



Diplomatic Mission of the Republic of Azerbaijan in Bosnia and Herzegovina

Dzemala Bijedica 305, 71210, Ilidza, Sarajevo

TEL: (+387 33) 695 802/803/804

FAX: (+387 33) 695 801

E-MAIL: sarajevo@mission.mfa.gov.az

WEBSITE: sarajevo.mfa.gov.az

ECONOMIC NEWS BULLETIN

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OIL & GAZ

President: We attach great importance to cooperation in the energy sector

“We attach great importance to cooperation in the energy sector. Azerbaijan offers its opportunities in this area too. A portion of the energy resources of our partners from Central Asia is transported to world markets via Azerbaijan,” said President Ilham Aliyev as he addressed the 7th Summit of the Cooperation Council of the Turkic-Speaking States held in Baku.



SOCAR, Romgaz sign MoU

The State Oil Company of the Republic of Azerbaijan (SOCAR) and S.N.G.N. Romgaz S.A. have signed a Memorandum of Understanding under which the two companies will jointly cooperate in upstream oil and gas projects. The purpose of this Memorandum is to



establish a strategic cooperation in order to develop projects of common interest primarily in the Republic of Azerbaijan and Romania, as well as internationally.

“Cooperation with a partner like SOCAR represents an excellent opportunity that will bring a lot of mutual benefits for both companies. Sharing the know-how and transfer of technology and experience between the two countries with a very similar history in the oil and gas industry will lead to a successful partnership. The state-of-the-art technology and expertise may unlock significant discovery in the frontier basins, especially those in the underexplored frontier offshore basins,” said CEO of Romgaz Constantin Adrian Volintiru.

Romgaz is 70% state owned company, listed at Bucharest Stock Exchange and London Stock Exchange involved in exploration, production, storage and marketing of natural gas. It is the largest gas producer and the main natural gas supplier in Romania.

SOCAR is a state-owned energy company, operating on global scale. The company fulfills many functions among which

exploring oil and gas fields, producing, processing, and transporting oil, gas, and gas condensate take a big part. SOCAR also markets petroleum and petrochemical products within the country as well as across a number of international markets. The company's vision is to become a vertically integrated international energy company with advanced experience in operation efficiency, social and environmental responsibility.

Azerbaijan, Afghanistan discuss role of oil and gas cooperation in developing economic relations

The role of oil and gas cooperation in developing Azerbaijan-Afghanistan



economic relations has been discussed as President of Azerbaijan's State Oil Company (SOCAR) Rovnag

Abdullayev met with a delegation led by Acting Minister of Commerce and Industries of Afghanistan Ajmal Ahmadi.

The meeting also focused on the role of Azerbaijan's oil products in Afghanistan's fuel market over the recent years.

Minister Ahmadi highlighted the current situation on Afghanistan's fuel market. He expressed Afghanistan's interest in raising cooperation with SOCAR in order to diversify sources of import.

Azerbaijan transports about 1,8 billion cubic meters of natural gas through TANAP this year

Azerbaijan transported some 1,8 billion cubic meters of natural gas via the Trans-



Anatolian Natural Gas Pipeline Project (TANAP) this year.

According to SOCAR, the TANAP transported 1 billion

798 million cubic meters of natural gas in the nine months of 2019.

The length of TANAP is 1,850 kilometers with an initial capacity of 16 billion cubic meters of gas.

TRANSPORT

8 million tons of cargo was transported from Turkic-speaking countries through Azerbaijan last year, President

"The transport cooperation among our countries, historically located on the ancient Silk Road, is one of the important directions, of course. Azerbaijan is an active participant in the East-West transport corridor," said President of Azerbaijan Ilham Aliyev as he addressed the 7th Summit of the Cooperation Council of the Turkic-Speaking States in Baku.

"The Baku-Tbilisi-Kars railway, commissioned in October 2017, is our joint contribution to the restoration of the historic Silk Road. The cargo handling capacity of the Baku International Sea Port is 15 million tons of cargo and 100,000 containers. If necessary, the cargo handling capacity of the port can be increased to 25 million tons and 1 million containers. Azerbaijan as a reliable transit country continues its efforts to facilitate the access of Turkic-speaking countries to world markets. In 2018, 8 million tons of cargo was transported from Turkic-speaking countries through Azerbaijan," President Ilham Aliyev added.



First direct railway container train launched from Baku to Europe

Another container block train has been launched from Xi'an city of the People's



Republic of China heading west to Europe.

A destination point of the train

consisting of 42 containers is Prague, a capital city of the Czech Republic.

This train, which runs along the Trans-Caspian International Transportation Route, will be the first ever freight train to reach Europe travelling uninterruptedly via the Baku-Tbilisi-Kars railroad and further the Marmaray railway tunnel in Turkey.

That is to say, the container block train from Xi'an to Prague will uninterruptedly travel from Baku to Europe only by rail. The solemn ceremony of welcoming the

travelling train is expected to take place in Istanbul.

The container train is carrying Chinese-made home appliances to Czech Republic. Responsible operator for this train is a consortium of the Trans-Caspian International Transportation Route. Azerbaijan is represented in this consortium by ADY Container LLC, a subsidiary of Azerbaijan Railways Administration.

Each of the participating countries, including Azerbaijan, has an indispensable role in promoting this route as the "Middle Corridor", which stretches from China all the way to Europe. Regular meetings and discussions are held between the heads of state and competent agencies of the participating countries to fully operationalize this route.

Another leap forward for increasing freight traffic via the "Middle Corridor" was an important agreement between Azerbaijan's ADY Container LLC and China's Xi'an Continental Bridge International Logistics Co. Ltd, signed at the 2nd "One Belt, One Road" Forum, held in Beijing in April 2019. The agreement sets out more enhanced cooperation on movement of container trains along Trans-Caspian International Transport Route. According to the agreement, both companies plan to launch a total of 30 container trains by the end of 2019, with 20 container trains already launched so far.

Digital Transformation Day conference held with support of AZANS in Baku

The first international conference Digital Transformation Day has today been held with the support of



“Azeraeronavigation” Air Traffic Control (AZANS) at the Sheraton Baku Airport Hotel.

Focus at the conference was on the “Digital Transformation and Cyber Security in Azeraeronavigation”. The event, held with the support of foreign partners, was attended by representatives of leading

providers from the United States, Germany, Austria, France, Russia, Britain, China and other countries.

AZANS Director Farhan Guliyev noted that the use of advanced digital technologies in the organization of air traffic requires a high level of cybersecurity and protection from cyberattacks.

“As an air navigation provider, AZANS provides cost effective, safe, reliable, flexible and sustainable air traffic management by implementing up-to-date technologies. This year, AZANS successfully completed the first phase of implementation of the digital air traffic control tower at Gabala airport. The new solution is based on the Enhanced Airport Vision Display platform,” said AZANS Director Farhan Guliyev.

Currently, AZANS is also working on the introduction of technologies for controlling the movement of unmanned aerial vehicles (UAVs) in the airspace of Azerbaijan. Unmanned air traffic control will also be introduced using advanced digital innovations, and the issue of safety of traditional flights will be a priority.

“AZANS is looking for ways to develop and safe implementation of UAVs in controlled airspace, using industry technologies known as Unmanned Aerial Vehicle Traffic Control (UAV) or Unmanned Traffic Management (UTM), with the widespread use of advanced digital technologies, including artificial intelligence. At the same time, priority is given to ensuring that the introduction of such innovations does not jeopardize the safety of traditional flights,” added Farhan Guliyev.

Following the results of the conference in Baku, for the first time in global civil aviation history the declaration was signed on joint efforts to combat cyber threats in international air navigation.

Caspian Air Cargo Summit kicks off in Baku

The traditional two-day summit was organized by Azerbaijan's national cargo



carrier Silk Way and Swedish company Euroavia International.

The international forum brings

together 200 top managers and top executives from leading global companies to discuss current trends and the future of the air cargo industry.

Focus at the Summit will be on unlocking the potential of the Silk Road Initiative for airlines, airports and the air freight industry in general. Other session themes will cover innovation in logistics, update CIS air cargo market, e-commerce, perishables and global market outlook.

In his welcoming speech, Director of the State Civil Aviation Agency Arif Mammadov noted that the domestic and foreign policies established by national leader Heydar Aliyev and successfully continued by President of the Republic of Azerbaijan Ilham Aliyev, constantly increases the importance of Azerbaijan in the international arena.

Azerbaijan's civil aviation makes a significant contribution to the development of the country's non-oil sector, and today new opportunities are being explored to strengthen its position in this area.

“Acting as a bridge between East and West, today Azerbaijan is recognized as a major partner in the international arena in the field of transit transportation,” Arif Mammadov said.

According to him, all the tasks set for the civil aviation of Azerbaijan are being successfully fulfilled, and the transformation of Heydar Aliyev International Airport into an important logistics hub is an additional confirmation of this.

Silk Way Airlines has expanded its business in recent years and has become a major player in the Europe – Asia trade lane, establishing Heydar Aliyev

International Airport in Baku as a major transit hub for cargo.

Since its foundation in 2012, the carrier has been constantly expanding its route network to cover many destinations around the world. The airline has now more than 10 Boeing 747 all freighters and operate a true global network to major transport hubs such as Hong Kong, Osaka, Seoul, Dhaka, Shanghai, Singapore, Kuala Lumpur, Chicago, Milan, Amsterdam, Luxembourg, Istanbul, Dubai and others.

ICAO noted Azerbaijan's achievements in civil aviation

The Presidium of the Council of the International Civil Aviation Organization (ICAO) awarded the civil aviation of Azerbaijan for its high achievements in the field of aviation



security control.

The certificate of honor was awarded within the framework of the World Forum dedicated to the 75th anniversary of ICAO and the 40th anniversary session of the ICAO Assembly, which was held in Montreal, Canada. The delegation of Azerbaijan was headed by Director of the State Civil Aviation Agency Arif Mammadov.

The Assembly was attended by 184 ICAO member countries and 70 international organizations, bringing together over 2600 participants.

“In recent years, thanks to the great attention and concern of President Ilham Aliyev, the civil aviation of Azerbaijan has achieved great success. I would like to emphasize that aviation security has been and remains a top priority for us. Such honorary awards from the ICAO are another confirmation of these successes,” said AZAL President Jahangir Asgarov.

“These awards, established by the ICAO Council in support of our ongoing No Country Left Behind initiative, have been developed in order to more publicly acknowledge and encourage States' commitment and progress in making our global network even safer and more secure

than it is today,” commented Council President Aliu.

ICAO is a specialized agency of the United Nations, founded in 1944 and establishing international standards for civil aviation and coordinating its development in order to improve safety and efficiency. Azerbaijan has been a member of ICAO since 1992.

ICT

Azercosmos, CaspianSAT sign partnership agreement

Azercosmos and CaspianSAT, the company that offers offshore telecommunication



services, signed a partnership agreement. According to the agreement, CaspianSAT

will provide telecommunications services to the vessels operating in the Caspian Sea, the Black Sea and the Sea of Azov, the Persian Gulf, the Volga river, and Eastern part of the Mediterranean Sea, using the resources of Azerspace-1 and Azerspace-2 satellites.

Solutions covering basic telecommunications requirements such as internet, telephony and TV broadcasting and other additional services on vessels are offered by CaspianSAT over Azerspace-1 and Azerspace-2 since October 2019.

Eurasia Innovation Day held as part of InnoWeek

An event entitled Eurasia Innovation Day has been held at Heydar Aliyev Center as



part of InnoWeek - Innovation Week.

The event was jointly organized by the Ministry of

Transport, Communications and High Technologies and Huawei company.

The event, which plays the role of a dialogue platform, was attended by politicians, scientists, representatives of the private sector and the media.

The event began with an opening remarks by Deputy Minister of Transport,

Communications and High Technologies Elmir Velizade, who said President of Azerbaijan Ilham Aliyev has signed a number of decrees and orders on popularization of innovative activity and formation of an innovative ecosystem in the country. The deputy minister stressed the importance of the order “On ensuring coordination in the field of innovative development in the Republic of Azerbaijan” signed in this direction. According to the document, responsible coordinating persons have been appointed for innovative development issues and a reporting system is being formed.

“At the same time, the management bodies of the relevant coordination entities provide for the presence of at least one specialist in innovation or research, directing a certain part of the annual profit to introduce innovations and finance research. Additionally, the instruction to develop a draft innovation strategy in Azerbaijan is of particular importance for the consistent and overall development of innovations in our country,” said Elmir Velizade.

Three panels were organized within the Eurasia Innovation Day.

On the first panel “Digital Connectivity”, interesting reports on the topic were heard, and views were exchanged.

The second panel was dedicated to the development opportunities and problems of the national digital economy in Eurasia.

The third panel focused on innovation and technology.