



# AZERBAIJAN 2003-2023

## DEVELOPMENT IN FIGURES



**TWENTY YEARS  
THAT CHANGED  
AZERBAIJAN  
AND THE WHOLE  
REGION**





# A COMPLETELY DIFFERENT COUNTRY

“Let it be known that while we advocate for peace, seek a peaceful resolution and do not wish to resume war, our patience has its limits. Azerbaijan will reclaim its lands by all necessary means.” This statement was part of Ilham Aliyev's inaugural speech as President of the Republic of Azerbaijan, delivered on October 31, 2003. It represents a significant promise he made to the people, a promise that has been a constant thread through all his goals, tasks, and reforms during his leadership. The triumphant victory in the war for the complete liberation of territories in Garabagh and Eastern Zangezur marks the beginning of a new chapter in Azerbaijan's history and can be considered a landmark achievement of Ilham Aliyev's presidency.

The cornerstone of his leadership was undoubtedly the 1st State Programme on the Great Return to the Liberated Territories of the Republic of Azerbaijan, approved in November 2022. This programme sets new goals and objectives for the national economy and unveils additional opportunities for growth and development.

A well-conceived and consistently implemented economic policy laid the foundation for macroeconomic stability and financial sustainability during this period, positioning Azerbaijan as a regional leader and ensuring its unchallenged dominance in the diplomatic and military efforts to restore territorial integrity.

Thanks to its comprehensive and systematic nature, the scope of President Ilham Aliyev's reform strategy extends beyond the economy. As such, Azerbaijan's economic model is often described as a development model for the country. In addition to being recognised as the world's most dynamic economy, Azerbaijan, under President Ilham Aliyev's leadership, has emerged as a rapidly changing nation aligned with modern values on a global scale.



Şuşa

Few countries in the world have managed to achieve such large-scale success in just 30 years of independence.

In its early years of independence, Azerbaijan's economy began to recover from the post-Soviet crisis period, thanks to the oil strategy initiated and implemented since 1994 by national leader Heydar Aliyev.

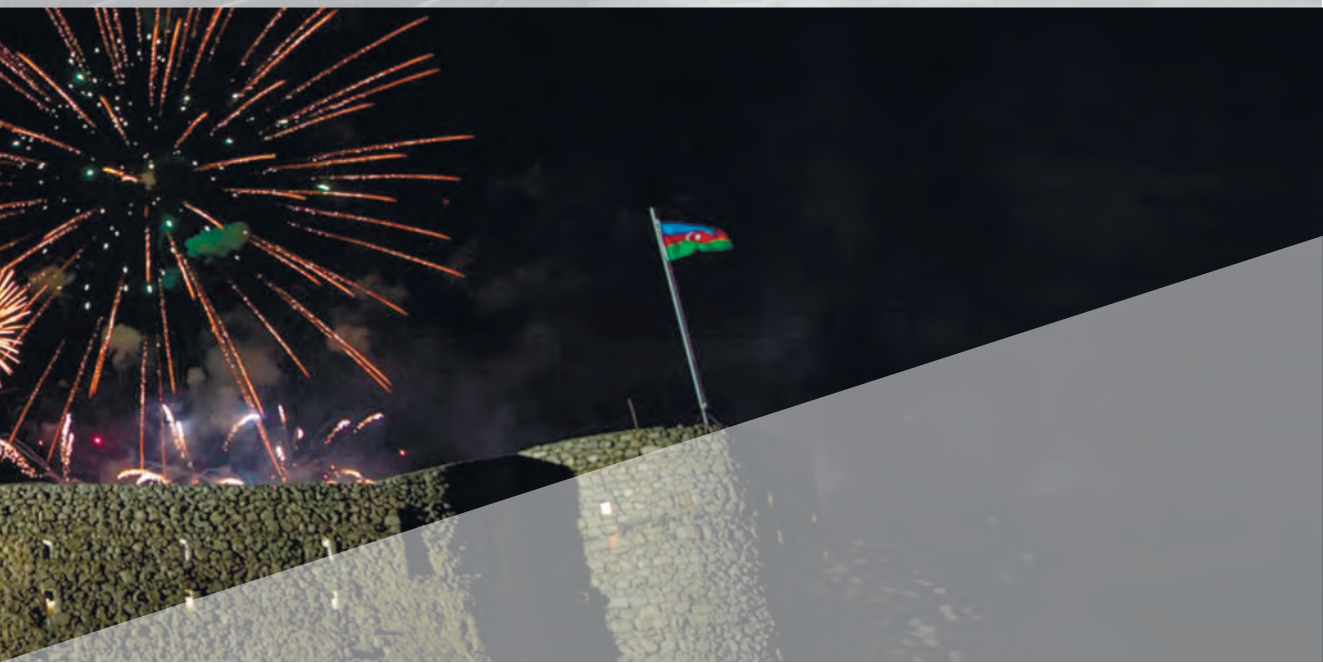
Since 2003, the country has embarked on a transition to a new socio-economic development model, thanks to a series of swift measures taken to diversify and digitalise the economy, strengthen the role of the private sector, create a favourable environment for attracting investment, and address social issues.

In February 2004, Azerbaijan adopted the State Programme on Socio-Economic Development of Regions of the Republic of Azerbaijan (2004-2008), which was the first legal policy act to set the strategic direction of President Ilham Aliyev's New Economic Course.

Also, to reduce poverty levels in Azerbaijan, President Ilham Aliyev initiated the introduction of an annual survey of household owners to identify the actual level of poverty in the country. Two state programmes on Poverty Reduction and Socio-Economic Development of the Republic of Azerbaijan were adopted (in 2003-2005 and in 2008-2015). As a result, the poverty rate has been reduced from almost 50 per cent to 5 per cent over the last 20 years.

Thanks to these and many other promptly adopted measures under President Ilham Aliyev's New Economic Course, Azerbaijan's GDP grew by 10.2% in 2004, even before the commencement of major oil exports from Azeri-Chirag-Gunashli.

In 2005, Azerbaijan's economy experienced an extraordinary growth rate of 26.4% in GDP, thanks to President Aliyev's distinctive economic strategy and modernisation efforts across all sectors of life. This growth continued into 2006, with a GDP increase of 34.5%.



Compared to 2003, the real and nominal GDP volumes have surged 3.6 and 18.7 times respectively. Investments in Azerbaijan's economy have quadrupled, bringing in over \$300 billion from various sectors. The income of the Azerbaijani people has risen twelvefold, while the national strategic currency reserves have expanded more than 40 times since 2003. The external debt of Azerbaijan is less than 9% of GDP, and its foreign currency reserves are ten times greater than the external debt.

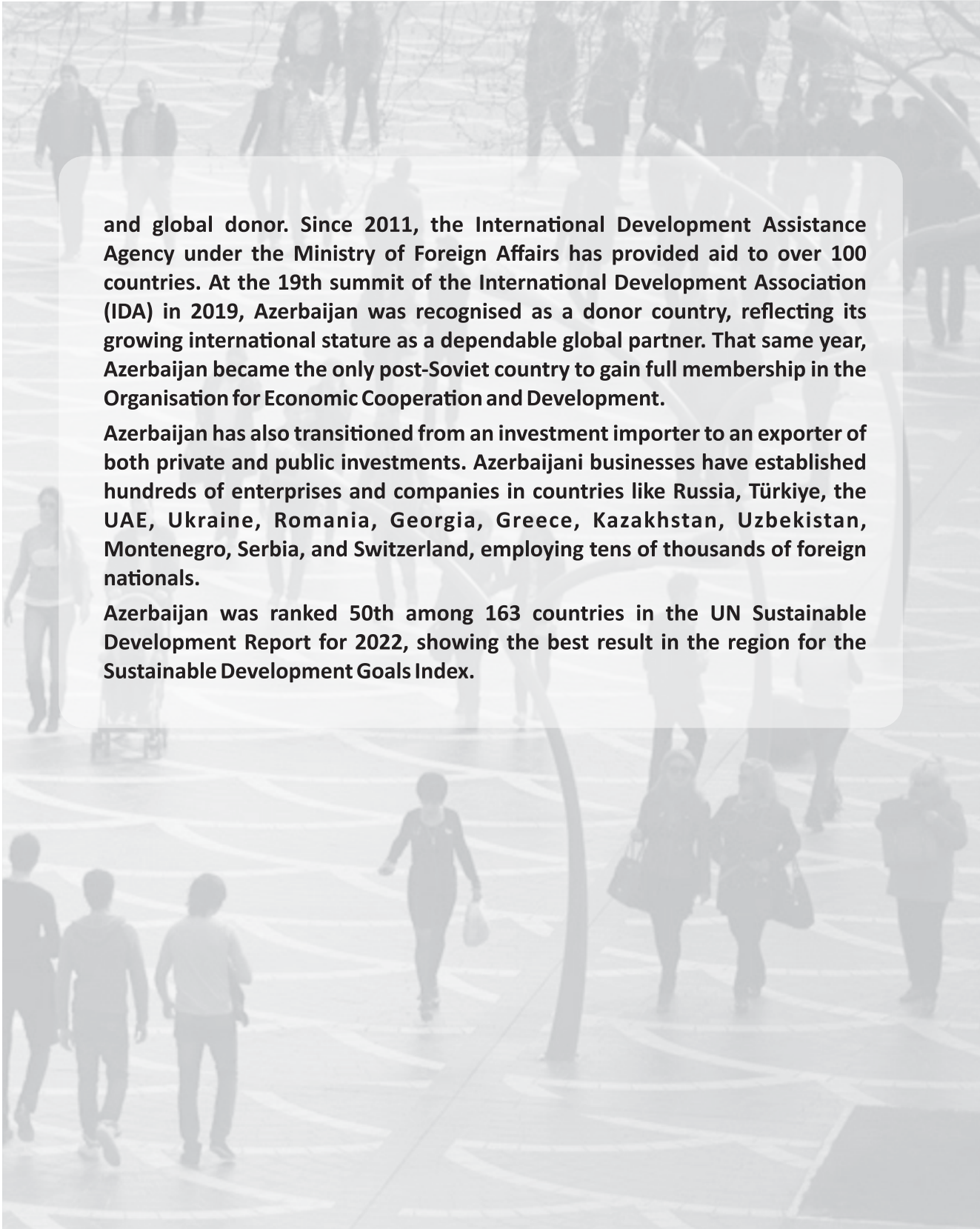
These statistics clearly illustrate the stability of Azerbaijan's economic development model and its ability to adapt and respond adequately to external shocks. Over the years, Azerbaijan has focused on bolstering the private sector and enhancing the business environment. Significant measures have been taken to foster entrepreneurship, with loans exceeding ₼2 billion provided to entrepreneurs on favourable terms.

Today, Azerbaijan is a regional economic powerhouse. It has initiated and jointly implemented numerous large-scale projects that significantly contribute to the development of neighbouring regions. These projects include the Baku-Tbilisi-Ceyhan oil pipeline, the Baku-Tbilisi-Erzurum gas pipeline, and the colossal Southern Gas Corridor project, which is crucial for Europe's energy security. As part of this project, the Trans-Anatolian (TANAP) and Trans-Adriatic (TAP) pipelines have been constructed and commissioned over the past two decades. Additionally, two mega transport projects—the Baku-Tbilisi-Kars railway and the North-South International Transport Corridor project—deserve mention.

The industrialisation process is progressing smoothly, with a large-scale launch of industrial parks across the country. Currently, 67 residents are registered in these parks, with 40 already operational. Another positive development is the establishment of agricultural parks. Plans are in place for 51 such parks, 17 of which are already functional. The remaining agro-parks will create new regional jobs and boost the production and export of agricultural products.

Azerbaijan's economy is self-reliant and does not require external support. In a short span of time, Azerbaijan has transformed from a borrower to a regional






and global donor. Since 2011, the International Development Assistance Agency under the Ministry of Foreign Affairs has provided aid to over 100 countries. At the 19th summit of the International Development Association (IDA) in 2019, Azerbaijan was recognised as a donor country, reflecting its growing international stature as a dependable global partner. That same year, Azerbaijan became the only post-Soviet country to gain full membership in the Organisation for Economic Cooperation and Development.

Azerbaijan has also transitioned from an investment importer to an exporter of both private and public investments. Azerbaijani businesses have established hundreds of enterprises and companies in countries like Russia, Türkiye, the UAE, Ukraine, Romania, Georgia, Greece, Kazakhstan, Uzbekistan, Montenegro, Serbia, and Switzerland, employing tens of thousands of foreign nationals.

Azerbaijan was ranked 50th among 163 countries in the UN Sustainable Development Report for 2022, showing the best result in the region for the Sustainable Development Goals Index.





**THE BEST WAY TO TRACE THE SCOPE OF REVOLUTIONARY CHANGES IN AZERBAIJAN SINCE 2003, WHEN ILHAM ALIYEV FIRST ASSUMED THE PRESIDENCY OF AZERBAIJAN, IS TO EXAMINE THE COMPARATIVE DATA RELATING TO KEY MACROECONOMIC AND OTHER INDICATORS DURING THIS TIME FRAME**

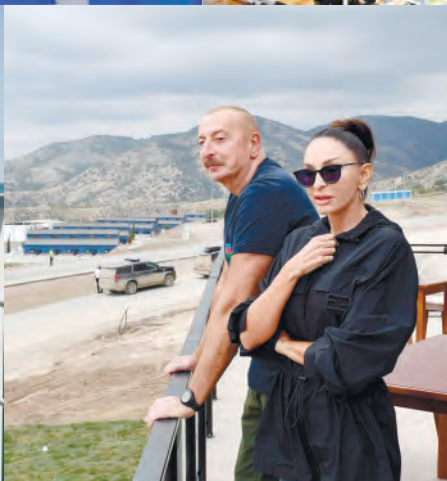




# SHUSHA GLOBAL MEDIA FORUM

MEDIA IN THE ERA OF THE 4TH INDUSTRIAL

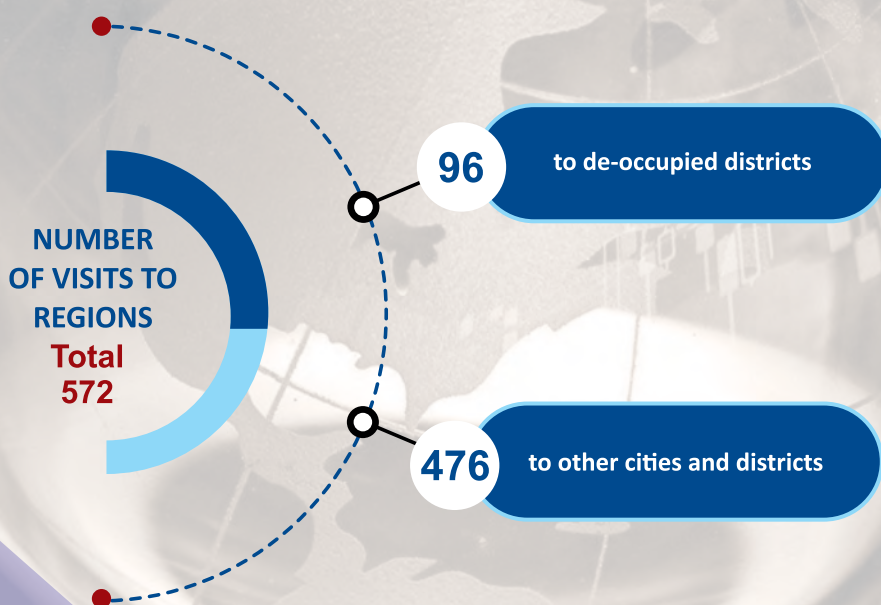
JULY 21-23, 2023 | SHUSHA, AZERBAIJAN



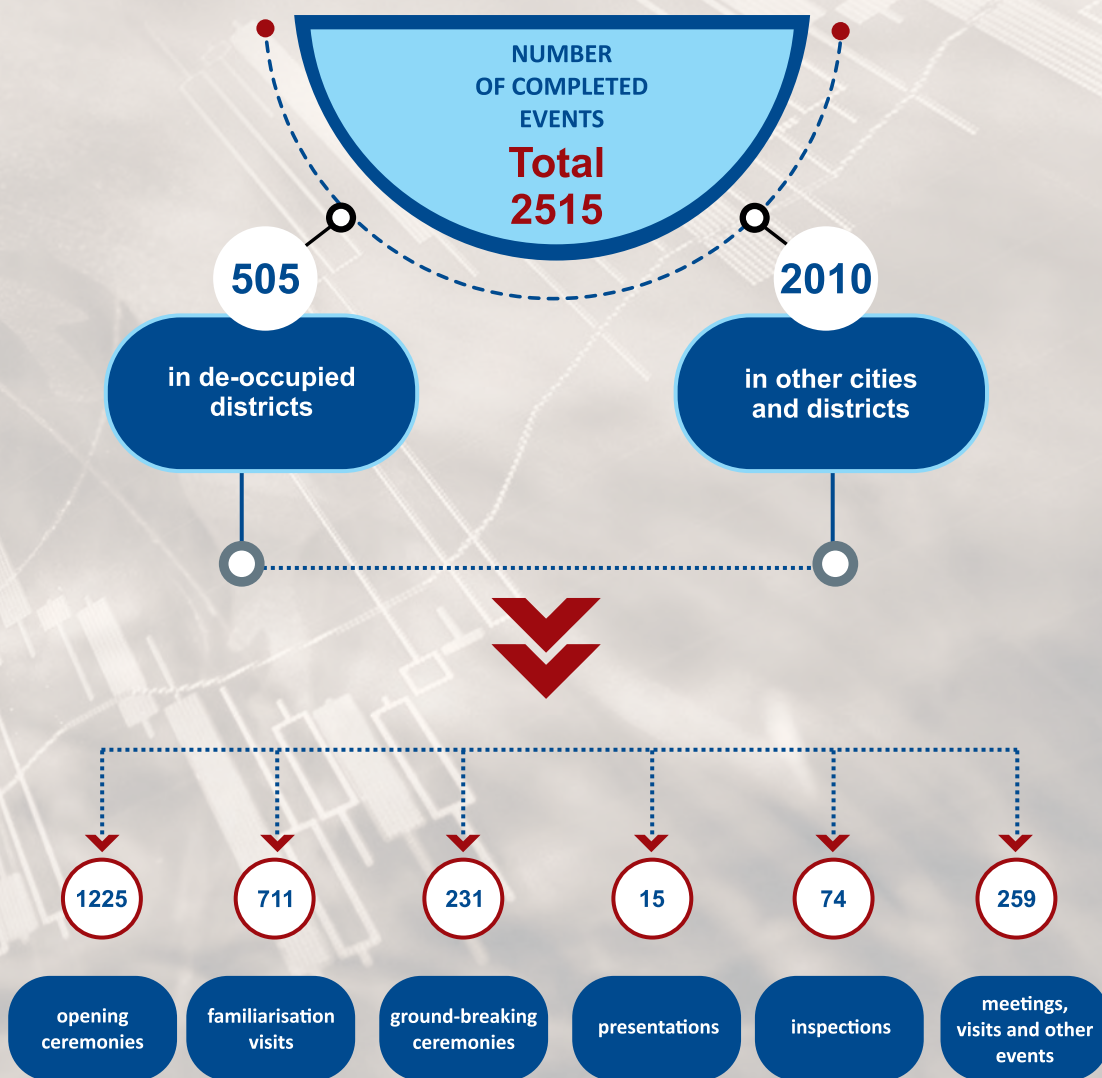
## Development of Regions is one of the key priorities

Immediately following his election, President Ilham Aliyev identified the development of all regions as a strategic objective. One of the first systemic programmes he endorsed was the State Programme for Socio-Economic Development of Regions, initiated in February 2004. To date, four such state programmes have been adopted for the socio-economic development of the Republic of Azerbaijan's regions (2004-2008, 2009-2013, 2014-2018, 2019-2023).

These programmes, which have seen an investment of over  $\text{A}100$  billion, have dramatically transformed the landscapes of cities, towns, and villages in Azerbaijan. They have created opportunities to enhance regional potential, improve infrastructure, elevate the quality of public utilities, and foster a favourable investment and business climate. Moreover, they have significantly contributed to the welfare of the population.



# DEVELOPMENT OF REGIONS



For all these years, the head of state has personally supervised the progress of state programmes and other tasks related to the development of regions, making numerous visits to cities and districts of the country.



On February 2, 2021, President Ilham Aliyev signed a decree approving the National Priorities of Socio-Economic Development: Azerbaijan 2030. This document reaffirms Azerbaijan's commitment to continuous improvement, progress, and dynamic development across all sectors in alignment with contemporary realities. The strategy outlines five National Priorities to be accomplished over the next decade:

- ✓ Ensuring sustainable growth and competitiveness of the economy.
- ✓ Facilitating the successful return to liberated territories.
- ✓ Creating a dynamic and inclusive society rooted in social justice.
- ✓ Promoting a clean environment and green growth.
- ✓ Fostering competitive human capital and innovations.

The **first** priority aims to balance economic growth to ensure the country's sustainable development. To effectively realise this priority, two goals must be achieved:

Sustainable and robust economic growth.

Resilience to internal and external influences.

The **second** priority is to ensure that continuous and high economic growth translates into the development of a dynamic and inclusive society, where every citizen benefits from this growth. It emphasizes equal and fair access to economic opportunities for all, regardless of social status or place of residence. This priority can be successfully implemented by achieving the following three goals:

development that benefits every citizen.

high and equitable social security, fostering an inclusive society.

balanced development of the capital city and the regions.

# NATIONAL PRIORITIES

In preparation for increased global competition in the coming years, the **third** priority focuses on developing highly competitive human capital. This involves modern education, an innovation-oriented environment, and promoting the health of the people. The successful implementation of this priority requires the achievement of the following three goals:

education that meets the demands of the 21st century.

a creative and innovative society.

a healthy lifestyle for citizens.

The **fourth** priority ensures that people returning to the liberated territories are provided with safe living conditions, and that the region becomes one of the most prosperous areas of the country. To successfully implement this priority, it is necessary to achieve the following two goals:

sustainable settlement.

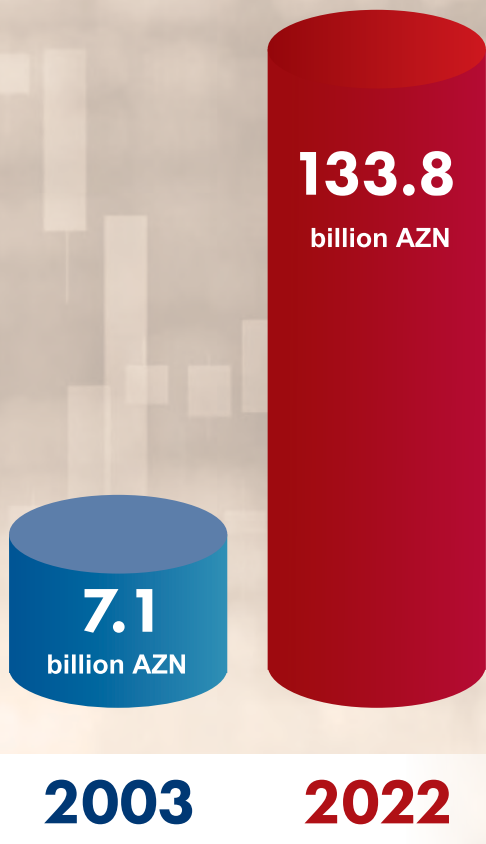
reintegration into economic activity.

The **fifth** priority aligns prospective economic development with environmental rehabilitation, rapid restoration and expansion of green areas, efficient use of water resources, and sustainable energy sources. This priority requires the achievement of the following two goals in the strategic period:

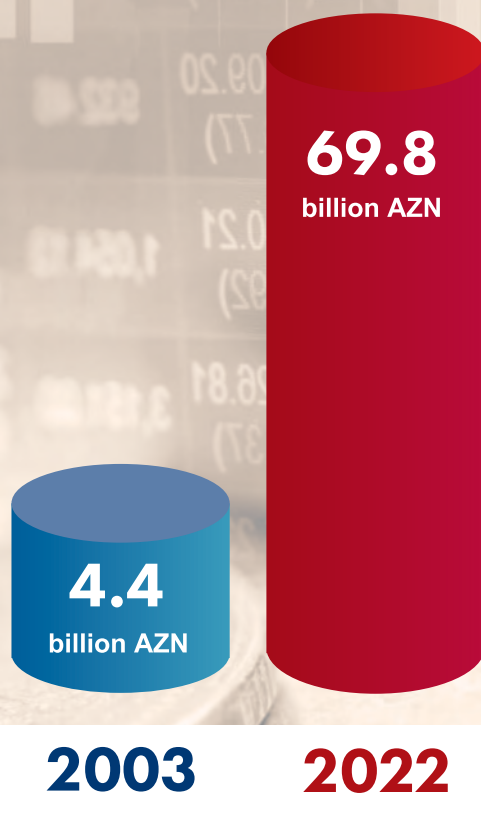
green energy space.

quality ecological environment.

## GDP of Azerbaijan



## GDP in non-oil sector



# MACROECONOMIC INDICATORS

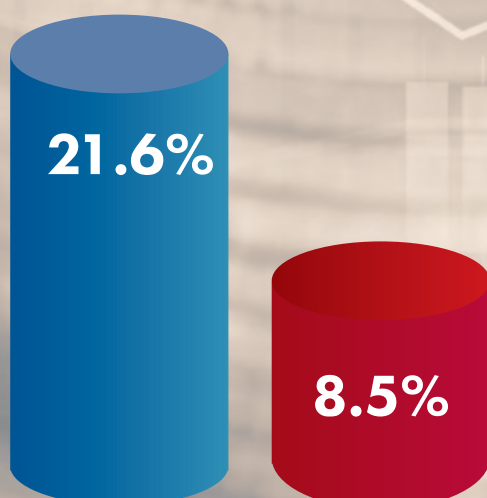
## bank assets



**2003**

**2022**

## external debt to GDP ratio



**2003**

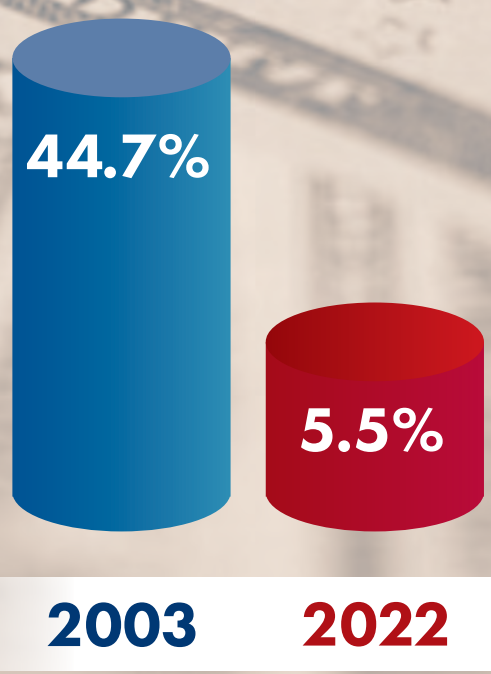
**2022**



## GDP per capita



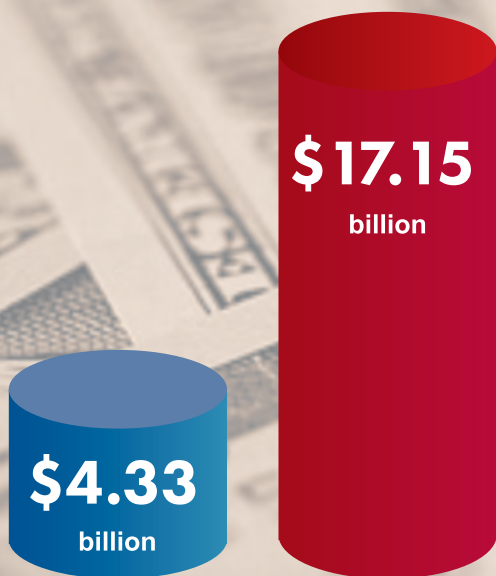
## poverty rate





# MACROECONOMIC INDICATORS

## investments



**2003**

**2022**

Total volume of investment in the national economy in 2003-2022 was \$310.4b, of which \$154.1b was foreign investment.

In 2022, the total volume of investment in the Azerbaijani economy (from all sources) hit a record level of  $\text{A}29.135\text{b}$ , of which  $\text{A}14.9\text{b}$  (\$8.8b) was foreign investment.





# MACROECONOMIC INDICATORS

## Central Bank's currency reserves



## Oil Fund's assets



# strategic currency reserves



**2003**

**2023**  
*(as of Dec 1, 2023)*

# foreign trade turnover



**2003**

**2022**



# MACROECONOMIC INDICATORS

## import



## export



Following his election as President of Azerbaijan, one of Ilham Aliyev's primary directives to the government was to reduce reliance on imported arms and military equipment. Consequently, new production facilities were established, and existing ones were technically enhanced. The Ministry of Defence Industry (MDI) was instituted by a presidential decree on December 16, 2005.

In a relatively short span, the MDI mastered the production of a wide range of military equipment, including small arms, close combat weapons, artillery weapons, various calibre ammunition, engineering, combat and training shells, special tools for engineering and reconnaissance services, and the assembly of Armoured Personnel Carriers (APCs).

Azerbaijani arms manufacturers first showcased their products at international industry exhibitions in 2009. In 2014, Baku hosted the inaugural international defence industry exhibition, ADEX. By 2020, MDI enterprises had manufactured over 2,000 types of military products, ranging from sniper rifles, artillery shells, aerial bombs to armoured personnel carriers, Multiple Launch Rocket Systems (MLRS), and more. Notably, the MDI's product line includes Unmanned Aerial Vehicles (UAVs), such as the renowned İti Qovan UAV, capable of accurately destroying targets from four kilometres Above Ground Level (AGL) at high speed.

Additionally, MDI enterprises upgrade infantry fighting vehicles and armoured reconnaissance and patrol vehicles, including the production of shells for them. The same shells are used in UAVs mounted on armoured vehicles.

Currently, Azerbaijan plays a significant role in the international arms trade, supplying military products to 30 countries.

In 2023, President Ilham Aliyev signed a decree establishing the



# DEFENCE INDUSTRY

Azersilah Defence Industry Holding CJSC. This move aimed to ensure that the domestic defence industry meets modern requirements and equips the Azerbaijani army with domestically produced military and technical equipment. The scientific and production associations, İqlim and Sənayecihaz, were transferred to the Ministry of Defence Industry.

**defence and national security expenditures in state budget**

**6**  
billion AZN

**0.7**  
billion AZN

**2003**

**2023**  
*(forecast)*



## budget revenues

**30.7**  
billion AZN

**1.2**  
billion AZN

**2003**

**2022**

## budget expenditures

**32.1**  
billion AZN

**1,2**  
billion AZN

**2003**

**2022**





# STATE BUDGET

## capital investment

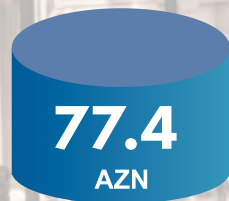
## social expenditures



# salaries

average monthly

living wage



2003



2023  
*(forecast)*



2003



2023

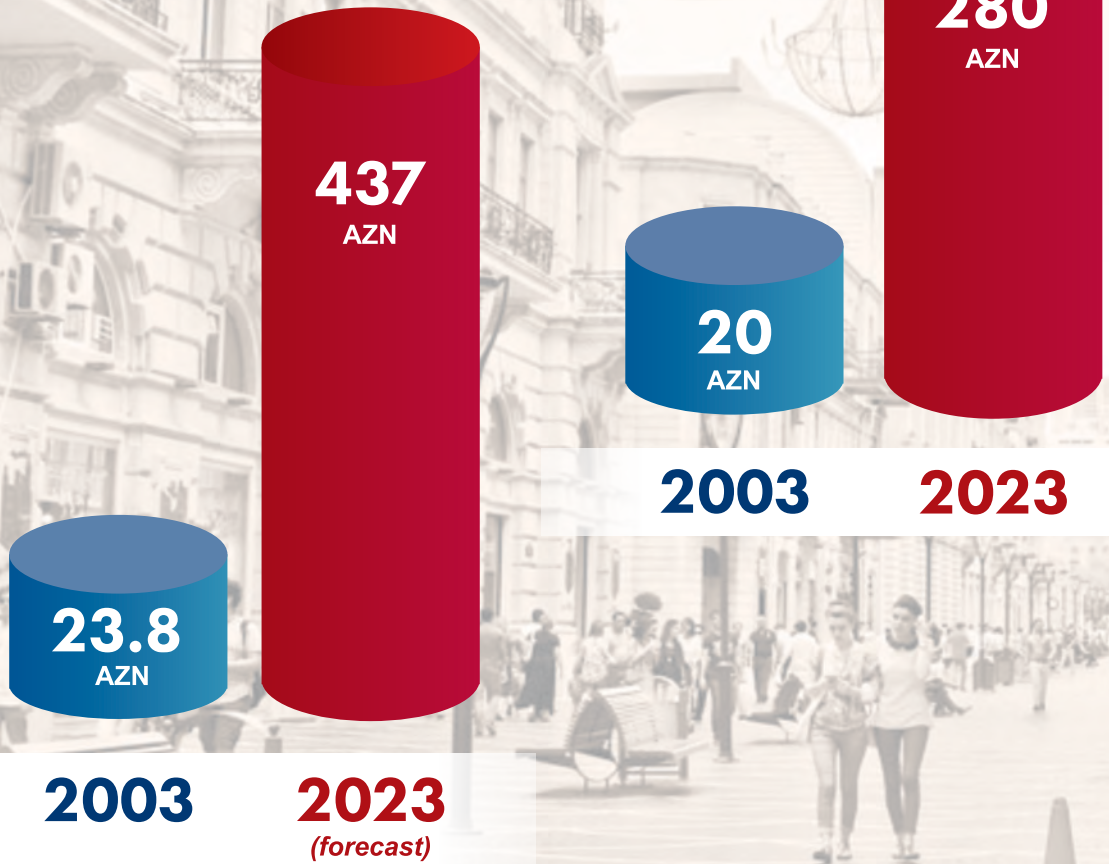


# SOCIAL POLICY

## pensions

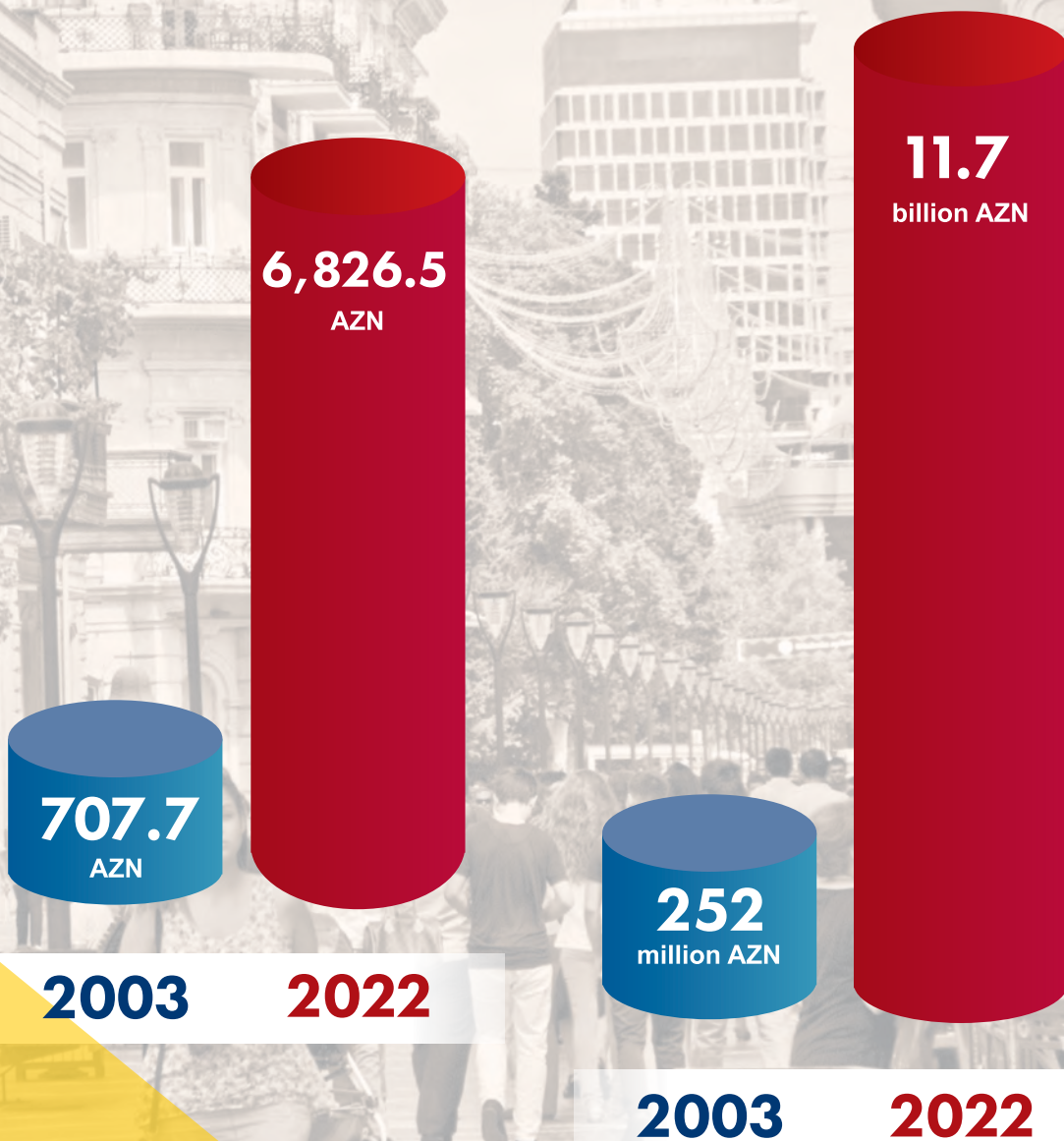
minimal

average monthly



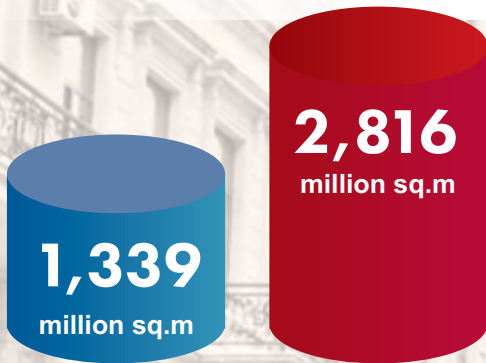
**nominal money  
income (per capita)**

**bank deposits  
from population**



# SOCIAL POLICY

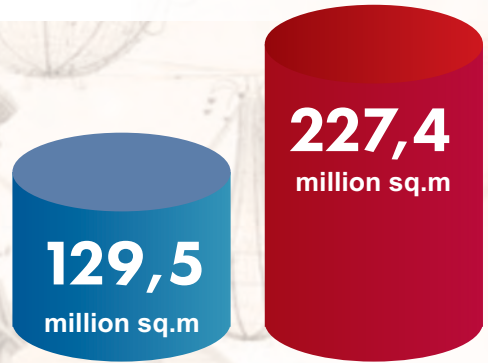
## residential housing commissioned



**2003**

**2022**

## total residential housing area



**2003**

**2022**

## DOST Centres

One of the key directions of Azerbaijan's social policy is to ensure citizens have access to a variety of public services and to enhance transparency in interactions between citizens and officials. In line with this, the DOST Agency (Agency for Sustainable and Responsive Social Security) was founded in May 2019 under the auspices of the Azerbaijan Ministry of Labour and Social Protection of Population. At present, there are seven DOST centres, with plans to expand this number to 17 by 2025 and establish 55 DOST branches, thereby broadening the reach of services nationwide.

Leveraging a single window mechanism, DOST centres offer 159 services across 15 areas in diverse fields, including employment, labour, disability, and social protection. These services are provided with a commitment to complete transparency and citizen satisfaction. As of December 1, 2023, DOST centres have served 1.9 million individuals, achieving a citizen satisfaction rate of 98.1 per cent.



The Azeri-Chirag-Gunashli block currently accounts for the majority of Azerbaijan's oil production. Since the start of the block's development, total oil production has surpassed 4.3 billion barrels. Since 2001, Azerbaijan has netted a profit of \$171 billion from the block development. The project's operator, the British company BP, and its partners have collectively invested a total of \$108 billion in projects in Azerbaijan, Georgia, and Türkiye, with BP contributing 30%.



The oil strategy initiated by Heydar Aliyev back in 1994 has reached its zenith over the past 20 years. This period has been marked not only by record growth in oil production and exports, but also by significant historical events.



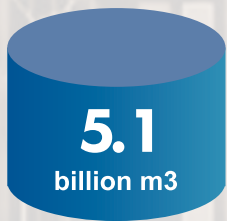
# OIL AND GAS

- ✓ On May 25, 2005, the Baku-Tbilisi-Ceyhan oil pipeline was inaugurated. In 2006, the transportation of Azerbaijani oil from the Turkish port of Ceyhan began. Today, oil from Kazakhstan and Turkmenistan is also delivered to global markets via the BTC pipeline.
- ✓ On September 14, 2017, Baku signed a new Contract of the Century - the production sharing agreement on the joint development of the Azeri, Chirag, and Deepwater Guneshli fields in the Azerbaijani sector of the Caspian Sea. Under the contract, which extends until 2049, BP continues as the project operator, SOCAR's share increases from 11% to 25%, and 75% of the profitable oil remains in Azerbaijan.
- ✓ In 2019, an agreement was reached to build an additional production platform at ACG.
- ✓ In 2020, the Garabagh field, with estimated reserves of over 60 million tonnes of oil, made history as the first oil field discovered during Azerbaijan's independence.
- ✓ In 2021, Azerbaijan and Turkmenistan signed a Memorandum of Understanding on joint exploration, development, and exploitation of hydrocarbon resources of the Dostlug field in the Caspian Sea.

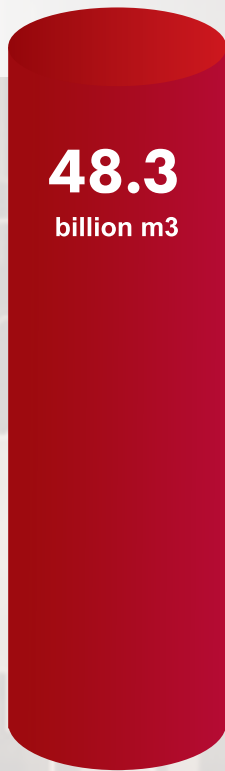
In 2016, Azerbaijan began cooperation with OPEC, an organisation of oil-exporting countries, and has been a member of the OPEC+ community since December 10, 2016.



## gas production



**2003**

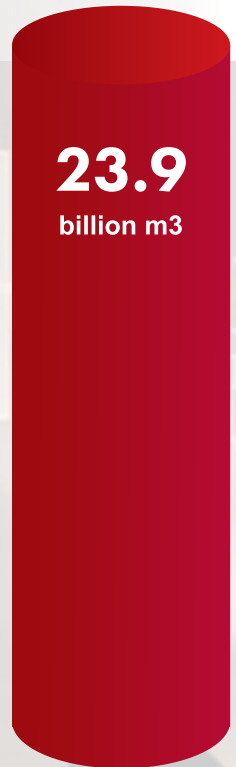


**2023**  
*(expected)*

## gas export



**2003**

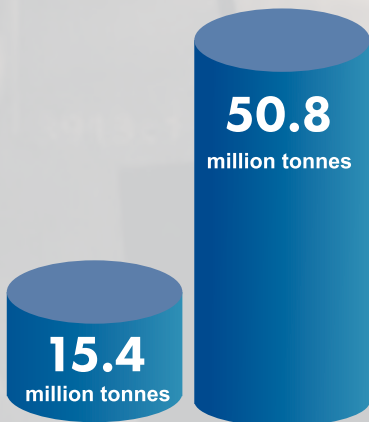


**2023**  
*(expected)*

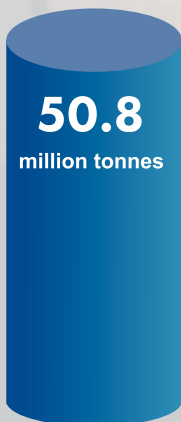
In 2003, Azerbaijan imported 4 billion cubic metres of gas. Today, it has become a significant and reliable gas exporter to Europe, consistently signing long-term contracts for the supply of natural gas.

Over the past 20 years, Azerbaijan's gas production has seen remarkable changes, beginning in 1996 with the signing of the contract for the development of the Shah Deniz field.

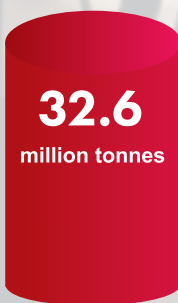
## oil production



**2003**

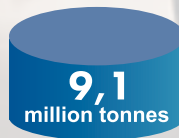


**2010**



**2022**

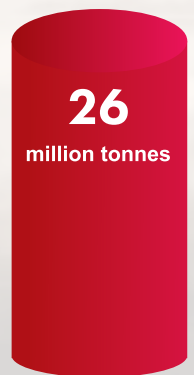
## oil export



**2003**



**2010**



**2022**



# OIL AND GAS

Production at this largest field in the Caspian Sea, with estimated reserves of 1.2 trillion cubic metres, commenced in December 2006.

On December 17, 2013, the final investment decision for the Shah Deniz II project was signed. Currently, gas and condensate are produced from the Shah Deniz field from the Alpha platform as part of Stage I and from the Bravo platform as part of Stage II. To date, the field has produced over 200 billion cubic metres of gas.

The launch of Stage III of the Shah Deniz development is expected in four years.

Absheron, the second major gas field to be developed in Azerbaijan after Shah Deniz, has deposits estimated at 350-360 billion cubic metres of gas and 100 million tonnes of condensate. The Absheron field, set to come on stream in July 2023, will produce more than 750 million cubic metres of gas.

Azerbaijan's gas balance is further enhanced by two more promising fields — Umid, with reserves of 200 billion cubic metres (already under development), and Babek, with estimated gas reserves of 400 billion cubic metres. Work is also in progress on the Shafag-Asiman gas field and the ACG Future Gas project.

Currently, Azerbaijan's recoverable gas reserves are estimated at 933 billion cubic metres, proven reserves at 1.7 trillion cubic metres, and forecasted reserves at about 4 trillion cubic metres.

Azerbaijan has proven natural gas reserves of 2.6 trillion cubic metres.

## Southern Gas Corridor

Azerbaijan initiated and became a shareholder of the strategically significant Southern Gas Corridor project, worth \$33 billion and spanning 3,500 kilometres. On September 20, 2014, the groundbreaking ceremony for this monumental project was held in Sangachal, marking the twentieth anniversary of the Contract of the Century.



Türkiye and Georgia were the first nations to join this initiative, later followed by Italy, Greece, Bulgaria, and Albania. Currently, potential partners also include Bosnia and Herzegovina, Croatia, and Montenegro.

- ✓ In 2007, the Baku-Tbilisi-Erzurum gas pipeline (South Caucasus Gas Pipeline) was commissioned, and gas produced under the first stage of the Shah Deniz field development began to be exported to Georgia, Türkiye, and Greece.
- ✓ In 2012, an agreement was signed on the TANAP (Trans-Anatolian Natural Gas Pipeline) project.
- ✓ In 2013, the Shah Deniz consortium selected the TAP (Trans-Adriatic Pipeline) project, connecting the Turkish border with southern Italy, to deliver Azerbaijani gas transported via the TANAP pipeline to Europe. The pipeline was completed in 2020.
- ✓ Since 2015, annual ministerial meetings have been organised under the Southern Gas Corridor Advisory Council.
- ✓ The official opening ceremony of TANAP took place in 2018, and commercial gas transportation to Türkiye under Shah Deniz II started on June 30 of the same year.
- ✓ Commercial transportation of natural gas through the TAP pipeline began in 2020, and to date, a total of more than 31 billion cubic metres of gas has been transported to European countries. Italy, Greece, Bulgaria, Romania, Hungary, Serbia, North Macedonia, and Bulgaria have purchased Azerbaijani gas in Europe.
- ✓ In 2022, Azerbaijan and the EU signed a Memorandum on Strategic Energy Partnership, according to which Azerbaijan's natural gas exports will be doubled to more than 20 billion cubic metres by the end of 2027, thereby increasing gas supply.



# OIL AND GAS

- ✓ On April 25, 2023, a Memorandum of Understanding to foster cooperation between Bulgaria, Romania, Hungary, Slovakia, and SOCAR was signed. The initiative, known as the Solidarity Ring, paves the way for new opportunities to develop cooperation and supply additional gas to Europe through the enhanced gas transmission systems network in Bulgaria, Romania, Hungary, and Slovakia.
- ✓ On September 25, 2023, the groundbreaking ceremony for another significant pipeline project - the Igdir-Nakhchivan gas pipeline - was held. The aim of this project is to diversify the gas supplies to the autonomous republic and lessen its reliance on a single supplier.

## SOCAR's investments in Türkiye

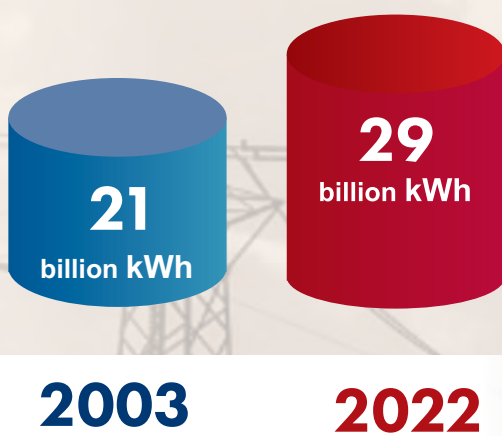
In 2008, SOCAR Turkey Enerji A.Ş. (SOCAR Türkiye) purchased a 51% stake in Petkim Petrokimya Holding. The development of the complex and the implementation of such large-scale projects as the construction of the STAR refinery, the TANAP gas pipeline, the Petkim RES wind farm, and the largest container terminal in the Aegean region, SOCAR Terminal, have transformed the company into the largest foreign investor in Türkiye. Over 15 years of operation, SOCAR's total investment in the Turkish economy has reached approximately \$18 billion.

On October 19, 2018, the opening ceremony of the STAR Oil (NEZ) refinery was held in the Aliaga district of Izmir, Türkiye. The construction of the plant was funded by SOCAR. At present, the STAR Oil Refinery, with a total investment cost of around \$7 billion, processes up to 12 million tonnes of crude oil per year, accounting for approximately 19.5% of Türkiye's demand in petroleum products.



In 2003, Azerbaijan was reliant on its suppliers for electricity imports. However, today, the country has become a reliable supplier of this resource, with annual increases in production and export volumes. Over the past 20 years, Azerbaijan has constructed 34 power plants, boasting a combined generating capacity of approximately 3,400 megawatts. In 2022, the volume of electricity exports from Azerbaijan exceeded 3 billion kWh, and this volume was matched in just the first half of 2023.

## power generation

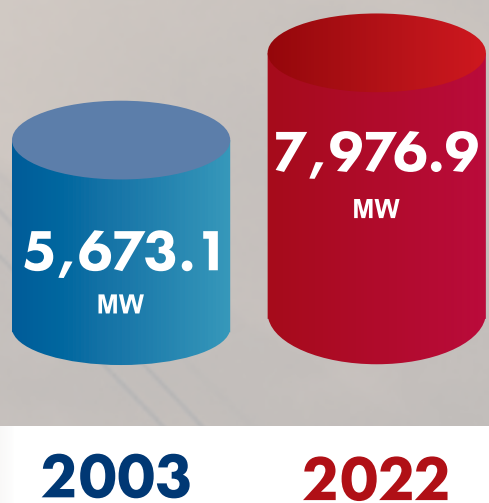


# ENERGY

The liberated territories possess significant hydro potential. Currently, 20 stations with a combined capacity of 164.8MW are operational in these territories. Construction and installation work is ongoing at an additional 12 stations, which have a combined capacity of 104.8MW. Once completed, the total number of stations will increase to 32, and the total capacity will rise to 269.6MW. These stations are expected to produce about 754m kWh of electricity annually, save 167m cubic metres of gas, and reduce emissions by 334,000 tonnes. Overall, there are plans to increase the hydropower capacity in the liberated territories up to 500MW.



## grid capacity



## RES potential

Azerbaijan is confidently advancing its successful track record of executing large-scale international projects in both the conventional energy sector and the green electricity generation sector, with plans for further exports to Europe. The country's renewable energy sources (RES) have a technical potential of 135GW on land and 157GW of wind energy potential in the Caspian Sea. The economic potential of Azerbaijan's onshore RES is 27GW, which includes over 23GW of solar energy, 3GW of onshore wind energy, and approximately 1GW of bioenergy and mountain river energy.

The green energy development in Azerbaijan initiated in 2020 with pilot projects in wind power (240MW) and solar power (230MW) in collaboration with ACWA Power (Saudi Arabia) and Masdar (UAE) has rapidly gained momentum. In addition to these, cooperation agreements were signed with BP, Fortescue Future Industries, China Gezhouba Group Overseas Investment, Total Energies, Nobel Energy, and A-Z Czech Engineering to implement projects with a total capacity of 28GW.

The Garadagh SPP (230MW) was commissioned as the first plant in Azerbaijan built with foreign investment of \$262m. The plant will provide an additional 500m kWh of green energy to Azerbaijan's energy grid. Moreover, under the agreements with Masdar, there are plans to commission up to 10GW of renewable energy resources.

An action plan (roadmap) has been signed with ACWA Power for the Battery Energy Storage System (BESS) and 200MW wind farm projects. Nobel Energy, Total Energies, and A-Z Czech Engineering are planning to construct solar power plants with a total capacity of 1,150MW in Nakhchivan.

On December 17, 2022, the Agreement on Strategic Partnership for the Development and Transmission of Green Energy was signed in



# GREEN ENERGY



Bucharest between the governments of the Republic of Azerbaijan, Georgia, Romania, and Hungary. As part of this agreement, efforts are underway to implement a project to export green energy produced in Azerbaijan via Georgia and the Black Sea to Romania, and subsequently to Hungary and the rest of Europe. Additionally, there are future plans to export 1GW of green energy from the Nakhchivan Autonomous Republic of Azerbaijan to Türkiye, for which a relevant memorandum was signed in September 2023.

On May 3, 2021, in line with the Decree of the President of the Republic of Azerbaijan Ilham Aliyev 'On Measures for the Establishment of Green Energy Zone in the liberated territories of the Republic of Azerbaijan', a conceptual document was prepared jointly with the Japanese company TEPCO. 170MW hydropower plants have been commissioned in the liberated territories of Garabagh and East Zangezur of the Republic of Azerbaijan.



AZERBAIJAN

COP29 HOST





# GREEN ENERGY

## **COP29 Conference: A Major Contribution to the Global Movement**

In recognition of Azerbaijan's proactive role in combating climate issues, the international community has unanimously chosen to host the esteemed 29th session of the Conference of the Parties (COP29) to the UN Framework Convention on Climate Change in Baku in 2024.

"The development and global distribution of green energy forms are currently at the forefront of our energy policy. This is the reality, and the entire world will witness it once more," commented President Ilham Aliyev on the decision.

Consequently, Azerbaijan will significantly contribute to the Sustainable Development Goals, address pressing global issues, and highlight regional environmental problems to the international community.

## **2024: The Year of Solidarity for a Green World**

To strengthen international unity in the global battle against climate change, President Ilham Aliyev declared 2024 as the Year of Solidarity for a Green World.

Effective climate change action necessitates the participation of all stakeholders, including youth, non-governmental organisations, and major financial institutions. It's crucial that civil society is fully involved in climate change initiatives. A series of events throughout the year, along with the significant COP29 conference, will undoubtedly provide invaluable assistance in achieving these objectives.



Thanks to successful structural and institutional reforms, the share of private sector in GDP reached 86.5% by the end of 2022, with small and medium-sized enterprises accounting for 99% of economic facilities. Non-oil and non-gas investments have been the main driver of private sector development.

According to the political will of President Ilham Aliyev, businesses are exempt from inspections up until 2025, while the number of licensed activities and permits has been reduced from 59 to 37 and 330 to 86, respectively. The cost of the state licence fee has been reduced by approximately 2 times and by 4 times in regions; the number of state bodies issuing licences has been reduced from 23 to 4, while the term for issuing licences has been reduced from 15 to 10 working days.

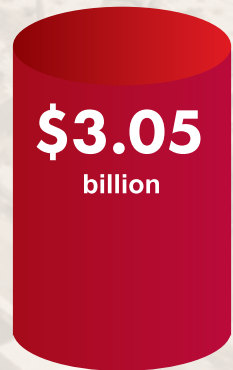
As of January 1, 2023, 571 investment promotion documents have been issued to 473 business entities.

As a result of all these measures, the overall volume of non-oil exports from Azerbaijan reached a record \$3b in 2022.

## non-oil exports



2002



2022



# NON-OIL SECTOR

## Alat FEZ

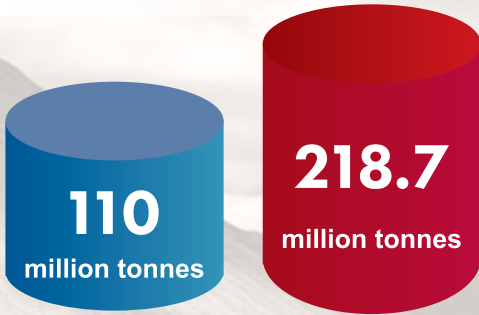
Azerbaijan's first free economic zone (FEZ) is being created next to the largest maritime harbour in the Caspian, the Baku International Sea Trade Port in Alat. The groundbreaking ceremony of the FEZ, which covers a total area of 850 hectares, was held on July 1, 2021. The zone will be an export-oriented production and logistics hub. It provides access to international motorways, as well as the Baku-Tbilisi-Kars railway line. They converge in Alat, forming a convenient, high-speed and highly competitive transport and logistics hub for land and sea transportation of cargo through the Middle Corridor and the North-South route.

The FEZ is focused on attracting cargo carriers and investors from the Caspian region, as well as from the European Union, South-East Asia, Türkiye and the Middle East.

The first phase of the Alat FEZ opened in June 2023.



**total cargo traffic**



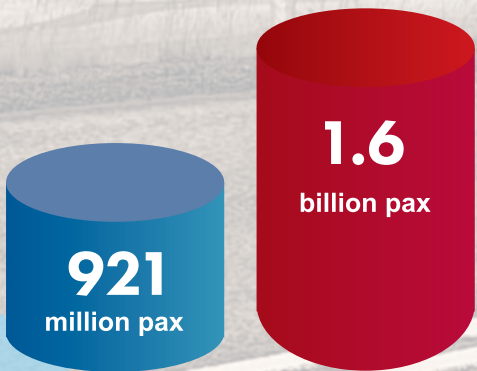
**2003**

**2022**

**profit from cargo traffic**



**total passenger traffic**



**2003**

**2022**



**2003**

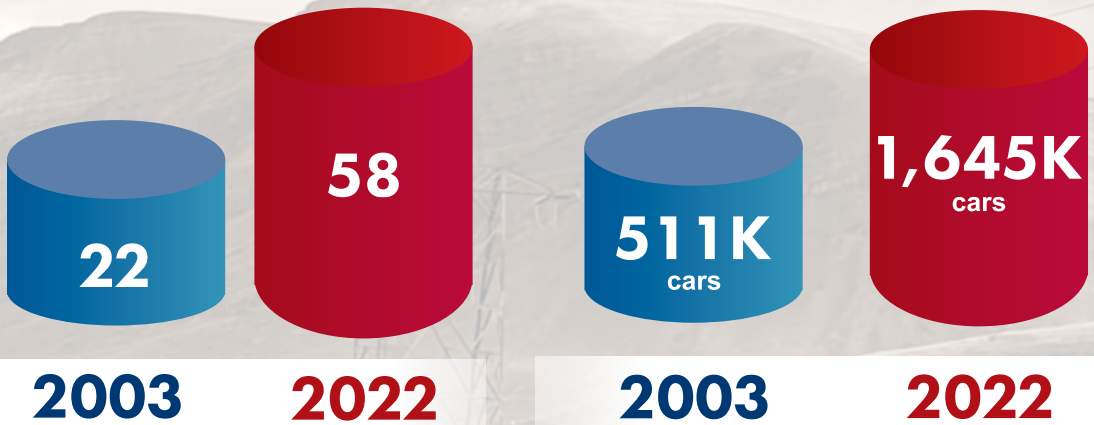
**2022**



# TRANSPORTATION

number of cars per 100 households

number of cars in the country



## Motor-road infrastructure

In 2003-2022, 20,000 kilometres of new roads were built, reconstructed and repaired, while 460 and 95 new bridges, overpasses and road tunnels were built and repaired in Azerbaijan, respectively.



## Railway transportation

In 2015, double-deck KISS electric trains manufactured by Stadler Rail Group (Switzerland) and ordered by Azerbaijan Railways CJSC were delivered to Azerbaijan for the first time. On September 12, 2015, the trains were launched on the Baku-Sumgayit route. Today, there are 9 KISS electric trains are in operation.

### revenue from railway transportation



2003



2022



# TRANSPORTATION



**On March 29, 2019, Baku received a passenger train of 10 cars manufactured by Stadler. Another 10 cars manufactured by the same company were delivered to Azerbaijan in September 2020.**

**Also, Azerbaijan received 10 dual-system (DC and AC) passenger locomotives purchased under a contract between ADY and ALSTOM.**

**As part of the North-South international transit corridor, 8.3 km of the Astara (Azerbaijan) - Astara (Iran) railway lines and a 82.5m-long bridge over the Astarachai River have been built. This makes it possible to connect the railway systems of Azerbaijan and Iran for the first time, which significantly increases the transit potential of our country.**



## Civil aviation

Over this period, the entire fleet of the state-owned Azerbaijan Airlines CJSC has been renewed and the operation of the Tupolev passenger aircraft has been completely ceased. Contracts have been concluded and the latest models of passenger aircraft by the world's leading manufacturers have been delivered. Currently, AZAL's fleet includes 14 Airbus aircraft (four A319ceo, six A320ceo, two A340 and three new generation A320neo aircraft since the beginning of 2023).

Azerbaijan has eight international airports, with two of them built in the last two years and operating in the de-occupied districts of Fuzuli and Zangilan. The ninth international airport is under construction in the liberated district of Lachin and will be operational in 2025.

In 2018, the Heydar Aliyev International Airport has been awarded the maximum 5-Star status by Skytrax World Airport Awards, the most prestigious organisation in airport auditing.

Our country has one of the largest air cargo fleets in the region, with an annual cargo turnover of more than 500,000 tonnes.

## revenue from civil aviation traffic



2003

2022





# TRANSPORTATION

## Maritime transportation

Azerbaijan has the largest merchant fleet of 53 vessels in the Caspian Sea, including 22 tankers, 13 ferries, 14 multipurpose dry cargo ships, 2 Ro-Ro and 2 Ro-Pax vessels.

In 2013, Azerbaijan Caspian Shipping Company CJSC (ACSC) was established by merging and reorganising the Caspian Shipping Company and SOCAR's Caspian Offshore Oil Fleet. At present, along with the transport fleet, ACSC includes specialised fleet and ship repair plants. The specialised fleet includes 210 vessels.

Since 2003, ACSC largely renewed its fleet by acquiring more than 30 new vessels of various types, including for the transportation of non-resource cargo.



## revenue from maritime transportation



**2003**

**2022**

In 2013, the Baku Shipyard was commissioned. The production capacity of the facility is 25,000 tonnes of steel structures. Over 10 years of operation, the plant has built 10 vessels and repaired or modernised about 170 vessels.



# TRANSPORTATION

## Underground railway systems

### passenger traffic

**127**  
million pax

**208.7**  
million pax

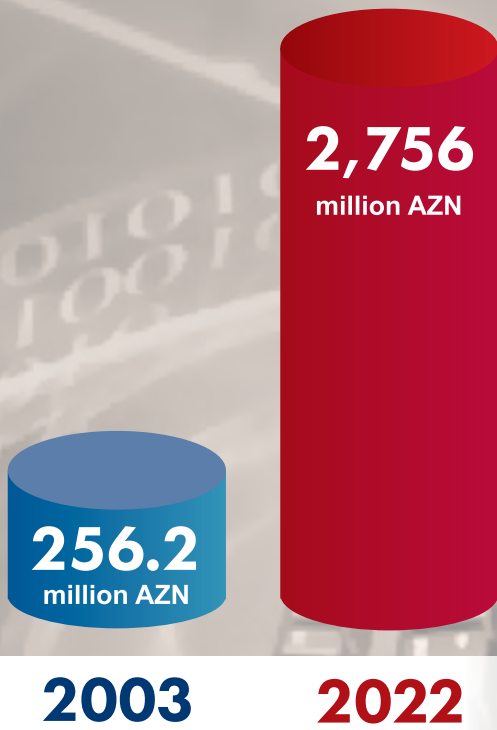
**2003**

**2022**

In 2003-2022, 7 new stations were built and 1 more depot was commissioned. Currently, the number of new trains and cars in the Baku Metro reaches 23 and 115, respectively. Since 2015, 95 new state-of-the-art cars compliant with the modern standards have been purchased.

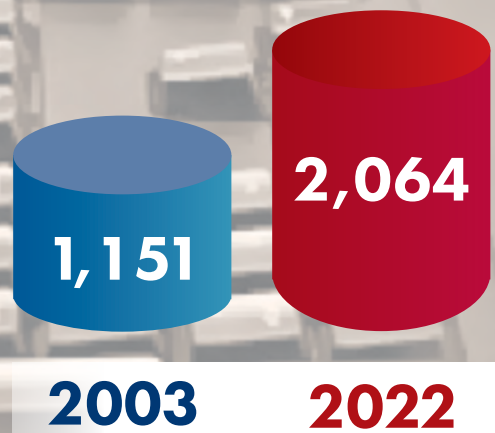


## information and communication sector revenues



In 2023, Azerbaijan ranked 54th among 140 nations in terms of mobile Internet speed in Speedtest Global Index.

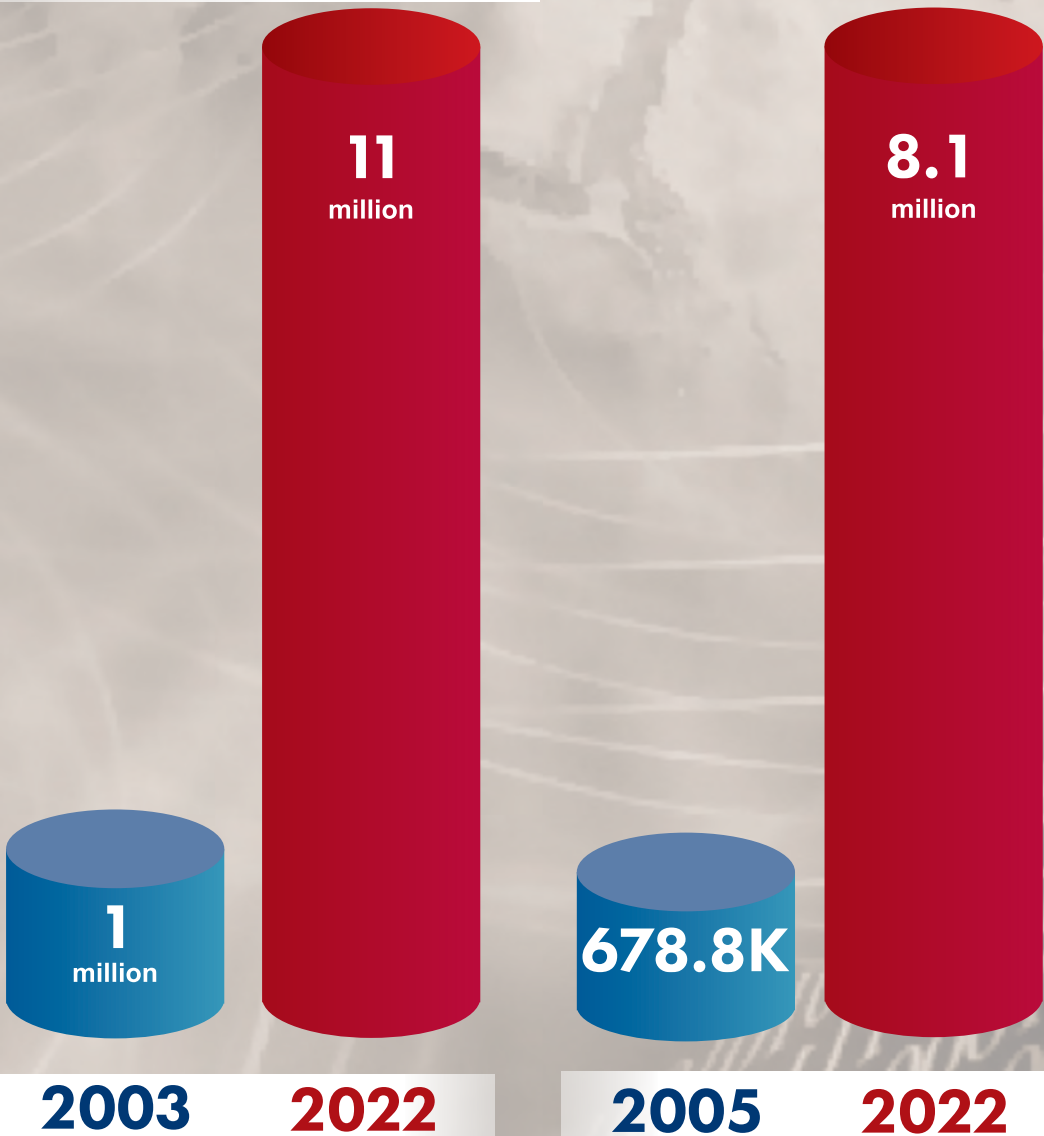
## number of ATXs



# INFORMATION AND COMMUNICATION TECHNOLOGY

number of mobile subscribers

number of Internet users

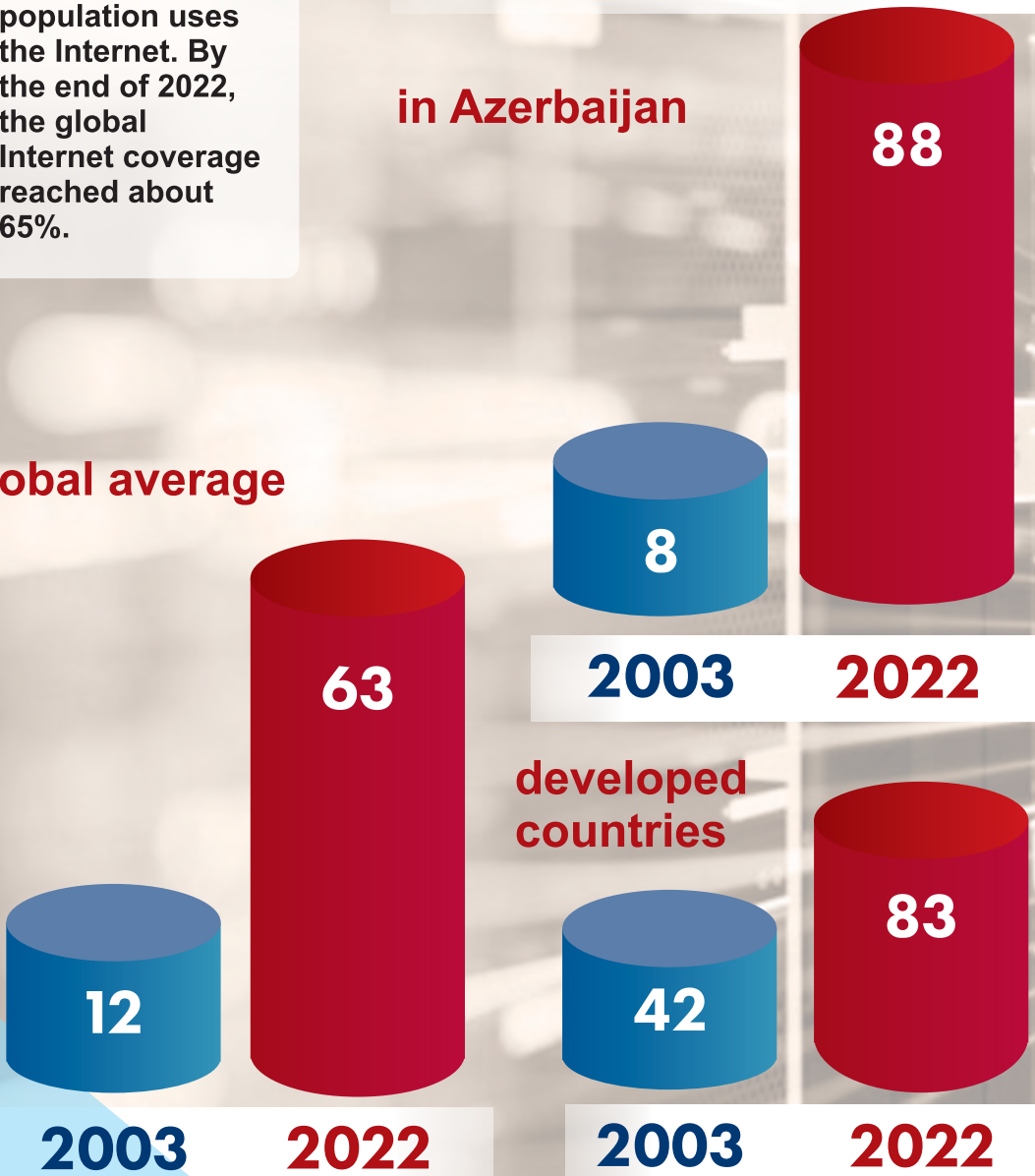


Almost 88% of the Azerbaijani population uses the Internet. By the end of 2022, the global Internet coverage reached about 65%.

## internet users per 100 people

in Azerbaijan

global average



developed countries



# INFORMATION AND COMMUNICATION TECHNOLOGY

About 70% of fixed broadband Internet users in Azerbaijan are connected to the global network via the ADSL technology. The fibre-optic connection covers 19% of the local population. The coverage of 3G networks and above is more than 97%, while the world average is 93%.

Since 2017, the Online Azerbaijan project has been implemented to replace the existing ADSL technology with GPON equipment based on the modern IMS platform and the old copper backbone cable infrastructure with optical cables and to build an optical distribution network. The objective is to increase the share of fixed broadband Internet subscribers through the FTTH (Fiber to the Home) network and to achieve full broadband Internet coverage with a minimum speed of 25Mbps by 2024.

number  
of computers  
per 100 people



## Space Power

On February 8, 2013, Azerbaijan marked a significant milestone by becoming the first space power in the region. This was achieved with the launch of its first telecommunications satellite, Azerspace, from the Kourou Space Centre in French Guiana. Subsequently, Azerbaijan launched the Azersky observation satellite and the third Azerspace-2 satellite on June 30, 2014, and September 28, 2018, respectively.

## ASAN Service

Established under the State Agency for Public Service and Social Innovations by the President of the Republic of Azerbaijan, ASAN Service centres were inaugurated in accordance with Presidential Decree No. 685 dated July 13, 2012. This marked a revolutionary step towards ensuring the provision of unified and coordinated services through state institutions.

ASAN service stands as a shining example of Azerbaijan's digital transition, introducing a fundamentally new approach to public services and setting a new standard in service provision.

At present, ASAN Service centres offer more than 360 services to the public. To date, they have received over 61 million applications from more than 8,640,000 citizens.





# INFORMATION AND COMMUNICATION TECHNOLOGY

In the regions of Azerbaijan, public services are delivered through 10 **ASAN Service** mobile buses and the **ASAN Qatar** mobile train. Since June 2013, mobile services have been provided to more than 2.8 million citizens.

In 2015, the ASAN Service was honoured with the UN Public Service Award for Improving Public Service Delivery and the Occupational Safety and Health Award from the British Safety Council for creating a Safe Working Environment in Public Service Delivery Organisations.

The first **ASAN Kommunal** centre was inaugurated in Baku on December 28, 2016. Currently, there are three such centres in operation across Azerbaijan.



## E-government

The Electronic Government Internet portal launched on April 25, 2012 has gradually introduced 20 basic electronic services, addressing the needs of both citizens (12 services) and businesses (8 services).

In 2020, Azerbaijan ranked 70th out of 193 nations on the e-government development index and is among the top three developing nations with no access to oceans.

Currently, 41 central government agencies provide 226 of 426 approved e-services through the e-gov portal.

The electronic court system facilitates proceedings through video conferencing, ensuring transparency and access to justice. Court decisions are also published electronically.

In 2020, the Azerbaijan Ministry of Justice launched Mobil Notariat, a free mobile application that enables citizens to access notarial services conveniently.

Furthermore, the e-customs portal has introduced electronic customs declaration and notifications.

On December 2, 2022, Azerbaijan commenced the electronic emission of securities.

Since January 10, 2023, citizens have been able to access their personal credit history online.

The e-grant portal is also operational.

In 2022, 26 state agencies were integrated into the government cloud. More than 20 government agencies were integrated into the system in 2023.

## Electronic signature

Electronic signature was introduced in Azerbaijan in 2011. Today, there are two types of digital signatures in the country - SIMA Token and ASAN İmza.

74-CÜ BEYNƏLXALQ  
ASTRONAVTİKA KONQRƏSİ

2-6 oktyabr, 2023 | Bakı, Azərbaycan



IAC  
2023  
BAKU

74<sup>TH</sup> INTERNATIONAL  
ASTRONAUTICAL CONGR

2-6 October 2023 | Baku, Azerbaijan



# INFORMATION AND COMMUNICATION TECHNOLOGY



## Major events

On May 26-29, 2022, Baku hosted **TEKNOFEST Azerbaijan**, a festival of space and technology.

On October 2-6, 2023, the 74th Baku International Astronautical Congress organised by the Azerbaijan Space Agency (Azerkosmos) in partnership with the International Astronautical Federation (IAF) attracted over 5,000 delegates from 101 countries, including about 50 astronauts. 150 companies were represented in the exhibition hall of the congress.



Vətəndaş | Sahibkar | Qeyri rezident

Xidmətlərə müraciət sayı

4 3 7 6 2 0 4 2

Günlük zəng sayı

8 0

157  
Çağrı mərkəzi



Elektron hökumət

Xəbərlər

Reyestr və aktlar

Elektron imza

Sənədlər

Media

Əlaqə

Ən çox oxarılan xidmətlər: [Umnəni sosial yardımına bəğl...](#) [Pensiya kalkulyatoru](#) [Əmək müqaviləni bildirişləri...](#)

Xidmət axtarışı



E-XİDMƏTLƏR

SAHƏLƏR

ƏN ÇOX İSTİFADƏ EDİLƏN

YENİ XİDMƏTLƏR



### BÜTÜN XİDMƏTLƏR

Portala inteqrasiya edilmiş bütün elektron xidmətlərin siyahısı



### ELEKTRON AXTARIŞLAR

Elektron axtarış qruplaşmış elektron xidmətlərin siyahısı



### ELEKTRON ÖDƏNİŞLƏR

Elektron ödənişlər üzrə qruplaşmış bütün elektron xidmətlərin siyahısı



### QEYDİYYATSIZ XİDMƏTLƏR

Portala inteqrasiya edilmiş bütün qeydiyyatlı elektron xidmətlərin siyahısı



### XÜSUSİ RAZILIQ (LİSENZIYA VERİLMƏSİ)

Lisenziyaların verilməsi üzrə qruplaşmış bütün elektron xidmətlərin siyahısı



### HƏYAT HADİSƏLƏRİ

Həyat hadisələri üzrə qruplaşmış bütün elektron xidmətlərin siyahısı

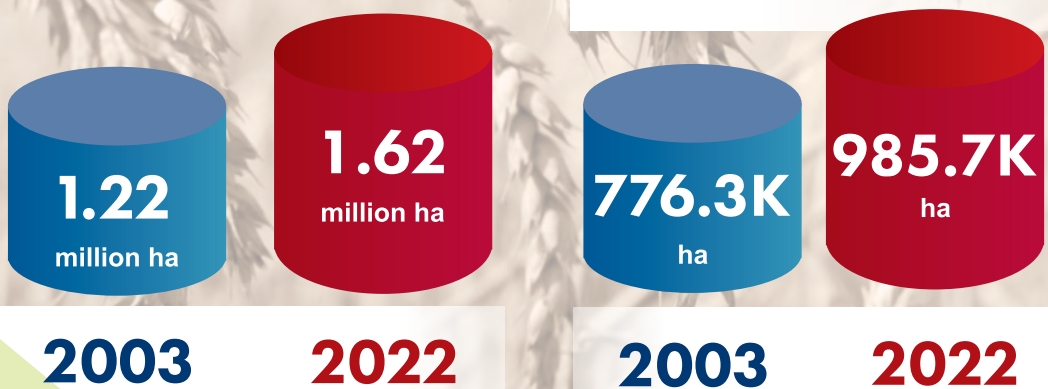
Over the past 20 years, in partnership with the UN Food and Agriculture Organisation (FAO), Azerbaijan has implemented basic target tasks to ensure food security, introduce modern technologies and digitalise agriculture.

In 2000, FAO initiated the Millennium Development Goals Declaration adopted by 185 nations of the world. The main objective of the document is to significantly reduce poverty and famine on the planet by 2015. In 2013, FAO recognised Azerbaijan as one of the leading nations that had significantly reduced the poverty rate and ensured food security even before 2015.

## total cultivated area

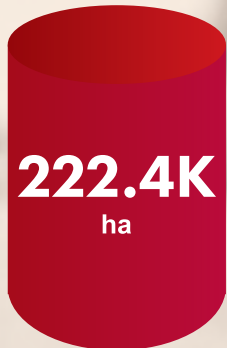
total

including cereals  
and leguminous  
crops



# AGRICULTURE

## fruits and berries



2003

2022

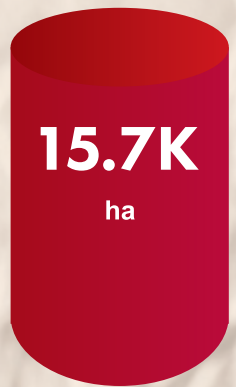
## cotton



2003

2022

## grapes



2003

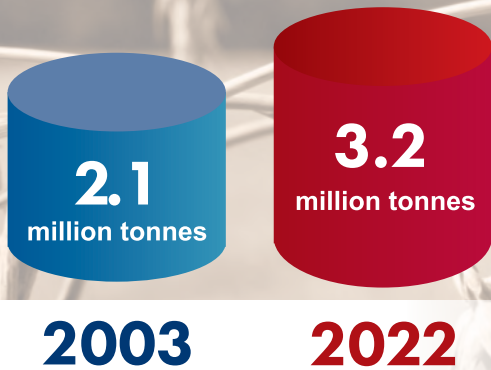
2022

FAO administration recognised Azerbaijan as one of the nations with the best indicators in poverty reduction. Azerbaijan was awarded the FAO diploma for early achievement of the key Millennium Development Goal - halving the poverty rate by 2015, as well as for implementing the more stringent recommendation of the UN World Food Summit – the sustainable development of agriculture to halve the absolute poverty rate by 2015.

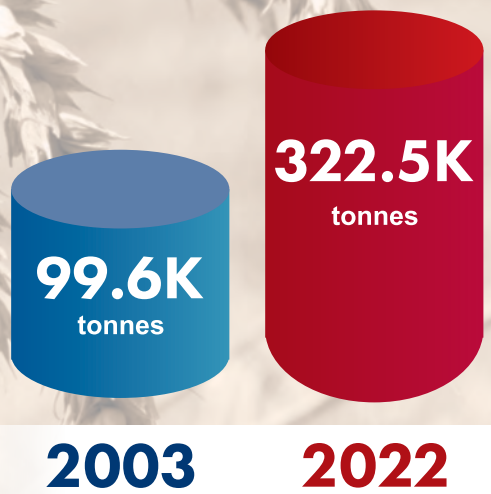


# production (excluding perennial crops)

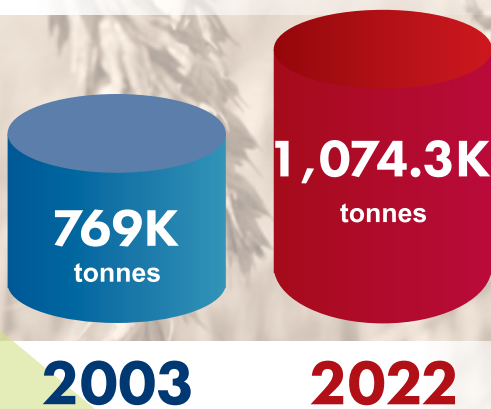
## cereals and legumes



## cotton



## potatoes

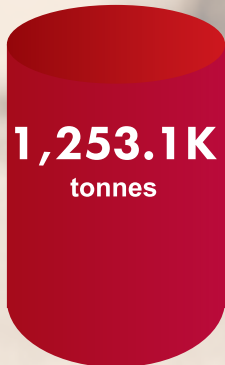


# AGRICULTURE

## fruits



**2003**

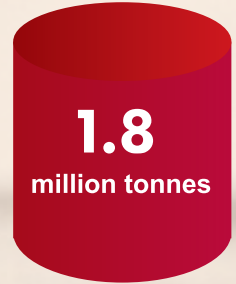


**2022**

## vegetables



**2003**



**2022**

## grapes

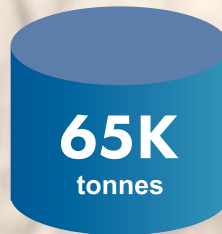
## meat (slaughter weight)



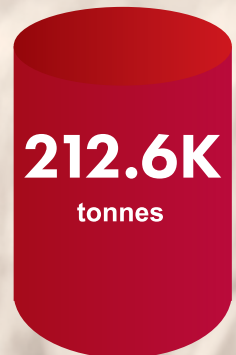
**2003**



**2022**



**2003**



**2022**



Azerbaijan has confidently achieved both food security and sustainable agriculture, joining a select group of nations that have accomplished this remarkable feat.

Recent agricultural reforms in Azerbaijan have focused on digital transformation, introducing cutting-edge technologies, including green practices and water-efficient irrigation systems, to maximise output from each cultivated hectare.

Thanks to these modernisation efforts, Azerbaijan has achieved an impressive 80% food import substitution (excluding cereals), surpassing the FAO's benchmark for prosperous nations.

A major initiative implemented by the Ministry of Agriculture is the automated information system Electronic Agriculture (EKTIS), providing farmers with comprehensive data on the volume and structure of crop production, forecasts, demand, and supply, enabling them to make informed decisions on the most profitable seasonal crops. EKTIS has also played a pivotal role in streamlining subsidy disbursement to 600,000 Azerbaijani farmers, ensuring transparency and efficiency in the procurement of fertilisers and fuel.

Today, over 80% of Azerbaijan's food needs are met through domestic agriculture, with local produce steadily replacing imported counterparts.





# AGRICULTURE

## milk



**2003**

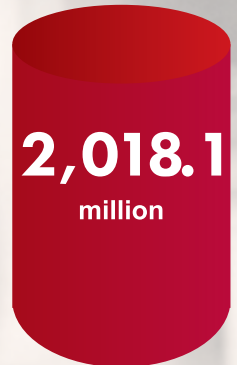


**2022**

## eggs



**2003**



**2022**

## cattle



**2003**



**2022**

## small cattle



**2003**



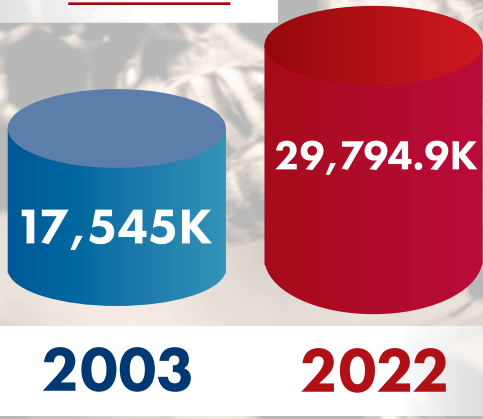
**2022**



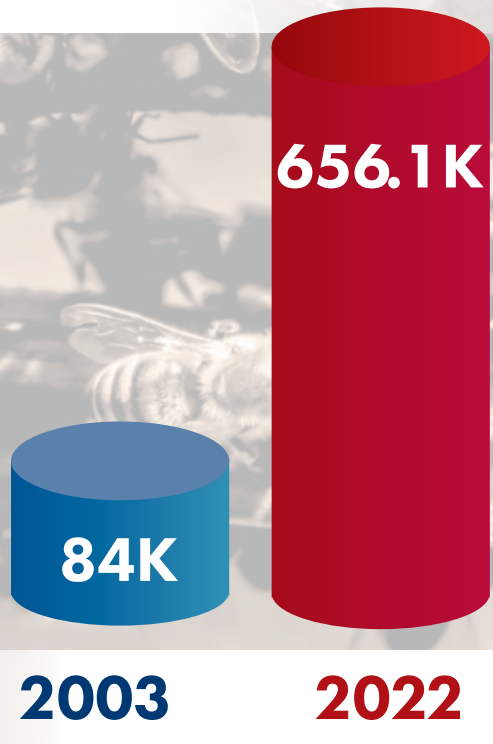
In 2022, the self-sufficiency level for all types of flour and wheat in Azerbaijan was 93.3% and 62%, respectively. Today, thanks to domestic production, Azerbaijan is 100% self-sufficient in fruits, vegetables, melons and eggs. Self-sufficiency level for meat and dairy products is 85-86%.

Currently, there are 51 agroparks operating in Azerbaijan.

### poultry



### bee families



### silkworm



# AGRICULTURE

## agricultural production



**2003**

**2022**

## export of agricultural and processed products



**2003**

**2022**

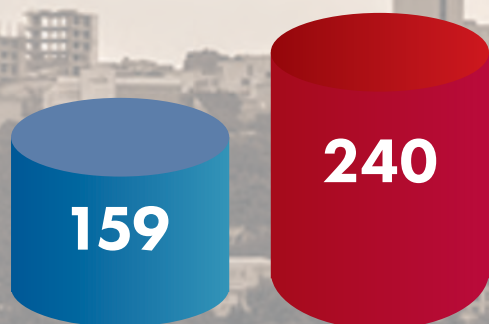
Since 2020, the agricultural sector has been subsidised through the Electronic Agricultural Information System (EKTIS). The development of a new mechanism to bolster agricultural initiatives is designed to promote accountability, transparency, and the effective allocation of budget resources in this sector. It aims to streamline and digitise applications for farmers, making them easily accessible from any location.

Over the last 20 years, modern machinery and equipment have been brought into the country to increase the level of mechanisation in agriculture.



Increased interest in musical genres such as national mugham, classical and instrumental performance, establishment of the International Mugham Centre, Azerbaijan's victory at the Eurovision 2011 song contest are indicative of the rapid cultural development in the country supported by the state.

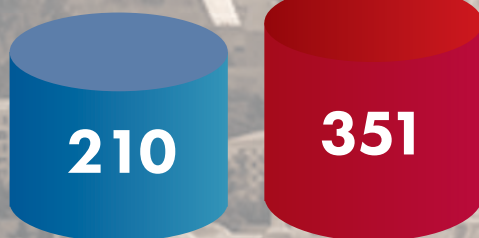
## number of museums



**2003**

**2022**

## number of recreational parks



**2003**

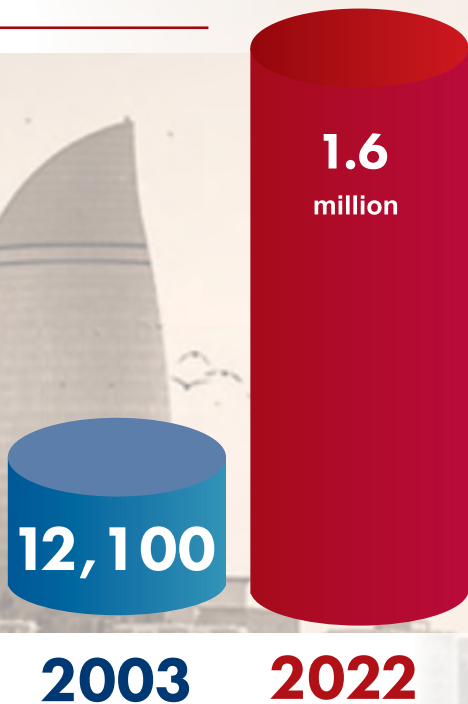
**2021**

Thanks to the promotion of tourism, as well as the reforms, state programmes, improved legal and regulatory frameworks in Azerbaijan over the past 20 years, the local tourism industry has entered a new stage, our country has become a new tourism destination recognised globally.

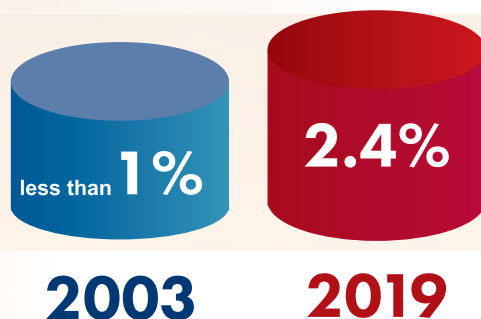


# CULTURE AND TOURISM

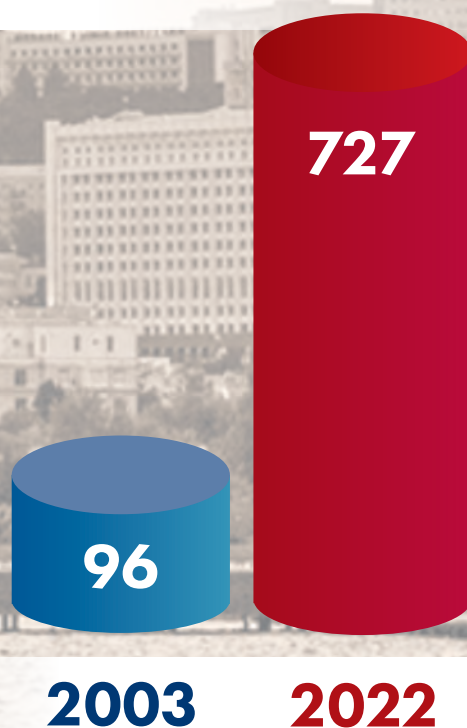
## number of inbound tourists



## share of tourism in GDP



## number of hotels and other tourism facilities



With the launch of the ASAN Visa in 2016, tourists are able to visit the country more comfortably. They can now get a visa at the airport, which hugely boosts tourism. 2012 saw the inauguration of the first large and modern tourist resort Shah Dagh accessible both in winter and summer. This was followed by the launch of the Tufan Dagh tourist recreational facility also accessible in summer and winter.



## state budget expenditure on education



2003

2023

## share of schools connected to the Internet



2003

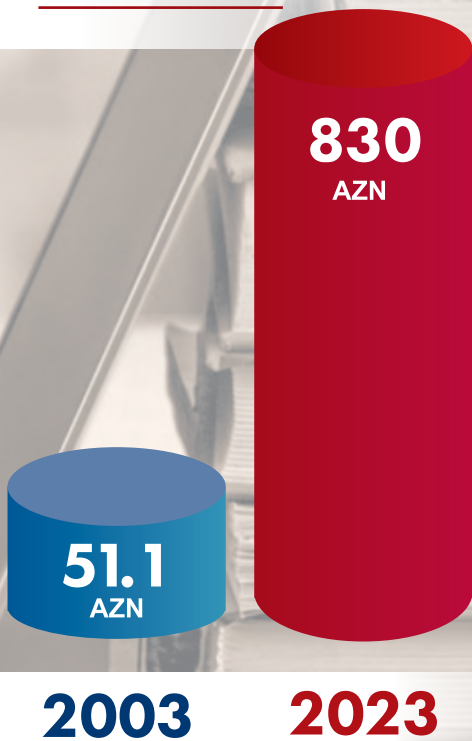
2022



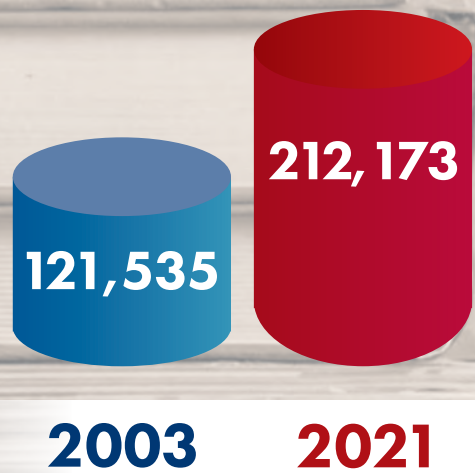
# EDUCATION AND HEALTHCARE

Over the past 20 years, 3,600 new schools have been built and renovated in Azerbaijan, which makes more than 80% of the country's entire schooling facilities (more than 4,500 schools). In the last three years alone, 275 new schools have been built in the country, while the number of dilapidated schools has been reduced by 30% (to 654).

## average monthly teacher salary



## number of undergraduate students



## foreign students receiving education in Azerbaijan

2,471

2003

7,100

2022

Two state programmes have been signed so far to ensure the study of youth abroad;

- ✓ in 2007-2015, 3,558 scholarships granted to study at prestigious foreign universities;
- ✓ in 2022-2026, there are plans to facilitate the education of 2,000 Azerbaijani citizens overseas.

Since 2006, higher schools in Azerbaijan have joined the Bologna Process, one of the main directions of which is the introduction of modern information technologies in education and management bodies.





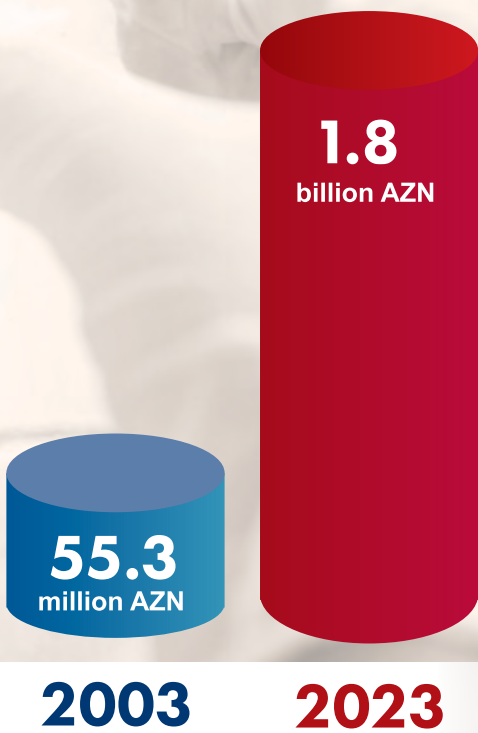
# EDUCATION AND HEALTHCARE

Azerbaijan has implemented large-scale healthcare reforms and made the transition to a broad platform of digital healthcare thanks to modern information and communication technologies.

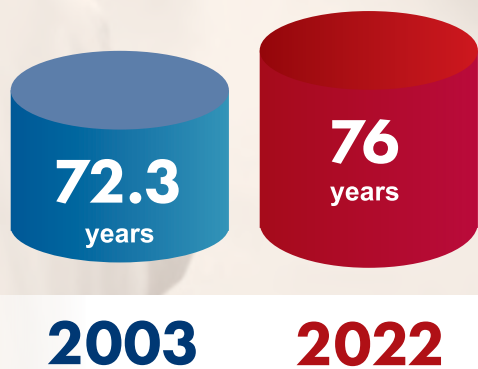
Full-fledged implementation of compulsory health insurance in Azerbaijan started in 2021. This is a social project to improve the quality of medical care for population based on the principles of solidarity.

In 2020, the World Health Organisation praised the work carried out by Azerbaijan to implement preventive measures against COVID-19.

## state budget expenditure on healthcare



## average life expectancy





MEDICAL



# EDUCATION AND HEALTHCARE

## maternal mortality rate at birth (in ppm)

18.5

2003

14.7

2022

## infant mortality rate at birth (in ppm)

15.5

2003

7.8

2022



For three years, Azerbaijan has been engaged in a comprehensive program to revitalize the liberated territories of the Garabagh region.

Following the liberation of Jojug Marjanli in April 2016, Azerbaijan swiftly demonstrated its ability to rebuild damaged infrastructure from scratch and welcome back those displaced from the area for 30 years. This has included building "smart villages" to replace destroyed settlements, with the first one in Aghaly, Zangilan starting to welcome residents in 2022.

The 1st State Programme on Great Return to the De-occupied Territories was approved on November 16, 2022.

Between 2021 and 2023, almost \$7 billion was allocated for projects in Garabagh and East Zangezur, with at least another \$2.4 billion earmarked from the state budget for 2024.

As of today, 4,516 internally displaced persons (IDPs) from 1,134 families have returned to two cities (Lachin and Fuzuli) and three villages (Aghaly, Zangilan; Talysh; Terter; Zabukh, Lachin) since July 19, 2022.

The initial stage of the State Programme plans to restore 100 settlements (8 cities, 8 towns, and 84 villages), with master plans already completed for 8 liberated towns.

International support from friendly foreign countries has also played a crucial role in reconstruction efforts. On August 23, 2023, a secondary school funded by Uzbekistan was inaugurated in Fuzuli, while a music school funded by Kazakhstan nears completion. Hungarian and Slovakian companies are also involved in designing projects in Soltanly village (Jabrayil) and Garvand village (Aghdam), respectively.



# GREAT RETURN

Azerbaijan remains the primary source of funding, with both the state budget and state companies driving infrastructure and construction projects. Notably, the Heydar Aliyev Foundation is actively engaged in rebuilding or reconstructing over ten mosques.

## Social and Infrastructure Projects

Significant progress has been made in terms of social and infrastructure development over the past three years since the de-occupation

*(as of 25.12.2023):*



Five school buildings have been commissioned in Fuzuli, Lachin, Aghaly (Zangilan), and Talish (Terter).



Construction of a hospital in Shusha has commenced.



Design work continues for eight Occupation and Victory museums (8 facilities in total) across Aghdam, Fuzuli, Jabrayil, Zangilan, Gubadly, Shusha, Lachin, and Kalbajar districts.





As part of the infrastructure projects aimed at boosting tourism in Azerbaijan, five hotels and congress centres have been renovated, reconstructed, and inaugurated. These include the Garabagh, Khary-Bulbul, and Shusha Hotel and Congress Centre in Shusha, along with congress centres in Zangilan and Aghdam.



International airports have been commissioned in the cities of Fuzuli and Zangilan, and the construction of an airport in the Lachin district is well underway.



Out of 22 road construction projects spanning a total of 2,138 kilometres, seven have been completed.



The construction of the Barda-Aghdam (47.1km) and Goradiz-Aghband (110.4km) railway lines is ongoing.



In terms of the region's energy supply, one 330 kV substation, eleven 110 kV substations, 14 hydroelectric power plants (HPPs), and 14 power lines extending 709 km have been commissioned.



The construction or reconstruction of 12 HPPs is currently in progress



# GREAT RETURN



The Suguvushan and Khachinchay reservoirs are operational following repair and restoration.

To date, over 115,000 hectares in the liberated territories have been cleared of mines and unexploded ordnance. The Aghdam Industrial Park, Araz Valley Economic Zone in Jabrayil, and the Azerbaijani-Turkish joint venture DOST Agropark in Zangilan are being established. In the Aghdam Industrial Park, 12 enterprises are registered as residents and 3 as non-residents. In the Araz Valley Economic Zone, 2 enterprises are registered as residents and 1 as a non-resident.

Mechanisms related to the use of tax, customs, and other incentives have been developed to encourage entrepreneurs operating in the liberated territories. Pre-school and general education institutions, Olympic sports facilities, universal gyms, and a network of polyclinics and outpatient centres will be built and put into operation in the liberated territories. Additionally, plans are in place to establish several ASAN Xidmət centres, organise a Safe City service, open seven more branches of DOST centres, and create a digital database on the region's population and workforce.

The Great Return to Liberated Territories can be rightfully considered one of the largest programme acts not only in the last 20 years, but also in the entire history of Azerbaijan, given the volume of goals and their cost.

**Over the past twenty years, Azerbaijan has undergone a remarkable transformation and has embarked on an unprecedented path of economic development. This success will undoubtedly be consolidated and multiplied in the coming years under the presidency of Ilham Aliyev.**



