



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

SOCAR establishes new company in Turkey

SOCAR Turkiye Dogalgaz Yatirim company has been established after SOCAR Turkey acquired EWE Turkey Holding's gas assets Bursagaz, Kayserigaz, Enervis, EWE Enerji and telecommunications company Millenicom. Gunter Seymus, who previously held various positions at Petkim petrochemical complex and the STAR refinery, has been appointed the head of the company.



On June 17, SOCAR Turkey Energy A.S (STEAS) completed the purchase of the shares of the German energy giant EWE Turkey Holding, subsidiary of EWE, in Bursagaz, Kayserigaz, EWE Enerji, Enervis and Millenicom companies.

SOCAR Turkey is a subsidiary of the SOCAR-State Oil Company of Azerbaijan and has been the largest foreign investor in Turkey with USD 15 billion of investments since 2008.

KazMunayGas delivers jackup drilling rig Satti to Baku

Satti, a jackup rig of Kazakhstan's company



KazMunayGas, has drawn near to the modern marine supply and logistics base of

the Caspian Drilling Company (CDC) of SOCAR.

SOCAR President Rovnag Abdullayev and a delegation led by Chairman of the Management Board of KazMunayGaz Alik Aydarbayev attended the ceremony.

The modernization of the jackup drilling rig of Satti will be carried out by the Caspian Drilling Company (CDC) in its supply and logistics base, which will enable deep-sea explorations of wells at a depth of over 6,000 meters. The jackup rig is planned to be used in the shallow-water section of the Absheron peninsula, which is jointly developed by SOCAR and BP companies, as well as during works across Umid-Babek offshore block and other operations in the Caspian Sea. The equipment will be managed by SOCAR's CDC.

Following the ceremony, management of SOCAR and KazMunayGaz visited the Heydar Aliyev Baku Deep Water Jacket Factory and familiarized themselves with the projects implemented by SOCAR's BOS Shelf LLC.

KazMunayGas is Kazakhstan's national operator for exploration, production, refining and transportation of hydrocarbons, representing the interests of state in Kazakhstan's oil and gas sector. KazMunayGas was founded in 2002 and includes more than 190 organizations. The shareholders of the company are National Wealth Fund Samruk Kazyna (90%) and the National Bank of the Republic of Kazakhstan (10%).

107th issue of Caspian Energy journal released

"The 107th issue of Caspian Energy journal, which was presented at the Baku Caspian Oil&Gas exhibition, has been released", First Deputy Chairman and Chief Executive Officer of



the Caspian European Club Telman Aliyev said.

"Interviews with President of Georgia Salome Zourabichvili, President of Montenegro Milo Djukanovic, Vice-Prime Minister, Minister of Regional Development and Infrastructure of Georgia Maya Tskitishvili, Minister of Economy and Sustainable Development of Georgia Giorgi Kobulia, Minister of Finance of Georgia Ivane Machavariani, Minister of Environment and Agriculture of Georgia Levan Davitashvili, Minister of Economy and Sustainable Development of Georgia Natia Turnava were published in the new issue of the journal which also contains the first investment rating results of the economic regions of Georgia."

According to Telman Aliyev, this issue will also be presented on the sidelines of the 8th International Caspian Energy Forum Tbilisi scheduled for 21 June 2019.

Caspian Energy international journal is spread in 70 countries of the world.

Interviews of presidents and prime ministers of different countries, as well as heads of leading international organizations, large transnational companies, surveys and analytical materials of leading experts have been published in the journal for 20 years. According to different estimates, Caspian Energy journal is ranked among the top 5 leading journals in the Caspian-Black Sea and Baltic regions, and is the touchstone for many investors upon choosing a line of activity in the Caspian-Black Sea and Baltic regions.

TRANSPORT

AZAL President attends Paris Air Show 2019

AZAL President Jahangir Asgarov has taken part in the International Paris Air Show 2019 in Le Bourget, and held a number of important



negotiations.

The Paris Air Show is the oldest air show in the world and one of the most significant and prestigious international exhibitions that showcase the latest developments of world manufacturers in the field of aviation and astronautics.

At the meeting with President and Chief Executive Officer of Boeing Commercial Airplanes Kevin McAllister, the partnership and friendly relations between Boeing and AZAL were hailed. The sides reaffirmed their commitment to the agreements reached on the supply of new wide-body aircraft to Azerbaijan Airlines and Silk Way Airlines.

Jointly with Ambassador Extraordinary and Plenipotentiary of Azerbaijan to France Rahman Mustafayev, AZAL President also held fruitful negotiations with Hervé Dammann, Senior Vice President of Thales Group, with which Azerbaijan Airlines has strong partnership relations. The sides

praised the opening of the Azerbaijan Airspace Supervision & Efficiency Center (ASEC) at the Heydar Aliyev International Airport. They exchanged views on the establishment of a joint venture for the production of Thales company's products in Azerbaijan.

Jahangir Asgarov also held negotiations with Alan Crawford, President of L3 Commercial Aviation Solutions, during which the sides discussed the supply of new training complexes for various types of aircraft. In addition, L3 Technologies can provide Azerbaijan Airlines with the most advanced technologies in the field of personnel training, flight simulation complexes, as well as combined theoretical and interactive training programs.

One of the most significant events of the Paris Air Show 2019 was the ceremony of awarding the world's best airlines - World Airline Awards. Skytrax, the leading agency for assessing the quality of airline and airport services, named Azerbaijan Airlines as the best regional airline in Central Asia and India for the second year in a row.

"Receiving this award again is the best proof of the high quality of the services offered to passengers on our flights. Skytrax World Airline Awards are considered a mark of distinction in civil aviation. I would like to thank all the passengers of AZAL for their trust in us, as well as all the staff of the Airline in maintaining a high level of service quality" AZAL President Jahangir Asgarov said.

"Passengers continue to recognise the positive quality growth of Azerbaijan Airlines as they improve standards of onboard product and airport facilities. It is a great credit to all the Azerbaijan Airlines front line staff who have been so important to achieving this fantastic accolade from customers" Edward Plaisted, CEO of Skytrax said.

According to the results of the last audit of Skytrax, AZAL also confirmed the prestigious status of a 4-star airline.

Azerbaijan Airlines plans to greatly expand its activities at the Asian market in the near future. Starting from June 25, direct flight will be opened to the city of Delhi. Flights to

new directions in other countries will also be opened.

Skytrax audits cover more than 800 criteria on service quality and staff work standards. Components such as an airline's website, of the product as a whole airline's, presentation of information on it, convenience of online booking, and other services that are important from the point of passengers, were scrutinized.

CANSO 2020: BAKU officially presented in Geneva

A delegation of Azerbaijan Airlines headed by the Director of Azeraeronavigation ATC, Farkhan Guliyev have attended the World Air Navigation Summit and the 23rd annual meeting of CANSO (Civil Aviation Organization for Air Navigation Services) held in Geneva.

More than 300 aviation industry leaders from around the world, as well as leaders of international organizations such as International Air Transport Association (IATA), Airport Council International (ACI), Civil Air Navigation Services Organization (CANSO), International Civil Aviation Association (ICAO) and Federal Aviation Administration (FAA) attended the CANSO Global Summit.

The event was opened by Vice-President of the State Council of the Republic and Canton of Geneva Serge Dal Busco. Within the program keynote speakers including IATA Director General Alexandre de Juniac and Director General of the Airport Council International (ACI) Angela Gittens made speeches on the theme "Thoughtful Leadership in Aviation". Group discussions of IATA member airlines, ACI airports and CANSO air navigation service providers were held as well.

AZAL held a presentation of a video about the success of Azerbaijan in civil aviation.

"We are looking forward to working with the AZAL team on the CANSO Global ATM Summit and 24th AGM. Azerbaijan has a key role in facilitating global and regional air traffic and has strong links with many states



and organizations worldwide. Thus, it will be an excellent setting for our next flagship member event, and I look forward to welcoming you all there in 2020 to explore the latest in ATM.” - Simon Hocquard, newly appointed CANSO Director General said.

The candidacy of Baku to host CANSO AGM-2020 was unanimously chosen at a meeting of the Executive Committee (consists of the leaders of the FAA (USA), air navigation systems of Canada, Germany, the Czech Republic, Argentina, civil aviation administrations of Singapore, Tanzania, the United Kingdom and Saudi Arabia) in Bangkok.

In September 2018 AZAL President Jahangir Asgarov and CANSO former General Director Jeff Poole signed the agreement on holding the CANSO Air Navigation Summit in Baku.

The annual Global ATM Summit is one of the most prestigious events in the field of civil aviation. Over 250 participants from more than 100 countries take part at the summit. Due to its scale this event is often compared with the Olympic Games in the field of aviation.

Such a large-scale and important summit in the history of Azerbaijan's civil aviation will be held for the first time in Baku. CANSO's decision to entrust the holding of the international summit of great importance in Baku is a clear indicative of Azerbaijani President Ilham Aliyev's constant attention and care to the civil aviation, as well as the successes achieved in this sphere.

Azerbaijani airports' passenger traffic hit 1.85 million people in the first five months

In the first five months of 2019, Azerbaijan's airports served 1.85 million passengers. Of these, 1.57 million accounted for the capital's airport -



Heydar Aliyev International Airport, which is 10,000 passengers more than the same figure last year.

During this period, the base air carriers of Baku airport - AZAL and Buta Airways carried 649,000 and 177,000 passengers, respectively.

The number of passengers on international flights of Baku airport amounted to 1.36 million, 32.2 percent of which accounted for AZAL, while 13 percent for Buta Airways. The share of foreign airlines during this period hit 54.8 percent.

In particular, from May 27 to May 30, 2019, Heydar Aliyev International Airport has served approximately 600 flights in total. Of these, 57 accounted for charter flights, and 10 - for additional regular flights of airlines such as FlyDubai, AirArabia, SCAT, IsrAir, Jazeera and etc. The passenger traffic of Azerbaijan's main airport during the Europa League final in Baku amounted to about 60,000 people in total.

Currently, 27 passenger airlines carry out direct flights to Heydar Aliyev International Airport. From the airports of Ganja and Nakhchivan direct flights are carried out to Moscow and Istanbul, from Gabala - to Moscow. Also, the national airline AZAL operates regular direct flights from Lankaran to Moscow and vice versa.

Heydar Aliyev International Airport (IATA: GYD) is the largest airport in Azerbaijan and the region in terms of passenger and freight traffic, takeoff and landing operations, the airport terminal area and capacity of the cargo complex.

Heydar Aliyev was also named the best airport among airports of Russia and CIS countries for the level of the provided services for three years in a row and awarded the maximum rating of "5 Stars" according to Skytrax World Airport Awards. In 2019, Heydar Aliyev International Airport was named the best airport with a passenger traffic of up to 10 million according to the Sky Travel Awards.

AZAL: Negotiations on purchase of Boeing 737 Max-8 aircraft are still underway

Negotiations on the purchase of Boeing 737 Max-8 aircraft with Boeing Corporation are still underway. Implementation of the signed contract is planned to be rescheduled from 2019 to 2024, according to Azerbaijan Airlines (AZAL) CJSC.



“Initial payments under this contract have already been made. These payments will be considered by Boeing Corporation in 2024.

Currently negotiations are underway with Boeing Corporation to purchase new wide-body aircraft. But for now, Azerbaijan Airlines will use its existing aircraft fleet.

Azerbaijan Airlines uses airplanes of such leaders in aircraft industry as Boeing, Airbus and Embraer,” AZAL said.

The SCO is an international initiative set in 2017 by France on the eve of the One Planet Summit, the SCO brings together space agencies from Europe, China, India, Israel, Russia, Mexico, Morocco and the United Arab Emirates, as well as the United Nations Office for Outer Space Affairs (UNOOSA). It aims to combine satellite and field data with scientific research to model and track climate change and its impacts at global-to-local scales. It is also working to establish indicators and decision-support tools, including with social and economic sciences.

ICT

Azercosmos joins Space Climate Observatory initiative



Azercosmos Open Joint Stock Company (OJSC) has joined the Space Climate Observatory (SCO) initiative in an official ceremony on the

sidelines of the 53rd International Paris Air Show held at the Exhibition Center of Le Bourget, a few kilometers North of Paris.

The joint declaration was signed by a total of 21 parties, including the United Nations Committee on the Peaceful Uses of Outer Space, the European Space Agency (ESA), Austria, Brazil, China, Great Britain, Israel, India and other countries, in the presence of French President Emmanuel Macron.

The declaration stipulates that members of the SCO share data from various sources, including satellites, to observe and monitor the effects of climate change.