

and “Sanitation” (88.17 points) with overall GTCI score 45.94.



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## Macroeconomics

### Azerbaijan first among CIS countries in Global Talent Competitiveness Index

Azerbaijan ranked 43rd in the Global Talent Competitiveness Index 2019, improving its position by 14 levels compared to the previous report. Azerbaijan was first among the countries of the Commonwealth of Independent States (CIS). The country achieved the best results in terms of such indicators as “Ease of hiring” (100 points), “Ease of doing business” (70.62 points), “Relationship of pay to productivity” (75.56 points), “Use of virtual social networks” (85.22 points)



Azerbaijan’s GTCI score used to stably go down from the year 2013 (overall GTCI score was 42.44) till 2016 (overall GTCI score was 40.92). Then, figures for GTCI score of Azerbaijan grew up within these three years and reached the current score of 45.94 in 2019.

Switzerland became the world leader in the race for talents in 2019 ranking, scoring 81.82 points and retaining leadership since last year. It is the global leader with respect to the Retain and Vocational and Technical Skills indicators and runner-up in the Enable and Grow indicators. It is also among the top-performing countries in the Global Knowledge Skills (4th) and Attract (5th) indicators. Switzerland also achieves high scores in various sub-indicators.

It is the top performer with respect to Lifelong Learning, Sustainability, and Employability. Its weakest performances, meanwhile, are in the sub-indicators Internal Openness (14th) and Access to Growth Opportunities (10th).

The second and third line of the index is occupied by Singapore (77.27) which is the highest-ranked country in the Enable, Attract, and Global Knowledge Skills indexes, with uniformly high scores in the top 10 of

each of the underlying sub-ndexes. The next is the U.S. (76.64) which continues to stand out as a top performer in the Grow index (1st) as a result of its high ranking performance in all three sub-indexes: Formal Education (3rd), Lifelong Learning (2nd), and Access to Growth Opportunities (1st).

Russia ranks first in the world in terms of the share of the population with secondary and higher education and maintains a high level of global knowledge. However, the indicator of the attractiveness of business for talents from around the world is extremely low - 32.94 points. According to the report, the country ranks 109th out of 125.

The Global Talent Competitiveness Index was compiled by the European Institute of Business Administration INSEAD, the Zurich-based HR solutions agency Adecco Group and the Singapore-based consulting company Human Capital Leadership Institute.

The index compilers assess the ability of countries to develop human capital and attract talented workers.

In the current report, the authors of the index note that competitiveness increases in countries where this indicator is already high, while this figure decreases in countries that weren't previously distinguished by

high competitiveness. In other words, talented employees increasingly prefer to concentrate in the countries that have the best conditions for living and working.

### **SECO: Legal framework in movable property in Azerbaijan most advanced in region**

Financial opportunities based on movable property



are quite new experience for Azerbaijan,

Simone Haeberli, deputy regional director for South Caucasus at the Swiss State Secretariat for Economic Affairs (SECO). She was speaking at a conference entitled “Using Financing Opportunities to secure Movable Property”.

She said that the legislation of Azerbaijan in the application of this financial mechanism is the most advanced one in the region. SECO and IFC provided great support in drafting the “Law on Encumbrance of Movable Property”, she noted.

The Financial Markets Supervisory Authority of Azerbaijan (FIMSA) created in 2017 supported the implementation of quite important reforms in the financial sector, she said. It is important to eliminate some nuances, she added. This is related to

the use of assets of small and medium businesses as collateral, she said.

For SECO, it is important to attract more people and parties to the use of financial resources and loans, she noted, adding that there is still work to be done in this direction.

The Azerbaijani parliament passed a law in 2017 on encumbrance of movable property, which envisages the creation of a registry of movable property.

The law will simplify the use of various equipment and other movable objects as pledge in obtaining a loan. The registry of movable property, where information on movable objects will be stored, will allow, for example, any credit institution to check the object before it is accepted as a pledge, whether this object is a collateral object for another loan.

Under the law, a special portal will be created, with the help of which anyone can register his/her personal property and subsequently use it as collateral. The Azerbaijani legislation does not prohibit the use of movable property as a pledge. However, credit institutions prefer not to take such a risk due to the lack of sufficient information, because it is not always possible to determine who actually owns a given property, whether it is already a subject of pledge or not.

## Industry

### Azerbaijan boosts non-oil exports

Azerbaijan's non-oil exports reached \$1.689 billion in 2018, which is 10 percent or \$151 million more compared to 2017,



Ramin Huseyn, an analyst at the Center for the Analysis of Economic Reforms and Communications, said at press conference on February 1, Trend reported. The major part of exports from Azerbaijan as of 2018 accounted for tomatoes (\$177.4 million), while unprocessed gold came second with \$118 million, followed by persimmons with \$114.5 million.

The total value of exported fruits and vegetables in 2018 amounted to \$560 million, showing an increase of 11 percent compared to 2017. Exports of plastic products amounted to \$118.6 million (an increase of 17 percent), while aluminum exports reached \$112.2 million. Exports of ferrous metals amounted to \$86.2 million, thus registering an increase of 4 percent.

Meanwhile, electricity exports, having grown by 29 percent reached \$65.6 million. Azerbaijan exported cotton fiber worth \$80.5 million (an increase of 49 percent) and cotton wool yarn worth \$24 million in 2018. Compared to 2017, exports of cotton yarn

increased by 2.4 times. Talking about non-oil sector, it would be appropriate to mention about steps that have been made for diversification of economy and state program of “Socio-economic development of regions of the Republic of Azerbaijan in 2014-2018” which made huge contribution to the non-oil sector, since main potential for production of non-oil products is concentrated in the regions of Azerbaijan.

Moreover, speaking of an integration to world markets, one should note the penetration of the brand name “Made in Azerbaijan” to international trade operations and opening of Azerbaijani trade houses abroad.

### **Foundation of new automobile plant laid in Azerbaijan**

The groundbreaking ceremony of assembly plant for GAZ cars was held in Azerbaijan's Hajigabul industrial area,



Trend reports. The event was attended by Minister of Economy of Azerbaijan Shahin Mustafayev, Minister of Economic Development of Russia Maxim Oreshkin, who is on a visit to Azerbaijan, Chairman of the Board of AzerMash Emin Akhundov.

The ministers and guests got acquainted with the car models that will be manufactured at the plant and

the conditions created for entrepreneurs in the Hajigabul industrial quarter. The volume of investments in the enterprise will be 14 million manats.

At the initial stage, 100 people will be employed at the plant. The enterprise will assemble GAZel NEXT and GAZel BUSINESS light commercial vehicles, as well as GAZon NEXT medium trucks. As reported earlier, it is planned to organize the production of various types of special equipment on the basis of the basic models of GAZ cars in the future, including vehicles for municipal services, ambulances and school minibuses.

The company will manufacture up to 1,000 commercial vehicles annually. A memorandum on the creation of an assembly production of GAZ vehicles in Azerbaijan was signed by Russia's Gorky Automobile Plant and AzerMash in April 2018 in Baku. According to the agreement, GAZ will organize the delivery of vehicle sets for assembly production, training and certification of AzerMash specialists, as well as provide the necessary documentation and licensing. It is also planned as part of the agreement to conduct joint work on the use of a number of Azerbaijani-made components in local assembly machines. AzEurocar, a AzerMash subsidiary, will deal with the distribution and maintenance of GAZ vehicles in Azerbaijan.

## Agriculture

### Azerbaijani hazelnut processing plant to increase exports to Europe

Azerbaijan's Zagatala Hazelnut Processing Plant intends to increase exports to the European market, and in particular to Germany, Director of the company Ramazan Garajaev said. Currently, there is a demand in Germany for the hazelnut products of the plant.



"Our company is engaged in the processing of hazelnuts, which is intended mainly for export to foreign markets. Currently, export volumes are stable, but we plan to increase them by the end of this year. Our capabilities allow us to export 1,500 tons of finished products annually, but we will increase these volumes, as there is a steady demand abroad," Garajaev said.

The plant's products have a certificate of conformity issued by the State Committee for Standardization, Metrology and Patents of Azerbaijan. The company has a confirmation code, AZE 6231 120, for exporting products to the European Union. The company uses modern equipment made in Turkey. Today, Azerbaijan has become the world's third largest hazelnut producer and exporter. As

many as 20,850 tons of hazelnut were exported in 2017. The main markets for the Azerbaijani hazelnut are Italy, Russia and Germany.

Italy ranked first among the importers of hazelnuts, and approximately 9,000 tons of peeled hazelnuts were supplied to this country. Russia took the second place as over 6,000 tons of peeled hazelnuts were supplied there, while Germany became third having purchased more than 3,000 tons of peeled hazelnuts. Last year, hazelnut trees were planted in Azerbaijan on an area of 18,000 hectares. Thus, the total area of hazelnut gardens in Azerbaijan has reached 55,000 hectares. The main goal is to bring the figure up to 80,000 hectares.

Several varieties of hazelnuts, such as Atababa, Ashrafli, Ghalib, Ganja, Sachagly, Topgara and Yagly, are cultivated in Azerbaijan. Many of the country's hazelnut orchards are situated in the foothills of the Caucasus Mountains in the regions of Gakh, Zagatala and Balakan.

The hazelnuts produced in Khachmaz region are exported to the Russian Federation, and the hazelnuts produced in Gabala-Oghuz, Gakh-Zagatala and Balakan regions are exported to European countries. Moreover, Azerbaijan is trying to expand its export routes and enter new markets.

For example, in 2019, Zagatala nuts processing plant plans to export products to the Swiss market. During the Azerbaijani export mission's visit to Switzerland preliminary agreements on hazelnut export were reached with Switzerland's GN-company, Varistor and Delica and other influential companies. In the course of the mission, Switzerland agreed to import 220 tons of hazelnuts worth \$ 125,000. The total volume of hazelnut export from Azerbaijan to Switzerland was 22 tons in 2017. At exhibitions in Dubai (Gulfood 2017) and Germany (Prowein), where Azerbaijani companies took part in a single stand, orders for exporting hazelnuts to Spain were received.

In 2016, Ferrero, the world's largest buyer of hazelnuts, has started purchasing large quantities of Azerbaijan's hazelnuts. Last year Azerbaijan produced 45,500 tons of hazelnut, which was 32.9 percent more than in 2016. The country exported hazelnuts worth over \$100 million in 2017. The export of non-oil products will stimulate the expansion of the Azerbaijani products and will further strengthen the non-oil sector's share in the structure of the GDP.

### **E-agricultural information system to be launched in pilot districts.**

The first pilot project within framework of the implementation of the e-agriculture information system

in Azerbaijan will be launched next week, head of the public relation department of the Ministry of Agriculture Vugar Huseynov said, Report informs.

He noted that the introduction of the electronic agricultural information system will begin next week. "Pilot



regions have been selected for this. Next week, the process of entering farmers' data in Guba and Shaki will commence," Huseynov added.

He noted that farmers themselves must enter information into the system. A presentation, during which the farmers will be informed about registration procedure, will take place in the selected regions. "After the farmers enter their data into the electronic agricultural information system, a primary database will be formed in the pilot regions. These bases will play an important role in providing electronic services to farmers," he added.

Vugar Huseynov also urged farmers living in Guba and Shaki to take an active part in the process. There are 400,000 farmers in Azerbaijan. After the farmers indicate their data, exact amounts and volumes of products that are grown in the country will be known. The e-agriculture information system is a single system of

Azerbaijan's Agriculture Ministry, and the system's main principles are proximity to farmers, transparent and effective management, as well as the introduction of innovations. This system includes the formation of all business processes that cover the entire process from the initial to the final stage.

The e-agriculture information system has the ability to customize control mechanisms to ensure the development of agriculture, as well as to monitor processes in real time.

The development of agriculture is constantly in the spotlight of the Azerbaijani government. The competitiveness of local agricultural products is growing, export opportunities are expanding. In most areas of the agricultural sector, production increases with the direct and indirect support of the state.

Moreover, state has enough potential and capabilities to use extensive and intensive ways of development to achieve goals which have been set, taking into account all economic indicators. Support measures and the provision of services continue to improve the supply of the agricultural sector in all areas, in particular, agricultural machinery. On the part of "Agroleasing" OJSC, about 44,000 agricultural equipment, 843,000 tons of mineral fertilizers and over 30,000 heads of pedigree cattle were brought

into the country, which were transferred for use on preferential terms.

## Transport

### European Commission talks BTK's importance for region

The Baku-Tbilisi-Kars (BTK) railway is an important transport corridor connecting Europe with the countries of the region and serving the development of regional cooperation, Director-General for Mobility and Transport (MOVE) of the European Commission Henrik Hololei said.



He said the full launch of BTK is directly related to the start of operation of the Baku International Sea Trade Port in Alat. The BTK railway, in fact, originates from the port of Alat, he noted.

The port of Alat has always been on the agenda of discussions on the EU-Azerbaijan cooperation and the EU will always try so that it remains the most modern and environmentally friendly port in the region, he added. Regarding the issue of investments, Hololei said if attention is paid to the transport map of the region, Azerbaijani authorities may make their decision on what sources they intend to raise funds from.

There are international financial institutions for this, he noted.

The financing mechanism of the EU Eastern Partnership program can be the second source, he said. The EU talked about expanding the Trans-European Transport Network in the Eastern Partnership countries, and this initiative should be completed by 2030, he noted.

To do this, the EU and the countries of the Eastern Partnership should agree among themselves and determine which corridor is of more priority for them and, based on this, implement their initiatives, he added.

## **Tourism**

### **Iteca Caspian, Caspian Event Organizers to host 24 exhibitions in 2019**

Exhibition and conference organizers  
- Iteca Caspian  
and Caspian  
Event  
Organizers  
(CEO) will host  
24 exhibitions



with support from state structures of the Republic of Azerbaijan in 2019. Four major exhibitions celebrate their anniversaries: the 25th Anniversary Azerbaijan International Food Industry Exhibition - WorldFood Azerbaijan; the 25th Anniversary Azerbaijan International Construction

Exhibition - BakuBuild; the 25th Anniversary Azerbaijan International Telecommunications, Innovations and High Technologies Exhibition and Conference - bakutel; and the 10th Anniversary Azerbaijan International Environmental Exhibition - Caspian Ecology. Over the years, these exhibitions have gained leading positions in the Caspian region and have become traditional meeting places for professionals, attracting a large number of visitors. For these anniversary exhibitions, special programmes will be dedicated to provide opportunities to demonstrate projects even more extensively.

In addition, a number of traditional exhibitions such as BakuBuild, bakutel, Securex Caspian and EduExpo have undergone rebranding in 2019 and will be debuting their new image. The new corporate style of logos is designed to reflect the innovativeness and dynamism of projects.

The 18th Azerbaijan International Travel and Tourism Fair - AITF 2019, will open its doors for visitors at Baku Expo Centre from the 4th to the 6th of April. As in the past, the exhibition will bring together tour operators, travel companies, sanatoriums, airlines, national and regional tourist organisations and government agencies from over 30 countries, including Belarus, Bulgaria, the Dominican Republic, Morocco,



Slovenia, Thailand and the Czech Republic, who will be participating with national stands. The exhibition will also feature Azerbaijan's stand, which will occupy a large area in the first hall and will demonstrate the vast tourism potential of the country to both foreign visitors and local tourism. For the first time this year, a permanent participant of the exhibition, the Ministry of Tourism of the Dominican Republic, will act as the sponsor in order to more vividly present its opportunities to AITF visitors.

By decree of President Ilham Aliyev, the year 2019 has been declared the Year of Nasimi. This event will be reflected in the framework of the AITF. The organisers have decided to celebrate the event by organising "Journey to the history and work of Nasimi" thereby honouring the poet's memory and introducing exhibition visitors to another feature in the rich culture of Azerbaijan.

The exhibition season will continue with the WorldFood Azerbaijan exhibition; the 13th Azerbaijan International Agriculture Exhibition - Caspian Agro; the Caspian International Packaging, Tare, Label and Printing Exhibition - Ipack Caspian; the 13th Caucasus International Hospitality Exhibition - Horex Caucasus; the 9th Caspian International Power and Alternative Energy Exhibition - Caspian Power,

and 26th International Caspian Oil and Gas Exhibition - Caspian Oil & Gas 2019. This year's Caspian Oil & Gas Conference will be held at the Bilgah Beach Hotel. The theme of the plenary session will be 'Synergy - the path to global development; Towards energy security and stability.'

Three exhibitions - the 18th Caspian International Transport, Transit and Logistics Exhibition - Trans Caspian; the 9th Caspian International Road Infrastructure and Public Transport Exhibition - Road & Traffic; and the 6th Caspian International Boat and Yacht Show – CIBS will round out the spring exhibition season from the 11th to the 13th of June 2019. These exhibitions will be held at Baku Expo Center.

This year a number of projects will take place for the first time. The 1st Distinct Individuals ('Fərqli Fərdlər') Congress will launch on April 6; it is designed to attract maximum public attention to the issues of development and upbringing of children with special needs, create a dialogue between parents, professionals and educators, and support the trend set by the state to expand inclusive society. The event will feature four panels covering the following topics: Autism Spectrum Disorder, ADHD (Attention Deficit and Hyperactivity Disorder), Tourette Syndrome, and Down Syndrome. Renowned international and Azerbaijani specialists, parents of

children with mental disabilities, and people who will tell the stories of their lives and successes, despite frustrations, will speak at the congress. The congress will also be attended by representatives of government agencies, teachers, doctors and professionals working with people with disabilities. Official support of the Distinct Individuals ('Fərqli Fərdlər') Congress is provided by the Heydar Aliyev Foundation, State Agency on Mandatory Health Insurance, State Committee of Azerbaijan for Family, Kids and Women and also by companies such as BP and Shokki Mokki.

Another new project in the organisers' portfolio is the 1st Azerbaijan International Medical Innovations Exhibition and Forum, MEDINEX 2019, which is scheduled for November 6-7 and will be held at the Fairmont Hotel. The event aims to bring together a variety of industry professionals, especially in the area of digital medicine, to further develop the industry.

All exhibitions in Azerbaijan will be accompanied by extensive business programmes and additional events. To this end, B2B meetings will be organised between exhibitors and local manufacturers and distributors. These meetings will provide an additional opportunity for exhibitors to meet and negotiate with potential

partners and customers. The successful practice of organising business breakfasts for exhibitors will continue long before the opening of exhibitions to help participants use their resources more effectively at exhibitions. As part of the WorldFood Azerbaijan exhibition, a championship of cooks of Azerbaijan is planned as well as a barbecue championship and the second Congress of cooks of Azerbaijan, which promise presentations and master classes from world-famous gastronomy stars. The organisers advise visitors to actively use the Personal Account on the exhibition websites, offering them a number of advantages: more detailed information about exhibitors and the products they offer, any changes to exhibition programmes, and the calendar of additional special events. The regular exhibition season enables professionals and specialists from all industries to quickly find out myriad relevant and useful information, find new directions in business, meet reliable partners, as well as interest and attract new companies to the Caspian region.

### **Announcements and Notifications**

BAKU SUMMER ENERGY SCHOOL (BSES) is an annual two-week certificate program of the Caspian Center for Energy and Environment (CCEE) of ADA University held in



July in partnership with the State Oil Company of the Azerbaijan Republic (SOCAR) and British Petroleum in Azerbaijan. It brings together world-renowned scholars, academicians and policy makers to examine and gain a better understanding of global energy and environment issues and their practical application.

Specialists dealing with energy and environment related issues are warmly invited to attend.

For additional information, please contact Ms. Aytan Mehtiyeva, Program Specialist, Executive Education at [summerschool@ada.edu.az](mailto:summerschool@ada.edu.az) or visit website at: <http://ccee.ada.edu.az/apply-now/>