ECONOMIC NEWS BULLETIN

IN THIS ISSUE:

OIL & GAZ
TRANSPORT
ICT

OIL & GAZ
13th meeting of OPEC-non-OPEC Joint Ministerial Monitoring Committee gets underway in Baku
The 13th meeting of the Joint Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC Ministerial Monitoring Committee (JMMC) has kicked off in Baku. 14 oil producing countries, and OPEC Secretariat are highly represented at the meeting. Participants in the event include OPEC Secretary General Mohammad Barkindo, OPEC president, People’s Minister of Petroleum of Venezuela Manuel Quevedo Fernandez, and chairman of the JMMC, Minister of Energy, Industry and Mineral Resources of Saudi Arabia Khalid Abdulaziz Al-Falih. The meeting heard speeches from Azerbaijan’s Energy Minister Parviz Shahbazov, chairman of the JMMC Khalid Abdulaziz Al-Falih, and OPEC president Manuel Quevedo Fernandez.

Baku to host 4th SOCAR International Caspian and Central Asia Downstream Forum
The 4th SOCAR International Caspian and Central Asia Downstream Forum – Trading, Logistics, Refining, Petrochemicals marking 96th anniversary of national leader of Azerbaijan Heydar Aliyev will be held in Baku on April 22-25. The event will be co-organized by Baku Higher Oil School (BHOS) and Confidence Capital Ltd. (UK). As a major event in the Caspian oil calendar, the Forum aims at analyzing the latest trends in trade and sales of hydrocarbon resources of the Caspian and the Central Asian regions. It serves as a unique platform for acquisition of detailed information of the oil, gas and petrochemical product market in the region, and the related export markets, routes and trade flows. The event participants include managers and experts of state structures, ministries and enterprises, SOCAR, transnational petroleum companies involved in oil
extraction, refinery and trade, transport companies, and enterprises developing new technologies. In addition to the plenary sessions, the delegates can participate in the program of technical trips and visit SOCAR Carbamide Plant and SOCAR Polymer Plant in Sumgait, which were recently put in service, as well as long operating Sangachal Terminal.

Each year the Forum is attended by over 300 delegates comprising the representatives of major oil and gas companies, refineries, trading firms, ports, terminals, banks and analytical agencies. Nearly 230 managers and specialists from 30 countries participated in the event in 2018.

Registration for the participation in the 4th SOCAR International Forum is available at the website: http://socarforum.com.

Minister: Hungary keen on participating in Southern Gas Corridor project

“Hungary is interested in participating in the Southern Gas Corridor project,” said Hungarian Minister of Foreign Affairs and Trade Peter Szijjarto as he met with Azerbaijani Minister of Energy Parviz Shahbazov in Baku.

Shahbazov recalled his discussions on energy cooperation with the Hungarian minister on the sidelines of the Russian Energy Week international forum in Moscow last year.

Szijjarto highlighted the current state of Hungarian energy supply, the gas requirement and diversification of the gas market.

The sides discussed the current state of the Southern Gas Corridor, transmission capacity and the operating gas wells. They proposed to establish the relevant working group in the Intergovernmental Commission in order to develop energy cooperation.

The sides also exchanged views on regional energy security issues.

Azerbaijan becomes third largest gas supplier of Turkey

Azerbaijan exported 794.5 million cubic meters of gas to Turkey in December, becoming the country’s third largest gas supplier.

According to Turkey’s Energy Market Regulatory Authority (EMRA) report, Turkey’s gas import from Azerbaijan increased by 200 million cubic meters in December against the same period of the previous year.

With 2.26 billion cubic meters of gas exported, Russia remains Turkey’s largest gas supplier. Iran is the second largest with 896 million cubic meters.

Azerbaijan exported more than 7.483 billion cubic meters of gas to Turkey last year.

Turkey imports natural gas from Azerbaijan via the South Caucasus Pipeline (SCP) (Baku-Tbilisi-Erzurum) and Trans-Anatolian Natural Gas Pipeline (TANAP).

Russia’s LUKOIL set to expand presence in Azerbaijan

Russian company LUKOIL has expressed keenness to expand its presence in Azerbaijan as its president Vagit Alekperov met with President of the State Oil Company of Azerbaijan Republic (SOCAR) Rovnag Abdullayev.

They hailed long-term relationship between LUKOIL and SOCAR, and LUKOIL’s active involvement in projects implemented in Azerbaijan.

Alekperov described relationship between the two companies as strategic and
praised the Azerbaijani government’s efforts to create favorable conditions for foreign investors. LUKOIL has been successfully operating in Azerbaijan since 1994. The company owns a 10 percent share in Shah Deniz and South Caucasus Pipeline (SCP) projects.

**SOCAR wins concession for first-time construction of electric charging stations at Swiss motorway resting places**

SOCAR Energy Switzerland has obtained one of five concessions awarded by the Federal Roads Office (FEDRO) for the construction of 20 fast electric charging stations at Swiss motorway resting places. SOCAR is the only traditional filling station operator to win a concession. The company already operates seven fast charging stations at its 11 service stations and has the largest network on the Swiss motorways. This network will now be gradually expanded over the next few years with the addition of motorway resting places. SOCAR is pro-actively developing its role as a mobility provider and is investing in future mobility solutions in addition to its fuel services. Customers benefit from an increasingly closely meshed supply and planning security.

The Federal Government only created the legal scope for installing electric charging stations at motorway resting places, which are under federal government control, a few months ago by amending legislation. The Federal Roads Office (FEDRO) then held a public invitation-to-tender for five concession packages, each containing 20 resting places, to enable private investors to construct electric charging stations at resting places in addition to the service stations themselves. As an experienced and committed operator of charging stations, SOCAR Energy Switzerland decided to bid for one of the concession packages right from the outset.

SOCAR was the only filling station operator to win a bid. FEDRO was impressed by SOCAR Energy Switzerland’s bid. SOCAR secured one of the five highly coveted concession packages for the construction of 20 fast charging stations at resting places. The locations contained in the individual packages are spread across Switzerland. SOCAR regards this as confirmation of its longstanding commitment to Swiss electromobility.

Edgar Bachmann, CEO of SOCAR Energy Switzerland, was delighted to secure the FEDRO contract: “The development of motorway resting places will enable SOCAR to expand its existing network of fast charging stations on the major traffic routes. We are still in the early stages, but the increasingly extensive network coverage will eventually help electromobility to establish itself. We showed strong commitment to investing in this future-oriented technology from an early stage. We are also open to all other kinds of new and future-oriented drive technologies that support mobility. We see ourselves as a mobility provider and are also developing our existing infrastructure and services based on this outlook.”

SOCAR demonstrated its vast experience of constructing and maintaining electric charging stations on motorways in its bid. In exactly the same way as it is no longer sufficient to provide only fuel at filling stations, purely fast charging stations do not just offer the supply of electricity. Customers must be provided with high-quality service and added value.

While the existing SOCAR charging stations were constructed in cooperation with a partner, the new ones will be built independently for the first time. The sustainably produced electricity will be purchased from regional power utilities in the locations concerned. SOCAR provides customers with fast and easy access to its charging stations. The 20 new fast charging stations are set to be constructed in stages between 2019
and 2023. SOCAR will provide details on the individual projects in due course.
SOCAR operates in both wholesale and retail markets, offering its customers superior quality services at its retail stations and a wide range of products at wholesale. In Ukraine there are 61 petrol stations operating under the SOCAR brand. In Romania the company offers 41 “premium” retail stations and even more so in Turkey with 9, in Georgia with 113 petrol and 32 natural gas stations. In Switzerland, 170 retail stations operate under the SOCAR brand. Besides, SOCAR Energy Holdings entered into the Austrian retail fuel market by taking over 82 petrol stations owned by A1 company, as well as mineral oil trading company Pronto Oil.

**TRANSPORT**

**Heydar Aliyev International Airport once again recognized as best airport in CIS**

Heydar Aliyev International Airport was awarded the prestigious Skytrax World Airport Awards for being the best among all airports in the post-Soviet space. Azerbaijani capital’s airport retains leadership in this nomination for the third year in a row.

In addition, Heydar Aliyev International Airport took the 3rd place on the list of world airports, which annually serve up to five million passengers. London City Airport (LCY) topped this list.

The new airport complex (Terminal 1) of Heydar Aliyev International Airport received another prestigious nomination - the terminal is in the top ten best terminals in the world.

The Skytrax World Airport Survey is widely regarded as the quality benchmark for the world airport industry, assessing customer service and facilities across more than 550 airports. The survey and awards are independent of any airport control or input and are therefore an impartial benchmark of airport excellence and quality. During the inspection Skytrax held a survey among over 13 million passengers from more than 100 countries.

**Delegates of AZANS and EUROCONTROL meet in Madrid**

A meeting has been held between representatives of “Azeraeronavigation” Air Traffic Control Department (AZANS) and a delegation of EUROCONTROL, headed by Joe Sultana, Director of Airspace Management Center in Europe (Network Manager Operations Centre – NMOC) on the sidelines of World ATM Congress 2019 in Madrid.

Issues were raised about further cooperation between EUROCONTROL and AZANS, as well as the role of Azerbaijan as a strategic partner of EUROCONTROL and a connecting hub in the planning of air traffic flows. The necessity of signing the agreement between AZANS and EUROCONTROL for the use of Airspace Efficiency, Strategy and Development Center (ASEC) as a regional facilitation center in the planning of air traffic flows in case of unforeseen circumstances in air traffic was noted at the meeting.

This issue became more topical after the events on the border of Pakistan and India on February 27-28, 2019, when Pakistan closed its airspace. During this period, the need for efficient air traffic flow management has greatly increased.

World ATM Congress is the world's largest international air traffic management exhibition and conference attracting about 10,000 people each year.

“Azeraeronavigation” Air Traffic Control Department (AZANS) under “Azerbaijan Airlines” provides safety of flights in the Republic of Azerbaijan's airspace. During the daily period AZANS supports more
than 500 flights, 300 of which are transit flights over Azerbaijan. EUROCONTROL is an intergovernmental organization with 41 Member States and 2 States with special agreements. Together with its partners, EUROCONTROL intends to create a Single European Sky, ensuring the efficiency of air traffic.

**ICT**

**Baku hosts 6th Regional Internet Governance Forum**

The 6th Regional Internet Governance Forum under the theme “Cybersecurity: Our common responsibility” has started in Baku. Azerbaijan’s Minister of Transport, Communications and High Technologies Ramin Guluzade, Assistant Secretary-General of the United Nations, UNDP Assistant Administrator, Director of the UNDP Regional Bureau for Europe and the CIS Mirjana Spoljaric Egger and head of the International Telecommunication Union (ITU) Regional Office for CIS Kirill Oparin first viewed the “Cyber Village” exhibition.

Guluzade said that the forum aims to demonstrate different ways of using internet in order to achieve more fruitful and effective regional economic development and cultural progress. “The Internet Governance Forum provides a platform for exchange of experience and cooperation between local participants and international experts. It is also a good opportunity for discussing the current situation and future tasks in this field, as well as demonstrating interesting innovative ICT-related projects,” the minister noted.

Mirjana Spoljaric Egger said that the forum, a flagship annual event supported by UNDP in Azerbaijan, is dedicated to the important topic. “The forum opens new opportunities for investigating the potential of the internet technologies to a greater extent,” Egger added.

**Baku to host first international Cyber Security Week**

Azerbaijan’s Ministry of Transport, Communications and High Technologies will host the first International Cyber Security Week in Baku. To be organized on March 11-15, the event aims to boost the national cyber security capacity-building and increase awareness in the field of cyber security. The week will feature a series of events, including a national research workshop, Regional Internet Governance Forum, Hackathon competition, and a cyber security solutions workshop.

**Ministry of Education, Bakcell and AzEduNet sign cooperation protocol**

The Ministry of Education, Bakcell and AzEduNet companies have signed a protocol on cooperation. The protocol was signed by Deputy Minister of Education Idris Isayev, Bakcell CEO Nikolai Beckers and Director of AzEduNet Natig Yahyayev.

The main purpose of the signed document is the provision of up to 700 general education institutions located at remote villages with access to internet and network services by means of the Azerbaijan Education Network. Within the frames of this cooperation, Bakcell will provide complimentary monthly internet traffic and Data-card to the general education institutions for the period of 3 years, while AzEduNet, being the operator of Azerbaijan Education Network is to provide unlimited access to the network’s resources and technical support services. The parties also agreed to reinforce joint
measures within the frames of CSR projects of Bakcell in the area of education. Speaking at the signing ceremony, Deputy Minister of Education Idris Isayev indicated that provision of educational institutions with network infrastructure is one of the factors required for successful implementation of modern education concept. From this standpoint, expansion of the Azerbaijan Education Network bears great significance, since it enables wide opportunities for application of innovative approaches in the educational process being the country’s largest internal education network.

The deputy minister also mentioned that in recent years, intensive works are implemented for provision of internet and intranet services, along with electronic educational resources and management systems at academic institutions, as well as digitalization of the teaching and decision making processes.

Bakcell CEO Nikolai Beckers pointed out a strategic nature of this cooperation from the standpoint of development of education and application of innovative technologies in the country. Nikolai Beckers stated that within the frames of its large-scale corporate social responsibility program, the company keeps the education and professional development of Azerbaijani youth under constant spotlight and aims to contribute largely to the development of education in the country. Bakcell CEO expressed his confidence in successful future of joint activities with the ministry.

The event participants also commended the provision of free-of-charge network possibilities by Bakcell and AzEduNet at academic institutions located in remote villages.