energy Council (WEC) in partnership with global consultancy Oliver Wyman. Last year, Azerbaijan stood at 31st place in the WEC’s Energy Trilemma Index which ranks Countries’ energy performance on three dimensions; (1) Energy Security, (2) Energy Equity, and (3)



Environmental Sustainability based on global and national data.

In the Energy Trilemma Index, Denmark stood atop followed by Switzerland and Sweden at 2nd and 3rd positions respectively for maintaining well-balanced energy systems.

Likewise, Netherlands, United Kingdom (UK), Slovenia, Germany, New Zealand, Norway and France were also ranked from 4th to 10th positions respectively in top 10 performers.

The World Energy Trilemma Index prepared annually by the WEC in partnership with Oliver Wyman is a comparative ranking of 125 Countries' energy systems. It provides an assessment of a Country's energy system performance, reflecting balance and robustness in the three trilemma dimensions including Energy Security, Energy Equity and Environmental Sustainability

Agriculture

New greenhouses to appear in Azerbaijani with WB support

Agriculture is one of the most important sectors of the economy in Azerbaijan - a country that is considered to be one of the earliest sites of human agricultural activity. The fertile lands, abundance of water

and climatic diversity create favorable foundation for ever-strengthening agrosector. Presence of nine climatic zones allows the country to produce a variety of agricultural products and brings about new opportunities for coming up with different types of goods.

As one of the leading agro-food producers in the whole CIS, Azerbaijan seeks to further develop its agriculture and



food industry for import substitution purposes in parallel with enhancement of export capabilities. Azerbaijan has 4.8 million hectares of agricultural land, which comprises over 50 percent of its total territory, of which 39.6 percent is arable. Meanwhile, the food-processing sector constitutes an important component of the national economy and accounts for over 38 percent of total manufacturing industry. The revival of agriculture sector plays an important role in the development of rural regions, where 47 percent of Azerbaijan's population lives.

Therefore, the government has targeted agriculture as one of the priority areas of diversification of Azerbaijan's economy and is constantly implementing various successful projects in this field.

The Azerbaijani Ministry of Agriculture has launched a project to create greenhouses within the framework of a joint project with the World Bank (WB), the second phase of Azerbaijan Rural Investments (AzRIP), the agency said. The project also involves the State Service for Agricultural Projects and Credit Management.

A greenhouse created in the village of



Yeni Dashkand of the Barda region was commissioned as part of the project. The

ceremony, held on this occasion, was attended by representatives of the State Service, the Executive Authority of the Barda region, the chairmen of the municipality and residents of the villages where AzRIP is implemented. The head of the State Service for Agricultural Projects and Credit Management, Mirza Aliyev, noted that the project to create greenhouses was selected based on the results of an analysis conducted by members of the rural community. The project is managed by community members, and they will distribute the received income among themselves. Six members of the community will be recruited for permanent jobs, and nine for seasonal work.

Greenhouse was built on a plot of 40 acres. The area of covered soil suitable for sowing is 25 acres. Since October, 9,000 tomatoes have been produced in the greenhouse. From February to May it is planned to increase the sale of products.

The second phase of the AzRIP project has been implemented in Azerbaijan since 2012. This project was created on the basis of the results of the first phase, which contributed to an increase in the incomes of 600,000 farmers, improvement of irrigation services for 700,000 people. The project covers five main zones - flat Shirvan, Mugan-Salyan, Nakhchivan, northern and north-western zones.

Regardless of geographic location, the majority of greenhouse cultivation systems in Azerbaijan consists of fundamental climate control components. Additionally, they can provide a greater or lesser amount of climate control, and subsequent plant growth and productivity depending on their design and complexity.

Founded in 1944, the WB activity touches nearly every sector that is important to fighting poverty, supporting economic growth, and ensuring sustainable gains in the quality of people's lives in developing countries. Azerbaijan joined the World Bank Group in 1992. Since then, commitments to the country

totaled over \$3.78 billion for 50 projects.

Transport

Baku is one of main hubs along Belt and Road Initiative

The successful transport projects, such as Baku-Tbilisi-Kars, South-North, Alat International Sea Trade Port, carried out by Azerbaijan, considerably contribute to the One Road, One Belt initiative. Chairman of the Port of Barcelona Santiago Garcia-Milà told Trend that Baku is one of main hubs along Belt and Road Initiative.



"I would like to highlight the great impact of the IAPH Baku World Ports conference in the port sector. With more than 400 participants from 65 countries and the high level of the working sessions Baku conference was the most successful and well-attended mid-term conference of IAPH. Undoubtedly, it promoted the role of Baku as one of the main hubs along the Belt and Road Initiative (BRI)," he noted.

The Chairman of the Port also spoke about the possibilities of cooperation between the Port of Baku and the Port of Barcelona, saying that such a

collaboration may not be developed in the near future due to different geographical location of the ports.

As far as the collaboration between the Port of Barcelona and the Baku Sea Trade Port is concerned, please take into account that the location of the Port of Barcelona determine that its cooperation strategy is focused in the Mediterranean/South European area, he said.

"In the recent years, the Port of Barcelona has been developing cooperation projects with other maritime ports in the Mediterranean area and its strategic plan establishes as a priority to continue with this strategy for the next years. This means that the collaboration of the Port of Barcelona with the Port of Baku, located in a different geographic area, may not be developed in the near future," he said.

The IAPH World Ports Conference 2018 was held in Baku on May 8-11. The main theme of IAPH World Ports Conference 2018 is "Ports of the Future: Creating Hubs, Accelerating Connectivity".

The event was attended by port heads, government representatives, professors and experts from around the world, including Europe, Japan, Iran, Georgia, Indonesia, Nigeria and others. The participants of the event discussed cargo transportation along

the Silk Road, the development of transport hubs and the role of ports in this issue, as well as issues of multiculturalism, cultural differences in global logistics, the work of free trade zones, increasing competition among them and other topics.

The Baku International Sea Trade



Port is located on an area of 400 hectares of land, of which about 100-115 ha cover the area for the development of the international Logistics and Trade Zone. The northern areas around the port are reserved for future expansion of logistics, industrial, and manufacturing activity.

The Port is expected to become one of the leading trade and logistics hubs of Eurasia. The implementation of all three phases of construction is projected to increase the capacity up to 7,660 tons on a daily basis.

The cargo handling capacity of the port, opened on May 14, 2018 with the participation of President Ilham Aliyev, within the first phase is 15 million tons, including 100,000 containers per year. Seven of 12 existing berths serve dry cargo ships, two berths - ferries, two more berths - Ro-Ro and Ro-Pax vessels.

In 2017, the volume of freight traffic through the Baku International Sea Trade Port (excluding the oil terminal) rose by 31 percent and totaled 4.4 million tons as compared to 2016. About 85.7 percent of the total volume accounted for the share of transit cargo transportation.

President Ilham Aliyev signed a decree on March 17, 2016, on measures to create a free trade zone type special economic area covering the territory of the Baku International Sea Trade Port in the Alat township of Baku's Garadagh District.

The FTZ is expected to bring up to \$1



billion just in the first few years. Special tax and customs policy,

which will be pursued in the territory of the free trade zone will also stipulate further development and simplification of a number of procedures. FTZ will be located within the grounds of the new port, covering an area of 100 hectares. Since the new port is being built at the major railway juncture connecting the North-South and the East-West railway lines in Azerbaijan, FTZ will also have rail access. Serving as a multimodal transit logistics hub, the new port and FTZ will become a major consolidation and distribution centre in Central Eurasia that provides a wide range of value added services.

The Baku International Sea Trade Port has signed a number of documents on cooperation with foreign partners. Memorandums of understanding were signed between Baku International Sea Trade Port CJSC and China's Lianyungang Port Holding Group Ltd, China's COSCO SHIPPING Lines Co., LTD and Mumbai Port Trust (India).

The memorandum of cooperation was signed between the Baku International Sea Trade Port and China's Port of Guangzhou. All above mentioned measures undertaken will undoubtedly play an important role in strengthening the country's transport infrastructure.

Tourism

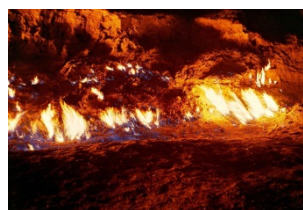
Azerbaijan talks infrastructure modernization of cultural reserves

Azerbaijan, a country with a rich culture and centuries-old history, has a variety of architectural monuments and sights. Historical and cultural reserves of Azerbaijan have a special place among such attractions. Reserves under the Ministry of Culture and Tourism create extensive opportunities for the development of cultural tourism in the country.



The Azerbaijani State Tourism Agency is developing proposals to create modern infrastructure on the territory of the Yanardag State Historical-Cultural and Natural Reserve, Kenan Guluzade, head of the public relations department of the agency, said. He said that at this stage, work actively continues on the reconstruction of the reserve, which is a part of the state agency.

"Azerbaijani President Ilham Aliyev



signed a decree on measures to reconstruct the Yanardag State Historical-Cultural and

Natural Reserve in order to create modern tourism infrastructure in the territory of this reserve," he said. Guluzade noted that seven reserves are included in the agency's structure. "Besides Yanardag, the agency's structure includes the Ateshgah Temple State Historical-Architectural Reserve, the Basgal State Historical and Cultural Reserve, the Khinalig State Historical, Architectural and Ethnographic Reserve, the Lahij State Historical and Cultural Reserve, the Yukhary Bash State Historical and Architectural Reserve in Sheki city and the Kish State Historical and Architectural Reserve. By his decree, the president of Azerbaijan instructed the state agency to prepare the relevant information on condition of the Basgal State Historical and

Cultural Reserve, as well as to prepare proposals for the development of tourism infrastructure in the territory of this reserve," said Guluzade.

He noted that the State Tourism Agency is working on all the issues, as well as closely studying the situation in five other reserves, where work of a similar nature is planned. Cultural reserves and historical sites operating in the regions of the country have attracted many visitors throughout the year.

One of such examples is Ateshgah



Temple. The place that is saturated with ancient history and religious beliefs is

among the most attractive places of the country. The number of tourists visiting the place is increasing every year. Last year the number of tourists visiting Ateshgah was 30,751, while 25,346 of which were foreigners. The main share of those who visited Ateshgah made up the tourists coming from Russia and Arab countries.

Basgal settlement is located in the Ismayilli district at an altitude of 998 meters above sea level and is also a part of the state cultural and historical reserve. It is protected by the state. According to a number of historians, Basgal was founded in the fourth century.

The small yet miraculous Khinalig is located at the peak of the Caucasus Mountains, 2,350 meters above the sea in Guba region. This village itself is enlisted as a State Historic-Architecture and Ethnography Preserve from 2007.



There are a number of tours and guests houses in the village, which make trip to Khinalig more

convenient for tourists. In 2017, a great number of tourists visited the State Historical-Cultural and Natural Reserve of Yanardag. During the year, 54,717 out of 63,574 people that visited the place were foreign tourists. They mostly came from Russia, the United Arab Emirates, Iraq and other countries.

Last year, 56,742 tourists visited the Yukhari Bash State



Historical-Architectural Reserve in Sheki. Some 40,182

people visited Lahij State Historical and Cultural Reserve in Ismayilli, and 25,850 tourists came to see Kish Historical-Architectural Reserve in Sheki. In 2016, some 356,000 tourists visited the historical and cultural sites, whereas in 2017 this figure reached 486,233, a considerable share, namely, 166,153 of which fall on foreign citizens.

Announcements and Notifications

Azerbaijan International Travel & Tourism Fair (AITF)

Azerbaijan International Travel & Tourism Fair (AITF) is a 3 day event being held from 4th April to 6th April 2019 at the Baku Expo Center in Baku, Azerbaijan. This event showcases products like reflects dynamic development of the very promising tourism market in the region and



establishes a solid platform for domestic and international experts to demonstrate the recent trends in business, incentive, health and luxury travel etc. in the Business Services, Travel & Tourism industries. AITF is the main event in Azerbaijan's fast growing tourism market attracting a large number of international participants and trade visitors from year-to-year becoming the 'hub' for the tourism industry of the entire Caspian region. It is where important meetings are organised, partnership agreements are concluded, new programs and destinations are announced.

Website www.bakutel.az