

DISCOVER YOUR PATH TO AZERBAIJAN

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Director

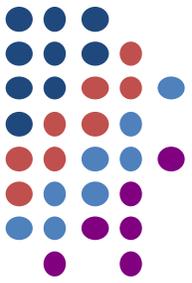
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Ministry of Foreign Affairs, Republic of Azerbaijan

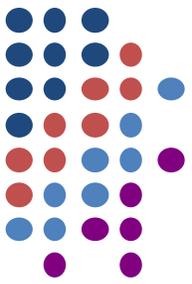
Azerbaijan (within last 15 years)



- GDP – Increased more than 3.3 times (world record in global scale)
- Foreign debt is only 22.8% of GDP
- \$ 250 billion investment made to the country (half of them are FDI's)
- Currency Reserves – 24 times increase (sums up to \$ 45 billion today)
- Industrial production has increased 2.6 times
- Export – increased 4.7 times (Agricultural products - increased 6 times)
- Wages – increased 7 times
- Pensions – increased 9 times



Economic data 2018



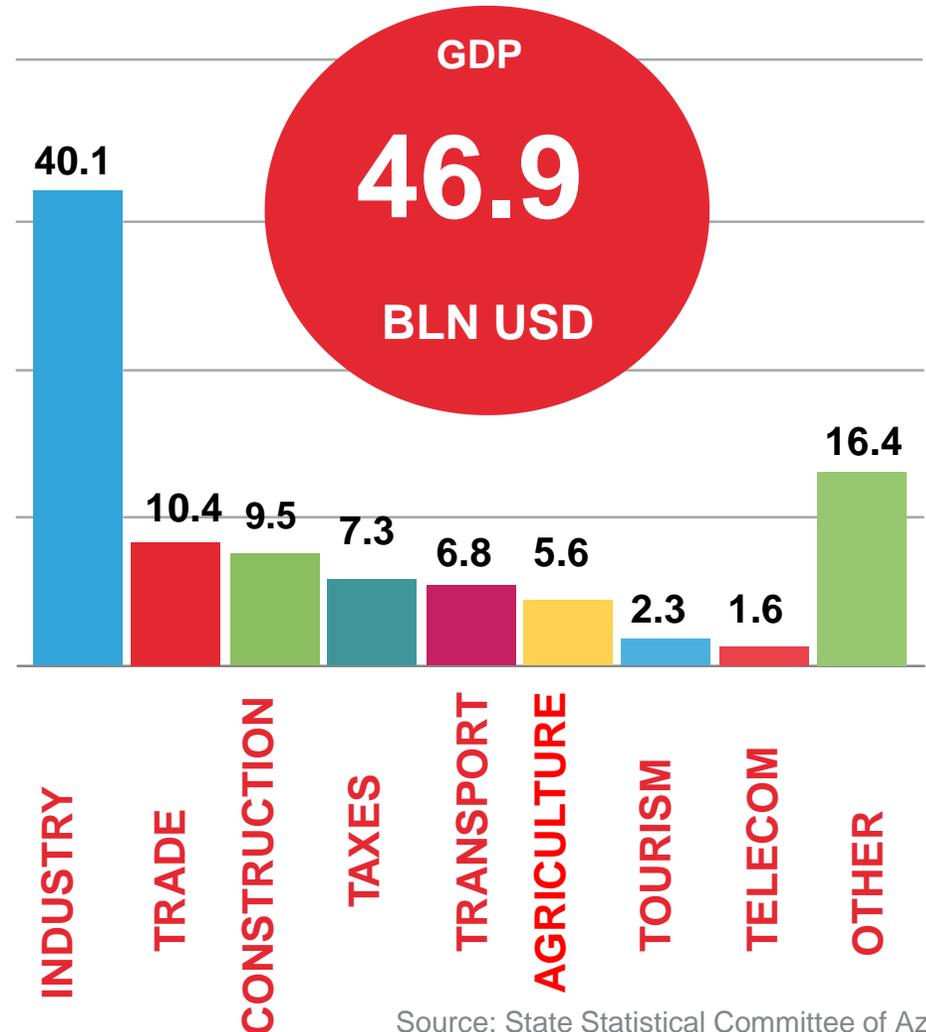
4780 USD
GDP PER CAPITA



9 974 578
POPULATION



10 BLN USD
External Public
Debt



Trading partners



US\$ 19.46

BLN

**TOTAL VALUE
OF EXPORTS**

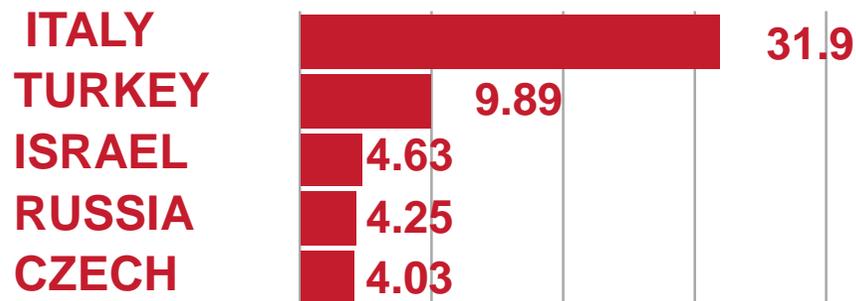
2018

US\$ 11.46

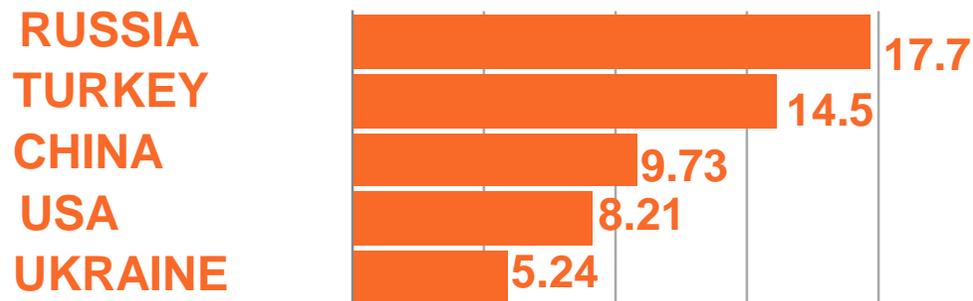
BLN

**TOTAL VALUE
OF IMPORTS**

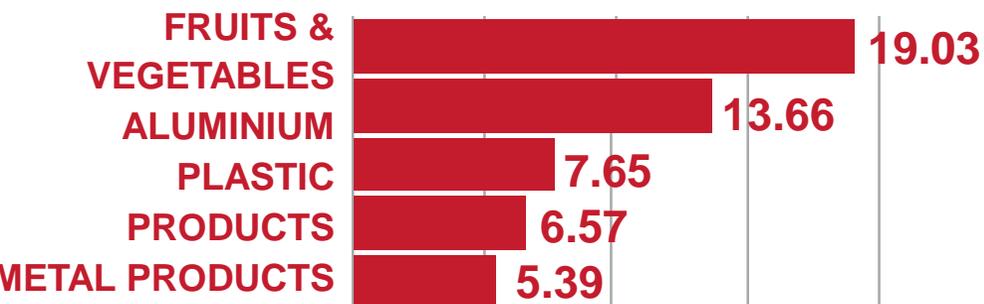
■ TOP 5 EXPORT MARKETS (%)



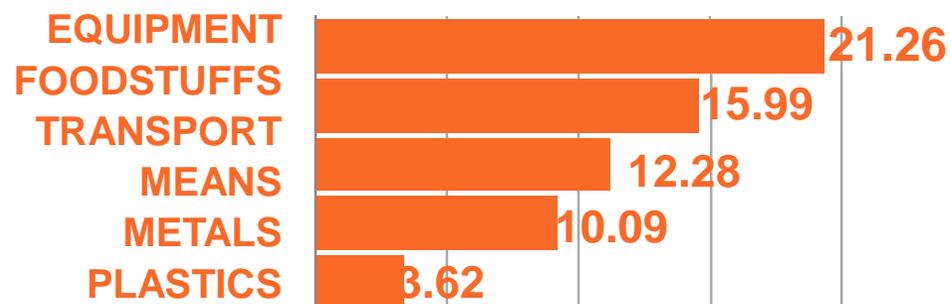
■ TOP 5 IMPORT (%)



■ TOP 5 NON-OIL EXPORT PRODUCTS (%)



■ TOP 5 IMPORT PRODUCTS (%)

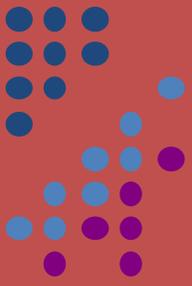


A nighttime aerial photograph of a modern city waterfront. The scene is illuminated with various lights, including streetlights, building lights, and a large flagpole with the Azerbaijani flag. The water reflects the lights, and there are several boats in the harbor. The architecture is contemporary, with curved structures and green spaces.

Investment Opportunities in Azerbaijan

Why to Invest ?

Why to invest?



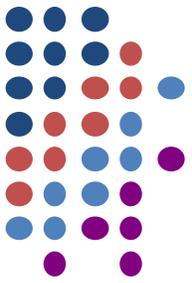
- Economic stability
- Skilled labour force
- Geographical location
- Favourable business environment
- Well developed infrastructure
- Export promotion incentives

Political and Economic Stability



- One of the highest credit rating in the region ; (Standard & Poor – BB+, Moody’s – Ba2, Fitch – BB+)
- Country is ranked 25th in the World Bank Doing Business Guide (2019)
- Public safety, good governance and reformist business mindset

WB DOING BUSINESS 2019



Overall
ranking

25 / 190

Starting a
business

9 / 190

Registering
property

17 / 190

Paying
taxes

28 / 190

Protecting
investors

2 / 190

Enforcing
contracts

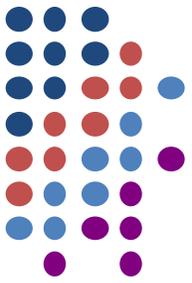
40 / 190

SKILLED LABOR FORCE

- Extremely high literacy rate of 99.8%
- Total labor force of 5 mln. People
- Approximately 40% of the population is under the age of 30
- Around 30,000 students graduate from universities and other higher education institutions annually
- Large number of Azerbaijani students studying in the best universities worldwide in the framework of the State Programme on Education of Azerbaijani Youth Abroad in 2007-2015



Geographical location



AT THE CROSSROADS OF ASIA AND EUROPE

EASY ACCESS TO REGIONAL AND WORLD MARKETS

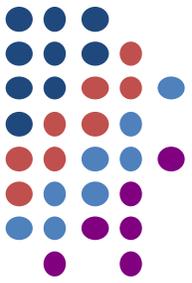
FREE TRADE

TO CIS + GEORGIA MARKETS WITH 270 MIL CONSUMERS AND OVER 1.6 TRILLION US\$ GDP

TRANSIT HUB

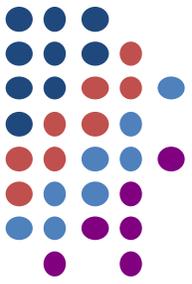
AT EAST-WEST, NORTH-SOUTH AND SOUTH-WEST TRANSIT ROUTES

FAVOURABLE BUSINESS ENVIRONMENT



- Equal rights and opportunities for all investors
- Strong investor protection policies and legislation; guaranteed against adverse changes in the legislation, nationalization, requisition
- Over 450 e-services for business (e-registration, e-taxation, e-licensing, e-trade, e-intellectual property, e-payment)
- Repatriation of profits ensured
- No state inspection of businesses (excluding taxes, human health and state security matters)
- No discrimination between foreign and domestic investors

Reformist Business Environment



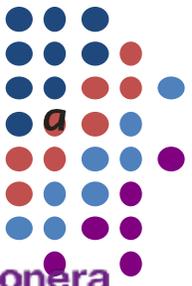
NEW REFORM PACKAGE

- ❑ Governance, judicial system
- ❑ Human capital & labour market
- ❑ Infrastructure & utilities
- ❑ Investor protection & corporations
- ❑ Foreign trade facilitation
- ❑ Technology & innovations
- ❑ Healthcare

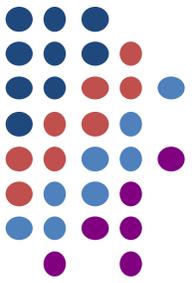
STRATEGIC ROAD MAP

- ❑ Elaborated and implemented by Centre for Analysis of Economic Reforms and Communication
- ❑ 11 economic sectors
- ❑ 12 documents (e.g. agriculture, tourism, industry etc.)
- ❑ Covering short, medium and long-term goals: Strategic outlook by 2020; Long-term outlook up to by 2025; and target outlook for the period after 2025

SUCCESS STORIES



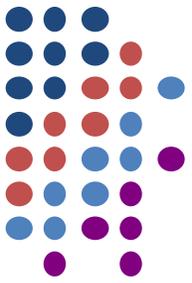
Well developed infrastructure



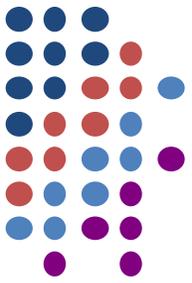
- ❑ 15 000 KM OF **ROADS AND HIGHWAYS** CONSTRUCTED AND RESTORED
- ❑ 6 INTERNATIONAL **AIRPORTS**
- ❑ **BAKU-TBILISI-KARS** RAILROAD (“THE IRON SILKWAY”)
- ❑ NEW **BAKU INTERNATIONAL SEA TRADE PORT** WITH CAPACITY OF 10-11.5 MLN TONS OF CARGO AND 50 000 TEU (TO BE INCREASED UP TO 21-25 MLN TONS OF CARGO AND 1 MLN TEU)
- ❑ EXPORT PIPLINES:
 - **Baku–Novorossiysk**
 - **Baku–Tbilisi–Supsa**
 - **Baku–Tbilisi–Ceyhan**
 - **Baku–Tbilisi–Erzurum Gas pipeline**
 - **Trans-Anatolian Gas Pipeline (TANAP)**
 - **Trans-Adriatic Gas Pipeline (TAP)**



The shortest route amidst others



Export promotion incentives



No export duties

Export grant scheme

Removing trade barriers

TRADE HOUSES

BELARUS

CHINA

UKRAINE

LATVIA

**UNITED ARAB
EMIRATES**

TRADE REPRESENTATIVES

CHINA

UNITED ARAB EMIRATES

EASTERN EUROPE

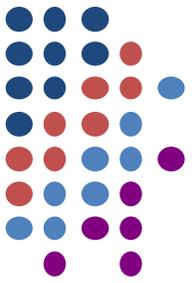
RUSSIA



Investment opportunities by sector

- ✓ **AGRICULTURE**
- ✓ **FOOD INDUSTRY**
- ✓ **TOURISM**
- ✓ **ICT**
- ✓ **CHEMICALS**
- ✓ **MACHINERY**
- ✓ **CONSTRUCTION**

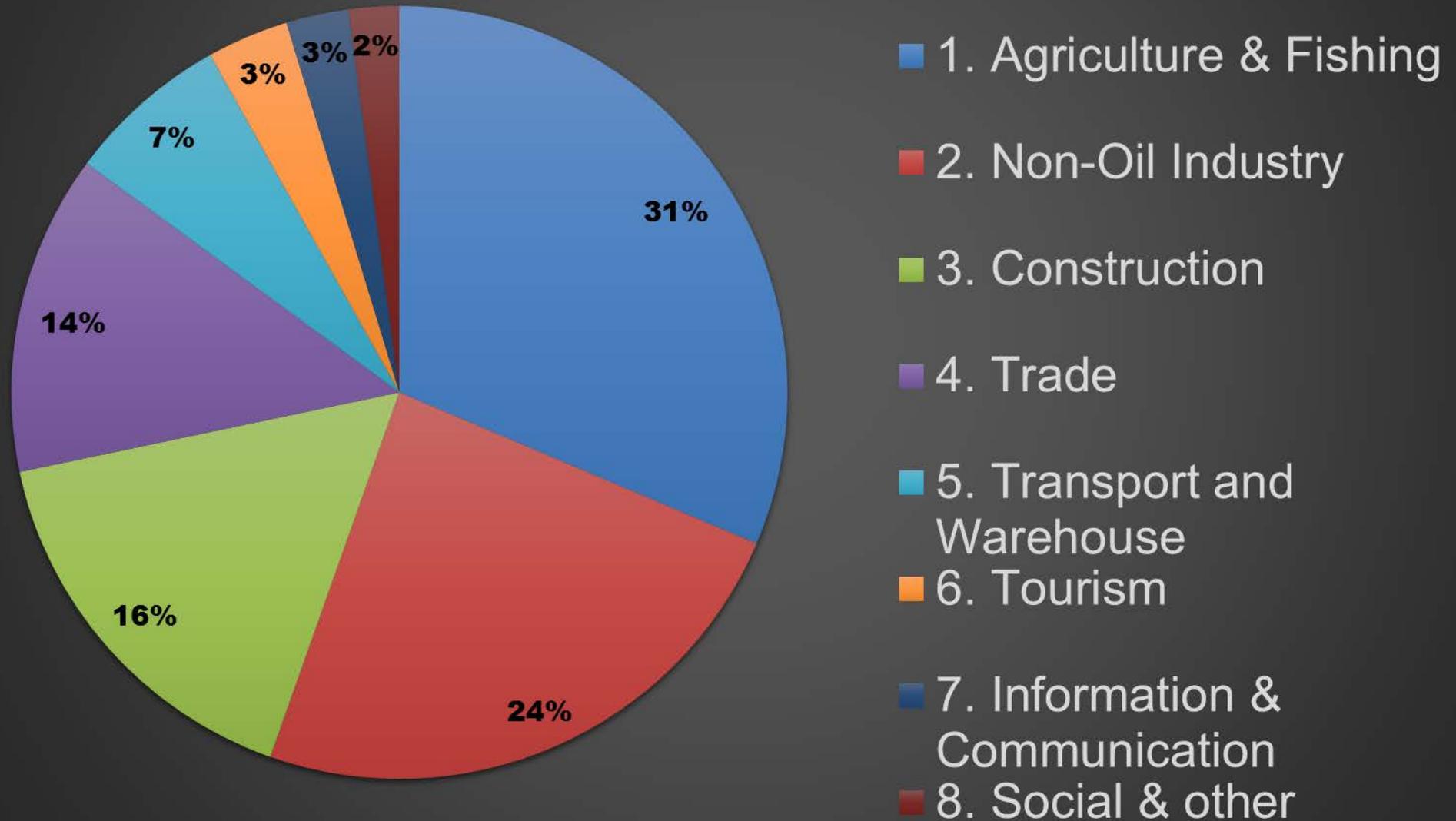
High Technology and Industrial Parks of Azerbaijan

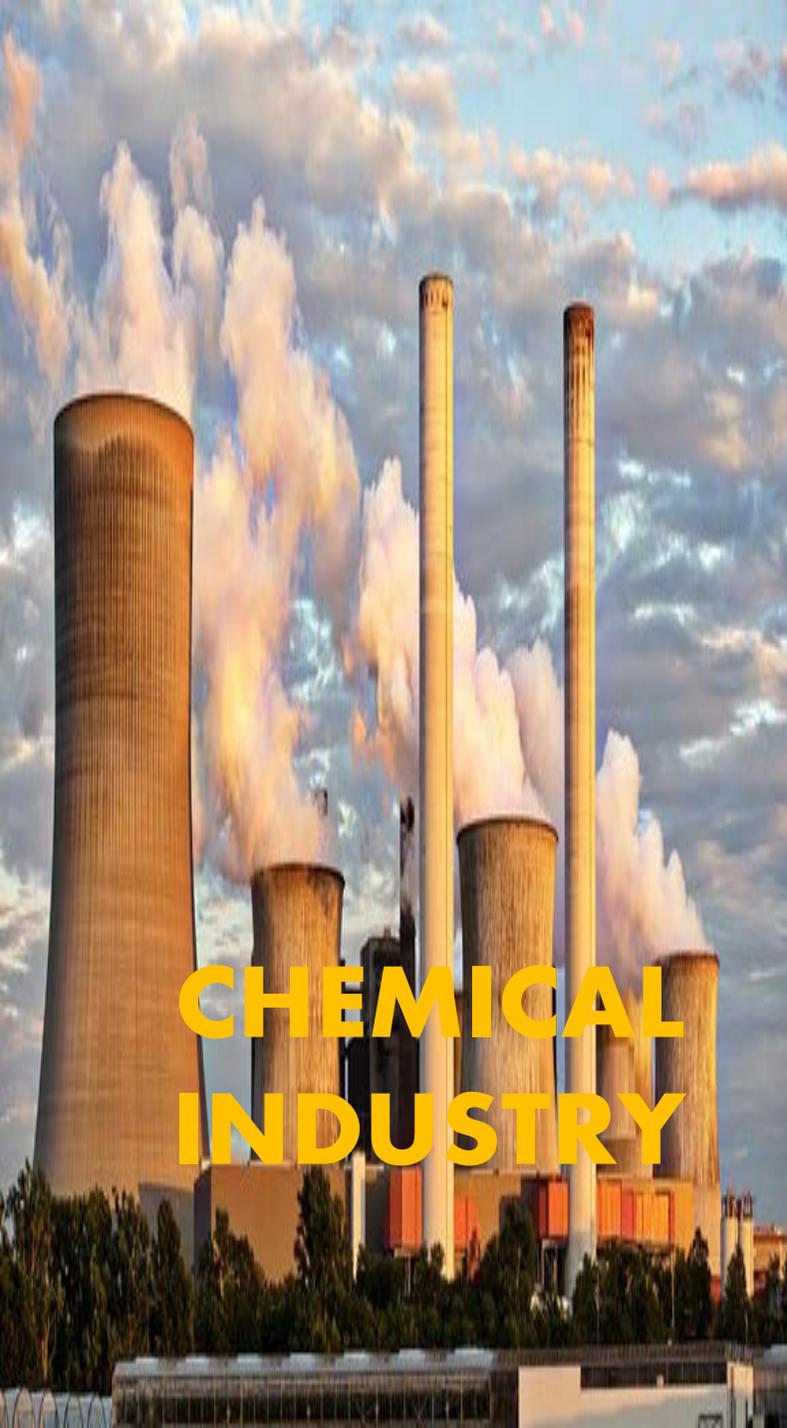


- ❖ Park of High Technologies (will be operational by the end of 2019)
- ❖ Sumgayit Chemistry Industrial Park
- ❖ Balakhany Industrial Park
- ❖ Garadagh Industrial Park
- ❖ Mingachevir Industrial Park
- ❖ Pirallahi Industrial Park



Investments to the various non-oil sectors (in 2018)





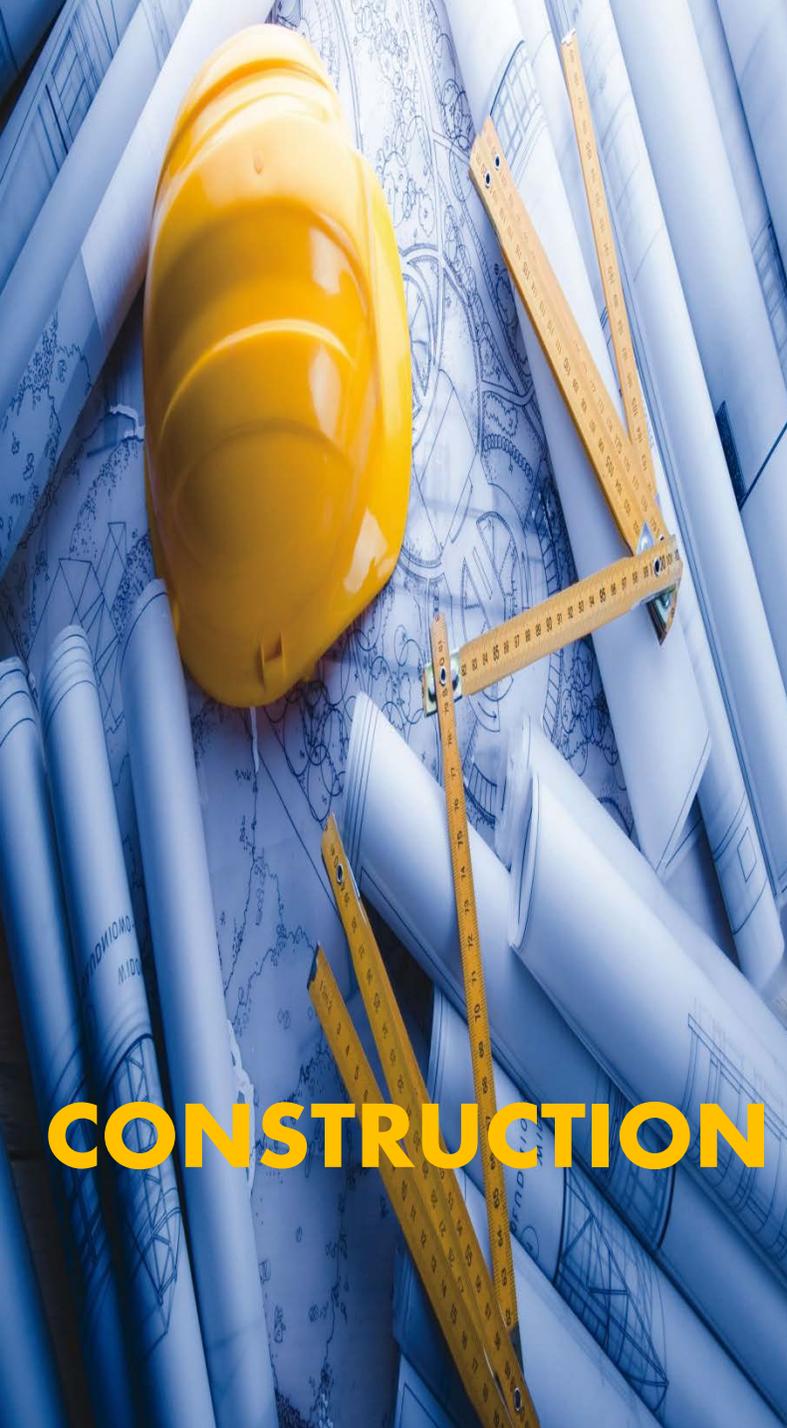
CHEMICAL INDUSTRY

Sumgait Chemical Industrial Park

- Discounts for first 7 years:
 - 0% Corporate Tax
 - 0% Land and Property Tax
 - 0% VAT on hardware, technological equipment and structures imported by residents
 - 0% Customs Duty on hardware, technological equipment and structures imported by residents



- **Fresh fruits and vegetables (pomegranates, tomatoes)**
- **Tea growing**
- **Saffron production**
- **Poultry farms**
- **Meat farms**
- **Dairy farms**
- **Aquaculture**
- **Seed Production**
- **Wine production**



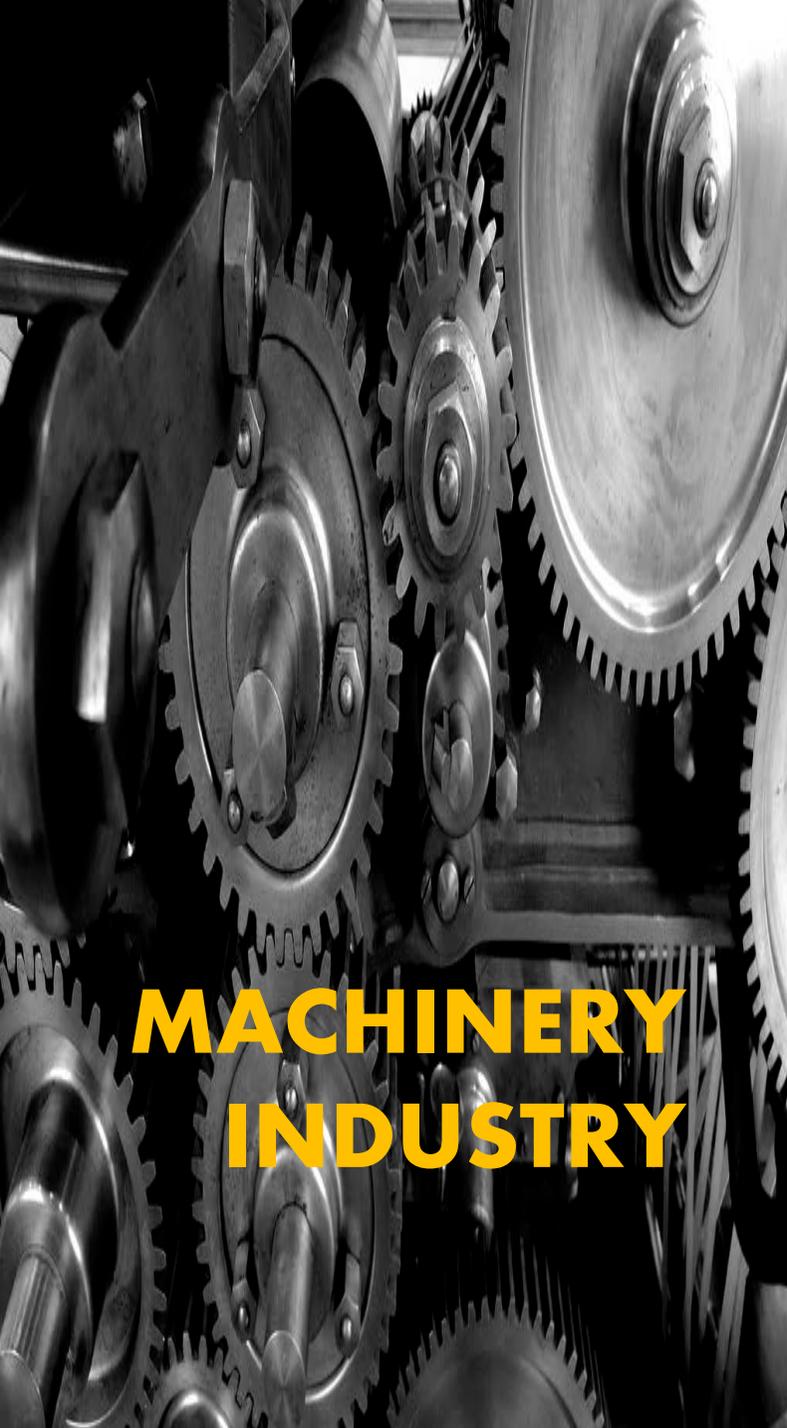
CONSTRUCTION

- Share in GDP: **9.2%**
- Volume of work increased since 2005: **4.8 times**
- Share of private companies: **76.1%**
- Volume of investments increased since 2001: **24 times**
- Significant industrial, agricultural and transport projects (being transport corridor in between east-west and north-south)
- Major demands to hotels as a result of increase in tourist inflows



ALTERNATIVE ENERGY

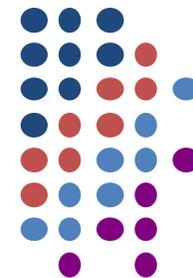
- **Wind energy:** average annual speed 5.8-8.0 m/sec which is above the starting speed of 3 m/sec
- Number of windy days in a year: 245-280 days
- **Solar energy:** number of sunny days in a year: >250 days



**MACHINERY
INDUSTRY**

- **Petroleum Industry Equipment**
- **Agricultural Equipment**
- **Construction Machinery**
- **Power and Energy Equipment**
- **Car Oil and Air Filters**

TOURISM



MOST IMPROVED COUNTRY IN THE TRAVEL & TOURISM COMPETITIVENESS INDEX 2017

World Economic Forum, The Travel & Tourism Competitiveness Report 2017

17TH IN THE WORLD FOR THE TRAVEL & TOURISM LONG-TERM GROWTH FORECAST 2017-2027

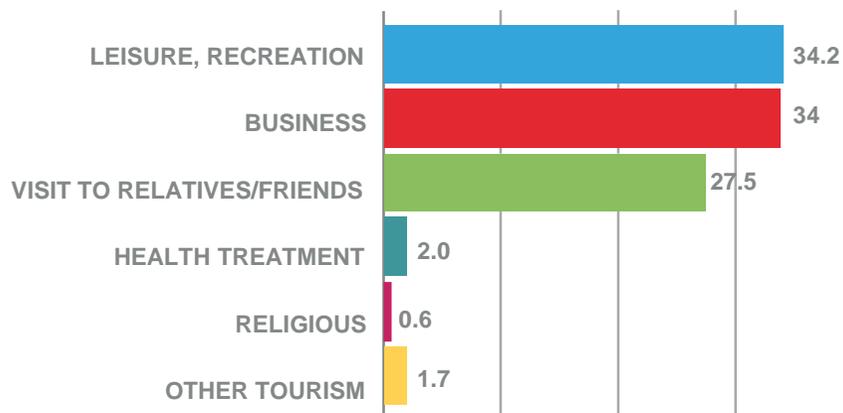
World Travel & Tourism Council, Travel & Tourism Economic Impact 2017: Azerbaijan

BAKU AMONG TOP 10 WORLD DESTINATIONS ON THE RISE 2016

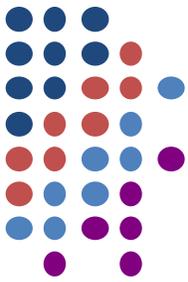


tripadvisor®

TOURISTS ARRIVING TO AZERBAIJAN BY PURPOSE (%), 2017



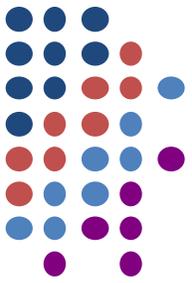
2 mil. 850 ths. tourists visited Azerbaijan in 2018



WORLD ECONOMIC FORUM GLOBAL INFORMATION TECHNOLOGY REPORT 2016 (out of 139 countries)

MOBILE NETWORK COVERAGE	1/139
GOVERNMENT SUCCESS IN ICT PROMOTION	8/139
ICT USE AND GOVERNMENT EFFICIENCY	12/139
LAWS RELATING TO ICT	24/139
ICT USE FOR B2B TRANSACTIONS	38/139
IMPACT OF ICT ON ACCESS TO BASIC SERVICES	42/139
FIXED BROADBAND INTERNET SUBSCRIPTIONS	45/139
CAPACITY FOR INNOVATION	53/139

Assets open for privatization



INDUSTRY

142



HEALTHCARE

14



AGRICULTURE

58



TOURISM

32



SERVICES

65

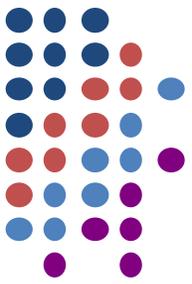


EDUCATION

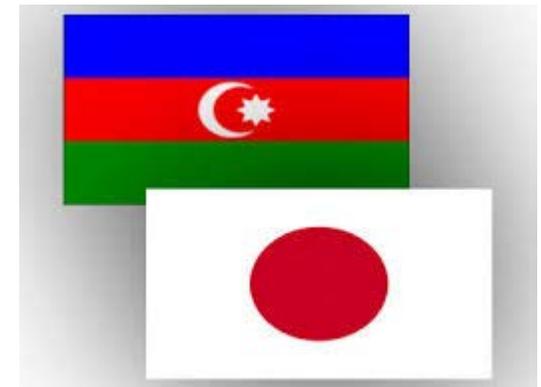
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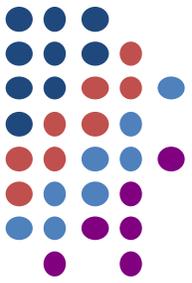
WWW.PRIVATIZATION.AZ

Azerbaijan-Japan relations



- \$7 billion Japanese investments to Azerbaijan (since the country's independence)
- Signature of “Agreement on mutual protection of investments” (under consideration)
- Japan-Azerbaijan Economic committee (last met in 2017)
- Favorable environment for Japanese investments in various spheres
- Baku-Komatsu direct cargo flight by Silkway West
- Japan was one of the first countries to support Azerbaijan's forward-looking oil strategy
- ITOCHU (4.3%) and INPEX (11%) companies have a share in the Azeri-Chirag-Guneshli oilfield and Baku-Tbilisi-Jeyhan oil pipeline (ITOCHU 3.4% and IPEX 2.5% accordingly) projects
- Japan International Cooperation Agency (JICA) has financed four loan projects that amounts nearly \$1 billion in the following sectors: Energy; Water Supply and Sewerage; Agriculture; Health
- Educational grants to Azerbaijani students
- Other Japanese companies such as Mitsubishi, Mitsui, Marubeni and Sojitsu are involved in energy and infrastructure projects in the country.





**THANK YOU FOR YOUR
ATTENTION!!!**