



## Diplomatic Mission of the Republic of Azerbaijan in Bosnia and Herzegovina

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## ECONOMIC NEWS BULLETIN

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### OIL & GAZ

#### BP, Azerbaijan`s Ministry of Energy sign Letter of Intent

BP and the Ministry of Energy of the Republic of Azerbaijan today signed a Letter of Intent on improving the



performance of small hydroelectric stations. The Letter of Intent aims to support the Ministry of Energy's goal to improve the performance of the hydroelectric power generation sector in Azerbaijan.

Under the Letter of Intent, SNC-Lavalin's Atkins, a leading consultancy firm, will conduct an assessment to improve the efficiency of existing small hydroelectric stations in the regions to enhance the hydro-energy potential of Azerbaijan's small mountain rivers.

Deputy Minister of Energy Samir Valiyev said: "This document is yet another success of our long-term energy cooperation with BP. We hope that this

cooperation will pave the way for applying the successful oil and gas experience to the renewable energy sector and help us achieve the goal of increasing the share of renewable energy in the country's energy balance."

BP's Vice President for Communications, External Affairs, Strategy and Region Bakhtiyar Aslanbayli said: "This project is in line with our commitment to supporting the country's capacity building initiatives as part of our social investment agenda. We are very pleased to support the Ministry of Energy on this project and hope this collaboration will grow into a solid and extended future partnership."

SNC-Lavalin's Atkins will examine a number of small hydroelectric stations in operation and provide its recommendations on how the efficiency of these stations can be improved. A site visit by Atkins international experts will be arranged to review the existing stations and to assess possible sites for the construction of new stations.

## SOFAZ Executive Director attends 10th UNCTAD World Investment Forum

Executive Director of the State Oil Fund of the Republic of Azerbaijan (SOFAZ) Shahmar Movsumov is participating in the 10th UNCTAD World



Investment Forum in Geneva, Switzerland. At the Forum entitled "Investing in Sustainable Development", participants discuss global challenges for international investment in the new era of globalization and industrialization, gather to brainstorm solution-oriented initiatives and build global partnerships to advance prosperity for all. More than 6000 delegates from 160 countries are taking part in the event. Movsumov participated in a panel as a speaker on Sovereign Wealth and Pension Funds Dialogue session.

## NATO official: Member states support large-scale energy projects implemented by Azerbaijan

"NATO member states support large-scale energy projects, including the Southern Gas Corridor implemented by Azerbaijan," said NATO Secretary General's Special Representative for the South Caucasus and Central Asia James Appathurai as he met with Adviser to the Azerbaijani energy minister Esmira Jafarova on the sidelines of the NATO Deputy Permanent Representatives Committee's (DPRC) (29+1 format) first meeting on energy issue in Brussels.

They discussed the particular role of energy issues in the context of positive dynamics of Azerbaijan-NATO relations and Azerbaijan's efforts as a reliable partner in this regard.

Appathurai described the Southern Gas Corridor as a project of geopolitical importance in terms of diversifying energy routes, saying Azerbaijan plays a vital role in its implementation.



## Baku to host meeting of OPEC-non-OPEC Joint Ministerial Monitoring Committee next year

"One of the meetings of the Joint Organization of the Petroleum Exporting Countries (OPEC)-non-OPEC Ministerial Monitoring Committee (JMMC) will be held in Baku," Azerbaijan's Minister of Energy Parviz Shahbazov said. Minister Shahbazov mentioned that a preliminary decision on hosting has already been made in this regard. "The exact decision on this issue will be approved and the date will be set during the current year's December session of the JMMC. The meeting is expected to take place in the first half of the next year," the minister added.



## SOCAR president meets with Turkish energy and natural resources minister

SOCAR's President Rovnaq Abdullayev has met with the Turkish Minister of Energy and Natural Resources Fatih Donmez.



Abdullayev provided an insight into SOCAR's investments in Turkey. He highlighted the forthcoming launch of Star refinery next week. "Built in the territory of the Turkish PETKIM oil and gas complex, the refinery will be inaugurated on October 19 in the city of Izmir," he added.

## ENERGY

### Caspian European Club's Energy Committee holds session

Energy Committee of the Caspian European Club has held a closed session in Baku.



The session was chaired by First Deputy Chairman and Chief Executive Officer of the Caspian European Club Telman Aliyev, Head of the Energy, Oil and Gas Committee, Head of the Working Group on Cooperation with the State Customs Committee Nariman

Mammadov and Chief of the Working Group on Conventional, Alternative and Renewable Sources of Energy Rustam Gasimov. Heads and representatives of energy and core companies discussed proposals concerning the development of the energy sector of the country.

These proposals will be studied by the Legal Committee of the Caspian European Club, after which they will be submitted to the Ministry of Energy of Azerbaijan, State Agency of the Azerbaijan Republic for Alternative and Renewable Sources of Energy, Azerenerji OJSC and Azerishig OJSC. Separate meetings of heads and representatives of member companies of the Caspian European Club with the executives of the above mentioned institutions will be organized. Discussed at these meetings will be important issues and proposals.

Based on the discussions between the working groups and government entities, a special report and package of proposals will be prepared for their submission to the President of the Republic of Azerbaijan.

The Caspian European Club 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. Since the very establishment the Caspian European Club has worked to attract revenues from the oil industry towards the development of the non-oil sector. The Caspian European Club, which brings together more than 5,000 member companies and organizations, is operating in 70 countries around the world and working actively to maintain a dialogue between the government agencies and the private sector.

### **Azerbaijan signs Belt and Road Energy Partnership Declaration**

Azerbaijan has become a signatory to the Belt and Road Energy Partnership Declaration as Minister of Energy Parviz Shahbazov



attended the Belt and Road Energy Ministerial Conference in China.

Hosted by the Chinese National Energy Administration, the conference brought together ministers of energy administrations and representatives from relevant international organizations. The major highlight of the conference was Building the "Belt and Road" Energy Partnership.

Addressing the conference, Shahbazov said that through restoration of the historical Silk Road, China and Azerbaijan are bringing continents and civilizations closer to each other, building a new model of cooperation of the Belt and Road Initiative in a large geography, which covers South-East Asia, Africa and Eastern Europe.

He noted that the successful transport projects such as Baku-Tbilisi-Kars, South-North, Alat International Sea Trade Port implemented by Azerbaijan have considerably contributed to the One Road, One Belt initiative.

The conference, which was hosted for the first time, featured discussions on a wide range of topics, including encouragement of investments in the field of energy and unimpeded energy trade.

At the end of the conference, a Joint Ministerial Declaration on Building the Belt and Road Energy Partnership was signed. The document emphasized that the Belt and Road Initiative will provide new opportunities for the international cooperation as an open and inclusive platform. By signing the Declaration, the signatory countries have also expressed their support for building of Belt and Road Energy Partnership.

One Belt, One Road initiative was put forward by Chinese President Xi Jinping. Azerbaijan expressed its support to the initiative when the country signed the Memorandum of Understanding on Joint Encouragement of the Establishment of "Silk Way Economic Belt" during President Ilham Aliyev's state visit to China in 2015.



## TRANSPORT

### AZAL, Iran Air discuss development of cooperation

AZAL President Jahangir Asgarov has today met with a delegation of the Iran Air led by its CEO Farzaneh Sharafbafi in Baku. The sides



exchanged views on issues related to the further development of cooperation between Azerbaijan Airlines and Iran Air.

Jahangir Asgarov told the delegation about the state of affairs in Azerbaijan's civil aviation, noting the record increase in passenger traffic of the Heydar Aliyev International Airport. In the first nine months of 2018, the capital's airport served 3.49 million passengers (10 percent more than last year). Taking into account the opening of new flights by the end of 2020, the priority task is to increase this figure up to 7 million passengers per year.

According to Jahangir Asgarov, Iran borders with Azerbaijan and full assistance will be provided to the southern neighbor in increasing passenger traffic.

Farzaneh Sharafbafi noted that the progress in Azerbaijan's civil aviation made a great impression on her. She said that Iranian tourists' interest to see Azerbaijan is constantly increasing.

Farzaneh Sharafbafi expressed her hope that the negotiations held in Baku will serve as an impetus for further expansion of cooperation.

The parties expressed their intention to consolidate mutual efforts to further develop and strengthen air transportation between the two countries.

It should be noted that Baku-Tehran flight is one of the most popular destinations. In particular, the low-cost airline Buta Airways, which is part of AZAL, operates flights to Tehran every day, and Iran Air - twice a week.

### AZAL, Belavia sign codeshare agreement on Baku-Minsk route

Belarusian Belavia Airlines JSC and Azerbaijan Airlines (AZAL) have signed a bilateral agreement (codeshare) on the joint operation of



Minsk-Baku air route starting from October 28, 2018.

Under the agreement, Belavia Airlines will be the operating carrier, and Azerbaijan Airlines will be the marketing partner on the Minsk-Baku-Minsk route. Thus, starting from October 28, flights on this route will be operated by the Belarusian Airline under its code B2 and under the code of the Azerbaijan's air carrier - J2.

With the launch of winter flight schedule, Belavia Airlines increases the frequency of flights to Baku up to four times a week. Flights from Minsk will be carried out on Mondays, Wednesdays, Fridays and Saturdays at 23:15 local time and arrival in Baku will be the next day at 03:35 local time. Flights from Baku will be carried out on Tuesdays, Thursdays, Saturdays and Sundays at 04:35 local time and arrival in Minsk will be at 07:10 local time.

"Belavia Airlines is our long-standing and reliable partner. Direct flights on the Baku-Minsk route have always been in demand by citizens and tourists from both countries. I am confident that joint codeshare flights between AZAL and Belavia will become the basis for mutually beneficial and long-term cooperation," Director of Azerbaijan Airlines passenger airline Jamil Manizade said.

The signed agreement on the joint operation of the Minsk-Baku-Minsk flight will significantly increase the attractiveness for passengers of two airlines, traveling in transit through the airports of Minsk and Baku, thanks to the expansion of the flight connection base and expanding the marketing opportunities of airlines to promote their own products. The two airlines plan a significant increase in transit passengers, who will use the airports of the two states' capitals.

“We are very pleased to continue and significantly expand cooperation with our long-time partner, Azerbaijan Airlines. We believe that this cooperation will benefit both airlines. Thanks to this agreement, passengers of both airlines will get more options and opportunities for travel, and will be able to take advantage of the most convenient flight connections and buy a ticket at a more attractive price. If earlier Belavia and AZAL had the opportunity to offer their passengers a flight between Minsk and Baku only twice a week, now both carriers will provide the opportunity to fly four times a week. In addition, the joint flight of AZAL and Belavia will strengthen strong ties between Belarus and Azerbaijan,” General Director of Belavia Airlines Anatoly Gusarov said. Tickets for this codeshare flight will be available for sale on the websites of both partner airlines: belavia.by and azal.az.

### **AZAL, HungaroControl to cooperate in air traffic management**

A delegation of HungaroControl headed by its Executive Director Kornel Szepessy arrived in Baku for a working visit on October 9.



By observing the

active development of air navigation system and introduction of innovative technologies in Azerbaijan, the European structures of air navigation services show interest in cooperation with Azeraeronavigation Air Traffic Control Center (AZANS).

The guests visited the new the Airspace Supervision & Efficiency Center (ASEC) and the Azeraeronavigation Air Traffic Control Center (AZANS).

During the visit, a number of issues for further cooperation in the following fields were discussed:

- development of conceptual solutions for air traffic control towers;
- airspace modeling;
- training of personnel of air navigation services;

- development in the field of motion control of unmanned systems;

- research work in the field of air navigation. Following the discussions, AZANS Director Farkhan Guliyev and Executive Director of HungaroControl Kornel Szepessy signed a Memorandum of Cooperation.

HungaroControl is a provider of air navigation services in Hungary. HungaroControl also trains air traffic control personnel and explores developments in the field of air navigation. The structural subdivision of CJSC Azerbaijan Airlines - Azeraeronavigation (AZANS) is one of the key air traffic control departments linking Europe and Asia. Annually over 90,000 transit flights are carried out over the territory of the Republic of Azerbaijan. Favorable geographical location of Azerbaijan also allowed to open the Airspace Supervision & Efficiency Center (ASEC), the only one in the former Soviet Union, in the territory of the country.

### **BUSINESS**

#### **Azerbaijan, Saudi Arabia define cooperation fields for small and medium business development**

A delegation led by Orxan Mammadov, Chairman of the Supervisory Board of the Agency for Development of Small and Medium-Sized Enterprises (SMEs) under



Azerbaijan's Ministry of Economy, has been in a working visit to Saudi Arabia.

The delegation took part at the 'Future Investment Initiative' conference internationally known as the 'Davos in the Desert', and held a series of bilateral meetings with the commerce chamber heads in Riyadh and Jeddah on mutual business opportunities.

The sides held business and investment discussions of mutually beneficial interests and signed relevant memorandums to define certain fields of cooperation to promote small and medium business development, focused on potential projects.

## TOURISM

### Azerbaijani, Malaysian tourism associations sign memorandum of cooperation

Azerbaijan Tourism Association (AZTA) and the Malaysian Association of Tour and Travel Agents (MATTA) have signed a

Memorandum of Cooperation in Kuala Lumpur. The document was signed by Chairman of the Board of AZTA Nahid Baghirov and deputy chairman of MATTA Akil Yusof.

A delegation of the Azerbaijani Tourism Association, representatives of the Malaysia Tourism Board, officials of MATTA, representatives of the public, including travel agencies and media, as well as representatives of the Azerbaijani Embassy to Malaysia attended the event.

Baghirov said this collaboration will boost mutual tourism exchange and contribute to the development of economic relations between the two countries.

Malaysia recorded a total of 1,035 tourist arrivals from Azerbaijan, an increment of 12.1% in comparison with 2016. The growth trend continued this year with an increase of 18.8% in arrivals in the first four months, bringing the total number of Azerbaijani tourist arrivals to Malaysia to 448 between January and April 2018.

### Azerbaijan gets in Top 3 of National Geographic Traveler Awards 2018

The TourStat Analytic Agency published



the results of the Internet voting of National Geographic Traveler Awards 2018. According to

the Agency, Azerbaijan has been included in Top 3 of countries that are popular for excursion tour destination. Azerbaijan won the category with 20% of voting, beating Great Britain and Portugal while the Czech Republic and France are leading the table with 25% and 22% respectively in the readers' online voting.

Uzbekistan ranks first in the nomination of "Gastronomic tourism". The country has gained 33 percent of the vote.

The online voting for the best tourist destinations, the National Geographic Traveler Awards 2018, was open in 25 main categories from June 22 to October 5. The online voting included 25 main nominations. Tourists chose the best destinations in the categories Beach Leisure, Family Vacation, Excursions, Ski Holiday, Adventure Vacations and Eco Tourism.

National Geographic Traveler Awards is a unique competition that annually opens up new best vacation spots to help travelers, which will surely inspire every reader to travel.

### Charter flights to open from Baku to Sharm El-Sheikh



Direct charter flights from Baku to Egypt, Sharm El-Sheikh, will open in the coming winter season, PASHA Travel Deputy CEO Ildirim

Ganbarov has said at an event, dedicated to the presentation of charter flights.

According to him, the flights will be operated once a week on Thursdays from November 8, 2018 to May 16, 2019. The flights will be implemented by Pasha Holidays and Azerbaijan Airlines (AZAL).

The Sharm El-Sheikh international airport offers for tourists the opportunity to obtain visas on the spot. The tour package costing \$599 covers airline tickets, all-inclusive seven-day overnight transfers and travel insurance.

According to Ganbarov, the flights between the two countries will give impetus to expansion of tourist exchange and strengthening of tourism ties, pave the way for the development of business ties.

It will be the second regular flight operated by Azerbaijan. The first flight was organized to Montenegro.

## **EXHIBITIONS**

### **Baku to host Aquatherm 2018 exhibition**

The 11th International Exhibition for



Heating,  
Ventilation, Air-  
Conditioning,  
Water Supply,  
Sanitary and  
Swimming Pool

Aquatherm Baku 2018 will be held on 23-26 October at Baku Expo Center. Aquatherm Baku is the only specialized event in the air conditioning, ventilation, heating and water supply, treatment and air purification systems; thousands of interested visitors, most of whom are industry professionals, visit this event every year.

This year's exhibition will bring together companies from Azerbaijan, Austria, Iran, Italy, China, Russia, Turkey, Ukraine, France, the Czech Republic and other countries. The Aquatherm Baku 2018 will feature the showcase of ventilation and heating systems, pipes, water filters, heating boilers, pumps, hydrants and much more. The exhibition will present a wide range of both domestic and industrial air conditioners from different manufacturers, flat water heaters, as well as IT technologies for a remote microclimate control in premises.

As part of the exhibition's business programme, B2B meetings will be held between participants and potential buyers. This year's innovation for the exhibition participants will be a special stage with a display area to exhibit the industry's innovations; this is an additional opportunity for the participants to talk about their know-how and attract the attention of visitors. Another innovation from the Aquatherm Baku organisers is the loyalty programme which will allow visitors to purchase products or services from the participating companies at a special discount price.

The Aquatherm Baku 2018 exhibition will bring together the industry players, distributors and wholesale suppliers, who will present new products; the event will

also help to establish new contacts and enter into mutually beneficial contracts.

The exhibition will be held with the official support of Small and Medium Business Development Agency of the Republic of Azerbaijan, National Confederation of The Entrepreneurs (Employers) Organizations of Azerbaijan Republic (AEC) and Azerbaijan Export and Investment Promotion Foundation (AZPROMO). The event is co-organized by Iteca Caspian and ITE Group and its partners - EUF (Turkey), Caspian Event Management FZ LLC (UAE), actively attracting international companies to participate in the Azerbaijan exhibitions. More detailed information about Aquatherm Baku 2018 is available on the official website of the exhibition [www.aquatherm.az](http://www.aquatherm.az).