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## Macroeconomics

### EU says opening of BTK major step in transport interconnections

The opening of the Baku-Tbilisi-Kars (BTK) railway is a major step in transport interconnections linking the European Union, Turkey, Georgia, Azerbaijan and Central Asia, EU said in a statement.



“The European Union welcomes the new rail corridor which, coupled with investments, improved infrastructure and logistics coordination will provide better connectivity, new business opportunities and increased trade. This is at the heart of its Eastern

Partnership as well as of its Central Asia strategy,” said the EU.

The European Union has always supported projects aiming at improving connectivity with its neighbouring partner countries, according to the statement.

“With further improvements of transport links between Turkey and Bulgaria as well as between Azerbaijan and Central Asia, this project will provide fast and reliable land connection between Europe and Asia along the ancient Silk Route. We are also supporting the Southern Gas Corridor which will provide similar energy interconnection,” said the EU.

The BTK railway was constructed on the basis a Georgian-Azerbaijani-Turkish intergovernmental agreement. The railway’s peak capacity will be 17 million tons of cargo per year. At an initial stage, this figure will be one million passengers and 6.5 million tons of cargo.

### Azerbaijan’s electronic signature experience presented at UN conference in Geneva

Azerbaijan has presented its electronic signature



experience at the first meeting of the intergovernmental expert group on “E-commerce and digital economy”

held by the UN Conference on Trade and Development (UNCTAD) in Geneva, said Azer Bayramov, representative of the Ministry of Transport, Communications and High Technologies who was attending the conference.

The main goal of the expert group is to support developing countries to benefit from the opportunities of e-commerce and overcome existing obstacles in this area, considering the fact that the digital economy is unequally developed around the world. The "Information Economy 2017" report prepared by the UN Conference on Trade and Development (UNCTAD) was presented at the meeting of the intergovernmental expert group, which brought together representatives of more than 70 countries and officials of various international organizations, Azertac reported.

The participants were informed about the development of the international platform "www.etradeforall.org", founded by UNCTAD, which allows emerging economies to benefit from the potential of e-commerce. Through this initiative, countries are able to reach out to potential partners, get the latest information on innovations and e-commerce.

Addressing the event, Azer Bayramov highlighted Azerbaijan's experience in the development of e-commerce and

digital economy. He noted that introduction of the new generation of ID cards, wide application of mobile government and mobile signature in Azerbaijan beginning from 2018, will give an important impetus to the development of e-commerce in the country. The conference participants hailed Azerbaijan's experience of electronic signature.

## Industry

### Azerbaijan predicts huge growth of own pharma industry over next 5 years

The pharmaceutical production will increase by 58.4 times in Azerbaijan over the next 5 years, according to the concept of social and economic development of the country in 2018 and the next three years, submitted to the country's parliament for discussion. According to the document, the pharmaceutical production volumes will reach 1.5 million manats in 2017 and 1.9 million manats in 2018.



At present, pharmaceuticals is almost undeveloped in Azerbaijan, most of the medicines and other pharmaceutical products are imported from abroad. A number of low-profile companies such as Azerjod LLC operate in the country, but the production of pills, antibiotics and

other medicines in the country has not yet been established.

The establishment of the Pirallahi industrial park was launched in Azerbaijan in September 2016 to improve the situation in the pharmaceutical industry. The plant of Azerbaijan's Diamed C company and two pharmaceutical plants with foreign capital, namely, Azerbaijani-Russian and Azerbaijani-Iranian plants, are being currently built in the Pirallahi industrial park. A similar agreement has been recently signed with Ukraine's Indar company.

Moreover, Belarusian, South Korean and Japanese companies are also interested in constructing pharmaceutical plants in Azerbaijan. After commissioning of those pharmaceutical plants in Azerbaijan, the pharmaceutical production is expected to soar. Thus, according to the concept, the pharmaceutical production volumes must reach 69.5 million manats in 2019, 77.6 million manats in 2020 and 87.6 million manats in 2021.

### **Azerbaijan ready to support OPEC deal extension**

Azerbaijan will support the extension of the OPEC+ agreement, if the decision is made, Azerbaijan's Energy Minister Parviz Shahbazov said.

According to him, Baku always takes the fulfillment of undertaken

international obligations extremely seriously and the OPEC+ deal is no exception.

"The stability of the oil market is in the interests of our country. This is why we joined this initiative. Time has shown that the Vienna agreement paid off. This is a great achievement," Shahbazov explained.



He recalled that the next OPEC meeting at the ministerial level will be held in Vienna in November 2017. "If we receive an invitation, we will certainly coordinate our participation with the country's leadership and consider the invitation," Shahbazov said.

It should be reminded that in December 2016 in Vienna, 11 non-OPEC countries, including Azerbaijan, agreed to curtail oil output jointly by 558,000 barrels per day. The agreement was signed for the first half of 2017. On May 25, OPEC member countries and non-OPEC parties, Azerbaijan, Kingdom of Bahrain, Brunei Darussalam, Kazakhstan, Malaysia, Mexico, Sultanate of Oman, the Russian Federation, Republic of Sudan, and the Republic of South Sudan agreed to extend the production adjustments for a further period of nine months, with effect from July 1, 2017.

According to the Ministry of Energy of Azerbaijan, daily oil production in Azerbaijan amounted to 785,700 barrels in September, 733,000 barrels of which accounted for crude oil, and 52,700 barrels accounted for condensate.

Meanwhile, 627,000 barrels of crude oil, 52,700 barrels of condensate and 19,300 barrels of oil products were exported per day.

It should be noted that Azerbaijan produced 793,900 barrels of oil per day in January 2017, 776,400 barrels per day – in February, 733,300 barrels per day – in March, 781,100 barrels per day – in April, 785,300 barrels per day – in May, 793,700 barrels per day – in June, 796,700 barrels per day – in July, and 734,800 barrels per day in August.

## Agriculture

### Azerbaijan to buy over 5,600 agricultural machinery units in 2017



Azerbaijan will purchase over 5,600 units of agricultural machinery in 2017, according to the monitoring report on the implementation of measures reflected in the “Strategic Road Map for Manufacture and Processing of Agricultural Products.”

On the order of major enterprises engaged in cotton manufacture, it is planned to purchase 5,602 units of agricultural machinery, in particular 150 cotton harvesters, 1,270 plows and planters of different brands in 2017, according to the report. It is planned to allocate \$101.42 million and 14.2 million euros for their purchase.

Besides, in 2017, Azerbaijan will receive 59 units of cotton harvesters of “John Deere 9970” brand. The total cost of the agricultural machinery will be \$17.58 million, and the contract for its supply was signed last year. The report noted that 3,856 units of agricultural machinery were delivered to Azerbaijan as of July 1.

### Over 1B manats allocated for construction of agro parks

Some 38 agro parks with a total cost of 1.2 billion manats (\$712.06 million) are being created in Azerbaijan. Today, work is underway on the construction of 14 livestock complexes in 12 regions and 24 grain farms in 17 regions, reads a monitoring report on the implementation of measures reflected in the “Strategic Roadmap for the Production and Processing of Agricultural Products”.



In addition, the National Fund for Entrepreneurship Support (NFES) allocated concessional loans in the amount of 76.1 million manats (\$45.19 million) to set up agro parks in Samukh, Goranboy, Aghjabadi, Shabran, Salyan, Shamakhi, Fizuli, Jalilabad and Ismayilli. The total cost of these agro parks is 207 million manats (\$122.83 million).

The work nears completion within the first stage in the Yalama Agro Park and construction work is continuing in the Shamkir Agro Park. The Yalama Agropark operates since September 2016. About 40 million manats (\$23 million) in general will be invested within the framework of the two construction stages.

Shamkir Agropark, with a total area of 604 hectares, is the first agropark conception in the country and the Caucasus region. The Agropark established in 2014 has the latest and most sophisticated technology in the sphere of calibration of fruit and vegetables, packaging and labeling.

It includes a greenhouse complex, farms to grow seedlings, saplings and maintain intensive horticulture, plants for processing fruits and vegetables, factory for production of packaging, logistics and agricultural service center, refrigerated warehouse, sales centers, car park, center of research and innovation, hotel and various infrastructure enterprises. Moreover,

industrial zones operate in country and one of them is Neftchala Industrial Zone. Next such a zone is planned to be created in Hajigabul district. A total of 4 million manats (\$2.35 million) is allocated from the Presidential Contingency Fund for the establishment of the Hajigabul Industrial Zone. In addition to industrial zones, five industrial parks have been established in the republic: the Sumgait Chemical Industrial Park, Balakhani, Garadagh, Mingachevir and Pirallahi Industrial Parks.

Earlier, Azerbaijani Economy Minister Shahin Mustafayev stressed that as much as \$800 million have been invested in five operating industrial parks of Azerbaijan so far, adding that about 5,000 new work places have been created thanks to the industrial parks.

Main purpose of the establishment of such parks in the country are the creation of favorable conditions in the country for further development of industrial production, provision of support to entrepreneurs, and increasing employment of population in the sphere.

## **Transport**

### **Container transportations along North-South corridor grow**

Over 4.7 million tons of cargo were transported along the International

North-South Transport Corridor for the three quarters of 2017, which is 21.6 percent more than in the same period last year, the Azerbaijan Railways CJSC said.

Heads of railway companies of



Azerbaijan, Belarus, Iran and Russia made the remarks at the 67th meeting of the Railway Transport Council of the CIS and Baltic countries in Riga. Javid Gurbanov, Vladimir Morozov, Saeed Mohammadzadeh and Oleg Belozarov discussed prospects for the development of the International North-South Transport Corridor, construction of a section of the Rasht-Astara railway and other issues.

“During the meeting, it was noted that cargo transportations along the International North-South Transport Corridor for the first nine months of 2017 increased by 21.6 percent and exceeded 4.7 million tons,” the message said. “Compared to the previous year, the volume of container transportations grew 2.4 times. Over 7,000 containers were transported along the corridor.”

It is noted that the parties have reached an agreement to establish a working group for the development of the International North-South

Transport Corridor and signed the appropriate protocol.

“In the opinion of the meeting participants, it is necessary to direct attention of logistics companies to the creation of permanent transport services and the application of tariffs which suit all the sides, as well as to carry out work to simplify customs clearance procedures in order to support the growth trend along the International North-South Transport Corridor,” the message noted.

The sides also noted the importance of creating mutual ties between the participants of the logistics chain (railways, ports, carriers, customs services).

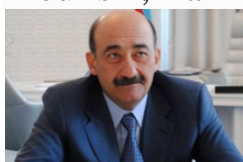
“The sides agreed that the acceleration and reduction in the cost of cargo transportations between the countries of Europe, South Asia, the Persian Gulf, Belarus and Russia are related to the creation of a direct rail service,” the message said. “It is necessary to finish and commission the missing section of the corridor, the Rasht-Astara railway for that.”

The International North-South Transport Corridor is meant to connect Northern Europe with Southeast Asia. It will serve as a link connecting the railways of Azerbaijan, Iran and Russia.

The corridor is planned to transport 5 million tons of cargo per year at the initial stage and over 10 million tons of cargo in the future.

## Tourism

### Minister: Statistics of tourists coming to Azerbaijan increased by 21pct



Tourism, a value contributor to economic growth and jobs, is also often the first step on the path to foreign investment and trade with other economies, and as such, the country must ensure that visiting Azerbaijan is a wholly positive experience.

There is a general agreement that tourism expands more when there are better transportation systems. Transportation has been an integral part of the tourism industry, since it links tourists with various tourist attractions.

Today, there are over one billion international tourist arrivals worldwide per year, forecast to rise to 1.5 billion per year by 2020.

In recent years tourism of the Land of Fire also shows significant growth. Statistics of tourists coming to Azerbaijan has increased by 21 percent, according to Culture and Tourism Minister Abulfas Garayev.

The minister assured the development of tourism is impossible without modern means of transport.

Indeed, transport is an essential component of tourism by definition, providing connections between regions, domestically and internationally, and connecting attractions, accommodation and commercial services at destinations.

Garayev said that the number of people arriving in Azerbaijan by buses and cars has also increased recently.

Azerbaijan, a tangle of amazing contradictions and contrasts, also plans to develop rail tourism, a favorite mode of many tourists worldwide. After the launch of the Baku-Tbilisi-Kars railway in late October, the country can develop the rail tourism on the Silk Road tourist route.

Talking about this, the minister said that the issue is also on the agenda of the relevant agencies.

Garayev also believes that the development of tourism is directly related to air transport, which has recently developed not only in the capital, but also in other cities of the country.

Currently, Azerbaijan enjoys six airports including one in the capital and five in the regions including

Ganja, Nakhchivan, Gabala, Lankaran and Zagatala.

The minister also made recommendations aimed at promotion of the country's culture.

“Azerbaijan Airways (AZAL) offers different publications to passengers. I advocate that in small editions poetry of Azerbaijani poets, our fairy tales and children's books are also offered,” he said, adding that people arriving in the country should receive information about Azerbaijan not only from TV, but also through publications.

“This can be a new look at culture. Visitors to Azerbaijan come not only for food, business and spending money. First of all, they visit the country to get acquainted with the Azerbaijani culture, way of life, thinking. Therefore, I believe that tourism companies should take as a basis the propaganda of the rich culture of Azerbaijan,” he said.

## **Announcements and Notifications**

### **Baku bids for World Expo 2025**

Azerbaijan is keen to host another grand event -- World Expo 2025, the world's largest meeting place, bringing together countries, the private sector, the civil society and the general public.

The country has already submitted a letter of candidature to the Bureau International des Expositions (BIE), the intergovernmental organization in charge of overseeing and regulating World Expos, since 1931.

The letter, from President Ilham Aliyev was handed to the Secretary General of the BIE, Vicente G. Loscertales, by Elchin Amirbayov, Ambassador of Azerbaijan to France and Head of Delegation to the BIE.

Azerbaijan's candidature for Baku is based on the theme “Human Capital”, and the Expo would be open from May 10 to November 10, 2025, the BIE official website reported.

Loscertales, commenting on receipt of the letter of candidature, stated that this fourth candidature to organize World Expo 2025 reflects the fact that World Expos are transformational events. “We look forward to the project examination phase, when the BIE will find out more about the different propositions made by the candidates for World Expo 2025,” he added.

The project examination phase for World Expo 2025 will take place over the next year and a half. Each candidate will submit a bid dossier in September 2017, to be followed by a BIE Enquiry Mission in early 2018. Candidates will also present their Expo project during each General



Assembly between now and the final vote.

The election of the host country by the 170 Member States of the BIE will take place at the 164th General Assembly in November 2018.

World Expos, known officially as International Registered Exhibitions, are organized every five years. They can last up to six months, and international participants can build their own pavilions on the Expo site. The themes of World Expos are designed to raise awareness of and find responses to universal challenges of our time.

The most recent World Expo was held in the city of Milan, Italy, in 2015, under the theme “Feeding the Planet, Energy for Life”.

The next World Expo will take place in Dubai (UAE) between October 20, 2020 and April 10, 2021 under the theme “Connecting Minds, Creating the Future”.

For more information please visit:  
<https://bakuexpo2025.com>