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ECONOMIC NEWS BULLETIN

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OIL & GAZ

First phase of TANAP`s construction completed by over 99%

The works on the first phase of the Trans Anatolian Natural Gas Pipeline (TANAP) to Eskisehir in Turkey were completed by 99%. The



announcement was made during the general meeting of TANAP Board of Directors in Ankara, said a message from Azerbaijan`s State Oil Company SOCAR. During the meeting, the Board members were informed about the works done on the first phase of TANAP.

“About 80% of works up to Europe were completed. In general, TANAP was completed by over 93%. Currently, all the work is carried out in accordance with the schedule with high accuracy and quality,” said the message.

“Starting the second half of the current year, TANAP will transport 6 bcm of gas to

Turkey as planned. All sides must fulfil their duties for completion of project timely”, said SOCAR President Rovnag Abdullayev in his speech.

TANAP project envisages transportation of gas from Azerbaijan`s Shah Deniz field to the western borders of Turkey. The gas will be delivered to Turkey in 2018 and after completion of the Trans Adriatic Pipeline`s construction the gas will be delivered to Europe in early 2020.

The length of TANAP is 1,850 kilometers with an initial capacity of 16 billion cubic meters of gas. Around six billion cubic meters of this gas is meant to be delivered to Turkey, with the remaining volume to be supplied to Europe.

Azerbaijani energy minister: OPEC+ agreement contributes to stabilization of economic situation



“OPEC+ agreement on reduction of the volume of oil output contributes to stabilization of economic situation in countries,” Azerbaijani

Energy Minister Parviz Shahbazov has told journalists after he met with OPEC Secretary General Mohammad Barkindo in Baku.

He said Azerbaijan and OPEC maintain close cooperation under OPEC+ format. "As part of this cooperation oil prices have somewhat increased, stabilized and the balance has been ensured on the oil market over the past period." The minister said this contributed to the stabilization of global economic processes and economic situation in countries.

"Today we have had a wide exchange of opinions with Mr Barkindo about the creation of a certain platform to ensure the implementation of this initiative in the future, hold consultations with other countries and adopt necessary decisions," Shahbazov added.

TRANSPORT

Silk Way West Airlines re-launches Budapest service

After a break of nearly two years, Azerbaijan's cargo airline Silk Way West Airlines has again introduced scheduled service into Budapest,



according to the company. The first flights will be executed with Boeing 747 twice a week on Thursday and Sunday.

"We have recognized an increasing demand for scheduled services to and from Eastern Europe, which we believe came along with the rise of the ecommerce and tech business in this specific region. In the spirit of the ancient silk road, we want to facilitate this growth by providing regular shipping opportunities to Central Europe as well as into the booming Middle Eastern and Asian markets with the establishment of this connection," says Wolfgang Meier, CEO at Silk Way West Airlines.

China to build railway through Aktau or Atyrau to Azerbaijan

China is considering the construction of a railway through Aktau or Atyrau to

Azerbaijan, KAZINFORM quoted the ambassador of China to Kazakhstan Zhang Hanhui as saying at a press conference.



The diplomat pointed out that China has big

plans in Central Asia to benefit both China and the Central Asian states. "From Turkmenistan through Uzbekistan and Kazakhstan the gas pipeline follows China and reaches Hong Kong, the longest gas pipeline in the world. This is the most complicated engineering system. We did it and this is the modern Silk Road," Hanhui said.

The diplomat added that two railways were built across Kazakhstan to the Central Asian countries and Europe. "Further through Turkmenistan, Turkey to the Middle East. Then we are studying the possibilities of building a railway route to Azerbaijan through Aktau or Atyrau," the ambassador added.

Registration for 2018 World Ports Conference in Baku launched



Registration for the 2018 World Ports Conference due in Baku on May 8-11 has launched.

The main theme for the IAPH Baku 2018 World Ports Conference is "Ports of Future: Building Hubs, Accelerating Connectivity." Four-day conference will focus on the important and interesting topics like emerging transport corridors in the region and around the world, contribution of the free trade zones to the domestic economy and the economy of the neighboring countries, the concept of "SmartPorts", "Green Ports" as well as marine tourism. The conference agenda also includes technical visit to the new Port of Baku in Alat. The participant will get a chance to see Alat Free Trade Zone which is a main part of Azerbaijan's grand hub vision.

The agenda also includes discussion of the synergy between ports and free trade zones, the implications of major global transport initiatives such as “One Belt, One Road”, the Baku-Axalkalaki-Kars railroad and the North-South transport corridor on global economic growth.

Baku has been known as a port city for centuries. In the 1st century, Romans organized two Caucasian campaigns and reached Baku. Marco Polo and Alexander Dumas both lived in Baku for a period of time, leaving behind mesmerizing accounts of the rich cultural heritage of Azerbaijanis. In the mid-19th century, the Rothschilds and Nobel brothers exploited the rich oil fields of Baku and turned the city into the world’s biggest oil supplier of the time.

In the frame of conference, a special cultural program has also been drafted for accompanying people which includes tours to the famous “Flaming Mountain”, the Baku Old City, some ancient vineyards, an authentic Azerbaijani mountain village – Lahij, the carpet museum, and a traditional silk scarf painting plant. There will also be offered master cooking classes in traditional Azerbaijani cuisine and many other entertaining events which are sure to leave the guests with unforgettable memories of Baku and Azerbaijan.

The International Association of Ports and Harbors (IAPH) is the global trade association for seaports worldwide. With the headquarter in Tokyo, Japan. Formed in 1955, it is now recognized as the NGO representing ports worldwide. With over 200 ports in membership, as well as numerous national port representative bodies, it now has consultative status with 5 UN agencies, including UNCTAD and the IMO.

Heydar Aliyev International Airport once again recognized as best airport in post-Soviet space

For the second year in a row Heydar Aliyev International Airport was awarded the prestigious Skytrax World Airport Awards, the most prestigious award for the airport industry. The solemn Skytrax award

ceremony took place in Stockholm, Sweden.



Azerbaijan's main airport again topped the list of the best airports among Russia and CIS countries' airports for the level of the provided services. Baku Airport retains leadership in this nomination for the second year in a row.

In addition, Heydar Aliyev International Airport took the third place on the list of world airports, which annually serve up to five million passengers. London City Airport topped this list.

The new airport complex (Terminal 1) of Heydar Aliyev International Airport received another prestigious nomination - the terminal is in the top ten best terminals in the world. London Heathrow Airport (Terminal 2) is the leader in this rating.

The Skytrax World Airport Survey is widely regarded as the quality benchmark for the world airport industry, assessing customer service and facilities across 550 airports. The survey and awards are independent of any airport control or input and are therefore an impartial benchmark of airport excellence and quality. During the inspection Skytrax held a survey among 13.73 million passengers from 100 countries.

FINANCE

Baku among world's largest financial centers

Baku is in the list of the world’s largest financial centers.



The Global Financial Centers Index (GFCI) published a list of the world's largest financial centers and included Baku and Astana. London has maintained its leadership as the world's largest financial center.

Fitch affirms Azerbaijan's Southern Gas Corridor CJSC's notes at 'BB+'

Fitch Ratings has affirmed Azerbaijan's Southern Gas Corridor CJSC's (SGC) senior unsecured Eurobonds' long-term foreign currency rating at 'BB+'.



The affirmation reflects Fitch's unchanged view on SGC's USD2 billion Eurobonds maturing in 2026 fully guaranteed by the Republic of Azerbaijan (BB+/Stable).

TOURISM

Azerbaijani, Hungarian Tourism Associations to sign a MoU on cooperation

Azerbaijan Tourism Association (AZTA) and the Association of Hungarian Travel Agents and Tour Operators (MUISZ) will sign Memorandum of Understanding on cooperation.



The agreement was reached at the Association as part of the meeting held with the members of Azerbaijani-Hungarian Friendship Group.

During the meeting, the sides have discussed prospects for the development of cooperation in the field of tourism as well as reached an agreement on organizing infotours for AZTA members on April.

Baku Expo Center to host HOREX Caucasus 2018

The 12th Caucasus International Hospitality Exhibition



“Everything for Hotels, Restaurants and Supermarkets”, HOREX Caucasus 2018 will be held

from April 5 to 7 at Baku Expo Center. HOREX Caucasus is the sole trade event for the hospitality industry of the South Caucasus and Caspian regions providing excellent opportunities to showcase goods and services and to effectively exchange ideas and experiences with leading industry players, customers and partners. It

is also a platform where one can analyze the competitiveness of the market and build strong business relations. The exhibition is annually visited by manufacturing companies, buyers and industry experts.

This year HOREX Caucasus will welcome participating companies from Azerbaijan, Italy, Russia, Turkey and other countries. The exhibitors will demonstrate coffee, truffles (mushrooms) and truffles' products, professional washing equipment, cleaning agents, professional cleaning equipment, dishes and stainless steel products, and air filters for the HoReCa sector and others.

The exhibition's business programme will include a number of bilateral meetings between exhibitors and local companies, and a workshop on the topic of Azerbaijan Coffee Days. For the first time, a barista championship event will also be held as part of this year's business programme, where baristas who know how to properly prepare coffee or coffee-based drinks will demonstrate their skills using Latte Art techniques.

The exhibition receives support from the Azerbaijan Export and Investment Promotion Foundation (AZPROMO) and the National Confederation of Entrepreneurs (Employers) Organisations of the Azerbaijan Republic (AEC). The organisers of the exhibition are Iteca Caspian and its partner ITE Group.

Thus, HOREX Caucasus will become an ideal platform for professionals of hotel and restaurant industry of Azerbaijan and will reflect the needs of rapidly developing hotel business in the country.

BUSINESS

Azerbaijani, Iranian businessmen discuss opportunities for broader cooperation

Azerbaijani and Iranian businessmen have discussed opportunities for expanding



cooperation as they held bilateral meetings as part of a business forum, which was held in Baku with the

participation of the presidents of the two countries.

The forum involved about 400 businessmen from a variety of areas, including industry, agriculture, construction, transport, logistics, health, finance and tourism.

Over the past four years, relations between Azerbaijan and Iran have been steadily growing. The two countries have held 10 high-level meetings and paid more than 100 reciprocal visits. About 150 documents have been signed to boost cooperation in trade, industry, energy, transport and tourism. Trade between the two countries saw a 16 per cent rise in 2017. There are 700 Iranian companies in Azerbaijan. Nearly 363,000 Iranian tourists visited Azerbaijan last year.

Trade between Azerbaijan and China hit record high of \$1.298 billion last year



“Trade between Azerbaijan and China has reached record high of \$1.298 billion in 2017,” the Chinese embassy said.

According to the embassy, in 2017, trade between the two countries increased by 33.16 percent, reaching its highest level and making China Azerbaijan’s fourth largest trade partner.

Exports from Azerbaijan to China grew by 63.75 percent reaching \$443.8 million, while imports saw growth of 21.38 percent or \$854.5 million last year.

The main export items included fuel, plastic and various products made from them, as well as chemistry industry products, while imports were prevailed by machinery, electrical equipment, equipment and their spare parts, vehicles and spare parts, clothing, ceramic products, medical supplies, furniture, lighting equipment and household appliances.

Baku hosts first Azerbaijan International Franchise Forum

The 1st Azerbaijan International Franchise Forum, Caspian Franchise Forum 2018 has today been held in Baku. It is the only business platform for buying and selling

franchises in the country. Caspian



Franchise Forum is a new event in the calendar of Caspian Event Organisers, CEO. The purpose is to assist small and

medium-sized businesses in expanding or launching new activities, whilst discussing franchising opportunities in Azerbaijan.

Caspian Franchise Forum 2018 brought together a number of foreign brands, as well as local entrepreneurs and heads of investment companies who were interested both in acquiring franchisees and searching for business partners. The forum participants demonstrated their concepts and proposals for the creation or development of franchising business, and presented franchises of their own brands in the areas such as fast food (Noon-o-Kabab, the UAE.), goods and services for children (Gulliver, Button Blue from Russia), IT technologies (REISSWOLF, Germany), clothing trade (Kanzler, Germany) and restaurant business (KillFish, Russia).

Rich programme of the forum participants includes a number of events. The forum was opened by a press conference with the participation of organisers, representatives of various participating companies and media. Executive director of the company Caspian Event Organisers - Bahruz Hidayatzade made the opening speech. As part of the forum, a workshop on the topic of “Development of Franchising in Azerbaijan” provided visitors with additional information on how to implement their business plans in Azerbaijan. Elnur Islamov, head of Azerbaijan Franchising Centre, spoke about the prospects for franchising both in the world and in the country. The forum participants, namely, Noon-o-Kabab, Kanzler, Reisswolf, Gulliver, Button Blue and KillFish also delivered speeches and presented their franchises. The forum program was then continued by bilateral meetings in which representatives of foreign companies and potential investors from Azerbaijan took part.

Despite its debut, Caspian Franchise Forum 2018 was a success and became an effective tool to analyze market demands, consult on franchising, meet franchisors and introduce new brands into the country's market. The forum supported by Azerbaijan Export and Investment Promotion Foundation (AZPROMO) and National Confederation of The Entrepreneurs (Employers) Organizations of Azerbaijan Republic (AEC).

EXHIBITIONS

25th Anniversary International Caspian Oil and Gas Exhibition

The International Caspian Oil & Gas Exhibition and Conference, the largest energy event in the Caspian region,



marks its 25th anniversary this year. The exhibition will be held from the 29th of May to the 1st of June at Baku Expo Center. Over the 25 years of its successful operation, this first trade event in Azerbaijan has become the main industry forum. Every year Caspian Oil and Gas gathers leading experts and leaders of the oil industry to demonstrate advanced technologies of oil and gas production and processing, transportation, logistics, and services.

This year's Anniversary Caspian Oil & Gas coincides with several significant dates; among them is the 95th anniversary of the birth of National Leader of Azerbaijan Heydar Aliyev who was the inspirer of this exhibition project. The first exhibition was held in 1994 on the eve of signing the "Contract of the Century" in September of the same year; an agreement which defined the main development areas for the Caspian Basin's hydrocarbon resources and opened a new chapter in Azerbaijan's oil history. 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 participation of President of the Republic of Azerbaijan Ilham Aliyev in the exhibition's opening ceremony testifies to its high status. 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. The exhibitions and conference are organised by Iteca Caspian and its partner ITE Group.

As is the tradition, 40% of the exhibition area at Caspian Oil & Gas is occupied by world-famous companies that are its permanent participants of the event. Among them are SOCAR, BP, Total, Statoil, Petkim and many others. The regular exhibitors include the national stands of Russia and Italy. This year the exhibition will be attended by companies from Azerbaijan, Canada, China, Great Britain, Germany, Georgia, France, Iran, Italy, Kazakhstan, Malaysia, Russia, Spain, Turkey, Ukraine, Uzbekistan, and many others. The companies will present a wide range of equipment, services, innovative technologies for oil production and transporting energy resources, storage systems for oil and gas, platforms and floating drilling rigs, pipe laying and pipe security systems, and services.

The event's status is reaffirmed by its line-up of leading Azerbaijani companies and leaders in the oil and gas industry sponsoring the exhibition and conference. Traditionally Caspian Oil & Gas exhibition's Platinum Sponsor is SOCAR, the Gold Sponsors is BP and Statoil, and the Silver Sponsor is Turkish Petroleum. Among the Bronze sponsors are Azeri MI, AZFEN, Baku Steel Company, BOS SHELF, Caspian Drilling Company, Caspian Marine Services (CMS), RussNeft, SOCAR Polymer, Tekfen Construction.

An important part of the event's business programme is the International Caspian Oil & Gas Conference which will be held from the 30th to the 31st of May at Fairmont Baku Hotel; annually, the conference welcomes over 500 top managers of

leading companies worldwide, along with representatives of line ministries and well-regarded industry experts, and offers the opportunity to exchange views on topical issues with regard to the development of the oil and gas industry.

The status of the event is also emphasized by the sponsors of the conference. The Platinum Sponsor is SOCAR. The Golden Sponsor of the conference is BP, Statoil and Petronas, the Silver Sponsors - INPEX, McDermott, and the Bronze Sponsors - EGS, EY, Dentons, Lamor Corporation, Nobel Upstream, SOCAR AQS, Total, and Turkish Petroleum.

This year's Caspian Oil & Gas will be even more exciting and saturated, and in view of the 25th anniversary of the Caspian Oil & Gas Exhibition and Conference, the organisers plan to implement a programme of additional events.

Today Caspian Oil & Gas is a well-deserved recognition of the triumph of Azerbaijan's Oil Strategy which was founded by National Leader of Azerbaijan Heydar Aliyev and is successfully pursued by 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. All detailed information about the exhibition and conference, as well as an electronic invitation ticket to the exhibition is available on the websites www.caspianoilgas.az and www.oilgasconference.az.

Baku to host Caspian Agro 2018 exhibition

A major regional forum of agricultural producers, the 12th Azerbaijan International Agriculture Caspian Agro 2018 exhibition will take place from May 16-18 in Baku. The exhibition will reaffirm its status as the largest thematic demonstration of a



wide range of agricultural machinery, equipment and technological solutions for various agricultural businesses. The event will also present modern agricultural technology used in vegetable growing, industrial gardening and viticulture. The exhibition project aims at showcasing the best of products and services available both locally and globally in the entire chain of fruit and vegetable business; from field and gardens to consumers.

The Ministry of Agriculture of the Republic of Azerbaijan actively supports the Caspian Agro. The exhibition is also supported by Food and Agriculture Organization of the United Nations, Azerbaijan Export and Investment Promotion Foundation (AZPROMO), and the National Confederation of Entrepreneurs (Employers) Organization of the Republic of Azerbaijan (AEC). The exhibition is organised by Caspian Event Organisers, CEO.

This year the Caspian Agro 2018 exhibition will bring together both manufacturers and distributors of agricultural products and equipment from Azerbaijan, Belarus, China, Georgia, Germany, Italy, Israel, the Netherlands, Turkey, Russia and Spain, as well as other countries. Vietnam will take part in the Caspian Agro exhibition for the first time.

It is encouraging that companies from Azerbaijan will take part in these sectors on a par with foreign manufacturers. These companies will present greenhouses, irrigation system, fruits and vegetables, fertilizer and much more. Traditional infotours for entrepreneurs and farmers from Azerbaijani regions will be organised at the Caspian Agro exhibition to help you to learn about the latest equipment and machinery.

In general, the exhibition will cover the most relevant areas of the agricultural sector and will provide the opportunity to review a number of innovations in the following sectors: equipment for poultry farms, seeds, greenhouse equipment, fertilisers, agricultural machinery, laboratory equipment etc.

Within the framework of the business program of the exhibition, will be organised B2B meetings, seminar and a conference which to address all of today's latest technologies of the agricultural sector, and also a "showcase of novelties", where participants will present their new products, which have not yet been presented on the market. Registration sponsor of the Caspian Agro 2018 exhibition is Maschio Gaspardo.

Thus, the Caspian Agro 2018 exhibition will provide participants with an opportunity to get acquainted with the latest trends. It will also create opportunities to expand cooperation and establish new business relationships that will boost investment inflow and introduce new technologies in the agricultural sector of Azerbaijan.

Baku to host Azerbaijan International Food Industry Exhibition

WorldFood Azerbaijan 2018, the 24th Azerbaijan International Food Industry exhibition is one of the most important and significant events in the region's food industry, will take place from 16-18 May at Baku Expo Center. Over the 24 years, the exhibition has established itself as a leading event in the Caspian region's food industry. WorldFood Azerbaijan supported by the Ministry of Agriculture of the Republic of Azerbaijan, Azerbaijan Export and Investment Promotion Foundation (AZPROMO), National Confederation of The Entrepreneurs (Employers) Organizations of Azerbaijan Republic (AEC) and Food Safety Agency of Azerbaijan Republic. The organisers of WorldFood Azerbaijan are Iteca Caspian and ITE Group.

A wide range of products from both local and foreign manufacturers will be showcased by the exhibitors from more than 20 countries of the world. The exhibition is expected to welcome national stands of Belarus, Latvia, Greece, Turkey, Sri Lanka and Italy. Manufacturers of dairy and confectionery products and chocolate, as well as suppliers of refrigeration

equipment, along with manufacturers of tea will be particularly active at this year's exhibition. Every year, Azerbaijani companies, in particular local exporters of tea, fruits and vegetables, actively participate at the exhibition.

Among the products to be showcased to the professional visitors by the exhibitors are sweets, sausages, groceries, tea, rice, ingredients, drinks, fruits and vegetables, bakery and laboratory equipment and much more.

In parallel to the exhibition, the organisers have a plan to hold bilateral meetings between food suppliers and local representatives of retail trade networks. For the first time, at the exhibition will be organized a "showcase of novelties", where participants will present their new products, which have not yet been presented on the market.

Caspian International Packaging, Tare, Label and Printing IPACK Caspian 2018 exhibition will take place alongside WorldFood Azerbaijan. The IPACK Caspian 2018 exhibitors include a number of companies from Azerbaijan, Italy, Russia, Turkey and many other countries which will be offering both packaging and wrapping materials, as well as various solutions for its production.

So, WorldFood Azerbaijan 2018 will help to find new customers and strengthen existing relationships with partners, as well as to enter new markets. All detailed information about the exhibition and e-invitation ticket to the exhibition you can get on the official website <http://www.worldfood.az/en-register/>.