

Azerbaijan-Turkey Business Association



AZERBAIJAN INVESTMENT GUIDE

BAKU - 2008

CONTENTS:

General information

Geography

History

Economic overview

Foreign investments

Investment Climate in Azerbaijan

Foreign Trade

Why Azerbaijan? – 10 reasons

Sources

**Appendix 1. Investments to economic sectors
by foreign and joint companies in 1995-2007**

**Appendix 2. Macroeconomic indicators forecast
by the Ministry of Economic Development**

Appendix 3. Useful contacts

Appendix 4. Administrative map of Azerbaijan

General information

Area	86.6 thousand sq. km (20% is under Armenian occupation)
Population (01.06.2008)	8.66 million
State Language	Azerbaijan
Time zone	GMT + 4
Capital	Bakı
Monetary Unit (01.08.2008)	1 Manat = 1.24 USD
Independence Day	18.10.1991
Borders with Neighbouring Countries	Russia, Iran, Turkey, Georgia, Armenia

Geography

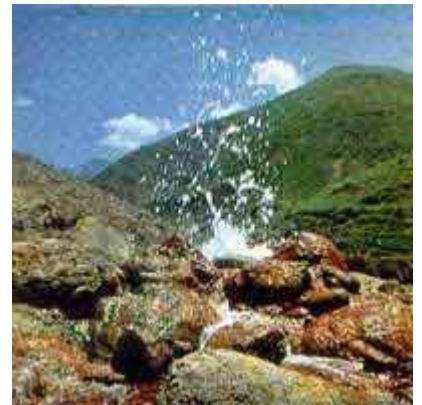
The Azerbaijan Republic is situated on the southeastern part of the Caucasus lying at the crossroads of Europe and Asia. The Azerbaijan Republic borders with the Russian Federation from the north, Islamic Republic of Iran from the south, Turkey, Georgia and the Armenian Republic from the west, and Kazakhstan and Turkmenistan along the Caspian Sea from the east.



The Republic of Azerbaijan consists of 65 regions, 69 cities, 13 urban regions, 130 settlements of urban type and 4354 rural settlements.

Over half of the territory is comprised of mountains. Azerbaijan is surrounded by the Caucasus Mountains in the north and west. Relief varies from -28m below the sea level to 4466m heights. 12% of the territory is covered with forests.

There are two longer rivers in the territory of Azerbaijan: the Kur and Araz. Meanwhile there are over 800 rivers less than 10 km long and 23 rivers over 100 km long. The annual volume of water in Azerbaijan's rivers, including the drains of transit rivers carrying waters from neighboring territories, constitutes 30 cubic km per year. Generally, there are 90,000 cu meters of drain per 1 sq.km. Potential hydropower resources of Azerbaijan's rivers make 16 billion kw/hour in a year.



Over 4,100 species of vegetation and 12,000 species of animals are found in the territory of Azerbaijan. The country is rich for mineral resources. Considerable deposits of iron, aluminium and cobalt ore as well as pyrite, arsenic are in Azerbaijan. However oil and gas are strategic natural resources of Azerbaijan.

History

Azerbaijan is one of the oldest countries of the world. The first class of people inhabited in Azerbaijan from the beginning of human existence. The early years of the III millennium BC signs appear of the emergence of the first class societies. The first state to arise on the territory of historical Azerbaijan came into being in the first half of the third millennium BC.

The kingdom of Atropaten came into existence in the southern part of the country in the 520s BC and was heavily influenced by Hellenism. The Caucasian Albanian state was



created in the north of Azerbaijan in the end of IV and the early years of III millennium BC, with the river Araz as its southern frontier. These states helped to ensure the consolidation of the people of Azerbaijan.

Peoples inhabited the area of Azerbaijan since ancient times were fire-worshippers of the world's oldest religions – Zoroastrianism, but following invasion by the Arabs, the dominant religion from the early eighth century in Azerbaijan became Islam.¹

Azerbaijan was occupied by Russia at the beginning of the 19th century. The peace treaty of Gulistan, signed in 1828 by Russia and Persia, resulted in the division of Azerbaijani territories between Russia and Persia: the annexation of northern parts by Russia, and southern territories remained subordinate to Iran.

Both parts of Azerbaijan underwent changes after the 1917 revolution in Russia. On May 28, 1918 the Azerbaijani Democratic Republic was proclaimed in the territory of the northern Azerbaijan - the first parliamentary democracy in the Islamic east which lasted till April 28, 1920. In 1920, the Russian Soviet Empire occupied Azerbaijan and the country again became a part of Empire.

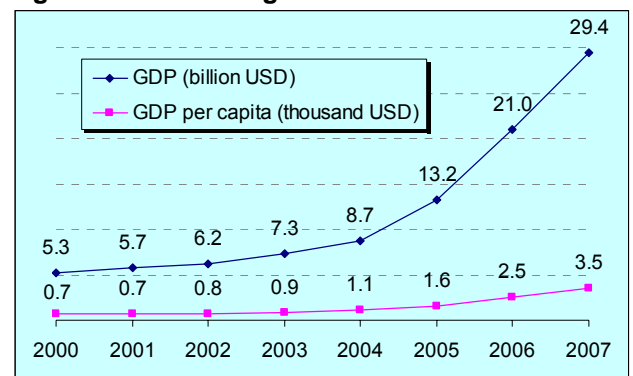


After the collapse of the Soviet Union in 1991, Azerbaijan regained independence. As a result of Armenian aggression since 1988, 20 percent of the Azerbaijan territory has been occupied and almost a million refugees, driven out from their homes, have settled in different parts of the country. Despite a ceasefire between Azerbaijan and Armenia since, these territories still remain under occupation.

Economic overview

Azerbaijan economy is rapidly developing and is in leading positions among the World countries by rates of growth. **Economic growth** was always not less than 10% since 2000. Economy grew by 96% from 2004 to 2007. Growth rate was 34.5% in 2006 and 25% in 2007. Per capita GDP is also rapidly increasing (Figure 1). Today the volume of **GDP per capita** is 3.5 thousand USD. According to forecasts of the Ministry of Economic Development, the figure will increase by 2 times in coming 4

Figure 1. Economic growth



Source: State Statistical Committee of Azerbaijan

¹ At present Orthodox Russians, Orthodox Georgians, Jews, Molokans, Catholics, Protestants as well as other religious communities coexist in Azerbaijan.

years.

GDP growth is observed in all economic spheres (Figure 2). Its structure is also changing. Thus, joint exploration of hydrocarbon resources with leading oil companies of the world has led to rapid increase in production and export of **energy resources** in the country. This, in its turn, has contributed to growth of ratio of industrial products to overall GDP (Figure 3). Ratio of oil and oil products to GDP increased from 31% to 59% within last 5 years. Government has identified entrepreneurship development, particularly converting high-speed growth in oil sector to development of non-oil sector as a main priority of economic policy. For this reason, the share of non-oil sector is expected to reach 52% by 2011.

Share of private sector in GDP is also gradually increasing. At present, this figure is equal to 84% and is expected to increase to 89% within a year.

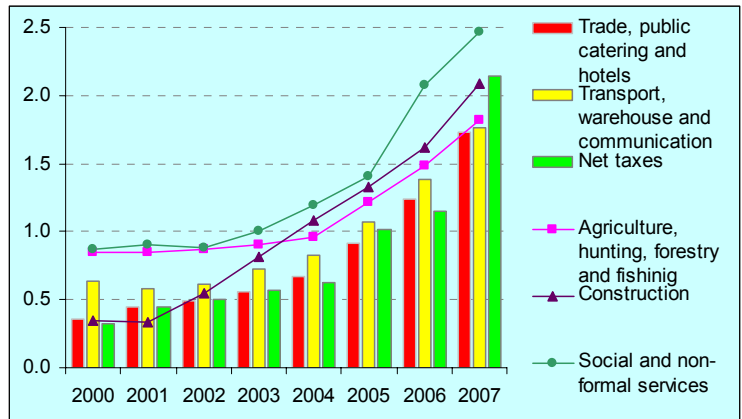
Investments with the volume of 49.5 billion USD were made into Azerbaijan economy in the period of 1995-2007, 80% of which were invested into oil industry. More than 55% of investments into economy were foreign direct investments. As a result of completion of construction works in large oil and gas projects and strengthening potential of local investors, the share of foreign investments tends to decrease during the last years.

Foreign debt of the country is equal to 8.2% of GDP. **Foreign debt per capita** is 300 USD.

Azerbaijan has trade relations with about 140 countries. **Foreign trade turnover** of the country is close to 12 billion USD. 51% of this comes to export and 49% to import.

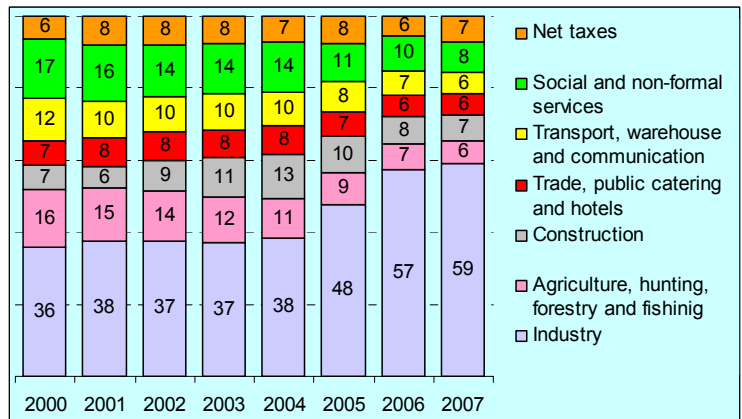
Inflation in Azerbaijan exceeded one-digit level in 2007 and reached 16.7% for the first time during the last twelve years. The high inflation rate is forecasted to keep the current year as well.

Figure 2. GDP by types of economic activity (billion USD)



Source: State Statistical Committee of Azerbaijan

Figure 3. Structure of GDP (%)



Source: State Statistical Committee of Azerbaijan

Monetary reserves of Azerbaijan were more than 7 billion USD at the beginning of the current year. The indicator has increased by 4.5 times during the last 4 years.

Financial system in Azerbaijan is rapidly developing. There is no restriction for currency transactions and capital flow. Today, 2 state-owned banks, 44 private banks and 96 non-bank institutions are operating in Azerbaijan. Total capital of 35 banks out of 46 is more than 1.1 billion USD. Total assets of banks are close to 7 billion USD.

21 banks with foreign capital are functioning in Azerbaijan. Foreign capital makes from 50% to 100% of stock capital of 6 banks and less than 50% of 13 banks. The number of branches of foreign banks is 2. Volume of credits into Azerbaijan economy made by banks established with participation of foreign capital is equal to 1.7 billion USD, which shares 30.3% of overall credit investments.

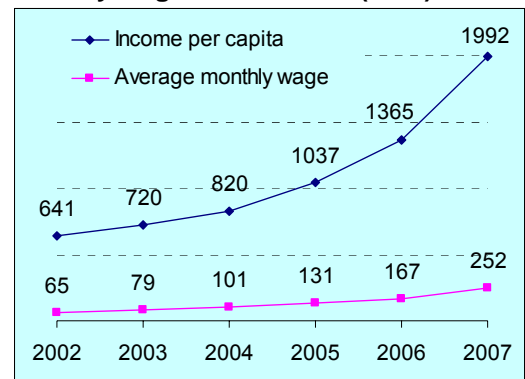
According to the latest data, number of **economically active population** is 4.3 million. 4 million of them are employed people. More than half of employed population is working in agricultural (39%) and trade (16%) spheres. 31% of workers are employed in state and 69% in non-state sectors. High literacy rate among population and the large number of highly qualified specialists, in line with favourable geographical location and rich natural resources are among the factors attracting foreign investments.

7% of economically active population are considered unemployed. More than 640 thousand job places, including 458 thousand permanent job-places were created within the State Program for Social and Economic Development of Regions of Azerbaijan from October 1 2003 to January 1 2008. 85.6% of new jobs were created in non-state sector.

Poverty incidence in the country decreased by 3 times within the last four years and today it is 16%. The head of state has identified a target of fully eliminating poverty in Azerbaijan.

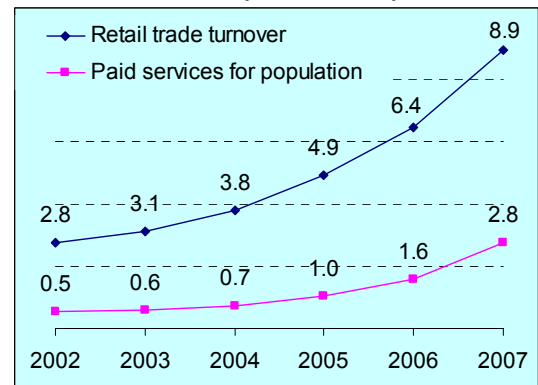
Population's income is also rapidly increasing. Per capita income of population increased by 3.1 times within the last 5 years: from 641 USD to 2 thousand USD (Figure 4). **Average monthly wage** in the country increased by about 4 times in this period and reached 252 USD. According to forecasts of the Ministry of Economic Development, these indicators will reach 4.5 thousand USD and 657 USD in coming four years respectively.

Figure 4. Per capita income and average monthly wage in 2002-2007 (USD)



Source: State Statistical Committee of Azerbaijan

Figure 5. Retail and paid services turnover from 2002 to 2007 (billion USD)



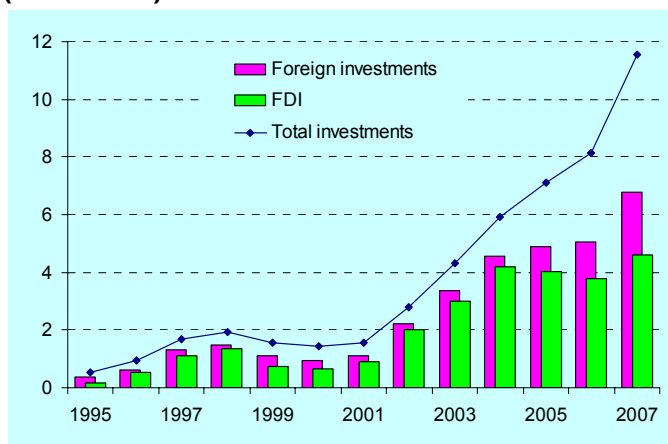
Source: State Statistical Committee of Azerbaijan

Retail trade and paid services turnover increases with the increase in population's income and purchasing capacity. Within the last five years, **retail trade turnover** grew by 3.2 times and **paid services for population** by 5.1 times and reached 8.9 billion USD and 2.8 billion USD respectively.

Foreign investments

Azerbaijan's integration into World Economy has intensified in recent years. 49.5 billion USD were invested into economy in the period of 1995-2007, 70% of which, i.e. about 33.8 billion USD were foreign investments. 80% of foreign investments are **direct investments** (FDI). Azerbaijan is a leading country in the region by per capita FDI indicator. Volume of per capita FDI was more than 3.2 thousand USD at the beginning of 2008. Most part of FDI – about 90% is made into the oil sector.

Figure 6. Investments into economy from 1995 to 2007 (billion USD)

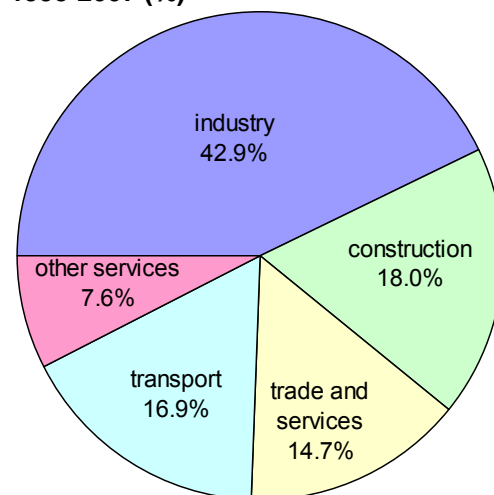


Source: Ministry of Economic Development of the Republic of Azerbaijan

More than 4.5 thousand **foreign companies and joint ventures** were functioning in the country at the beginning of 2008, which made 5.7% of overall number of companies. 2.8 billion USD was invested into the non-oil sector in Azerbaijan by these types of companies in the period of 1995-2007. Currently, 1.6% of working population (63.3 thousand people) is employed by foreign companies and joint ventures.

Main spheres attracting foreign companies and joint ventures in the non-oil sector are industry, construction, transport and trade. Figure 7 shows the structure of their investments in the passed period since 1995. Only in 2007, investments made into each of the above sectors by foreign companies and joint ventures increased by 19% (please, see Appendix 1 for more information).

Figure 7. Investments into spheres of economy made by foreign companies and joint ventures in the period of 1995-2007 (%)



Source: Ministry of Economic Development of the Republic of Azerbaijan

The share of Turkish business people in establishment of foreign companies and joint ventures is 27.6%. The figure is 11.7% for United Kingdom, 6.8% for Russia, 6.2% for Iran, 5.9% for USA and 2.9% for Germany.

More than 2.3 billion USD were invested into the **non-oil sector** in Azerbaijan by foreign companies and joint ventures within the last decade. 34.4% of this amount was invested by companies with Turkish capital, 15.4% with UK capital, 14.5% with US capital and 5.5% by French capital.

Investment climate in Azerbaijan

The Government implements **Open Door Policy** for attracting investments into Azerbaijan economy. Production of high-quality and competitive products by attracting foreign investments, modern technologies and equipment and management experience into the economy is a priority of Economic Development Strategy developed by the Government.

Important Laws on **Protection of investors' rights and interests**, Property Protection, Establishing equal opportunities for local and foreign entrepreneurs, Use of gained profit without any limitation were adopted in the passed period. Currently, there are two laws regulating investment activity in the Republic:

- Law on "Investment activity" of the Republic of Azerbaijan (1995),
- Law on "Protection of foreign investments" of the Republic of Azerbaijan (1992).

In addition to this, Azerbaijan Government has signed agreements on Removing double taxation, promotion and mutual protection of investments with a number of countries.

All limitations for **converting profit to different currencies, transferring to other countries**, or reinvesting were removed and a common exchange rate was formed on the basis of market economy principles. These measures have further increased interest of foreign investors, international financial institutions and economic organisations in Azerbaijan.

Azerbaijan plays a growing geo-strategic role in the region as an initiator and leader of regional projects, with its rapid economic and social developments. Implementation of Oil strategy played an important role in economic achievements of the country. "**Contract of the Century**" was signed with large foreign oil companies in 1994 and as a result of works done within the project, the first oil was produced in 1997 and profit oil started to be exported from 1999.

Restoration of **Great Silk Route** serves for economic development not only of Azerbaijan, but also for enhancing cooperation among the regional countries, increasing their economic potential and for improved welfare of population in the region.

Currently, the Government of Azerbaijan is implementing measures for continuing **economic reforms**, further improving business climate and developing the non-oil sector in line with the oil sector.

As it is known, one of the most important aspects of business climate is associated with **tax rejime**. A range of laws regulating tax relations, particularly Law on “Mining tax” (1995), Law on “Property tax” (1995), Law on “Profit tax of companies and organizations” (1996) were adopted and several changes and amendments were made to existing laws (Law on “Value Added Tax”, Law on “Income tax from individuals”, etc.) in the passed period. “Tax Code of the Republic of Azerbaijan” is in force from January 1 2001.

Number of **taxes and social insurance payments** were significantly reduced in recent years. **Tax rates** have been continuously reduced since 1998. In this period,

- progressive system of property taxation for companies and organizations were replaced by proportional system,
- tax rate for profit tax was gradually reduced from 35% to 22%,
- VAT rate was reduced from 28% to 18%,
- upper level of income tax from individuals was reduced from 55% to 35% (minimum amount of monthly income exempted from taxation was increased from 12 to 60 manats),
- social insurance allocations were reduced from 40% to 22%,
- overall number of taxes were reduced from 15 to 9 and
- entrepreneurs engaged in production of agricultural products are exempted from all types of taxes, except Land Tax by 2009.

In addition to this, **tax management** was improved, number of inspections was significantly reduced and a range of measures were implemented for prevention of interventions hampering entrepreneurship development.

Currently, tax rates for several tax types are as follows:

Profit tax:	22%
Income tax from individuals:	14% - up tp 2000 manats 35% - more than 2000 manats
VAT:	18%
Simplified tax (for persons with quarterly turnover up to 22500 manats):	4% - in the Capital city 2% - in regions

State registration of businesses is carried out by “One-stop shop” established at the Ministry of Taxes beginning from January 1 2008. Three days are required for registration. Business people can exchange their documents with tax authorities and banks through newly established special e-tax body (www.e-taxes.gov.az). Further more, call centre # 195 is functioning for receivivng questions and applications of entrepreneurs on tax legislation, their consideration and for operative responding to them.

Azerbaijan is negotiating for WTO accession. **Export duties** are removed and the highest rate of 15% was identified for **import duties**. Currently, the **average rate for duties** is

5.7%.

Measures for simplifying the **lisensing** system were taken in the Republic. Number of lisensed activities were reduced from 240 to 30 and duration of lisenses were extended from 2 to 5 years.

Development of **non-oil sector** is envisaged as a priority by state programs, particularly by the State Program for Social and Economic development of Regions of the Republic of Azerbaijan for 2004-2008 and by the State Program for Entrepreneurship Development in the Republic of Azerbaijan for 2008-2013.

There are several institutions in Azerbaijan Republic focusing on **improving business climate** and increasing government's support to this sphere. Some of them are the followings:

Entrepreneurship Council

- Entrepreneurship Council, composed of local and foreign entrepreneurs, was set up under the President of the Azerbaijan Republic in 2002 to conduct periodical study of current problems for provision of necessary measures and to help the improvement of business climate in the area of entrepreneurial development in Azerbaijan. The council discusses the issues in the area of entrepreneurial development and prepares relevant proposals to submit to the President of the Azerbaijan Republic, conducts periodical study of standard legal acts regulating entrepreneurial activity, makes proposals on the increase of state care for entrepreneurship, as well as financial provision, operative solution of problems hindering entrepreneurial development, elimination of cases with illegal intervention in entrepreneurial activity, stimulation of developing cooperative relations between entrepreneurial entities and improvement of personnel training system for entrepreneurial entities, and renders assistance to the application of modern information technologies and the extension of international business relations of entrepreneurs.

National Fund for Support of Entrepreneurship

- National Fund for Support of Entrepreneurship, established under the Ministry of Economic Development in 2002, supports state economic policy and develops entrepreneurship in the non-oil sector. The fund renders financial assistance to entrepreneurial development and the increase of business activity rate of the population. The fund also renders consulting services and methodic assistance to the investment projects and to the working up of production projects on new kinds of products. The fund allocates annual credits by 7 percent for 8-year term. In 2004-2007, the entrepreneurial entities received AZN235.6 million (USD264 million) credits from the National Fund for Support of Entrepreneurship which resulted in the opening of almost 60 thousand of new job places.

Azerbaijan Investment Company

- Azerbaijan Investment Company, established in 2006, aims at regulating state policy for support of entrepreneurial development and ensuring the attractive environment for the increase of investment into Azerbaijan (www.aic.az). The main objective of the company is to ensure the promotion of investments to the economy of Azerbaijan, improvement of business climate. The priority of the company in the investment activity is to implement fixed-term investment by procurement of shares of joint stock companies and other commercial organizations which activity focus on the non-oil sector of national economy.

Azerbaijani Export and Investment Promotion Foundation

AZPROMO (Azerbaijani Export & Investment Promotion Foundation) is a joint public private initiative established by the Government of Azerbaijan in 2003 (www.azpromo.org). The organization is empowered to play a key role in public-private dialogue serving as a bridge between investors, local producers and the Government. AZPROMO renders assistance to identifying the areas for the implementation of investment projects, improving business climate and attracting more investors into Azerbaijan. Local companies benefit from its consulting services and foreign market researches.

State Antimonopoly Service (SAS) under Ministry of Economic Development

- The state antimonopoly policy plays an important role in supporting SME (small and medium-sized enterprise) development in the country. SAS under the Ministry of Economic Development of Azerbaijan keeps on monitoring of markets on the subject of their protection from counterfeit goods and fakes of well-known brands. (<http://www.antimonopoly.az>). SAS purpose is to create strong and efficient competitive environment in commodity and market services. SAS activity is guided by the legislations on antimonopoly, unfair competition, advertising and natural monopoly. SAS submits proposals to the parliament and government about the changes to the legislation for the elimination of obstacles in the development of effective competitive environment, and takes preventive measures for increasing public awareness.

There are also international and non-governmental organizations implementing projects supporting SME development in Azerbaijan. Business Advisory Services Programme administered by TurnAround Management Team at the European Bank for Reconstruction and Development, USAID awarded the Azerbaijan SME Support through Financial Sector Development Project, implemented by ACDI/VOCA and a joint project providing technical assistance for the development of SME business services in Azerbaijan in support of local business development implemented by BP and the International Finance Corporation (IFC), the private sector arm of the World Bank Group, could be good examples to this. Within the projects implemented, financing opportunities for SMEs functioning in Azerbaijan

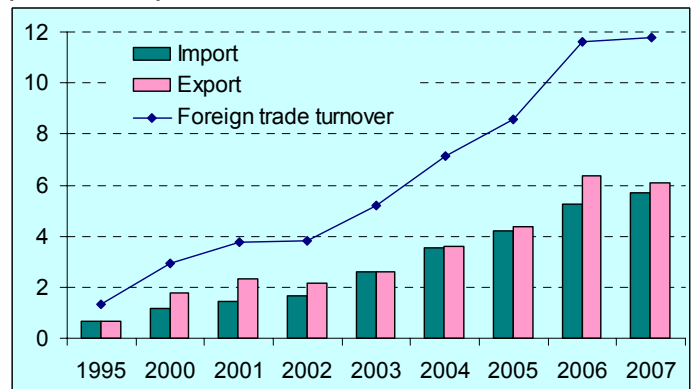
are enhanced, they are trained for various aspects of business development and improvement of legal and regulatory framework is supported.

One of the projects to help Small and Medium sized Enterprises develop their business in support of **major oil and gas developments** in Azerbaijan is The Enterprise Centre launched in 2002 by BP on behalf of its oil project partners (<http://www.ecbaku.com>). The Centre acts as a guide to new opportunities for Azeri companies and helps facilitate cooperation between local suppliers and foreign investors. It offers SMEs and businesses a full package of advice, practical and financial support to help them secure work in both the oil and non-oil sectors.

Foreign trade

Currently, foreign trade relations of Azerbaijan is rapidly developing. According to data of the State Statistical Committee **foreign trade turnover** increased by 2.3 times during the last four years, i.e. from 5.2 billion USD to 11.8 billion USD (Figure 8). Volume of export increased by 2.3 times and volume of import by 2.1. last year trade profit was equal to 350 million USD.

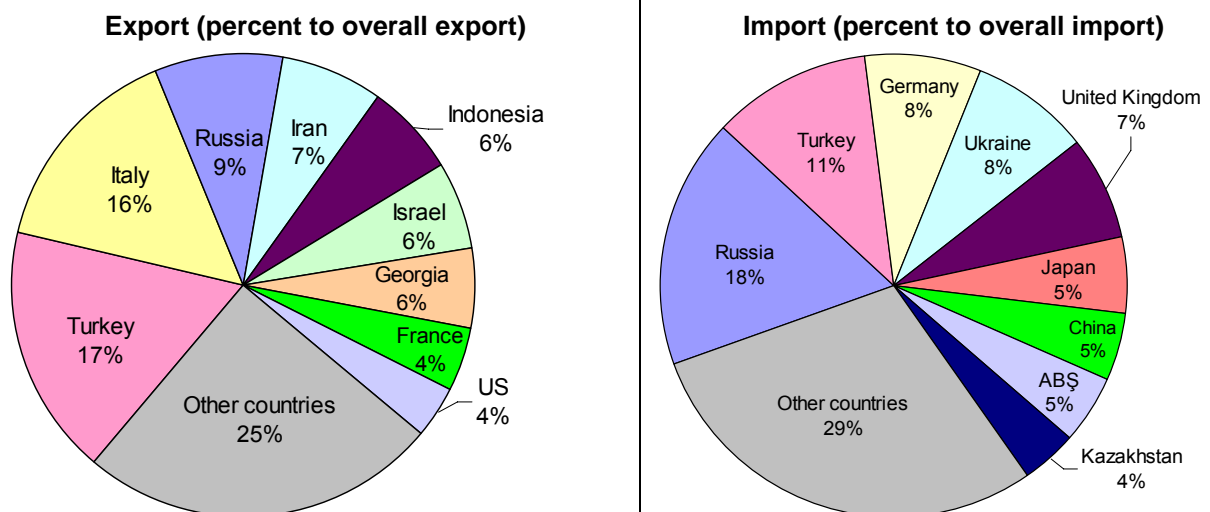
Figure 8. Foreign trade of Azerbaijan in 1995-2007 (billion USD)



Source: State Statistical Committee of Azerbaijan

At present Azerbaijan has **trade relations with 138 countries** all over the World. 28% of export-import operations were with European Union, 26% with Commonwealth of Independent States and 46% with other countries in 2007.

Figure 9. Main trade partners of Azerbaijan in 2007



Source: State Statistical Committee of Azerbaijan

Main export partners are Turkey, Italy, Russia, Iran, Indonesia, Israel, Georgia and France. **Main import partners** are Russia, Turkey, Germany, Ukraine, United Kingdom, Japan, China and USA.

Currently, 82% of the country's export consists of mineral products, including more than 53% crude oil and 28% oil products. Further more, fruits and vegetables, oil and fat of vegetable and bestial origin, aluminium, ferrous metals and articles of them and chemical products are also among the **main export goods**.

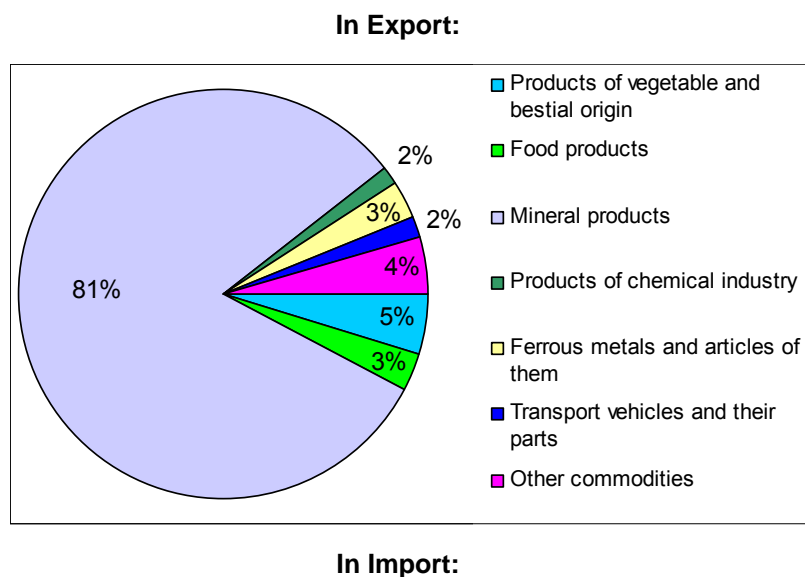
Fast growth of oil export causes the extension in foreign currency inflow into the country, the increase of money in circulation and enhances investment potential of the Republic. At the same time, the increase of money mass leads to strengthening of inflation tendencies and appreciation of national currency (manat).

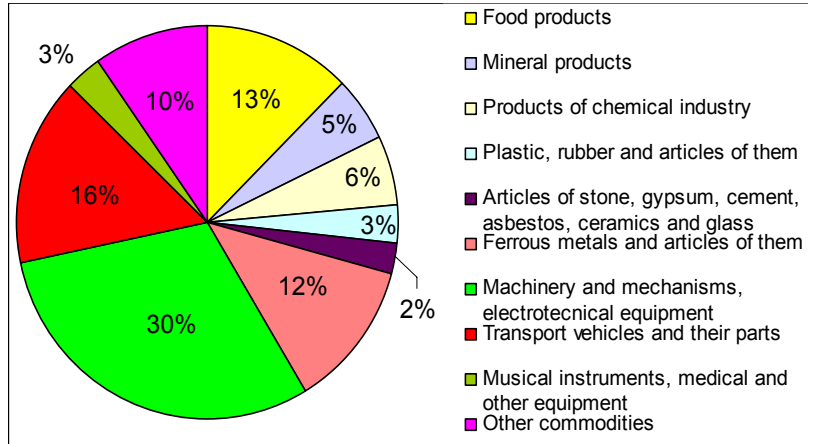
Main goals of oil strategy being implemented in Azerbaijan are enhancing potential of non-oil sector, investing in human capital and developing labour-intensive spheres of economy.

Machinery and mechanisms, electrotechnical equipment, transport vehicles and their parts, food, ferrous metals and articles of them and chemical products have a large share in **import structure**.

Currently, one of the main priorities of the economic policy is to increase production of goods compensating import for export. Processing companies established in recent years will create a good basis for increasing production of goods and raw materials for this reason and consequently will lead to growing export by meeting domestic demands.

Figure 10. Main goods in Azerbaijan's export and import in 2007 (%)





Source: State Statistical Committee of Azerbaijan

Why Azerbaijan? – 10 reasons:

⇒ *Rapidly developing open economy*

- GDP growth by 26.4% in a year.
- Growth of foreign trade turnover by 19.8% in a year.

⇒ *Rapid development of welfare of population and local market.*

⇒ *Average import duty: 5.7%*

⇒ *Transparent legislative basis*

⇒ *Stable and reliable financial regime*

- Developing banking system.

⇒ *Favourable environment for foreign investments*

- The HIGHEST per capita foreign direct investment indicator in the region.
- National regime for investors and additional legal provisions.

⇒ *Large opportunities in the non-oil sector*

- High growth in most economic spheres in last 5 years: Industry – 7.5 times, construction – 3.8 times, trade – 3.5 times, transport and communication – 2.9 times, social services – 2.8 times, agriculture – 2.1 times.
- Tax exemptions for agricultural producers (exemption from all taxes excepting tax on land by 2009).

⇒ *Rich natural resources*

- Fossils and fertile land

⇒ *Geo-strategic location*

- Direct access to Central Asia and Caspian region.
- Participation in international trade initiatives (Silk Route, North-South Corridor).
- Increasing European factor and partnerships within New Neighbourhood Policy.

⇒ *Competitive labour force*

- Favourable combination of qualification and cost. Rich industrial traditions.

Sources:

State Statistical Committee of the Republic of Azerbaijan

www.azstat.org

Ministry of Economic Development of the Republic of Azerbaijan

www.economy.gov.az

Antimonopoly State Service at the Ministry of Economic Development

www.antimonopoly.az

Ministry of Taxes of the Republic of Azerbaijan

www.taxes.gov.az

State Customs Committee of the Republic of Azerbaijan

www.az-customs.net

Ministry of Foreign Affairs of the Republic of Azerbaijan

www.mfa.gov.az

National Bank of the Republic of Azerbaijan

www.nba.az

Azerbaijan Export and Investment Promotion Foundation

www.azpromo.org

Doing Business in Azerbaijan 2007/2008. Azerbaijan Export and Investment Promotion Foundation

Azeri-Press Information Agency (APA)

www.apa.az

Azerbaijan Investment Company

www.aic.az

Business Advisory Services Programme in Azerbaijan

www.bas-az.org

Embassy of the Republic of Azerbaijan to the Arab Republic of Egypt

www.azembassy.org.eg

Embassy of the Republic of Azerbaijan to the Republic of Indonesia

www.azembassy.or.id

Azerbaijan newspaper

www.azerbaijan.news.az

Azerbaijan Small and Medium Enterprise Support through Financial Sector Development Project

www.smefinance.az

Enterprise Centre

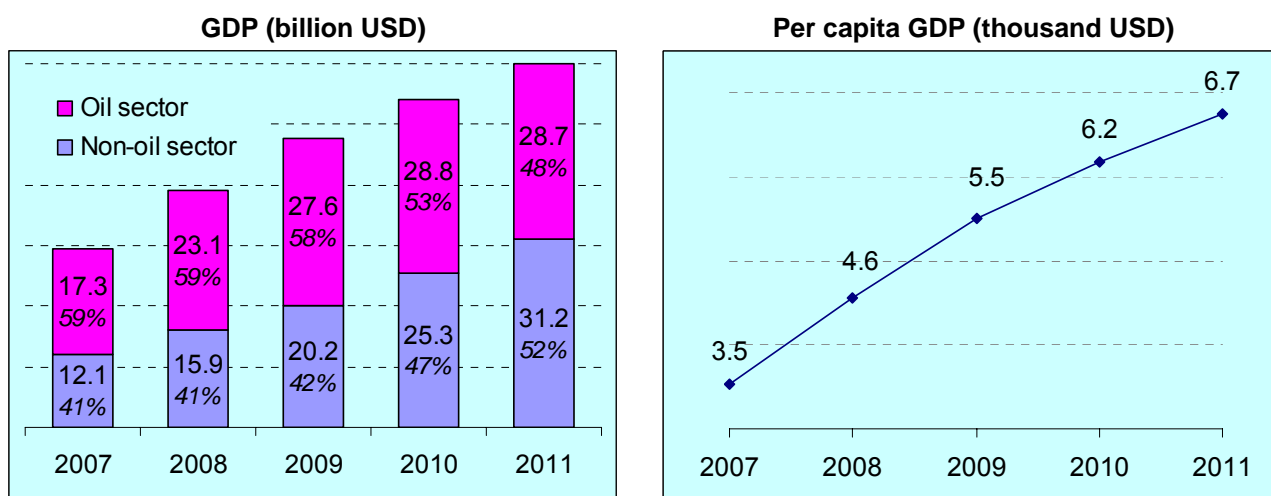
www.ecbaku.com

Appendix 1. Investments to economic sectors by foreign and joint companies in 1995-2007 (million USD)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Industry	7.6	56.2	91.6	128.3	77.8	50.4	31.3	19.8	22.4	84.1	155.6	221.4	263.5
Construction	3.5	23.0	104.2	153.4	28.9	31.0	7.1	8.2	6.4	7.3	25.6	49.7	59.3
Trade and services	1.2	8.5	74.0	100.3	55.5	16.6	26.1	7.7	11.6	9.0	33.7	32.1	38.2
Transport	2.6	15.1	21.2	37.1	38.6	17.3	7.5	281.2	2.6	2.8	7.7	19.2	22.8
Other services	-	-	39.9	41.1	9.6	2.7	7.3	2.0	2.4	0.7	7.9	46.0	55.3

Source: Ministry of Economic Development of the Republic of Azerbaijan

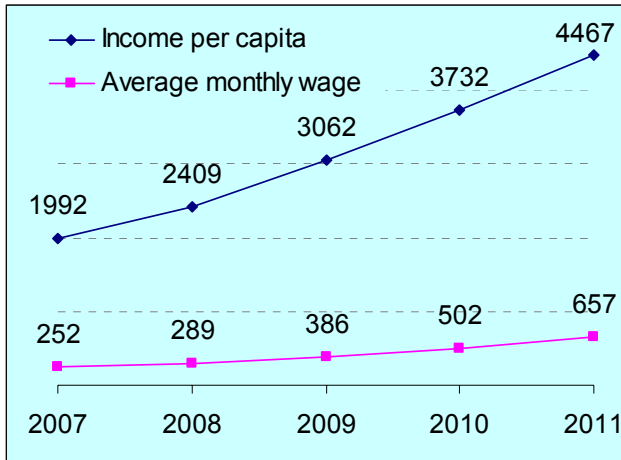
Appendix 2. Macroeconomic indicators forecast by the Ministry of Economic Development



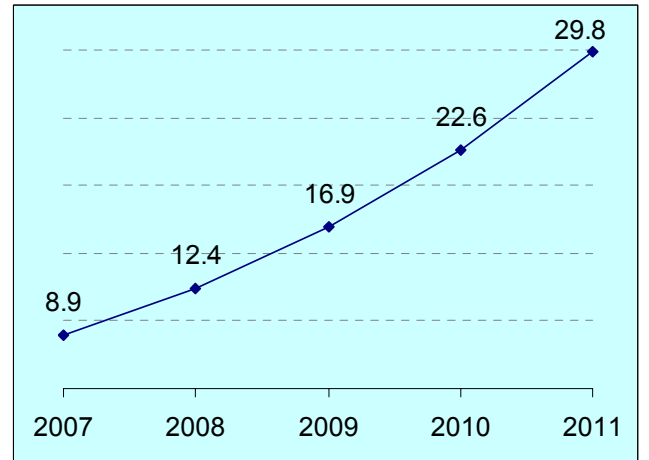
Structure of GDP (%)

	2007	2008	2009	2010	2011
Industry	62,5	62,8	61,5	57,3	52,5
Agriculture	6,2	6,2	6,5	7,2	8,1
Construction	6,2	6,0	6,1	6,8	7,6
Services:	18,0	17,6	18,3	20,3	23,0
Trade	5,4	5,8	6,6	8,0	9,8
Transport	4,4	4,0	3,8	3,9	4,1
Communication	1,5	1,5	1,5	1,6	1,8
Social and informal services	6,6	6,3	6,3	6,8	7,3
Net taxes for products and services	7,1	7,5	7,7	8,4	8,7

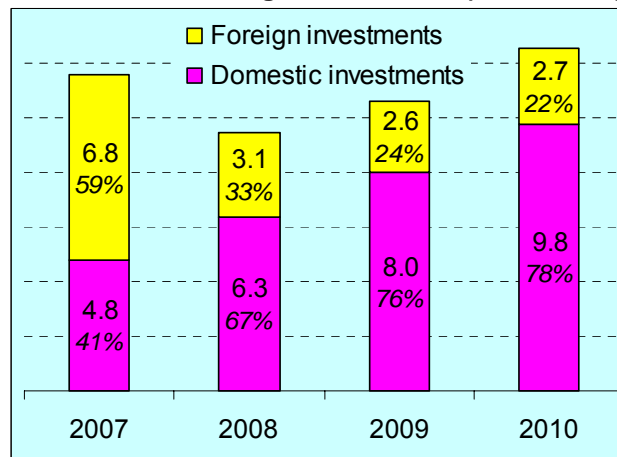
Population's income and average monthly wage (USD)



Retail trade turnover (billion USD)



Domestic and foreign investments (billion USD)



Appendix 3. Useful contacts

Ministries and State Committees:

<i>Ministry / State Committee</i>	Minister / Committee Chairman	Address	Phone	Fax	E-mail	Web address
Ministry of Economic Development	Heydar Babayev	23, Niyazi str., AZ1066, Baku	(+99412) 4924110	(+99412) 4925895	office@economy.gov.az	www.economy.gov.az
Ministry of Taxes	Fazil Mammadov	16, Landau str., AZ1073, Baku	(+99412) 4038970; hot line -195	(+99412) 4038971	info@taxes.gov.az	www.taxes.gov.az
State Customs Committee	Aydin Aliyev	2, Inshaatchilar ave., AZ1073, Baku	(+99412) 4388080; hot line -192	(+99412) 4981836	external@customs.gov.az	www.az-customs.net
Ministry of Finance	Samir Sharifov	83, S.Vurgun str., AZ 1022, Baku	(+99412) 4044777; 4044699; 4938103	(+99412) 4930562	info@maliyye.gov.az	www.maliyye.gov.az
Ministry of Foreign Affairs	Elmar Mammadyarov	4, Shixali Gurbanov str., AZ 1009, Baku	(+99412) 5969000	(+99412) 4988480	secretariat@mfa.gov.az	www.mfa.gov.az
Ministry of Justice	Fikrat Mammadov	1, Inshaatchilar ave., Baku	(+99412) 4300116	(+99412) 4300981	contact@justice.gov.az	www.justice.gov.az
Ministry of Industry and Energy	Natig Aliyev	Government House, Sabail district, Baku	(+99412) 4987856; 5981675; 5980384	(+99412) 5981678	pressa@mie.gov.az	www.mie.gov.az
State Committee of Land and Cartography	Garib Mammadov	93a, Sh. Mehdiyev str., Baku	(+99412) 4328959	(+99412) 4328959	press@dtxk.gov.az	www.dtxk.gov.az
State Statistical Committee	Arif Valiyev	Inshaatchilar ave., AZ 1136, Baku	(+99412) 4386498; 4389376	(+99412) 4382442	sc@azstat.org	www.azstat.org

State Social Protection Fund	Salim Muslumov	80, H. Zardabi ave., AZ 1122, Baku	(+99412) 4346018	(+99412) 4345587	info@sspf.gov.az	www.sspf.gov.az
Ministry of Ecology and Natural Resources	Huseyngulu Baghirov	100(A), B.Aghayev str., AZ 1073, Baku	(+99412) 4925907	(+99412) 4925907	pressa@eco.gov.az	www.eco.gov.az
State Agency on Standardization, Metrology and Patent	Ramiz Hasanov (General Direktor)	124, Mardanov Gardashlari str., AZ 1147, Baku	(+99412) 4499959; 4498489; 4498491; 4498492	(+99412) 4405224	AZS@azstand.gov.az	www.azstand.gov.az

Banks:

Bank	Address	Phone	E-mail
1. "International Bank of Azerbaijan" OJSC	67, Nizami str., Baku	(+99412) 4930091; 4934159	ibar@ibar.az
2. "AF-Bank" OJSC	34, S.Vurgun str., Baku	(+99412) 4908354; 4908356	bank@afbank.baku.az afbank@bakinter.net
3. "AtaBank" OJSC	102, Sh.Badalbayli str., Baku	(+99412) 4978700	atabank@atabank.com
4. "Atlantbank" CB OJSC	43, Z.Khalilov str., Baku	(+99412) 4977224; 4976986; 4345502	Atlantbank@azdata.net
5. "Atrabank" OJSC	77, Rashid Behbudov str., Baku	(+99412) 4957884; 4958093	atrabank@azdata.net
6. "Azerbaijan Credit Bank" OJSC	111, Nizami str., Baku	(+99412) 5982424	azkreditbank@azkreditbank.com
7. Azerbaijan Microfinance Close type Joint Stock Bank	176, B.Safaroghlu str., Baku	(+99412) 4930726	bank@mfba.az

8. "Azerbaijan Sanaye Bank" OJSC	3, Azerbaijan ave., Baku	(+99412) 4934949; 4930145;4935067	info@asb.az
9. "Azerdemiryolbank" OJSC	31, Garabagh str., Baku	(+99412) 4447171; 4447134; 4447150	demir@azerdemiryolbank.com
10. "Azerigazbank" OJSC	16, Landau str., Baku	(+99412) 4975017; 4975018	azerigazbank@azerigazbank.com
11. " Azerneqliyyatbank" OJSC	150/152, Azadlig ave., Baku	(+99412) 4998620; 5612150	Azerneqliyyat@mail.ru
12. "Azer-Turk Bank" OJSC	5, Islam Safarli str., Baku	(+99412) 4974297; 4974316; 4974319	atb@azerturkbank.biz
13. "Bank Avrasiya" OJSC	70, Nizami str., Baku	(+99412) 5988585	
14. "Bank of Azerbaijan" OJSC	3, S.Vurghun str., Baku	(+99412) 4980245 4980247; 4988130	az@bank.az
15. "Bank of Baku" OJSC	40/42, Ataturk ave., Baku	(+99412) 4470055	root@bankofbaku.com
16. "Bank Respublika" OJSC	21, Khagani str., Baku	(+99412) 5990800	info@bankRespublika.az
17. "Bank Silk Way" OJSC	86, Nizami str., Baku	(+99412) 4982042; 4986056	azalbank@azalbank.az
18. CJSC "BANK STANDARD" CB	4, H.Hajiyev str., Baku	(+99412) 4971070; 4971071	bank@bankstandard.com
19. "Birlikbank" OJSC	23, Nobel ave., Baku	(+99412) 5988129; 5988130	info@birlikbank.baku.az
20. "Debut" CB OJSC	16, Babak ave., Baku	(+99412) 4964551; 4964552	info@debutbank.az
21. "Dekabank" CB OJSC	14/16, Sh.Khagani str., Baku	(+99412) 4981147; 4981157	office@dekabank.com
22. "Evrobank" OJSC	21, Plotnikov str., Baku	(+99412) 4494305; 4494306	office@evrobank.az

23. "Amrahbank" OJSC	111, Nizami str., Baku	(+99412) 4978861; 4978862	info@amrahbank.com
24. "Yapikredibank" /Azerbaijan/ Limited Close type Joint Stock Bank	5, 28 may str., Baku	(+99412) 4977795	kocbank@kocbank.com.az
25. "United Credit Bank" OJSC	49, N.Rafiyev str., Baku	(+99412) 4900643; 4900641	ucb@ucb.az
26. "Kapital Bank" OJSC	71, Fuzuli str., Baku	(+99412) 4936630	NarqizB.muradova@kapital.bank.az office@kapitalbank.az
27. "KOV SAR BANK" OJSC	44/46, B.Majidov str., Baku	(+99412) 4973034	bank@usal.baku.az
28. "KREDO BANK" OJSC	185, S.Rahimov str., Baku	(+99412) 4959303; 4958452; 4989437	office@kredobankbaku.az
29. "Gandjabank" JSCB	260, Ataturk ave., Ganja	(+99422) 560344; 560493	office@gandjabank.az
30. "Gunay Bank" OJSB	5, Zargarpalan str., Baku	(+99412) 4980455 4980456 4980457	gunaybank@azerin.com
31. "Gafgaz Inkishaf Bank" OJSC	98, E.Guliyev str., Baku	(+99412) 4973272; 4975152	office@tab.az
32. Bank Melli Iran Baku branch	14, Nobel ave., Baku	(+99412) 4965723; 4965722	bmiaz@intrans.az
33. "Muganbank" OJSC	4, 28 may str., Baku	(+99412) 4983411	bank@mugan.baku.az
34. "NBC Bank" OJSC	27/121, Sh.Mustafayev str., Baku	(+99412) 5140116; 5666381	info@nbcbank.az
35. "Nikoil" Investment Commerce Bank OJSC	27, U.Hajibayov str., Baku	(+99412) 4981981; 4972972	bank@nikoil.az
36. Pakistan National Bank Baku branch	41, Istiglaliyyat str., Baku	(+99412) 4371641; 4371642; 4371643	info@nbp-baku.az

37. "Parabank" Joint Stock Commerce Bank	60, S.Vurgun str., Baku	(+99412) 4471000	office@parabank.az
38. "Pashabank" OJSC	15, Y.M.Mammadaliyev str., Baku	(+99412) 4965000	
39. "Rabitabank" OJSC	33/35, U.Hajibayov str., Baku	(+99412) 5984488	RB@Rabitabank.com
40. "ROYAL BANK OF BAKU" OJSC	10, Yusif Safarov str., Baku	(+99412) 4970063	info@royalbank.az
41. "Texnikabank" OJSC	Block 1107, Ataturk ave., Baku	(+99412) 4411884; 4412206; 4477744	info@texnikabank.com
42. "Turanbank" OJSC	53, Nizami str., Baku	(+99412) 4972511	turanbank@azdata.net
43. "UNIBANK" Commerce Bank" OJSC	57, R.Behbudov str., Baku	(+99412) 4982244	bank@unibank.az
44. "Xalq" Bank OJSC	11/45, Babak ave., Baku	(+99412) 4968152; 4968153	mail@xalqbank.az
45. "Zaminbank" OJSC	59, Fuzuli str., Baku	(+99412) 4988294; 4988105	info@zaminbank.az

International Financial Institutions:

Organisation	Phone	Fax	Web address
International Monetary Fund	(+99412) 4970188 / 89	(+99412) 4970187	www.imf.org
World Bank Group	(+99412) 4373477	(+99412) 4373475	www.worldbank.org
International Finance Corporation	(+99412) 4921941; 492 28 07	(+99412) 4921479	www.ifc.org
European Bank for Reconstruction and Development	(+99412) 4971014	(+99412) 4971019	www.ebrd.com
European Central Bank			www.ecb.int
Asian Development Bank	(+99412) 4965800	(+99412) 4659990	www.adb.org

Azerbaijan Turkey Business Association

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