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ECONOMIC NEWS BULLETIN

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OIL & GAZ

European Commission allocates €5m grant for TANAP project

The European Commission (EC) has allocated a grant worth 5 million euros for the Trans Anatolian Natural Gas Pipeline (TANAP) project, which is part of the Southern Gas Corridor, envisaging transportation of Azerbaijani gas to Europe, said a message from TANAP consortium. The grant will be allocated under the EC's Connecting Europe Facility (CEF) Energy Work Program.

European Union countries have undertaken to invest a total of 48.4 million euros in infrastructure projects and TANAP has been one of the two natural gas projects selected for financial support under the program's first call for proposals," said the consortium.

TANAP, together with Trans-Adriatic Pipeline (TAP), is a part of the Southern Gas Corridor, which provides for the

transportation of gas from the Azerbaijani field Shah Deniz to Europe.

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

Energy minister: Azerbaijan ready to share its energy experience with the African Union countries

"Azerbaijan is ready to share its energy



experience with the countries of the African Union," said Azerbaijan's Minister of Energy Parviz Shahbazov as he met with a delegation led by Commissioner for Infrastructure, Energy, ICT, and tourism at the African Union Commission Amani Abou-Zeid.

Shahbazov highlighted Azerbaijan's road to success as an oil and gas country. He spoke about the role of Azerbaijan in implementing global energy projects.

The minister said Azerbaijan enjoys high potential in the field of renewable energy

sources, adding that consultations with international companies are underway to realize this potential.

Abou-Zeid outlined the priorities of the African Union Commission regarding the energy sector. She took interest in Azerbaijan's experience in all aspects of the energy sector.

SOCAR AQS, KCA Deutag to sign joint venture contract

Azerbaijan's SOCAR AQS LLC and KCA



Deutag, one of the world's leading drilling and engineering contractors, will sign a joint venture (JV)

contract, according to the SOCAR AQS LLC. The signing ceremony will be held on July 26 in Baku. The contract envisages drilling and rendering maintenance services for seven BP platforms at the Central Azeri, East Azeri, West Azeri, Chirag and West Chirag, Deepwater Gunashli and the Shah Deniz gas condensate field.

KCA Deutag has been operating in Azerbaijan since 1995. The head office of the company is located in Aberdeen, UK.

SOCAR-AQS LLC was established as an integrated drilling and well services management company between the State Oil Company of Azerbaijan Republic (SOCAR) and Absheron Drilling Company (AQS) in 2007. At present, SOCAR-AQS is conducting drilling at the Gunashli, Western Absheron, Umid and Bulla Deniz fields.

SOCAR: Kulevi Port received more than 2,200 vessels

The port of Kulevi oil terminal of SOCAR's asset in Georgia, so far, has received and departed more than 2,200 vessels.



Kulevi Port began operating in May 2008. Since then, the port has received and departed more than 2,200 vessels. The port operates without interruption year. One of the most important factors in Kulevi Port's

successful functioning is maintaining navigation depths at the access channel and its internal harbor. The total capacity of the terminal is 10 million tons of oil cargo per year, including three million tons of oil, three million tons of diesel fuel and four million tons of fuel oil.

The total capacity of the terminal's tank farm is 320,000 cubic meters.

To date 53 billion cubic meters of Azerbaijani gas delivered to Turkey by Shah Deniz-1

Over 94 billion cubic meters of natural gas



has been extracted from the Shah Deniz gas field in the Azerbaijani sector of the Caspian Sea since

going into service, said first vice president of Azerbaijan's state oil firm, SOCAR, Khoshtakht Yusifzade.

According to Yusifzade, to date over 53 billion cubic meters of Shah Deniz gas were exported to Turkey, while 7.3 billion cubic meters to Georgia by the South Caucasus Pipeline (SCP).

Baku to host meeting of Board of Directors of Arab Petroleum Investments Corporation

"The Board of Directors of Arab Petroleum



Investments Corporation (APICORP) will held its next meeting in

Baku," said Azerbaijan's Deputy Minister of Energy Samir Valiyev as he met with a delegation led by Deputy Minister of Energy, Industry and Mineral Resources of the Kingdom of Saudi Arabia Aabed bin Abdulla Al-Saadoun.

Valiyev emphasized the importance of developing bilateral cooperation in the field of alternative and renewable energy sources, alongside the oil and gas sector. He said that work is under way to ensure participation of foreign investors in this process and study the international experience.

Saudi minister Abdulla Al-Saadoun hailed collaboration between APICORP and Azerbaijan's State Oil Company (SOCAR) as active and highlighted joint projects. He noted that the next meeting of APICORP Board of Directors will be held in Baku, adding that such events will contribute to the opening of new opportunities of cooperation between the organization and Azerbaijan.

The Arab Petroleum Investments Corporation is a multilateral development bank established to foster the development of the Arab world's oil and gas industries. The organization was created under the terms of an agreement signed by the ten Member States of the Organization of Arab Petroleum Exporting Countries (OAPEC) in September 1974. APICORP's vision is to transform the Arab energy industry into a powerful force for the region's economic progress.

ENERGY

1,500 delegates to attend "Caspian Energy Forum Baku– 2018"

Over 1,500 delegates from 50 countries around the world will take part in the 7th International "Caspian Energy Forum Baku– 2018", First Deputy Chairman and Chief



Executive Officer of the Caspian European Club Telman Aliyev said.

Caspian Energy Forum Baku– 2018 will be held on September 19-20 with the support of the Government of the Azerbaijan Republic and Caspian European Club.

"As you know, the Contract of the Century which provided the primary impetus to the development of the oil-gas and non-oil sectors of the Caspian-Black Sea region countries was signed under the leadership of the All-National Leader Heydar Aliyev on September 20, 1994. It was then that the groundwork for energy security provision of Europe owing to the Caspian energy resources was laid. In this regard, we will hold Caspian Energy Forum Baku at this time of each year. This was made possible owing to new conditions that the senior

management of the Caspian European Club created for the conduction of the Caspian Energy Forum Baku– 2018," Telman Aliyev stressed.

Members of the Government of Azerbaijan, heads of public and transnational companies, international financial institutions, leading analytical centers, investment companies and rating agencies of the European, Asian and American countries, as well as representatives of the Arab world countries' companies are among the delegates of the Caspian Energy Forum Baku– 2018.

He noted that the Caspian Energy Forum is held several times a year in the countries of the Caspian-Black Sea and Baltic regions and is a traditional ground creating favourable conditions for enhancing a government-to-business dialogue, establishing a close contact between the companies of the oil and non-oil sectors, meeting of transnational companies and small and medium business representatives, as well as investors, experts and analysts interested in global cooperation of the business.

Telman Aliyev added that the agenda, entire information about the conditions of participation and registration is available at the following link

<http://caspianenergyforum.com/baku2018/index.php/en/>

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.

The Caspian American Club (established on 24 December 2016) and Caspian Asian Club (26 January 2018) will be managed by the Members of the Board of the Caspian European Club for 2 years. All companies that join the Caspian European Club as members get an automatic membership within the Caspian American Club, Caspian Asian Club and vice-versa.

Since the very establishment the Caspian European Club has promoted attraction of revenues from the oil industry towards the development of the non-oil sector. The Caspian European Club and Caspian Asian Club, which bring together more than

5,000 member companies and organizations, operate in 70 countries around the world and makes proactive efforts to support a dialogue between the government agencies and the private sector.

President of the Republic of Azerbaijan Ilham Aliyev is the Chairman of the Caspian European Club, Caspian American Club and Caspian Asian Club.

Caspian Energy is distributed in the 70 countries of the world. For 19 years the journal has been publishing interviews of Presidents and Prime Ministers of different countries of the world, as well as heads of authoritative international organizations, big transnational companies, reviews and analytical materials of leading experts. According to various estimates, Caspian Energy is ranked among the top 5 leading journals of the Caspian-Black Sea and Baltic regions, and serves as a guideline for many investors when considering the line of activity in the Caspian-Black Sea and Baltic regions.

Azerbaijani government invested over AZN 60m in solar and wind power plant projects



"The Azerbaijani government has invested more than AZN 60 million in the development of the solar and wind power plant projects so far,"

said Deputy Chairman of the State Agency for Renewable & Alternative Energy of Azerbaijan (ABOEMDA) Jamil Malikov.

"Of this amount, AZN 56 million has been allocated for solar and AZN 6 million for wind power plants," he added.

TRANSPORT

"Azerbaijan Airlines" once again awarded prestigious Skytrax Award



Azerbaijani national air carrier was once again confirmed the prestigious "4 Star" rating by the world's leading assessor of airline and airport

service quality British consulting company Skytrax.

This means that Azerbaijan Airlines (AZAL) is rated along with recognized leaders of the global aviation market in terms of service quality.

In addition, Azerbaijan Airlines became the winner in the nomination "Best Regional Airline in Central Asia and India". Azerbaijani national air carrier was awarded such a high rating by Skytrax for the first time.

The award ceremony of the World's Best Airlines was held on July 17, 2018 at the official event of the World Airline Awards in London.

"We are honored and highly recognized for once again to receive this prestigious award from such a reputable organization as Skytrax. The high international rating of Azerbaijani national air carrier is an indicator of the great attention and concern of President Ilham Aliyev to the sphere of civil aviation. We will continue to work on improving the service quality," said President of Azerbaijan Airlines Jahangir Asgarov.

Commenting on the Awards, Edward Plaisted, CEO of Skytrax said: "It is fabulous to see Azerbaijan Airlines win this award for Best Regional Airline in Central Asia/India. The airline clearly continues to delight customers from its 5-star home airport in Baku, where the airline is developing a burgeoning reputation for product and service excellence."

Before AZAL was awarded with "4 Stars" rating, independent international auditors established the rating of the company, based on more than 800 criteria covering service quality and staff work standards. Such components, important from the point of passengers, as an airline's website and its contents, convenience of online booking and other services were asserted.

Detailed assessment was also carried out on such issues as the cabin's condition, its design and cleanness, board entertainment, crew uniforms, crew's attitude to the passengers and operating efficiency. Aside from that such issues as duty free service, aircraft log book

contents, quality of on-board catering and seat comfort were asserted as well.

It should be noted that in May 2018 Heydar Aliyev International Airport was awarded the maximum category of "5 stars" in Baku thus made the list of 9 world's best and the first among all post-Soviet countries according to the Skytrax World Airport Awards.

FINANCE

AtaBank OJSC is step ahead again



On July 12, 2018 in Singapore, the mobile application AtaNet presented by AtaBank OJSC this year won the Asian Banking & Finance Wholesale Banking Awards 2018.

The event held under the motto "Let's know the bests of banking and finance sectors."

In the ceremony held since 2012, along with representatives of Asia, representatives of the world's leading financial institutions also participated.

The winners of the event were determined by a jury consisting of representatives of the "big four" from Deloitte, PriceWaterhouseCoopers, KPMG and Ernst & Young

The official delegation of AtaBank OJSC, participating in various events for several days, provided detailed information about the specifications, technical details and security of the mobile banking application AtaNet. As a result, among participants from more than 40 countries, among which there were also such large banks and financial institutions as HSBC, Standard Chartered, Bank of China, Citibank and others, AtaNet was chosen as the safest and best mobile banking application and became the winner in the nomination Domestic Technology & Operations Bank of the Year.

First Deputy Chairman of the Board of the Bank Etibar Babashli said at the award ceremony: "AtaBank always tries to match its slogan and to be "A step ahead", constantly presenting many innovations. Our latest innovation is the mobile banking application "AtaNet", already offered to the

clients of the bank. On the way here we were sure that we would become winners because "AtaNet" differs from the competitors in convenience and speed of work irrespective of time and the place, safety and many other advantages according to the best world practice. Our team will continue to work hard for preservation and strengthening of the place of "AtaNet", and many new opportunities for users will be presented in the near future."

At the same time during the visit the management of AtaBank OJSC has held a number of business meetings with representatives of a number of the leading Asian banks and has discussed future cooperation. AtaBank OJSC paying special attention to the Asian financial market and in 2017 has also signed the cooperation agreement with the leading payment service provider of the China Union Pay International.

Operating since 1993 AtaBank OJSC is a hi-tech universal Azerbaijani bank with 100 percent domestic capital. The Bank provides a full range of services to corporate and private customers in Baku and regions.

TOURISM

Over 1.3 million tourists visited Azerbaijan in the first half of this year



A total of 1,323,303 foreign tourists visited Azerbaijan in the first half of this year, according to

the State Tourism Agency.

Russia accounts for nearly one third (403,549) of the tourist flow to Azerbaijan in the six months period. Nearly a quarter million (279,102) tourists came from Georgia, while 146, 000 from Iran and 142,476 from Turkey. The country also was a popular destination for tourists from the UAE, Ukraine, Iraq, Kazakhstan, Kuwait, the United Kingdom, Israel, India, Pakistan, Turkmenistan and Qatar.

BUSINESS

Azerbaijan's trading house opens in Latvia

The participants in the event included officials of the two countries, members of the working group on Azerbaijan-Latvia interparliamentary relations and entrepreneurs.

The trading house organized an exhibition of various kinds of the Azerbaijani products.

Addressing the opening ceremony, Deputy Minister of Economy Sahib Mammadov described the launch of Azerbaijan's trading house in Latvia as indicative of the importance the two countries' heads of state attach to the development of economic and trade relations between the two countries, as well as the interest that Latvia shows in Azerbaijani goods.

Co-chair of the Azerbaijan-Latvia Intergovernmental Commission, Minister of Transport of Latvia Uldis Augulis described the launch of Azerbaijan's trading house in Riga as an important step in the development of bilateral economic relations.

Head of the Azerbaijan-Latvia Interparliamentary Friendship Group Kamran Bayramov hailed the importance of the opening of Azerbaijan's trading house in Latvia for the development of economic relations between the two countries.

The event saw the signing of memorandums of understanding between the Azerbaijani and Latvian companies on export of the Azerbaijani products to Latvia. The event participants then viewed an exhibition of the Azerbaijani products launched by Azerbaijan's trading house.

As part of the visit, the Azerbaijani delegation met with Deputy Prime Minister, Minister for Economics of Latvia Arvils Aseradens, and discussed the current state of bilateral economic relations and prospects for cooperation between the two countries.



Azerbaijani, Volgograd businessmen to discuss development of direct commercial and economic relations

Businessmen from Azerbaijan, and Volgograd, Russia, will discuss the ways of developing direct commercial and economic relations in



Baku.

Volgograd Chamber of Trade and Industry invites heads of Volgograd businesses to join a delegation that will visit Baku in September. The delegation is formed for developing direct commercial and economic relations between the entrepreneurs of Volgograd oblast and the Republic of Azerbaijan.

The program of the visit includes meetings and talks of Volgograd businessmen with their potential partners in Azerbaijan. The main aim is to initiate foreign economic deals, promote the regional export in the foreign markets and attract investments to the region's economy.

ICT

4G services of Bakcell available in more than 30 regions of Azerbaijan

Bakcell – the First Mobile Operator and



Leading Mobile Internet Provider of Azerbaijan expands the coverage area of

its 4G/LTE network in order to provide more customers with high quality mobile communication services.

The 4G services of Bakcell are already available in Baku and Absheron peninsula, as well as central parts of more than 30 regions of Azerbaijan, including, Ganja city, Guba, Gusar, Khachmaz, Sheki, Zagatala, Gabala, Lankaran, Mingachevir, Shamkir, Shirvan, Siyazan, thus enabling the mobile operator's subscribers to enjoy the best customer experience on the market. During the first half of the year 2018, the company has installed almost 400 new base stations in the country's territory, while more than 300 of the newly installed stations support the 4G services.

“The demand for high-speed mobile internet services and the number of devices supporting the 4G technology in Azerbaijan grows considerably, and taking this into consideration, our company continues the rapid expansion of the LTE coverage area to the country’s regions. Today, along with residents of Baku, Absheron and Ganja, our customers in central parts of more than 30 regions of Azerbaijan have an opportunity to benefit from highest quality ultra-high speed 4G internet of Bakcell. Thanks to significant investments to the company’s mobile communications network, and by applying the most innovative technologies available on the global market, Bakcell will continue expanding the coverage of its LTE network in the regions of Azerbaijan,” said Bakcell CEO Nikolai Beckers.

It will be recalled that Bakcell was the first mobile operator in the country to launch 4G services in the Baku subway.

Bakcell network has been recognized as the “Best in Test” in Azerbaijan by P3 Communications, being the international leader and most trusted independent authority in mobile benchmarking.

Bakcell continues implementation of works aimed at expansion of its 4G coverage area, in order to make the 4G/LTE services accessible for even more customers all over the country.