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ECONOMIC NEWS BULLETIN

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OIL & GAZ

Azerbaijan's energy minister: Turkey's gas imports via TANAP reached 1.8 bcm

Turkey's gas imports via the Trans Anatolian Natural Gas Pipeline Project (TANAP) have reached 1.8 billion cubic meters, said



Azerbaijan's Minister of Energy Parviz Shahbazov at the 26th International Caspian Oil and Gas-2019 Exhibition and Conference held in Baku.

Minister Shahbazov noted that the TANAP gas pipeline was put into operation on June 12 in Eskisehir, with first gas pumped to Turkey on 30 June.

The construction works on the second phase of the TANAP, aiming to transport Azerbaijani gas to Turkey and further to Europe, has been completed by 99.5 percent. The pipeline will be ready to be connected with the Trans-Adriatic (TAP) gas pipeline this year. The total cost of TANAP is about 8 billion dollars and 6 billion dollars have already been invested in the project.

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.

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. Overall construction works on TANAP gas pipeline are 94.80 percent completed.

The share distribution in TANAP is as follows: Southern Gas Corridor CJSC (51 percent), SOCAR Turkey (7 percent), Botas (30 percent), and BP (12 percent).

Greece, Bulgaria break ground for interconnector that will take Azerbaijan's natural gas to Europe



A groundbreaking ceremony has been held for the Interconnector Greece-Bulgaria (IGB) in the

Bulgarian village of Kirkovo, which will allow Bulgaria to receive Azerbaijani gas. First Deputy Prime Minister of Azerbaijan Yagub Eyyubov, Prime Minister of Bulgaria Boyko Borisov, Greek Prime Minister Alexis Tsipras, both countries' energy ministers, high officials from European Commission and European Investment Bank, as well as over 150 delegates from a number of countries attended the event. Speaking at the ceremony, First Deputy PM Yagub Eyyubov emphasized the importance of successful and long-term cooperation among Azerbaijan, Bulgaria and Greece not only in energy, but also in other spheres.

In his video message, European Commission Vice-President for Energy Union Maros Sefcovic said that the implementation of the IGB project will enhance the regional security of gas supply and contribute to Europe's energy infrastructure.

The IGB Project (Gas Interconnector Greece-Bulgaria) is being implemented by the joint venture company ICGB AD, registered in Bulgaria in 2011, with shareholders BEH EAD (50%) and IGI Poseidon (50%). It is a gas pipeline, which will allow Bulgaria to receive Azerbaijani gas, in particular, the gas produced from Azerbaijan's Shah Deniz 2 gas and condensate field. IGB is expected to be connected to TAP via which gas from the Shah Deniz field will be delivered to the European markets. The initial capacity of IGB will be 3 billion cubic meters of gas.

Azeri-Chirag-Gunashli produces 52 million barrels of oil in 2019 Q1

During the first quarter of the year, Azeri-Chirag-Gunashli



Chirag-Gunashli (ACG) continued to safely and reliably deliver stable production. Total ACG

production for the first three months of 2019 was on average 571,000 barrels per day (b/d) (about 52 million barrels or 7 million tonnes in total) from the Chirag (43,000 b/d), Central Azeri (146,000 b/d), West

Azeri (128,000 b/d), East Azeri (100,000 b/d), Deepwater Gunashli (96,000 b/d) and West Chirag (58,000 b/d) platforms, according to BP Azerbaijan.

At the end of the first quarter, 119 oil wells were producing, while 42 wells were used for water and 7 for gas injection, the company said.

ACG participating interests are: BP (30.37 per cent), SOCAR (25.0 per cent), Chevron (9.57 per cent), INPEX (9.31 per cent), Equinor (7.27 per cent), ExxonMobil (6.79 per cent), TPAO (5.73 per cent), ITOCHU (3.65 per cent), ONGC Videsh Limited (OVL) (2.31 per cent).

Azerbaijan bids for 2023 World Petroleum Congress

"Azerbaijan is launching a bid to host the World Petroleum Congress, one of the largest oil and gas forums in the world, in 2023," said Energy Minister, Chairman of



"Azerbaijan National Oil Committee" Public Union Parviz Shahbazov.

He underlined that 19 members of the management board of the Public Union unanimously adopted the decision at the Committee's annual meeting.

The World Petroleum Congress is dedicated to the promotion of sustainable use and management of the world's petroleum resources for the benefit of all. Headquartered in London, since 1933, the World Petroleum Council includes over 65 member countries from around the world representing over 95% of global oil and gas production and consumption.

The World Petroleum Congress' main purpose is to catalyse and facilitate dialogue amongst internal and external stakeholders aimed at seeking solutions to key technical, social, environmental and management challenges in global energy issues for the benefit of mankind.

Brazil is interested in energy cooperation with Azerbaijan

“Brazil is interested in energy cooperation with Azerbaijan,” said President of the Chamber of Deputies of the National Congress of the Federative Republic of Brazil Rodrigo Maia as he met with Azerbaijan’s Minister of Energy Parviz Shahbazov in Baku.

Rodrigo Maia highlighted the carbohydrate reserves, production growth in the new wells, reforms in the field of natural gas and use of renewable energy. He underlined that there is a need to develop relations between the two countries’ energy structures, oil and gas companies and review the opportunities of cooperation between Petrobras and the State Oil Company of Azerbaijan (SOCAR).

Shahbazov described Azerbaijan-Brazil relations as successful. The minister provided an insight into the development path of Azerbaijan, including the stages of development of the oil and gas industry and ensuring the global energy security.

The minister noted that the Ministry of Energy is ready to support cooperation between the two countries’ oil and gas companies. Shahbazov also invited the Brazilian companies to participate in Azerbaijan’s renewable energy projects.

TRANSPORT

Business tour to Baku International Sea Trade Port organized

“The members of the Caspian European Club have joined the business tour arranged to the Baku International Sea Trade Port,” First Deputy Chairman and CEO of the Caspian European Club Telman Aliyev said.

The business tour participants took part in the “Port Festival 2019” open-door event. “The festival was held on the occasion of



the anniversary of the Baku International Sea Trade Port’s opening in Alat,” Telman Aliyev said.

The business tour participants got an opportunity to meet with Director-General of the Baku International Sea Trade Port CJSC Taleh Ziyadov. The members of the Caspian European Club viewed the festival stands, campaigns, the helicopter show, and obtained full information about the infrastructure and work carried out at one of the biggest sea trade ports in the Caspian region.

Telman Aliyev noted that the Caspian European Club traditionally holds similar business tours for businessmen in order to provide more details about the potential of big public and private enterprises of the country and the region, as well as about possibilities regarding partnership establishment.

The Caspian European Club, which brings together more than 5,000 member companies and organizations from 70 countries around the world, was established in June 2002 with the support of the largest oil and gas companies working in the Caspian-Black Sea region and with the active involvement of the Caspian Energy International Media Group.

Azerbaijani delegation attends 70th meeting of Council on Railway Transport of CIS & Baltic States

An Azerbaijani delegation has attended the 70th meeting of the Council on Railway Transport of the Commonwealth Member States and Baltic States held in the Finnish capital of Helsinki. The delegation was led by chairman of Azerbaijan Railways Javid Gurbanov.

The meeting was also attended by delegates from Russia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Uzbekistan, Georgia, Latvia, Finland, Lithuania, Estonia, Iran and Ukraine.



The meeting discussed a wide range of issues, including the operational work of the combined railway network and the international passenger traffic in 2018 and in the first quarter of 2019.

The meeting ended with the adoption of a number of documents, in particular 2019/2020 train timetable development standards.

Azerbaijan Railways has been a member of the Council on Railway Transport of CIS & Baltic States since 1992.

Azerbaijan joins IAPH World Ports Conference 2019 in China

An Azerbaijani delegation led by Director General of the Baku International Sea Trade Port CSJC Taleh Ziyadov is taking part in the IAPH World Ports Conference 2019 in Guangzhou, China. The event brings together more than 1000 representatives of port administration and enterprises from 50 countries.

The five-day conference will feature discussions on sustainable development of ports through the application of advanced technologies, as well as issues of cooperation among seaports within the framework of China's "Belt and Road (BRI)" initiative.

Founded in 1955 in Los Angeles, United States, based in Tokyo, Japan, the IAPH is a non-profit, non-governmental organization, whose members have covered 180 ports in nearly 90 countries and more than 140 port related industrial organizations.

So far, the conferences have been held in Los Angeles (2013), Sydney (2014), Hamburg (2015), Panama (2016), and Bali (2017). The Port of Baku was the first port in Central Eurasia to host an IAPH conference in 2018.



Azerbaijan, Russia and Turkey sign MoU on railway cooperation

Azerbaijan, Russia and Turkey have signed a Memorandum of Understanding (MoU) on cooperation in the railway sector as the three countries' officials met in Ankara.



The document was inked by Chairman of Azerbaijan Railways CJSC Javid Gurbanov, Chief Executive Officer and Chairman of the Executive Board of Russian Railways JSC Oleg Belozеров, and Director General of Turkish State Railways (TCDD) Ali Ihsan Uygun.

Azerbaijan's Minister of Transport, Communications and High Technologies Ramin Guluzade, Turkish Minister of Transport and Infrastructure Mehmet Cahit Turhan and other officials were also present at the signing ceremony.

Iran, Azerbaijan and Russia to establish joint railroad company

"Iran jointly with Azerbaijan and Russia will establish a railroad company," said Deputy Director of the Iranian Railway Company Babak Ahmadli.



He noted that the joint venture will increase transit goods as well as accept orders of the businessmen and state-owned companies.

Ahmadli underlined that the sides already reached agreement. "After the establishment of the joint venture, the representative offices will be opened in Tehran, Baku and Moscow," he added.

ICT

Azerbaijan to host Innovation Festival for the first time

The Innovation Festival (InnoFest) will be held in Azerbaijan for the first time on May 29-June 4, said Tural Karimli, Director of High Technologies Park.



The project will be co-organized by the Ministry of Transport, Communications and High Technologies, Ministry of Youth and Sport, Ministry of Education, Heydar Aliyev Center, Azerbaijan Youth Foundation, as well as the United Nations Development Programme (UNDP), the US Embassy in Azerbaijan and Azercell.

EU4Digital programme presented in Baku

Co-organized by the EU Delegation to Azerbaijan and Azerbaijan's Ministry of Transport, Communications and High Technologies, a presentation of



EU4Digital, a new programme funded by the European Union to support the digital economy and society, has been held in Baku.

The event aims to present the EU4Digital programme as a flagship initiative, channelling a broad range of actions in support of EU policy objectives in the digital area. The event also took stock of the situation and progress made in the digital sector in Azerbaijan and looked ahead to upcoming actions.

Addressing the meeting Simona Gatti, Minister Counsellor, Head of the Department of Cooperation of the European Union Delegation to Azerbaijan, welcomed the launch of the programme: "Today we are launching the EU4Digital programme, an EU-funded regional initiative with a total budget of EUR 11 million for the Eastern Partnership countries. We expect that the project will improve the work of government institutions, boost economic diversification

with creation of growth and jobs and also improve the life of Azerbaijani citizens. The harmonisation of digital markets will result in improved online services at better prices and with greater choice for all people," she said.

In his remarks, Azerbaijani Deputy Minister of Transport, Communications and High Technologies Elmir Valizade said: "We highly appreciate the initiative of 'Harmonization of Digital Markets' (HDM) in the formulation and development of the digital economy. Our country is actively involved in each of the six directions of the HDM initiative. Azerbaijan takes the role of coordinator country in the direction of 'Innovation and Start-up Ecosystems' and the 'Electronic Customs' subsection. We believe that the work on HDM will support the development of the digital economy in Azerbaijan."

The Deputy Minister added that development of the digital economy was a key priority for Azerbaijan: "The central government in Baku keeps close track of this direction as one of the priority issues in line with the state-sponsored development strategy. The 'National Strategy for the Information Society Development in the Republic of Azerbaijan for 2014–2020', a comprehensive guide for developing the national digital economy, has been adopted, and the formulation of the digital economy is set as one of the main goals. In addition, the Strategic Roadmap for the development of telecommunications and information technologies in the Republic of Azerbaijan, which was adopted at the end of 2016, has put serious obligations on the sector for ensuring faster and secure digital transition. Therefore, we support firmly the steps taken under the EU4Digital programme," Deputy Minister Elmir Valizade said.

The opening remarks were followed by a full presentation of the programme, and a panel discussion on how EU4Digital complements other digital initiatives in Azerbaijan and the wider region.