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ECONOMIC NEWS BULLETIN

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BHOS concludes 3rd SOCAR International Forum with conference

An International Conference entitled “Refining and Petrochemical Industry of the Caspian and Central Asia: Projects and Technical Solutions” as part of the



3rd SOCAR International Caspian and Central Asia Downstream Forum – Trading, Logistics, Refining, Petrochemicals co-organized by Baku Higher Oil School (BHOS) and Confidence Capital Ltd. company (UK) has been held.

In his opening remarks, BHOS rector Elmar Gasimov expressed his satisfaction with the successful work of the 3rd SOCAR International Forum and emphasized that the Higher School management was pleased to be one of the organizers of the event. The Conference program includes four sessions. The first one is entitled “Azerbaijan: Modernizing Existing and Developing New Refining and Petrochemical Projects.” The session featured the following presentations: “The Carbamide Plant – project state and perspectives” by Director of SOCAR’s

carbamide plant Khayal Jafarov, “Upgrade and modernization project of Azerikimya Ethylene-Propylene Plant and development prospects” by Deputy Executive Director for Investments and Development of Azerikimya Production Union Orkhan Jafarov and “Overview and development outlook of the Methanol Plant” by General Director of SOCAR Methanol MMC Elnur Mustafayev.

Other sessions of the conference cover topics such as Refining in the Caspian and Central Asia – Technological Overview, Innovation Technologies for Oil and Gas Processing, and New IT Technologies on Refining: Improving Management Efficiency. The conference gathered more than 250 experts and managers from leading petroleum companies and enterprises (including traders, oil refinery and oil extraction) participating in implementation of large international oil and gas projects.

At the last day of the Forum the participants will make technical visits to the facilities of Heydar Aliyev refinery and Oil Gas Processing and Petrochemical Complex in Sumgayit.

Caspian Oil & Gas Exhibition and Conference marks 25th anniversary

The International Caspian Oil & Gas Exhibition and Conference, the largest energy event in the Caspian region, marks its 25th anniversary this year. Let's look back and remind ourselves where it all began and what achievements have been made so far.

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, Azerbaijan'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.

The exhibition and conference was a real success on its first days; the event brought together 158 major oil and energy companies from 12 countries at the Heydar Aliyev Sports and Concert Complex. The event counts leading global oil, gas and energy companies, including BP, OMV, Conoco Phillips, Statoil, Total, Petkim, TPAO and RWE among its exhibitors and sponsors. It offers Azerbaijan's oil and gas companies a wide range of opportunities to work with international companies and introduce new technologies to domestic production and hydrocarbon extraction.

The high status of the exhibition was supported by the participation at the opening ceremony of the President of the Republic of Azerbaijan Heydar Aliyev, and now this tradition is continued by President Ilham Aliyev. Among the national leaders to send welcome letters for the opening of the exhibition each year are the Prime Ministers of the UK, Turkey and Norway, and the Presidents of the USA, France, Georgia, and the European Union. SOCAR, the State Oil Company of the Republic of Azerbaijan, also makes an invaluable contribution to the development of the



exhibition. The Ministry of Energy of the Republic of Azerbaijan and the State Oil Company of the Republic of Azerbaijan (SOCAR) both show invaluable support for Caspian Oil & Gas.

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.

The infrastructure was not good enough at the time of the 1st Caspian Oil & Gas exhibition; we had to import all exhibition equipment from abroad. There was no Internet, mobile communication was in its infancy, and communication with customers was possible through fax machines only. Sketch for the first exhibitions would be drawn on paper, which is completely impossible to imagine now. However, Azerbaijani market grew at a rapid pace, and so did the exhibition – it started to develop, keeping pace with the growth of local market. Over the years, the exhibition has established itself as a key event in the oil and gas industry of the region, which is now attended by the key players of the oil and gas market.

A Daily News publication for the event has been produced since 2005, with each edition an event in itself for exhibitors and visitors. It chronicles the history of the exhibition itself and of the companies and people to have taken part in the oil and gas development of Azerbaijan and the entire Caspian Region.

In 2006, Caspian Oil & Gas was the first oil and gas exhibition in Azerbaijan to receive UFI 'Approved Event' status.

In 2010, Baku Expo Exhibition & Convention Centre was selected as a new venue for all future Caspian Oil & Gas exhibitions. Until then, the exhibition was hosted at the Heydar Aliyev Sport and Exhibition Complex which was a warm and cosy home for exhibitors for a quite long period of time.

Thus, Caspian Oil & Gas has been through a long development, and due to its uniqueness, has remained as the leading event throughout these 25 years. Every anniversary of the

exhibition and conference is accompanied by special events which can be identified as the Caspian Oil & Gas Fund. This Fund has always had a clear social focus; during various special anniversaries Caspian Oil & Gas was encouraging students who entered local universities with high admission scores, the exhibition and conference participants planted trees and flowers, and Caspian Oil & Gas also supported art: it sponsored the show of the legendary ballet "Caspian Ballad" by composer Tofiq Bakikhanov and organised an exhibition of paintings drawn with oil by the painter Sabir Chopuroglu.

Another significant date which coincides with the Anniversary Caspian Oil & Gas Exhibition and Conference is the celebration of the 100th Anniversary of the Independent Democratic Republic of Azerbaijan (on the 28th of May 1918, Azerbaijan declared its independence and established the Democratic Republic of Azerbaijan, ADR); this momentous event will be part of the exhibition programme.

The anniversary of the exhibition will also include various programmes, contests in social networks and the shooting of special video footages. Exhibition and conference participants can hope for a lot of exciting things to happen throughout the event.

Today Caspian Oil & Gas is a well-deserved recognition of the triumph of Azerbaijan's Oil Strategy which was founded by the Azerbaijani national leader Heydar Aliyev and is successfully pursued by the President of the Republic of Azerbaijan Ilham Aliyev. The organisers are confident that the exhibition, which has now crossed the 25-year threshold, will remain the calling card of the achievements in the regions' oil sector and will continue to serve as an ideal platform for establishing business ties, while providing new opportunities for mutual cooperation.

Azerbaijan to be represented at OPEC+ ministerial monitoring committee meeting

Azerbaijan will be represented at the meeting of the OPEC+ ministerial monitoring committee, due on April 20, in Jeddah, Saudi Arabia, the Azerbaijan Energy Ministry said.



Azerbaijan will be represented by Deputy Energy Minister Samir Valiyev at the meeting. The OPEC+ monitoring committee was established to monitor the fulfillment of obligations to reduce oil production.

In December 2016, at a meeting of oil producers in Vienna, 11 non-OPEC member countries (including Azerbaijan) agreed to cut the oil production by a total of 558,000 barrels a day. The agreement was concluded for the first half of 2017 and was extended until the end of the first quarter of 2018 at a meeting on May 25, 2017.

At the last OPEC meeting in Vienna, the agreement was again extended until the end of 2018. Azerbaijan supported the decision.

TRANSPORT

Azerbaijani Airlines plans to fly to six cities in Saudi Arabia

Azerbaijan Airlines has revealed plans to operate flights from Baku to four more cities in Saudi Arabia.



Negotiations are currently underway with partners from Saudi Arabia to carry out regular flights to the airport in Medina, Jeddah Airport (from May 18), Gassim Airport (from June 15) and Hail Airport (from July 1), AZAL said in a statement.

AZAL has already reached an agreement to carry out flights to such cities of Saudi Arabia as Ed Dammam and Riyadh from June 15.

The number of cities in Saudi Arabia, to which Azerbaijan's national airline will carry out flights, will increase to six.

The opening of new flights will attract additional tourists from the Middle East, will make holy sites more accessible, and will deepen business relations between the two countries, AZAL said.

Additional information will be provided as soon as air tickets go on sale, the company added.

Also, Flynas, the national Saudi Arabian carrier and leading low-cost airline in the Middle East, announced that it will soon be launching its new and direct flights to Azerbaijan, Georgia and Greece from Jeddah, Riyadh and Dammam.

The flights will start from the last week of the month of Ramadan.

FINANCE

Baku hosts First CIS Digital Banking and Security Conference

The First CIS Digital Banking and Security Conference has started in Baku. The event brings together credit organizations and financial control bodies from Azerbaijan, Turkey, Georgia, Russia and other CIS countries and heads of the financial technologies companies of Europe and China.

Project is going to be held according to the Strategic Road Map for the development of financial services in the Republic of Azerbaijan endorsed by the President of Azerbaijan to accelerate the digital transformation in the financial industry. This two-day event will address key issues of banking transformation and innovation, involving experts from the industry to review and provide updated information and solutions to the problems facing the industry.

The conference will cover the following 6 topics: Modern banking landscape, changes, development perspectives; Banks can learn from the other industries regarding their digital transformation journey; Banks and FinTechs; Using modern payment systems in e-commerce and m-commerce; The newest methods of authentication; Big data and its applications; Modern banks IT security solutions.

The financial services companies such as "Unionpay", "VISA", "Microsoft", "Tinkoff bank", "Oracle financial services", "Kaspersky LAB", "DenizBank", "SWIFT", "BVK technology", "KAL-ATM software", "ABBY", "Intellect design", "FBS Group", "Capitalbanking solutions", "UBIQ innovations", "KOD-A", "Fit Solutions", "Intertech", "Paymentology" "Olimpic banking systems will present their innovations at the conference.

The conference is organized by FA International Trade Events.

TOURISM

Azerbaijan joins HESTOREX-2018 international tourism fair in Turkey

An Azerbaijani delegation has participated in HESTOREX-2018 international fair for

healthcare, sports and alternative tourism in Antalya, Turkey.

Azerbaijan's participation in the event is supported by the Baku network office of the Turkish Healthcare Travel Council (THTC) "Gilan Turizm", which is represented by doctors of the leading medical centers of Azerbaijan - Central Customs Hospital, Diagnostic Center, Central Hospital of Oil Workers and others, representatives of travel agencies, as well as journalists.

Addressing the solemn opening ceremony at the Antalya Expo Center, founder and chairman of the Turkish Healthcare Travel Emin Cakmak emphasized the importance of the international event. He said that the HESTOREX Congress & Exhibition is Turkey's first and the only multi-disciplinary platform established with the aim of introducing Turkey's potential in health, sport and alternative tourism, attracting international patients traveling around the world, sharing experiences and ideas in the field of healthcare, studying the most up-to-date medical equipment and alternative treatments, and conducting mutual exchange of experts.

HESTOREX-2018 Congress and Exhibition, which is held under the auspices of the Presidency of the Republic of Turkey, brings together representatives from health, sports and alternative tourism industries from 165 different countries.

"It is for the second time the exhibition is organized. Last year, we ensured the participation of Azerbaijan's leading medical institutions in the exhibition. During the exhibition, they held meetings with representatives of medical clinics, hotel representatives, and with individuals engaged in alternative tourism complex, laying a framework for future collaboration. We have already witnessed the positive outcomes of the previous meetings. Today, all the areas of medicine in Azerbaijan are successfully developing. However, there is always a need for mutual cooperation and exchange of experience," said Farid Majidov, director of THTC's Baku Network office, representative of Gilan Tourism.

During the Global Healthcare Travel Council's meeting organized as part of the exhibition



“HESTOUREX” Congress and Exhibition (Health, Sports and Alternative Tourism) Ruslan Guliyev, President of the Association for Support to Health and Thermal Tourism in Azerbaijan, was elected as president of the GHTC. Azerbaijan took over the presidency of the Global Healthcare Travel Council from the United Arab Emirates.

“Election of Azerbaijan to the World Health Tourism Organization testifies to the country`s constantly growing influence in the world. According to the outcomes of the meeting, the International Health Tourism Forum will be held in Azerbaijan in 2019, which will contribute to the expansion of tourism in the country,” Guliyev said.

GHTC is the forum of National Councils in the Healthcare Travel industry. It works to raise awareness of Healthcare Travel as one of the world’s largest industries, supporting 100 million jobs and generating 12 per cent of world GDP. Azerbaijan joined the GHTC in 2014. 60 countries, including Russia, Great Britain, Germany, Turkey and India, are members of the organization.

Baku hosts 9th Annual Global meeting of Frontline Freight Networks

The Frontline Freight Networks (FFN), a group of competent and reliable shipping and logistics professionals, has started its 9th Global Annual meeting in Baku.

The conference, which is organized by the Azerbaijan Convention Bureau (AzCB) at Hilton Hotel, brings together 40 representatives from different countries.

The main objective of the conference is to discuss business opportunities and to meet with new members involved from all over the world. The Azerbaijan Convention Bureau, a leading innovator within the industry, has the mandate from the Ministry of Culture and Tourism to implement the strategy for Meetings Industry development in Azerbaijan. The Bureau acts as a national umbrella organization, which aims to strengthen the image of Azerbaijan as a world-class Meeting Destination, by providing valuable information and support services and presenting the interests of local meeting industries’ partners.

BUSINESS

Baku to host Azerbaijani-Swiss business forum

Baku will host an Azerbaijani-Swiss business forum as part of the visit of the head of the Federal Department of Economic Affairs, Education and Research, Swiss commerce minister Johann Niklaus Schneider-Ammann to Azerbaijan in July.

According to the Ministry of Economy, during the visit Schneider-Ammann will also familiarize himself with Sumgait Chemical Industrial Park and Balakhani Industrial Park. There are currently 71 Swiss companies in Azerbaijan. Azerbaijan has invested \$ 1.2 billion in Switzerland. Trade between the two countries amounted to \$240 million in 2017, which means more than a 40 percent growth.

ICT

Azerbaijan’s second satellite to be launched on May 25

The launch of Azerspace-2/Intelsat 38, the second communications satellite of Azerbaijan, into orbit is scheduled for May 25 this year, according to the world's leading satellite launch company, Arianespace. The satellite will be launched from the Guiana Space Centre using the Ariane 5 ECA launch vehicle.

French company Arianespace, which earlier launched Azerbaijan's first satellite Azerspace/Africasat-1a, will send the Azerspace-2/Intelsat-38 into the orbit. The satellite's manufacturer is Space Systems Loral (SSL), which is also a provider of satellite control systems.

Azerbaijan to preside UNCTAD expert group

A meeting of the intergovernmental expert group on "E-commerce and digital economy" organized by the UN Conference on Trade and Development (UNCTAD) was held in Geneva, the Ministry



of Transport, Communications and High Technologies said.

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.

As already reported, last year Azerbaijan presented its electronic signature experience at the first meeting of the intergovernmental expert group on "E-commerce and digital economy".

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.

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, now more than 100 countries are able to reach out to potential partners, get the latest information on innovations and e-commerce.

Participants of the meeting elected the chairman of the expert group and his deputies. Azer Bayramov, Deputy Executive Director of Azerbaijan State Fund for Development of ICT under the Ministry of Transport, Communications and High Technologies, was elected as a chairman of the Expert Group for a yearly term.

The United Nations Conference on Trade and Development (UNCTAD) was established in 1964 as a permanent intergovernmental body. UNCTAD is the principal organ of the United Nations General Assembly dealing with trade, investment, and development issues. The organization's goals are to maximize the trade, investment and development opportunities of developing countries and assist them in their efforts to integrate into the world economy on an equitable basis."

The primary objective of UNCTAD is to formulate policies relating to all aspects of development including trade, aid, transport, finance and technology. The conference

ordinarily meets once in four years; the permanent secretariat is in Geneva.

ENERGY

Azerbaijan, Russia and Iran: integration of power systems discussed

Azerbaijan, Russia and Iran will create a working group to unite the energy systems of the three countries, the Azerbaijani Energy Ministry said.

The issue was discussed at a tripartite meeting of the three countries' deputy energy ministers in Baku.

The working group will consist of 18 people (six people from each country). The first meeting of the group will be held in July in Moscow. The group should also prepare technical tasks for feasibility study of integrating the electric power systems of the three countries and draft agreement on joint development of the feasibility study.

Azerbaijan's Deputy Energy Minister Natig Abbasov, addressing the meeting, noted that the three countries' current opportunities in the field of energy exports create conditions for establishing the North-South energy corridor.

Iran's Deputy Minister of Energy for electricity and energy affairs Homayoun Haeri, for his part, noted the Islamic Republic's interest in realizing and completing the process of uniting the country's energy system with the systems of Russia and Azerbaijan.

He said that all three countries have favorable opportunities for energy exchange.

Deputy Minister of Energy of Russia Anatoly Yankovsky also appraised the existing cooperation in the power sector, further noting the importance of taking concrete steps for this cooperation to cover all three countries.

The integration of the three countries' energy systems will create an opportunity for expanding export-import operations. Azerbaijan will strengthen its position as an electricity exporter and transit country.

Azerbaijan becomes member of Regional Association of Energy Regulators

The Agency for Regulation of Energy Issues of



Azerbaijan has been elected an associate member of the Regional Association of Energy Regulators (ERRA), the Ministry

of Energy of Azerbaijan reported.

The decision was taken at the ERRA meeting held in the city of Sochi, Russian Federation. A delegation headed by Chairman of the Agency for Regulation of Energy Issues Samir Akhundov represented Azerbaijan.

Currently, ERRA consists of 30 full and seven associate members from Europe, Asia, the Middle East and the United States. The Regional Association with its Headquarters in Budapest, Hungary, has been established with the financial support of USAID.

The Agency for Regulation of Energy Issues under the Ministry of Energy of Azerbaijan was established by the decree of President Ilham Aliyev on December 22, 2017.

Azerbaijan, Iran sign contract on sale and purchase of electric energy

Azerbaijani delegation led by Deputy Minister



of Energy Natig Abbasov visited Iran.

According to Energy Ministry, they held discussions in Iran's

Energy Ministry on sale and purchase of electric energy, regulation of joint activity of Azerbaijan-Iran-Russia energy systems and transit of electric energy to third country.

Azerenergy and Iranian Power, Generation, Transmission and Distribution Management Company (TAVANIR) signed a contract on sale and purchase of electric energy. The contract was signed by Azerenergy President Etibar Pirverdiyev and Tavanir's managing director Arash Kordi. According to the contract, 180 megawatt of energy will be imported from Azerenergy for Mughan and Astara regions from June.

Moreover, trilateral meeting for connection of Azerbaijan-Iran-Russia energy systems is agreed to be held on April 26, 2018 in Baku.