



25th Anniversary International Caspian Oil & Gas
Exhibition
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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

25th Anniversary International Caspian Oil & Gas Conference kicks off in Baku

The 25th Anniversary International Caspian Oil & Gas Conference kicked off in Baku. Over 49 speakers will deliver lectures at the conference, attended by 500



representatives, that is, high-ranking officials of different countries, heads of state oil and gas authorities, large exporters and importers of energy resources, heads and leading specialists of international organizations and largest oil and gas companies, scientific specialists and research fellows, financial and industry analysts, international lawyers, specialist advisors and management consultants and others.

Supported by the Ministry of Energy of Azerbaijan and SOCAR, the International Caspian Oil & Gas Conference, the largest energy event in the Caspian region, marks its 25th anniversary this year and is organized by Iteca Caspian and its partner ITE Group.

OPEC Secretary General: Southern Gas Corridor will change energy landscape at a fundamental speed

Southern Gas Corridor will change energy



landscape at a fundamental speed, said Mohammad Sanusi Barkindo, Secretary General of the Organization of the Petroleum Exporting Countries at the plenary session entitled "The main factors for the development of a sustainable future: Concepts and Innovation", held within the framework of 25th Anniversary International Caspian Oil & Gas Conference.

Mohammad Sanusi Barkindo emphasized that the second phase of the project - the Southern Gas Corridor, which was officially opened yesterday, is one of the largest energy projects. At his words, "this project will make a positive contribution to the development of the country's economy, the region and the world".

He said that Baku is the cradle of the oil industry, is a city that boosts the development of civilization and distinguishes for its development.

Hailing the rapid development of oil and gas industry in Azerbaijan, Mohammad Sanusi Barkindo stated that the country has begun to cooperate with influential international companies in 1994 with signing of the "Contract of the Century". Since that time, considerable growth has been observed in the oil industry", the Secretary General added.

SOCAR, Equinor sign agreements on new exploration and production projects

The Statoil Azerbaijan (part of the Equinor group) and Azerbaijan's State Oil Company SOCAR have signed a Risk Service Agreement (RSA) related to the appraisal and development of the Karabakh oilfield and a Production Sharing Agreement (PSA) for the Ashrafi, Dan Ulduzu, Aypara area. The agreement was signed by President of SOCAR, Rovnag Abdullayev and executive vice president for Exploration in Equinor Tim Dodson.



"Today we enter a new phase of cooperation between SOCAR and Equinor. 25 years of partnership between our companies have laid a solid foundation for efficient cooperation on the new joint projects. These agreements will take on significance, contributing to the stability of oil production and satisfying the growing demand for natural gas in Azerbaijan, while providing raw materials for the processing industry," said President of SOCAR Rovnag Abdullayev.

"The agreements signed today represent a natural next step in the region. This will strengthen our position in a prolific basin and develop growth options. The licenses lie in close proximity to the ACG field in a basin we know well. We now look forward to work on these new exploration projects in partnership with SOCAR," said Eldar Saetre, President and CEO of Equinor.

Under the current Risk Service Agreement, installation of the platform in the oil field and the first production is expected in 2021. To operate the licenses Statoil Azerbaijan and SOCAR will form a 50-50 joint operating company.

Equinor enjoys 7.27 per cent of the ACG project shares and 8,71 per cent of the Baku-Tbilisi-Ceyhan (BTC) project shares.

The Statoil Azerbaijan is a part of the Equinor group (former Statoil company) which has recently changed its name and which will be soon named Equinor Azerbaijan.

ENERGY

Azerbaijan, EU: development of strategic documents on power sector discussed

Azerbaijan and the European Union experts have held a seminar to discuss methodology of preparation of strategic documents on development of the power sector, the Ministry of Energy said.

Experts of the European Union and representatives of Azerenerji JSC, Azerisig JSC, Azeristiliktechizat JSC and SOCAR discussed development of strategic documents on power sector.

Deputy Minister of Energy Samir Valiyev spoke of the importance of preparation of such documents for realization of strategic road maps for Utility Development Services (UDS) in the country. It has been noted that for this purpose it is necessary to study the international experience.

Head of the European Union Delegation in the Republic of Azerbaijan Kestutis Jankauskas who highly appreciated power cooperation between the European Union and Azerbaijan reminded the projects realized with technical support of the International Energy Charter within the EC4Energy Program.

Kestutis Jankauskas expressed readiness of the EU to render technical assistance in preparation of strategic documents in the energy sector within the bill "On Energy Efficiency".

Then, the EU experts made several presentation on documents for realization of strategic road maps for Utility Development Services (UDS).



TRANSPORT

Delegation on air traffic network management in Europe gets acquainted with Azerbaijani civil aviation's achievements



A delegation of the Network Manager Operations Centre (NMOC) headed by Joe Sultana, Director of the Centre, paid a working visit to Baku to get acquainted with

Azerbaijani civil aviation facilities, including "Azeraeronavigation" Air Traffic Control Department and the new airport complex of the Heydar Aliyev International Airport (Terminal 1), which recently received a maximum rating of 5 Stars from Skytrax audit company.

The new Airspace Supervision & Efficiency Center (ASEC), which is the key point in air traffic flow management planning aroused great interest of NMOC management. Thanks to this Center, Azerbaijan plays the role of strategic partner of Eurocontrol in planning of air traffic flows.

The delegation held a meeting with President of Azerbaijan Airlines Jahangir Asgarov. Jahangir Asgarov said that thanks to President of Azerbaijan Ilham Aliyev's successful consistent policy, over the past decade Azerbaijan's role as a transit state has significantly increased. "This development is also observed in the overflights of aircraft through the airspace Azerbaijan."

He said that today Azerbaijan's civil aviation uses state of the art technologies, including air navigation facilities. "Annually over 90,000 transit flights are carried out over the territory of the Republic of Azerbaijan."

Joe Sultana highly assessed the achievements of Azerbaijan's civil aviation. He noted that the strategic location and high level of air navigation provision makes Azerbaijan attractive for the European organization in the field of air traffic flow planning and it will increase the number of transit flights between Europe and Asia in the coming years.

European Commission nominated NMOC (EUROCONTROL) as the Network Manager of Europe, the coordination of slots at European airports and the management of air traffic flows over the territory of 41 European countries – members of Eurocontrol, as well as Morocco

and Azerbaijan. NMOC plans and controls over 27,000 flights every day and over 1 million flights per year.

Azeraeronavigation introduces advanced innovative air navigation system AIM

Azeraeronavigation Air Traffic Control Department (AZANS) under Azerbaijan Airlines CJSC has completed the process of introducing integrated aeronautical information



management system AIM.

Such a fully integrated system was first introduced among all other countries of the post-Soviet space.

The new system reflects the System Wide Information Management (SWIM) concept in accordance with the global concept of air traffic management and is part of the ICAO roadmap. SWIM supports the exchange of aviation, airport, flight, meteorological information, as well as information on the flow of aircraft and airspace capacity. This approach allows to ensure end-to-end information exchange between all providers and users of information while organizing air traffic.

"Modern civil aviation is impossible without timely provided reliable, accurate aeronautical information. Thanks to the Azerbaijani President Ilham Aliyev's support, Azerbaijan Airlines is now introducing advanced technologies that allow organizing a continuous flow of aeronautical information from originators to end users in digital form. This, in turn, will improve the quality of the services provided, accelerate the process of handling and provision of information important for ensuring the safety and efficiency of flights," Farkhan Guliyev, Director of the Azeraeronavigation Air Traffic Control Department, said.

"Azeraeronavigation is ready to cooperate with other air traffic control centers in order to share experience in introducing the latest technologies in this sphere."

“Ports of Future: Building Hubs, Accelerating Connectivity” international conference features sessions

The annual World Ports and Harbors Conference under the theme “Ports of Future: Building Hubs, Accelerating Connectivity” continued with panel sessions and working meetings in Baku.



Conference under the theme “Ports of Future: Building Hubs, Accelerating Connectivity” continued with panel

Speaking at “How is the competition center formed? Free Trade Zones (FTZs) act as a key player in international trade and value chains” session, professor at Shanghai University Teo Teotetom, former Chief Executive Officer of Dubai Logistics City Michael Proffitt, president of the Trieste Port Authority Zeno D'Agostino and others underlined the importance of FTZs and regional hubs. The session mainly focused on the prospects of making the Baku International Sea Trade Port into one of regional hubs by using the unique capabilities of its geographical position, as well as its location at the crossroads of trading hubs and routes.

The working group meetings, titled "Who is afraid of LNG? and “Digitalization and destructive technologies - in general”, featured discussion on recent year’s increase in the share of Liquefied Natural Gas (LNG) in the global gas market. The speakers stressed the significance of the location and capacity of ports in LNG transportation and discussed the advantages of digitalization in port management.

The previous conferences were held in Los Angeles (2013), Sydney (2014), Hamburg (2015), Panama (2016), and Bali (2017).

IAPH was formed in 1955 and over the last 60 years has grown into a global alliance representing over 180 members ports and 140 port related businesses in 90 countries. The principal aim of IAPH revolves around promoting the interests of ports worldwide, building strong member relationships and sharing best practices among members.

FINANCE

CBA presented 200-manat banknotes to appear in Azerbaijan from next month

Presentation of coins issued on the occasion of the 95th birthday of the national leader Heydar Aliyev and the 100th anniversary of the creation of ADR, as well as new



banknotes worth 200 manats, was held at the Central Bank of Azerbaijan.

Elman Rustamov, Chairman of the Central Bank of Azerbaijan said that taking into account the dynamical development of the economy, changes in the structure of the cash in circulation, it was decided to issue new banknote worth 200 manats.

As is stated, the banknotes were issued by Giesecke+Devrient Company. Thereafter, Rustamov introduced the coins. Both coins and banknotes have been issued in the Royal Mint.

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TOURISM

110th session of UN World Tourist Organization Executive Council to be held in Azerbaijan

The 110th session of the Executive Council of the UN World Tourism Organization (UNWTO) will be held in Azerbaijan. The country was granted the right to host the event as UNWTO member states made a unanimous decision at the Executive Council’s 108th session held in San Sebastian, Spain.



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host the event as UNWTO member states made a unanimous decision at the Executive Council’s 108th session held in San Sebastian, Spain.

Addressing the event, Azerbaijani Ambassador to Spain Anar Maharramov thanked all the members of the UNWTO Executive Council for their support and confidence. He congratulated the Secretary-General of the organization Zurab Pololikashvili and the current Chairman of the Executive Council, Argentine Minister of Tourism Gustavo Santos on the excellent organization of the 108th session.

The Azerbaijani Ambassador hailed the successful cooperation between Azerbaijan and the World Tourism Organization. He emphasized the fact that Azerbaijan was re-elected as a member of the UNWTO Executive

Council for 2018-2021 and successfully chaired the Executive Council in 2017.

Ambassador Anar Maharramov highlighted the works carried out in Azerbaijan's tourism sector in recent years. He stressed the fact that Azerbaijan successfully hosted high-level global events and expressed his confidence that the 110th session of the UNWTO Executive Council would be successfully held in Azerbaijan.

UNWTO Secretary-General Zurab Pololikashvili described Azerbaijan as a prime tourist destination and expressed his confidence that the 110th session of the Executive Council would be excellently organized.

Azerbaijan's pavilion at IMEX 2018 Frankfurt among the most well-organized

"Azerbaijan's pavilion is among the most excellently organized and most visited pavilions at international incentive travel, meetings and events exhibition IMEX 2018 in



Frankfurt, Germany," the Sales and Organizing Manager, IMEX Group Oliver Bailey said in a letter addressed to Azerbaijan Convention Bureau.

Being one of the leading international business tourism exhibitions, the IMEX 2018 Frankfurt exhibition kicked off on May 15 and will continue until May 17. More than 3,500 suppliers from every sector of the worldwide meetings industry come together in Frankfurt each year. Azerbaijan Convention Bureau is successfully representing the country at IMEX 2018 exhibition in Frankfurt. Azerbaijan Convention Bureau, a leading innovator within the industry, has the mandate from the Ministry of Culture and Tourism to implement the strategy for Meetings Industry development in the country. The Bureau acts as a national umbrella organization, which aims to strengthen the image of Azerbaijan as a world-class Meeting Destination, by providing valuable information and support services and presenting the interests of local meeting industries' partners.

Third Baku Shopping Festival kicks off

Starting from May 1 to May 31, the most



anticipated event of this spring, Baku Shopping Festival commences, turning the capital of Azerbaijan into an international trading center for the third time. Traditionally, the guests of Baku and the local residents will be pampered with wide selection of advantageous shopping opportunities.

The number of shops participating in Festival increases day by day. Only during the Baku Shopping Festival and within the special campaigns and discounts, the buyers will be able to purchase clothes by the world famous brands, home appliances, electronics, furniture, perfumery and cosmetics, as well as other goods at the special prices. Alike the Autumn Festival in 2017, the supermarkets will join the festival as well.

During the Third Shopping Festival, alike the Festival in Autumn 2017, the local residents as well as foreign citizens not only will be able to enjoy special discounts, but also have an opportunity to benefit from profitable shopping with Tax Free system that allows to return the part of spent money when spending more than 100 AZN (approximately 59USD) at all shops marked with "Baku Shopping festival – Tax Free" stickers. The due amounts can be returned in cash or by bank transfer to the account/card. Along with the opportunities listed above, a special "mobile" lottery with valuable prizes for the winners, encouraging games at the shopping malls, as well as other entertaining activities will be held during the festival.

Any shop, restaurant or a café in Baku can participate in the Baku Shopping Festival.

Being held twice per year since 2017, during whole month, Baku Shopping Festival offers Azerbaijani citizens and the guests of the city unique shopping opportunities. From the first Festival held on April 10-May 10, 2017 till the moment the Baku Shopping Festival has achieved great success on international trade markets and received positive feedback from the local buyers. Despite the fact that it was the first Shopping Festival not only in Azerbaijan but also in the countries of CIS, the project achieved quite a success and gained trust of the buyers in a very short period of time. Two

shopping festivals were held in spring and autumn in 2017. More than 600 stores have joined the network of the official participants of the festival so far; 71,331 transactions have been approved for return of the money by the system of Tax Free and more than 6,500 tourists have benefited from tax free system along with the local buyers.

BUSINESS

Baku to host Azerbaijan-EU business forum

Co-organized by the Delegation of the European Union (EU) to Azerbaijan, and the German-Azerbaijani Chamber of Commerce (AHK) in partnership with the Azerbaijan Export and Investment Promotion Foundation (AZPROMO), the EU-Azerbaijan Business Forum will be held on June 5 in Baku.

The business forum will introduce new prospects for Azerbaijan's economic reforms and bring together about 500 high-level representatives of business leaders, investors, and government officials.

Highlighting the aim of the forum, head of the European Union (EU) Delegation to Azerbaijan, Ambassador Kestutis Jankauskas said: "The Azerbaijani government has made great strides in implementing economic reforms in recent years. The business forum offers unique opportunities to consider these achievements and the challenges that still exist, share ideas and experiences of all the EU and Azerbaijan stakeholders, and establish new business relationships."

Azerbaijan to open trading houses in Latvia and Ukraine soon

Azerbaijan's trading houses will soon be established in Latvia and Ukraine, the Ministry of Economy said.

According to the ministry, Azerbaijan already has a trading house in Belarus, and more than 84 tons of fruits and vegetables, olive oil, pomegranate juice and tea have been exported to the country so far.



The ministry also said Azerbaijan is considering the possibility of opening trading houses in the UAE, China and Russia.

ICT

Baku to host cybersecurity conference

A conference titled "Cybersecurity Code" will be held in Baku on May 22.



Experts from Russia and Azerbaijan will discuss the main issues of cybersecurity.

A year after the premiere in Azerbaijan, "Cybersecurity Code" returns to Baku. It should be noted that this year the conference covers 6 countries (27 cities).

Azerbaijan's "Cybersecurity Code" will open with a session on trends with experts from Moscow, St. Petersburg, Baku and Kiev. Next, a large section "Technology" will include reports by well-known cybersecurity companies: ESET, IT Task, Fortinet and others. In the section "Cybersecurity Management" specialists of "Gazinformservice" (St. Petersburg) will share their experience in this area.

The event will be concluded with the section "Hot 10", which will see the experts and students together formulating the key problems of cybersecurity of Azerbaijan and ways to address them.

The entrance for executives and cybersecurity specialists, and journalists - is free. The detailed program and pre-registration are available on website <https://baku.codeib.ru/>.

Deputy Minister of Transport, Communications and High Technologies attend ICT Working Group Meeting of AHK Azerbaijan

Deputy Minister of Transport, Communications

and High Technologies, Elmira Valizadeh has attended the next meeting of the Information and



Communication Technologies (ICT) Working Group of the German-Azerbaijani Chamber of Commerce (AHK Azerbaijan).

The meeting focused on “The Strategic Roadmap for the Development of Telecommunication and Information Technologies in the Republic of Azerbaijan” published in December 2016. The discussions emphasised the importance of ICT infrastructure for the digital economy and further enhancement of ICT efficiency in the public sector.

The event was opened with the welcoming addresses of Farid Isayev, Deputy Chairman of AHK Azerbaijan, and Theresa Schönfeld, Deputy Head of Mission of the German Embassy in Baku.

Chairman of the ICT Working Group of AHK Azerbaijan Rufat Hajjalibayov made a brief introduction about the activities of the Working Group and the key topic of the meeting.

The honorary guest speaker of the meeting Elmir Valizadeh shared his views about the ICT policy of Azerbaijan and briefly discussed the ongoing action plans based on the Strategic Roadmap. He underlined the importance of 5G Technology in the rapidly advancing world of technology.

In the Q&A session of the meeting, Deputy Minister responded to questions from the senior company representatives and encouraged the participants of the meeting to make proposals on the discussed topics and on the opportunities to improve the implementation of the ICT strategy in Azerbaijan.

EXHIBITIONS

Caspian Oil and Gas Exhibition kicks off in Baku



The International Caspian Oil & Gas Exhibition and Conference, the largest energy event in the Caspian region, marks its 25th anniversary this year.

The exhibition has today kicked off at Baku Expo Center. Over the 25 years of its successful operation, this first trade event in Azerbaijan has become the main industry forum. Every year Caspian Oil and Gas gathers leading experts and leaders of the oil industry to demonstrate advanced technologies of oil and gas production and processing, transportation, logistics, and services.

This year's Anniversary Caspian Oil & Gas coincides with several significant dates; among them is the 95th anniversary of the birth of the National Leader of Azerbaijan Heydar Aliyev who was the inspirer of this exhibition project. The first exhibition was held in 1994 on the eve of signing the "Contract of the Century" in September of the same year; an agreement which defined the main development areas for the Caspian Basin's hydrocarbon resources and opened a new chapter in Azerbaijan's oil history. Another significant date which coincides with the Anniversary Caspian Oil & Gas Exhibition and Conference is the celebration of the 100th Anniversary of the Independent Democratic Republic of Azerbaijan (on the 28th of May 1918, Azerbaijan declared its independence and established the Democratic Republic of Azerbaijan, ADR); this momentous event will be part of the exhibition programme.

The participation of the President of Azerbaijan Ilham Aliyev in the exhibition's opening ceremony testifies to its high status. The Ministry of Energy of Azerbaijan and the State Oil Company of the Republic of Azerbaijan (SOCAR) both show invaluable support for Caspian Oil & Gas. The exhibitions and conference are organised by Iteca Caspian and its partner ITE Group.

As is the tradition, 40% of the exhibition area at Caspian Oil & Gas is occupied by world-famous companies that are its permanent participants of the event. Among them are SOCAR, BP, Total, Statoil, Petkim and many others. The regular exhibitors include the national stands of Russia and Italy. This year the exhibition will be attended by companies from Azerbaijan, Canada, China, Great Britain, Germany, Georgia, France, Iran, Italy, Kazakhstan, Malaysia, Russia, Spain, Turkey, Ukraine, Uzbekistan, and many others. The companies will present a wide range of equipment, services, innovative technologies for oil production and transporting energy resources, storage systems for oil and gas, platforms and floating drilling rigs, pipe laying and pipe security systems, and services.

The event's status is reaffirmed by its line-up of leading Azerbaijani companies and leaders in the oil and gas industry sponsoring the exhibition and conference. Traditionally

Caspian Oil & Gas exhibition's Platinum Sponsor is SOCAR, the Gold Sponsors is BP and Statoil, and the Silver Sponsor is Turkish Petroleum. Among the Bronze sponsors are Azeri MI, AZFEN, Baku Steel Company, BOS SHELF, Caspian Drilling Company, Caspian Marine Services (CMS), RussNeft, SOCAR Polymer, Tekfen Construction.

An important part of the event's business programme is the International Caspian Oil & Gas Conference which will be held from the 30th to the 31st of May at Fairmont Baku Hotel; annually, the conference welcomes over 500 top managers of leading companies worldwide, along with representatives of line ministries and well-regarded industry experts, and offers the opportunity to exchange views on topical issues with regard to the development of the oil and gas industry.

The status of the event is also emphasized by the sponsors of the conference. The Platinum Sponsor is SOCAR. The Golden Sponsor of the conference is BP, Statoil and Petronas, the Silver Sponsors - INPEX, McDermott, and the Bronze Sponsors - EGS, EY, Dentons, Lamor Corporation, Nobel Upstream, SOCAR AQS, Total, and Turkish Petroleum.

Today Caspian Oil & Gas is a well-deserved recognition of the triumph of Azerbaijan's Oil Strategy which was founded by the National Leader of Azerbaijan Heydar Aliyev and is successfully pursued by the President of Azerbaijan Ilham Aliyev. The organisers are confident that the exhibition, which has now crossed the 25-year threshold, will remain the calling card of the achievements in the regions' oil sector and will continue to serve as an ideal platform for establishing business ties, while providing new opportunities for mutual cooperation.