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ECONOMIC NEWS BULLETIN

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SOCAR AQS becomes first Azerbaijan company announced as UN Global Compact LEAD

SOCAR AQS has been announced as Global Compact LEAD, based on its business activity participant for its ongoing commitment to the United Nations Global Compact and its Ten Principles for responsible business. Announced at the UN



Global Compact Leaders Week in New York, SOCAR AQS was evaluated as being among the most highly-engaged participants of the world's largest corporate sustainability initiative, and was selected as the leading corporate entrepreneur of the world.

CEO and Executive Director of the UN Global Compact Lise Kingo said: "LEAD companies represent the highest level of engagement with the UN Global Compact. More than ever before, the world needs businesses of all sizes - like the ones announced as LEAD today - that

continuously work to improve their sustainability performance and take action to build a better world."

General Director of SOCAR AQS Ramin Isayev said: "SOCAR AQS is very pleased to become UN Global Compact LEAD company. Since the establishment of our company in 2008, we have always worked tirelessly to contribute to sustainable development by creating more productive jobs, by contributing to the development of human capital and by improving our environment. Becoming UN Global Compact LEAD Company offers new opportunities to embed sustainability principles and goals in our corporate strategy by collaborating with other companies and by harnessing new technologies. Commitment to Global Goals will be defining feature of our company and of our leadership."

LEAD participation demonstrates the company's ongoing commitment to the United Nations Global Compact and its Ten Principles.

To be eligible for LEAD, a company must be a participant in at least two UN Global Compact Action Platforms to demonstrate

the company's engagement with the UN Global Compact and commitment to defining and fostering leadership practices in line with the Ten Principles and the Global Goals; and submit or commit to submitting an Advanced Communication on Progress — an annual sustainability report detailing progress on implementing the Ten Principles.

SOCAR AQS has demonstrated its commitment to the UN Global Compact this year by participating in Action Platforms on Reporting on the SDGs and Decent Work in Global Supply Chains. Each UN Global Compact Action Platform convenes business, Global Compact Local Networks, leading experts, civil society, Governments, and UN partners to solve complex and interconnected issues and innovate around the Sustainable Development Goals.

SOCAR AQS joined the UN Global Compact in November 2018.

SOFAZ hosts “Impact Investing: Opportunities and challenges for institutional investors” conference

The State Oil Fund of the Republic of Azerbaijan (SOFAZ) has today hosted an international conference titled “Impact Investing: Opportunities and challenges for institutional investors” in partnership with International Finance Corporation (IFC) and with the support of the European Bank for Reconstruction and Development (EBRD) in Baku. Organized within the celebration framework of the 20th anniversary of SOFAZ, the conference aims to pinpoint the most recent developments in the impact market and investment environment, and the possible challenges and opportunities.

Over the last decade, impact investing has gained increasing interest and traction within the financial sector. Impact investing enables institutional investors to generate measurable positive social and

environmental impacts alongside a risk-adjusted return.

The conference consists of 6 sessions, which aim to solidify the definition of impact investing among institutional investors, potential future scale of impact investing, including evolving markets and products in this area, measurement and reporting tools, the role of sound government policy framework in the future of this industry, as well as climate change transitions.

CEO of SOFAZ Shahmar Movsumov highlighted the significance of impact investing and commented: “As a long term investor, we strongly believe both value creation and sustainability have to be the major cornerstones of our investment strategies and in this regard impact investing has a great potential to achieve both of these objectives. We believe this conference will be an important milestone in increasing awareness among the long-term institutional investors.”

Hans Peter Lankes, IFC's Vice President of Economics and Private Sector Development, said: “For over 60 years, IFC has been an impact investor. And we are leading an effort, together with our partners in the industry, to improve the credibility and transparency of the impact investment market. We are delighted to see that a growing number of investors and companies are now looking to align their business models and investment strategies to achieve positive outcomes for society. The State Oil Fund of Azerbaijan was the first investor from an emerging market to invest in funds managed by the IFC Asset Management Company. We would like to express our thanks to SOFAZ for its commitment to our shared mission.”

The conference brought together more than 200 participants – members of leading SWFs, pension funds, multilateral agencies and industry practitioners, government bodies, private sector and a number of universities.



TRANSPORT

Azerbaijan becomes connecting hub for European air transit flows

Members of the European Organization for the Safety of Air Navigation (EUROCONTROL) and the Civil Air Navigation Services Organization (CANSO) have met in Brussels.



Azerbaijan was represented in this meeting by Director of "Azeraeronavigation" Air Traffic Control (AZANS) Farhan Guliyev.

As part of a working visit, Farhan Guliyev also met with Director General of EUROCONTROL Eamonn Brennan. During the meeting key issues in the field of air traffic management and planning of overflights through the territory of Azerbaijan, as well as the role of the country as a strategic partner for Eurocontrol were discussed.

Issues related to the planning of air traffic flows and contingency planning in case of unforeseen circumstances in the region were also discussed.

Eamonn Brennan highly assessed the achievements in field of civil aviation in Azerbaijan and noted that the strategic location and high level of air navigation services provision makes Azerbaijan attractive for the European organization in the field of air traffic flow planning and it increases the number of transit flights between Europe and Asia. Eamonn pointed out that Azerbaijan is a key flight corridor between Europe and Asia.

Following the negotiations, an agreement was signed on the use of the ASEC Center at Heydar Aliyev International Airport for planning, forecasting and interaction in managing of air traffic flows in cases of unforeseen circumstances in the region. The document was signed by AZANS Director Farhan Guliyev and Director of the Network Management Directorate (NMOC EUROCONTROL) Iacopo Prissinotti.

Thus, Azerbaijan has gained high confidence and is recognized as a partner of EUROCONTROL in the planning of

transit flights and the Support center in case of crisis.

AZANS is structural subdivision of Azerbaijan Airlines. The main objectives of the company's operations are to ensure flight safety, as well as service and coordination of air traffic over the territory of the country.

EUROCONTROL is the European Organization for the Safety of Air Navigation, founded in 1960. It has as its primary objective the development of a seamless, pan-European Air Traffic Management system. EUROCONTROL has 41 member states.

AZAL, Chinese company sign three year charter flights agreement

Azerbaijani national airlines company AZAL and Chinese leading tourism company "HCG International Travel Group"



have signed a three-year agreement on the implementation of charter flights on the Baku-Beijing-Baku route.

The document was signed by AZAL passenger airline's Director Jamil Manizade and Director of HCG International Travel Group He Yong.

They also discussed the opening of a new route from Azerbaijan to China in 2020.

"As China's leading travel agency, HCG International Group Travel has proved to be a reliable partner for implementation of our regular flights to China. Constant demand for this flight underlines the growing tourism potential of Azerbaijan, as well as convenient transits through the Heydar Aliyev International Airport in Baku," Jamil Manizade noted.

Head of HCG International He Yong emphasized: "We're very pleased to have been able to conclude such a strategic agreement between Azerbaijan's national air carrier and our company. AZAL is known for high level of services, and the airport of the capital of Azerbaijan creates opportunities for planning convenient connections between Europe and Asia".

AZAL adopts modern technologies to reduce its harmful emissions

Azerbaijan Airlines has signed a partnership with OpenAirlines to use its solution SkyBreathe.



Given the high priority of the issue of reducing

harmful emissions for AZAL, this agreement is of a strategic importance for Azerbaijan's national air carrier.

SkyBreathe Fuel Efficiency is an innovative solution using Big Data Algorithms, Artificial Intelligence, and Machine Learning to improve fuel efficiency and reduce emissions.

"To develop a fuel-conscious culture across operations team, we needed to have a better understanding of our fuel consumption, that's why we selected SkyBreathe. The software with such great opportunities will be a great asset to help us monitor and improve fuel efficiency. This way AZAL will also contribute to the important issue of environmental protection," said Jamil Manizade, Director of Azerbaijan Airlines passenger airline.

"We are proud to help Azerbaijan Airlines to reduce their fuel consumption further. There is an important pressure on airlines to increase profitability while reducing their carbon impact. By using SkyBreathe, they will reduce their first cost driver by 2 to 5%, while allowing them to become leaders in environmental excellence," explains Alexandre Feray, CEO of OpenAirlines.

Signing a partnership with OpenAirlines, Azerbaijan Airlines joins the largest community of airlines adopting SkyBreathe to improve their fuel efficiency and to protect environment, including FlyDubai, Air France, Norwegian, Iceland Air and number of other leading airlines.

ICT

Azercosmos, INTERSAT partner to roll-out High Throughput Broadband services using HTS Capacity on Azerspace-2

Azercosmos, the premier satellite operator



in the South Caucasus, and INTERSAT have signed up for a long-term partnership at IBC-2019, for

delivery of consumer broadband and enterprise services and to provide high quality and high throughput internet connectivity to remote areas of Africa, thus reducing the digital divide on the continent. This partnership enables Azercosmos to utilize Intersat's teleport and ground infrastructure and expertise to deliver consumer broadband and enterprise services to every city, town, and community on the continent.

Azercosmos and Intersat are joining forces to develop the satellite broadband market in Africa, which is currently flooded with multiple offerings of low quality and data-limited satellite broadband connectivity options. With the new service offering, customers will be able to not only enjoy high-throughput connectivity but will also be able to use unlimited data.

"Our agreement with Azercosmos is a significant step towards extending state-of-the-art and highly-affordable services specific to the continent of Africa, using our newly launched SkyFi services. With this service we've set a new trend for Broadband Satellite Internet by delivering a service that gives consumers unlimited data with faster speeds and better service experience," said Hanif Kassam, CEO of INTERSAT. "With the proven superiority of Hughes-Jupiter2 HUB platform, we are confident that our SkyFi service will provide INTERSAT with a competitive edge for successful service expansion throughout Africa," added Subrata Roy, CTO of INTERSAT.

"We are pleased to expand the scope of our longstanding relationship with Intersat, to

now enter into this partnership for the delivery of broadband services over our satellite to the people of Africa,” said Rashad Nabiyeu, CEO of Azercosmos.

Azerbaijan to host NASA Space Apps Challenge for first time

The world’s biggest hackathon-NASA



Space Apps Challenge will be for the first time organized in Azerbaijan.

Co-organized by Azercosmos OJSC and the US Embassy in Azerbaijan, in partnership with Azerbaijan Diplomatic Academy (ADA) and the National Agency for Aeronautics and Space Research (NASA), the event will be held on October 18-20 at ADA University. Since its inception in 2012, NASA’s International Space Apps Challenge has become the world’s largest global hackathon, engaging thousands of citizens across the globe to use NASA’s open data to build innovative solutions to challenges we face on Earth and in space.

Space Apps inspires local communities to come together, think intensely, and create solutions to important problems. Each year, Space Apps engages thousands of individuals in cities around the world to work with NASA’s open source data in a 48-hour sprint. Teams of technologists, scientists, designers, entrepreneurs, artists, and others collaborate to answer some of the most pressing challenges on Earth and in space.

The challenges change each year within the theme of Earth and Space. Some of the most popular challenges last years included subjects ranging from autonomous spacecraft inspection, to monitoring disasters, to exploring the beauty of the Universe.

Challenges of Space Apps 2019 will be announced after September 25. Each participating team will be allowed to work only on one challenge and can start the actual work only at the hackathon itself.

At the end of the last day of the hackathon, teams will take turns presenting their

projects to the judges. Each team presentation should be short (4 minutes each and 2 minutes for answering jury questions). The presentation is the opportunity for each team to highlight its work for the judges to see.