



DISCOVER YOUR WAY TO

AZERBAIJAN



VALUE PROPOSITION

- ✓ PROVEN TRACK RECORD
- ✓ STRATEGIC LOCATION
- ✓ FAVOURABLE BUSINESS CLIMATE
- ✓ QUALIFIED WORK FORCE



VALUE PROPOSITION

PROVEN TRACK
RECORD

STATE OF ECONOMY

2015



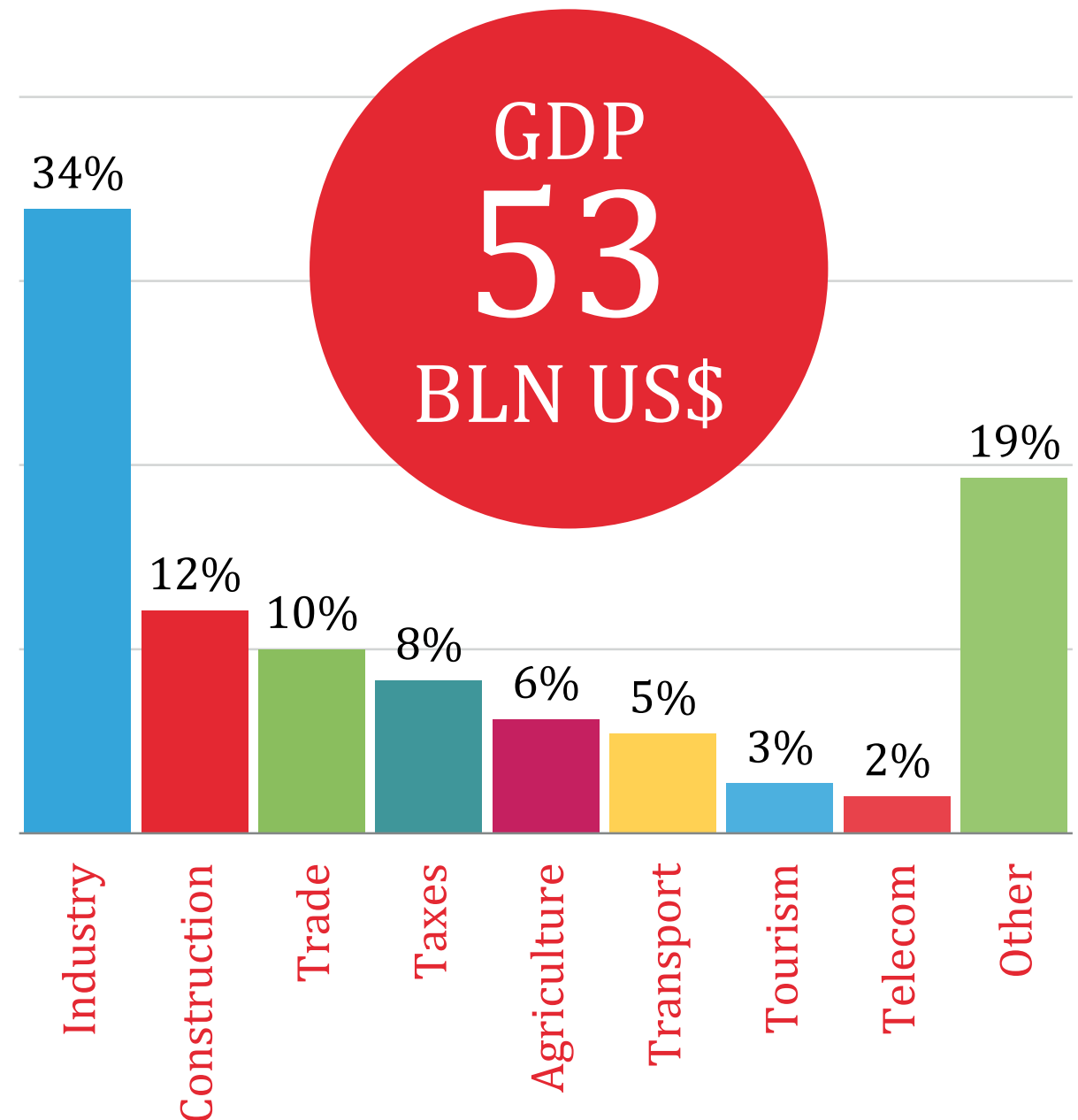
5558,7 US\$
GDP PER CAPITA



9 593 000
POPULATION



6,894.3 MLN US\$
EXTERNAL PUBLIC DEBT



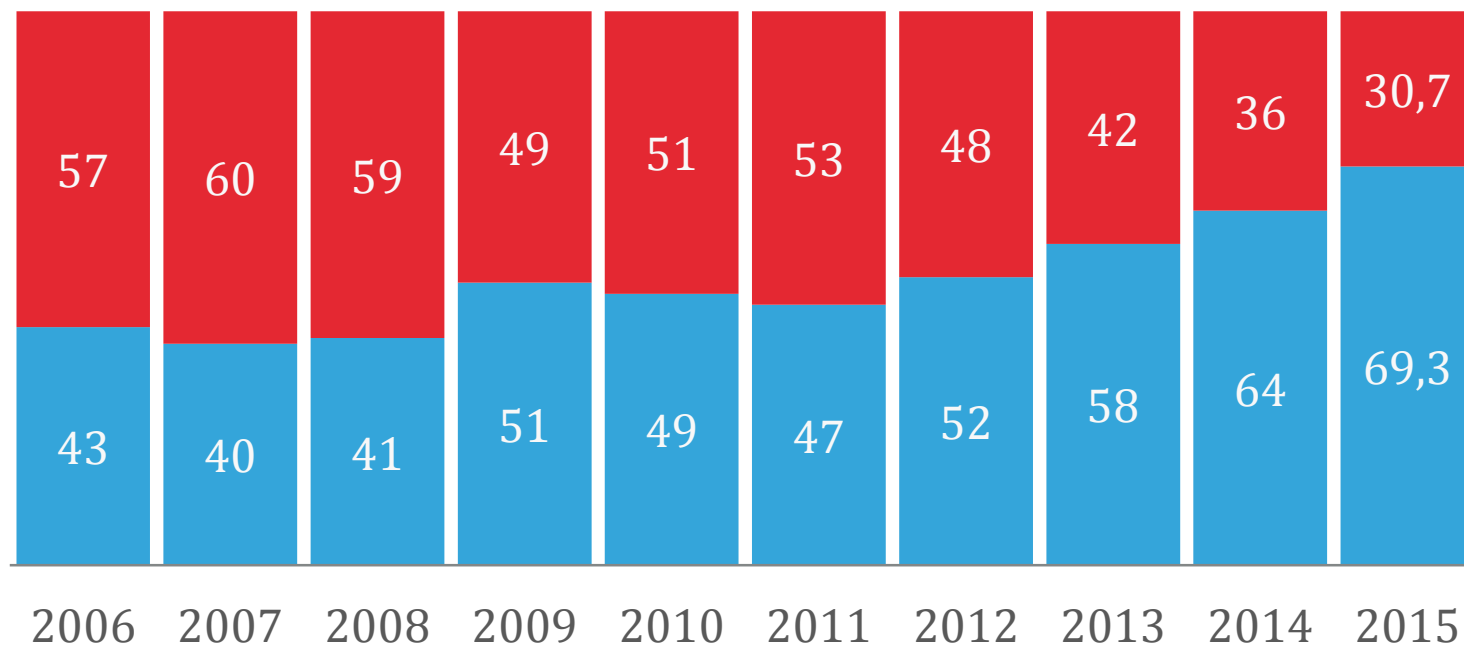
ECONOMIC DIVERSIFICATION

DIVERSIFICATION OF
ECONOMY AND
DEVELOPMENT OF NON-OIL
SECTORS AS A
KEY STRATEGIC PRIORITY

69.3%
NON-OIL GDP
(2015)

GDP STRUCTURE (%)

■ non-oil ■ oil



1.1%
NON-OIL GDP
GROWTH (2015)

PROVEN INVESTMENT DESTINATION

TOP NON OIL INVESTORS



TURKEY
2,6 BLN US\$



UK
1.5 BLN US\$



USA
1 BLN US\$



NETHERLANDS
0.9 BLN US\$

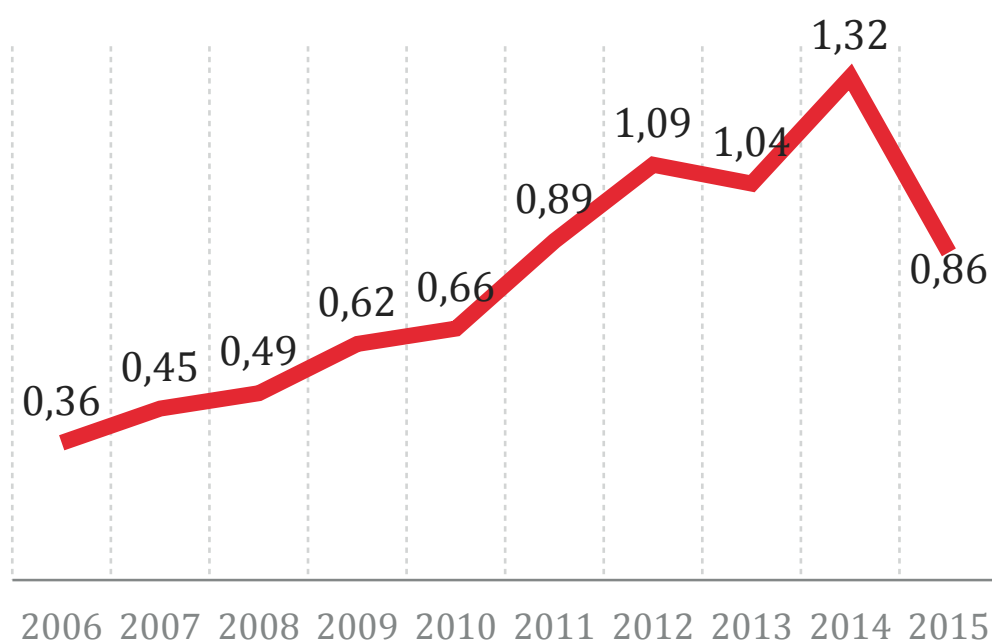


UAE
0.7 BLN US\$



GERMANY
0.4 BLN US\$

Non-oil FDI, bln. USD



TOP NON-OIL RECIPIENT SECTORS



INDUSTRY
57%



CONSTRUCTION
15%



TRADE
13%



**TRANSPORT AND
COMMUNICATION**
10%



OTHER
5%

SUCCESS STORIES

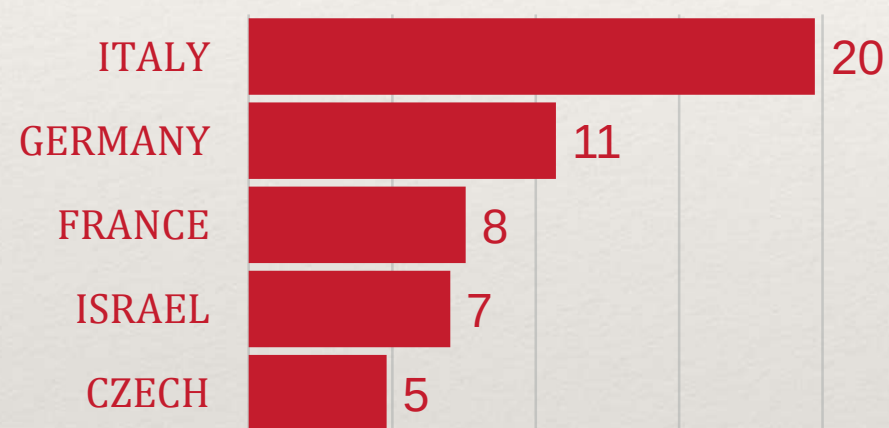


US\$ 16.56 BLN
TOTAL VALUE OF EXPORTS

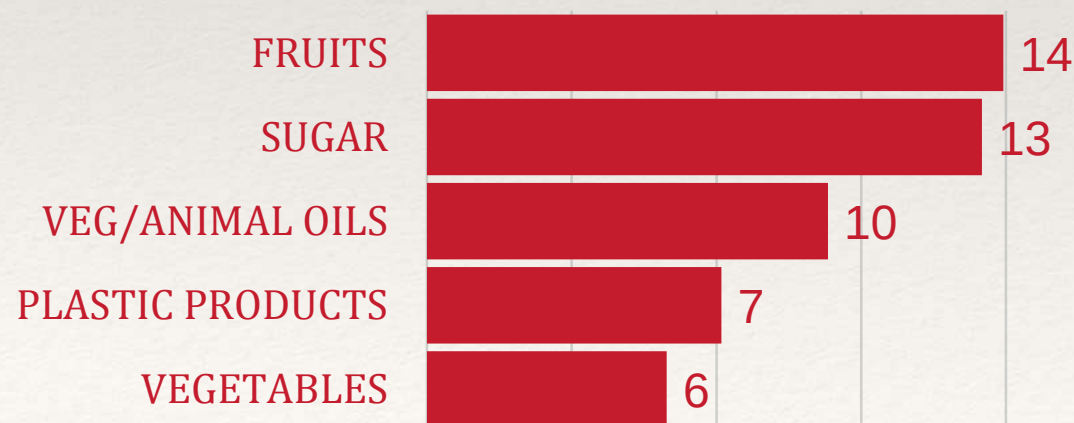
2015

US\$ 9.22 BLN
TOTAL VALUE OF IMPORTS

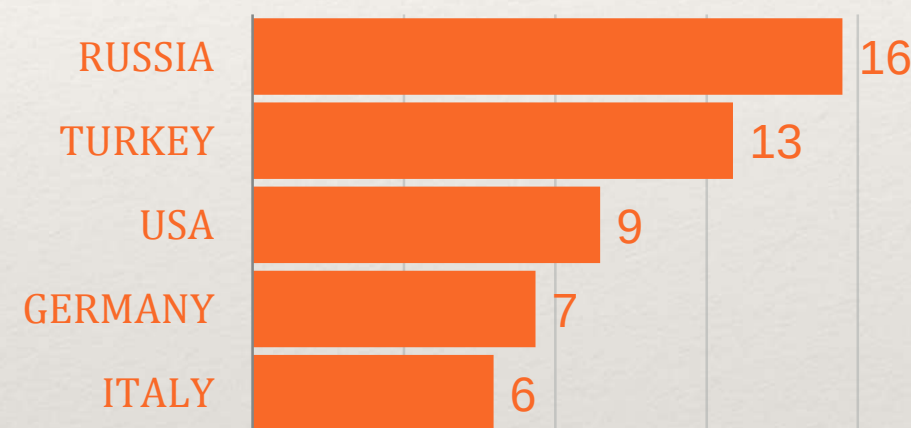
■ TOP 5 EXPORT MARKETS (%)



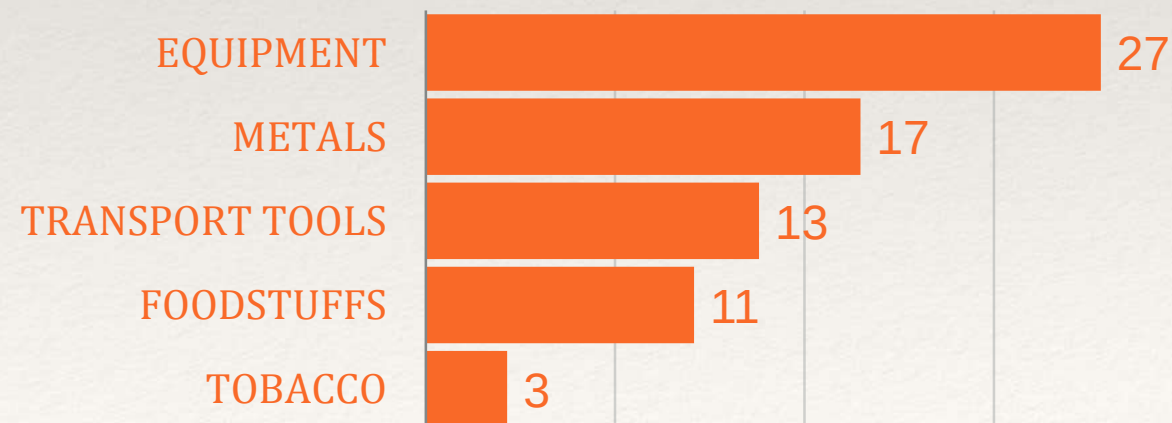
■ TOP 5 NON-OIL EXPORT PRODUCTS (%)



■ TOP 5 IMPORT (%)



■ TOP 5 IMPORT PRODUCTS (%)



The Global Competitiveness Report 2015-2016

Commonwealth of Independent States

AZERBAIJAN

Global Competitiveness Index

	Rank (out of 140)	Score (1-7)
GCI 2015-2016	40	4.5
GCI 2014-2015 (out of 144).....	38	4.5
GCI 2013-2014 (out of 148).....	39	4.5
GCI 2012-2013 (out of 144).....	46	4.4
Basic requirements (55.9%)	43	4.9
1st pillar: Institutions	64	3.9
2nd pillar: Infrastructure	65	4.1
3rd pillar: Macroeconomic environment	10	6.4
4th pillar: Health and primary education	102	5.2
Efficiency enhancers (38.1%).....	69	4.0
5th pillar: Higher education and training	89	3.9
6th pillar: Goods market efficiency	66	4.3
7th pillar: Labor market efficiency	30	4.6
8th pillar: Financial market development	114	3.3
9th pillar: Technological readiness	57	4.3
10th pillar: Market size.....	67	3.9
Innovation and sophistication factors (6.0%)	66	3.6
11th pillar: Business sophistication	73	3.9
12th pillar: Innovation	61	3.3



AZERBAIJAN
#40



KAZAKHSTAN
#42



RUSSIA
#45



GEORGIA
#66



UKRAINE
#79



TAJIKISTAN
#80



ARMENIA
#82



MOLDOVA
#84



KYRGYZSTAN
#102



VALUE PROPOSITION

A PERFECT HUB

GLOBAL OUTREACH

50 COUNTRIES WITH 50% OF WORLD CONSUMERS WITHIN 4 HOURS FLIGHT (MEDIUM-HAUL FLIGHT)

FREE ACCESS

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

TRANSIT HUB

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

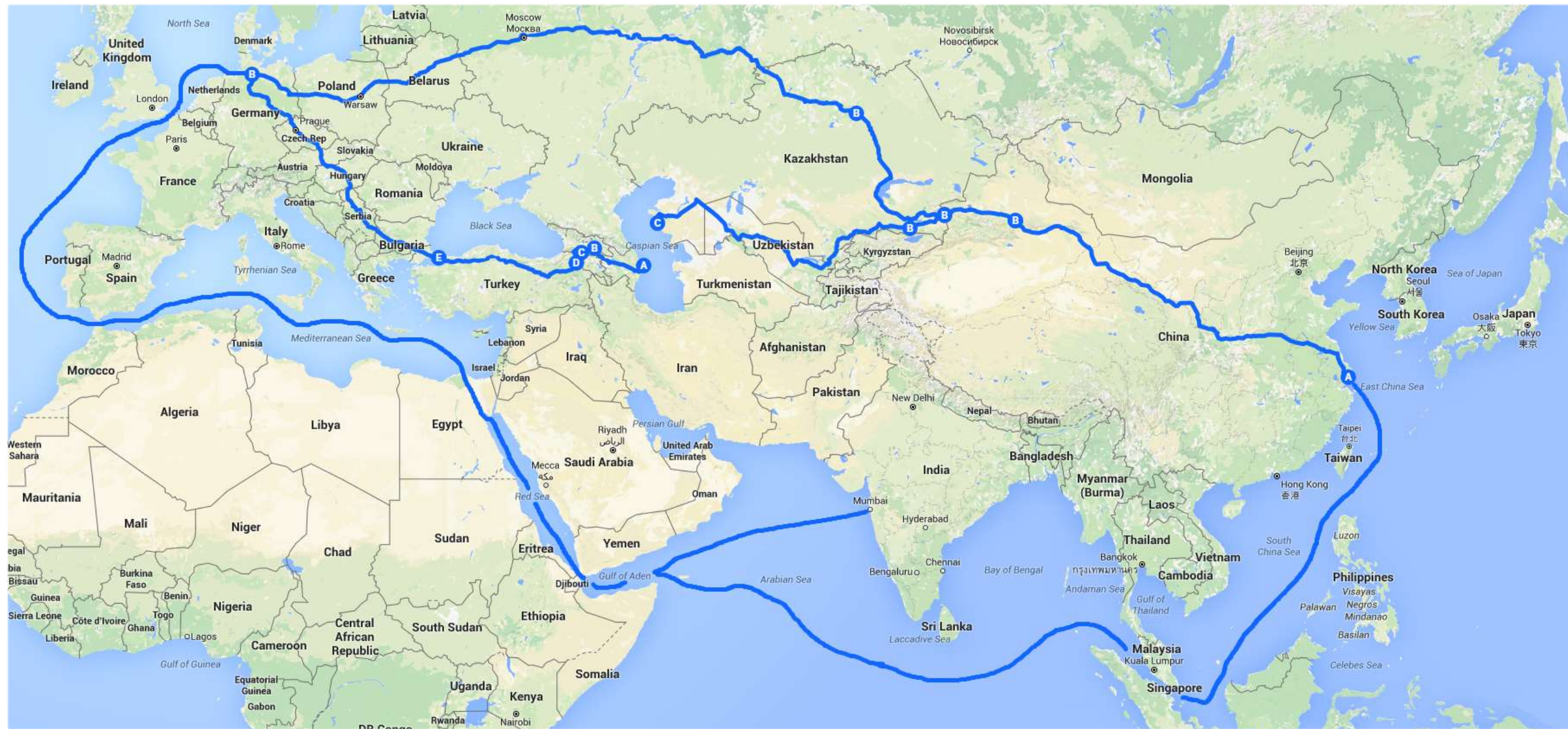
UNIQUE ACCESS

TO THE UNTAPPED MARKETS OF IRAN, AFGHANISTAN, IRAQ

EFFECTIVE TIME SAVING ROUTS

70% TIME SAVING (CHINA - EUROPE)

60% TIME SAVING (INDIA - EUROPE)



WELL DEVELOPED INFRASTRUCTURE

- ❑ 10 185 KM OF **ROADS AND HIGHWAYS** CONSTRUCTED AND REHABILITATED
- ❑ 5 NEW INTERNATIONAL **AIRPORTS**
- ❑ **BAKU-TBILISI-KARS** RAILROAD (“THE IRON SILKWAY”)
- ❑ NEW **BAKU INTERNATIONAL SEA TRADE PORT** WITH CAPACITY OF 10-11.5 MLN TONS OF CARGO AND 50 THSD TEU (TO BE INCREASED UP TO 21-25 MLN TONS OF CARGO AND 1 MLN TEU)
- ❑ CARGO TRANSPORTATION VIA **TRACECA** CORRIDOR INCREASED BY 1.3 TIMES





VALUE PROPOSITION

BUSINESS
ENVIRONMENT

WB DOING BUSINESS REPORT 2016

OVERALL
RANKING

63 / 189

STARTING A
BUSINESS

7 / 189

REGISTERING
PROPERTY

22 / 189

PAYING TAXES

34 / 189

PROTECTING
INVESTORS

36 / 189

ENFORCING
CONTRACTS

40 / 189

REDUCED RED TAPE

No state inspections of businesses

(except for tax, human health and state security reasons)

Streamlined licensing system

(no. of licensed activities - 37, no validity period, low fees, max 10 working days waiting period)

E-Gov services for business

(incl. e-registration, e-taxation, e-licensing, e-trade, e-intellectual property, e-payment)

Streamlined public services

(State Agency for Public Service and Social Innovations (ASAN) is among the global best practices in rendering public services)

THE ONE-STOP-SHOP SYSTEMS

Business registration

Customs

(inspection of goods and transport means crossing the state border)

Construction permits

Licensing

COMPETITIVE TAX REGIME

Low tax burden

Total tax rate (% of profit) - 39.8

Streamlined procedures

Number of payments (per year) - 7

Time (hours per year) - 195

Competitive tax rates

Corporate tax - 20%, VAT - 18%, Simplified tax – 4 or 2%, Personal income tax - 14 or 25%, WHT - 10%

Tax holidays

Tax holidays for agriculture, industrial and technological parks, holders of investment promotion document

STIMULATION OF EXPORTS

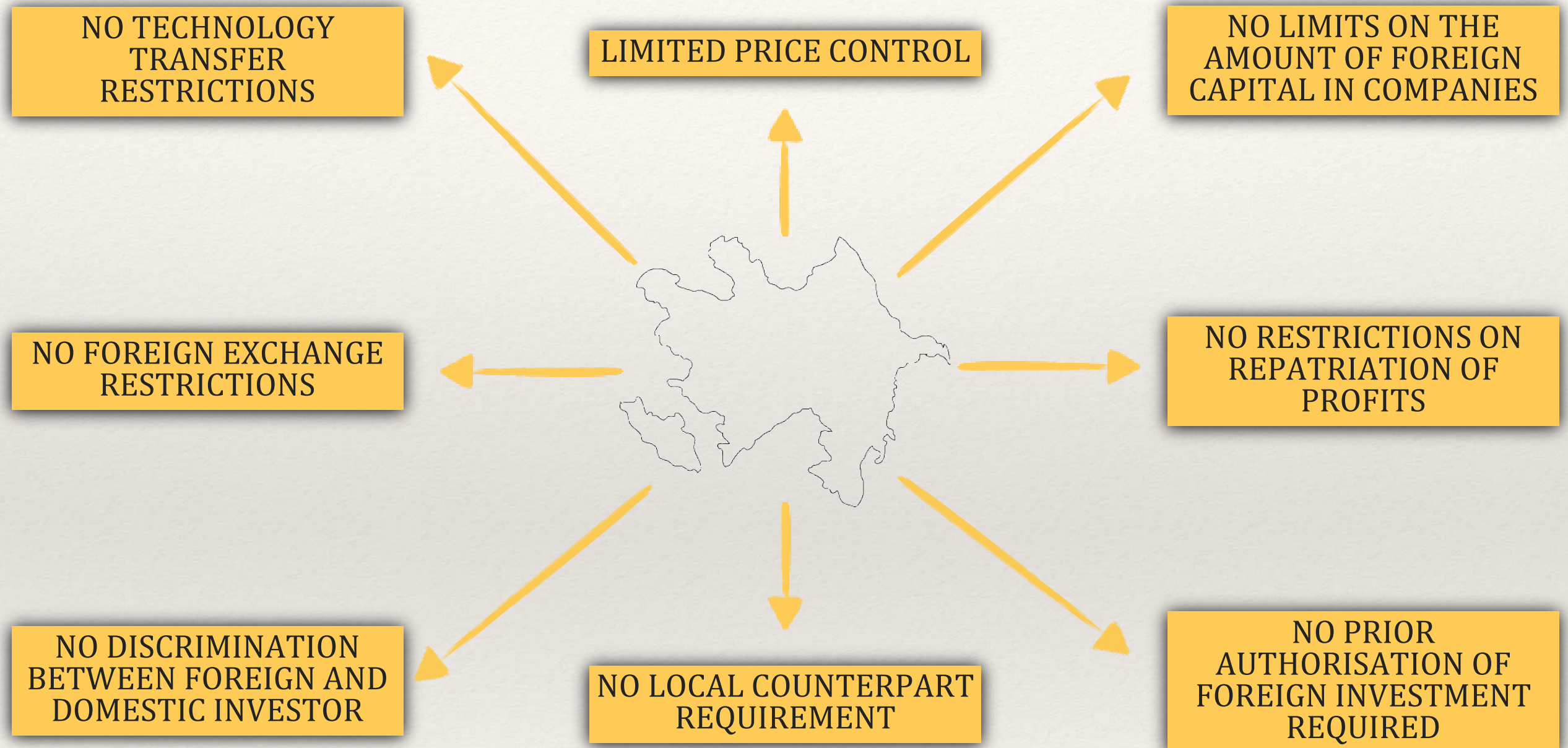
No export duties

Export reimbursement system

Export grant scheme

Removing trade barriers

INVESTMENT CLIMATE



BILATERAL INVESTMENT TREATIES

ALBANIA
AUSTRIA
BELARUS
BELGIUM
BULGARIA

CROATIA
CZECH REP
ESTONIA
FINLAND
FRANCE

GEORGIA
GERMANY
GREECE
HUNGARY
ITALY

LATVIA
LITHUANIA
LUXEMBOURG
MACEDONIA FYR
MOLDOVA

MONTENEGRO
NORWAY
POLAND
ROMANIA
RUSSIA

SERBIA
SWITZERLAND
TURKEY
UK
UKRAINE

USA

EGYPT

CHINA
IRAN
ISRAEL
JORDAN

KAZAKHSTAN
KOREA REP.
KUWAIT
KYRGYZSTAN

LEBANON
PAKISTAN
QATAR
SAUDI ARABIA

SYRIA
TAJIKISTAN
UAE
UZBEKISTAN

DOUBLE TAXATION TREATIES

AUSTRIA
BELARUS
BELGIUM
B&H
BULGARIA

CROATIA
CZECH REP
ESTONIA
FINLAND
FRANCE

GEORGIA
GERMANY
GREECE
HUNGARY
ITALY

LATVIA
LITHUANIA
LUXEMBOURG
MACEDONIA FYR
MOLDOVA

MONTENEGRO
NETHERLANDS
NORWAY
POLAND
ROMANIA

RUSSIA
SAN MARINO
SERBIA
SLOVENIA
SPAIN

SWEDEN
SWITZERLAND
TURKEY
UK
UKRAINE

CANADA

CHINA
IRAN
JAPAN
JORDAN

KAZAKHSTAN
KOREA REP.
KUWAIT
PAKISTAN

QATAR
SAUDI ARABIA
TAJIKISTAN
UAE

UZBEKISTAN
VIETNAM

HOLDERS OF INVESTMENT PROMOTION DOCUMENT

7

YEARS

50% REDUCED
CORPORATE TAX

0% LAND AND PROPERTY
TAX

0% VAT ON HARDWARE,
TECHNOLOGICAL
EQUIPMENT AND
STRUCTURES IMPORTED
BY IPD HOLDERS

0% CUSTOMS DUTY ON
HARDWARE,
TECHNOLOGICAL
EQUIPMENT AND
STRUCTURES IMPORTED
BY IPD HOLDERS

RESIDENTS OF INDUSTRIAL AND TECHNOLOGY PARKS

7

YEARS

0% CORPORATE TAX

0% LAND AND PROPERTY
TAX

0% VAT ON HARDWARE,
TECHNOLOGICAL
EQUIPMENT AND
STRUCTURES IMPORTED
BY RESIDENTS

0% CUSTOMS DUTY ON
HARDWARE,
TECHNOLOGICAL
EQUIPMENT AND
STRUCTURES IMPORTED
BY RESIDENTS



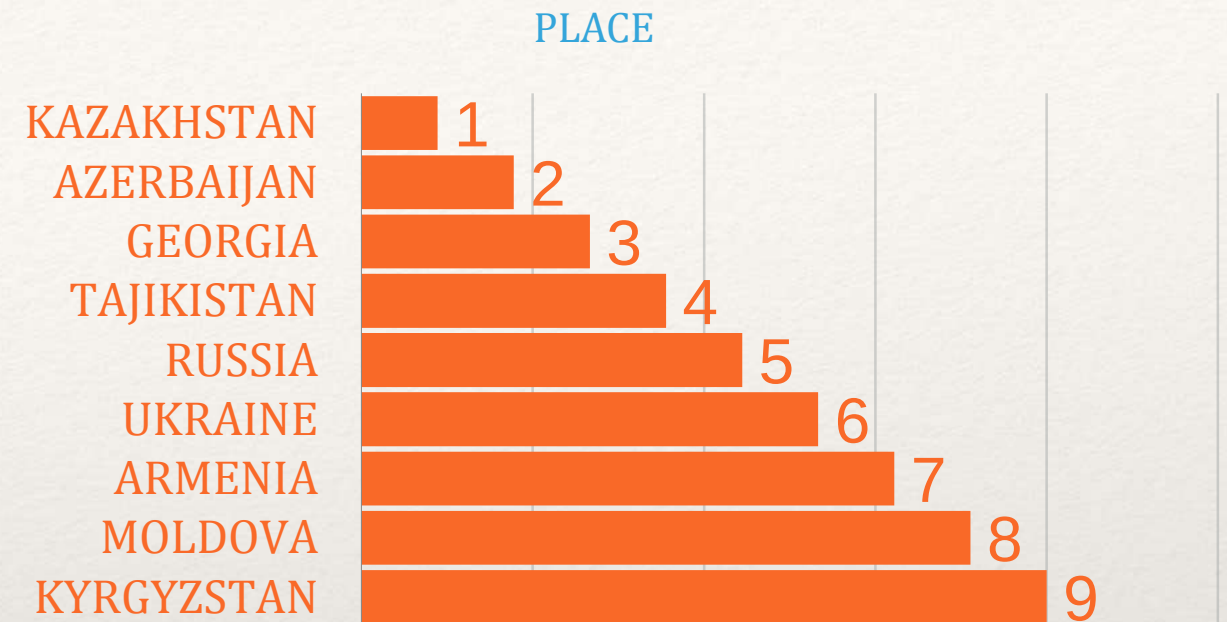
VALUE PROPOSITION

QUALIFIED
WORKFORCE

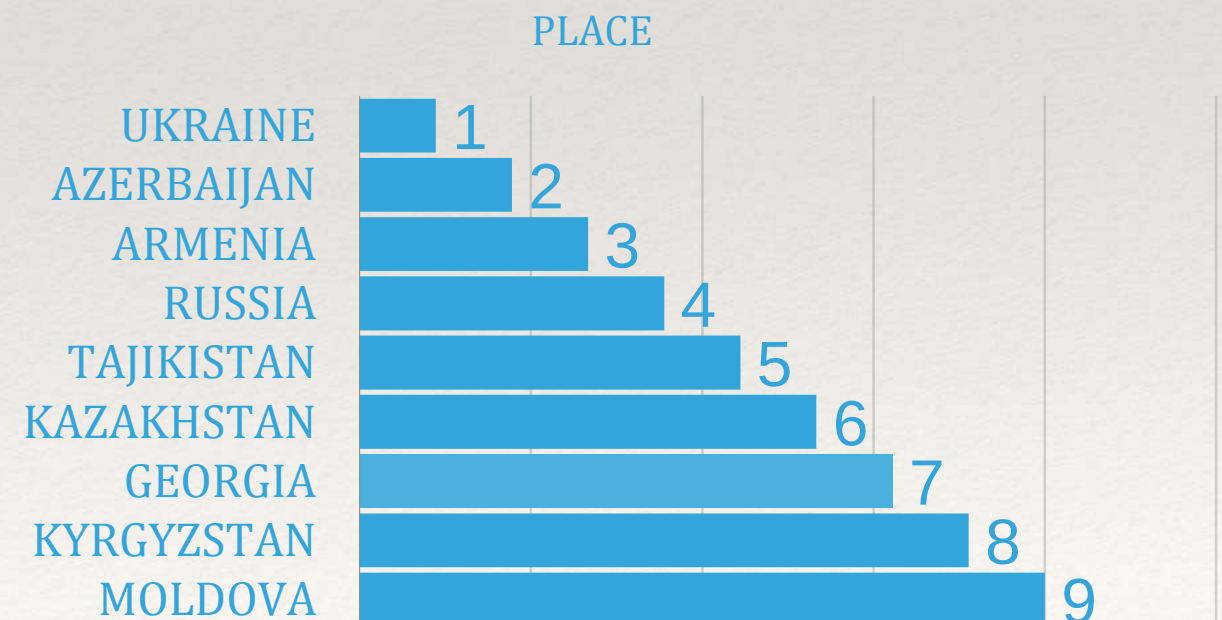
YOUNG AND QUALIFIED WORKFORCE

- ✓ LABOUR FORCE = 4.8 MILLION PERSONS
- ✓ APPROX. 40% OF THE POPULATION IS UNDER THE AGE OF 30
- ✓ HIGH EMPLOYMENT RATE (95%)
- ✓ EXTREMELY HIGH LITERACY RATE (99.8%)
- ✓ 30 THOUSAND STUDENTS GRADUATE FROM 51 UNIVERSITY ANNUALLY
- ✓ STATE PROGRAMME ON EDUCATION OF AZERBAIJANI YOUTH ABROAD IN 2007-2015
- ✓ A LARGE R&D CENTER, THE NATIONAL ACADEMY OF SCIENCES WITH 28 RESEARCH INSTITUTES

LABOUR MARKET EFFICIENCY



AVAILABILITY OF SCIENTISTS AND ENGINEERS





SECTOR OPPORTUNITIES

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



SECTOR
OPPORTUNITIES

AGRICULTURE

6%
OF GDP

4.8 M HA
AGRICULTURAL LAND

1.9 M HA
ARABLE LAND

5.6 BLN AZN
WORTH OUTPUT

47%
CROP CULTIVATION

53%
LIVESTOCK FARMING

6.6%
GROWTH IN OUTPUT

11.3%
GROWTH IN CROPS

2.5%
GROWTH IN
LIVESTOCK

AMONG TOP 20 GLOBAL
PRODUCERS OF:

SOUR CHERRIES
CHESTNUTS
CRANBERRIES
CURRANTS
FIGS
HAZELNUTS
PERSIMMONS
QUINCES
RASPBERRIES

MAJOR CROPS:

CEREALS - 2.4 M TONNES
VEGETABLES - 1.2 M TONNES
FRUITS - 851 THS TONNES
POTATOES - 819 THS TONNES
WATERMELONS, MELONS AND
GOURDS - 441 THS TONNES
OTHER - 385 THS TONNES

MAJOR PRODUCTS:

MEAT - 291 THS TONNES
MILK - 1.9 M TONNES
EGGS - 1.6 BLN UNITS
WOOL - 16.8 THS TONNES

INVESTMENT OPPORTUNITIES



GREENHOUSE VEG
AND FRUIT
PRODUCTION



MEDICINAL HERBS



AQUACULTURE
FARMS



INTENSIVE FRUIT
ORCHARDS



ESSENTIAL
(FLOWER) OILS



APICULTURE



VITICULTURE



POULTRY FARMS



SEED PRODUCTION



TEA GROWING



MEAT FARMS



FEED PRODUCTION



SAFFRON
PRODUCTION



DAIRY FARMS



SECTOR
OPPORTUNITIES

FOOD
INDUSTRY

2.6 BLN AZN
FOODSTUFF
PRODUCTION

32.2%
OF MANUFACTURING
SECTOR

4141
ENTERPRISES

232 M AZN
BEVERAGE
PRODUCTION

2.8%
OF MANUFACTURING
SECTOR

332
ENTERPRISES

MAJOR PRODUCTS

- ☑ MEAT AND MEAT PRODUCTS
- ☑ DAIRY PRODUCTS
- ☑ VEGETABLE OILS
- ☑ CANNED FRUITS AND VEGS
- ☑ SUGAR
- ☑ CONFECTIONARY
- ☑ FLOUR
- ☑ PREPS. OF CEREALS
- ☑ SALT
- ☑ TEA
- ☑ NON-ALCOHOLIC BEVERAGES
- ☑ STILL AND SPARKLING WATER
- ☑ WINE
- ☑ OTHER ALCOHOLIC BEVERAGES

INVESTMENT OPPORTUNITIES



BEVERAGES



HONEY



BABY FOOD



MEAT PRODUCTS



VEGETABLE OILS



BAKERY PRODUCTS



DAIRY PRODUCTS



DRIED FRUITS



CANNED FOODS



FISH PRODUCTS



CONDIMENTS



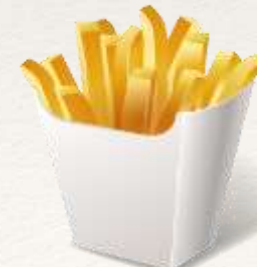
FRUIT JAMS



CONFECTIONARY



SPICES



SNACK FOODS



SECTOR
OPPORTUNITIES

TOURISM

3%
OF GDP

2.2 MLN
FOREIGN TOURISTS

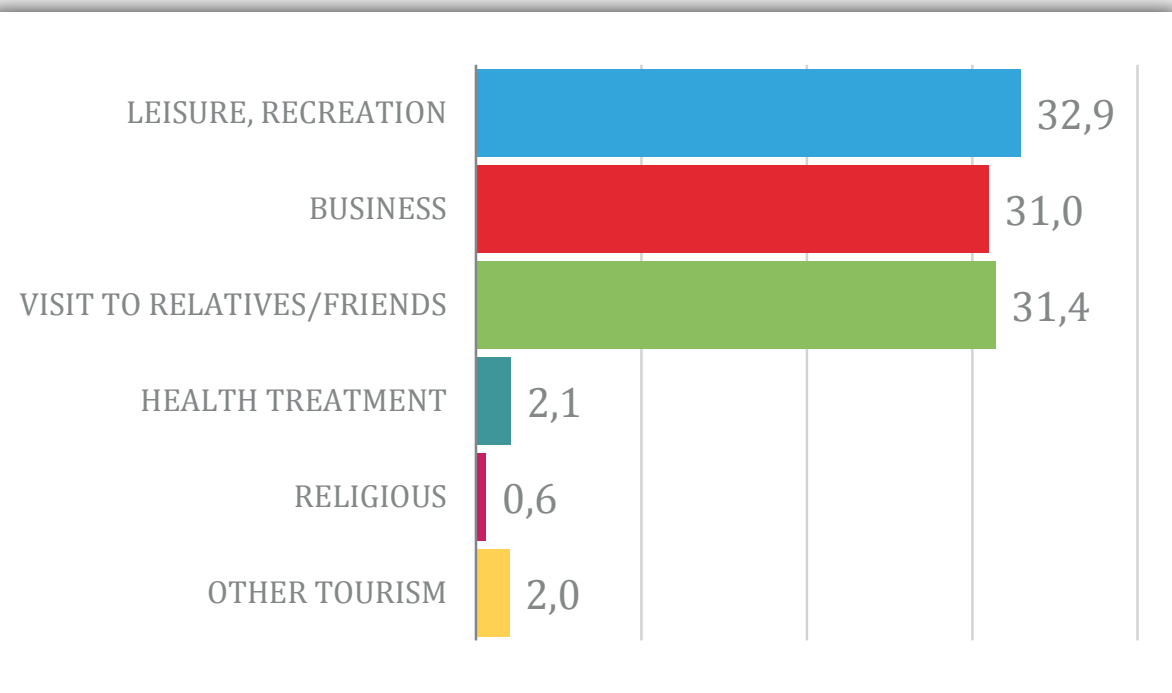
1.6 BLN AZN
TOURIST
EXPENDITURES

1.7 M
OVERNIGHT STAYS

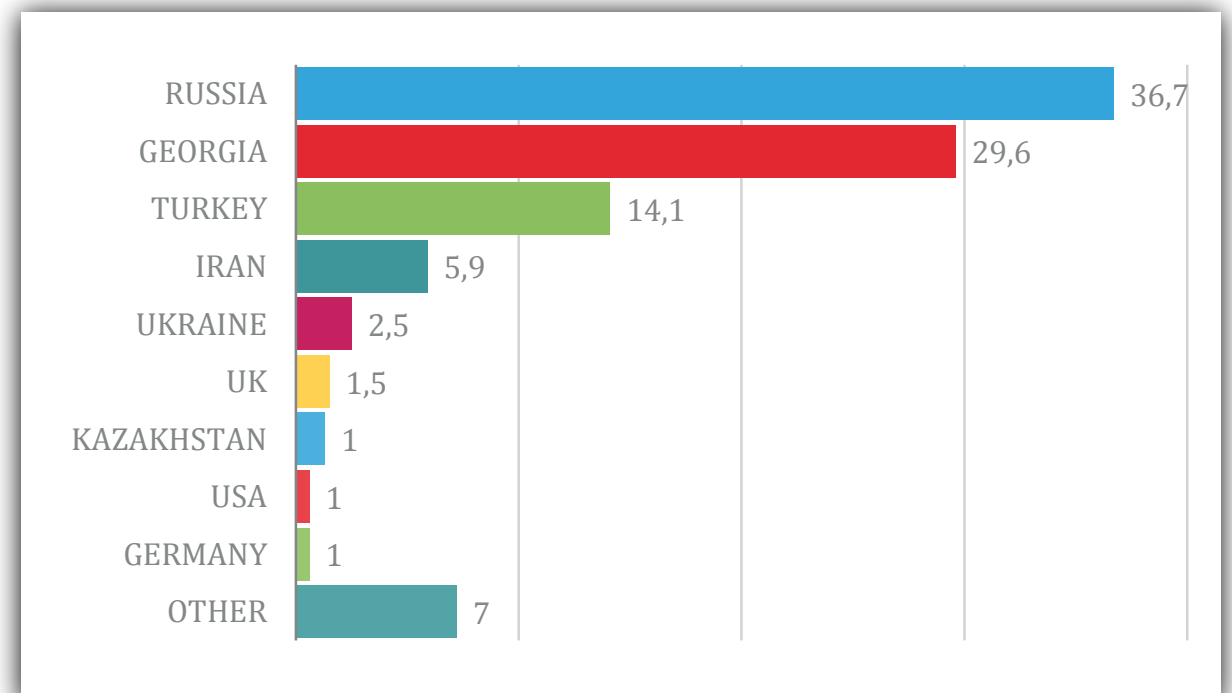
535
HOTELS

197
TOURISM COMPANIES

TOURISTS BY PURPOSE (%)



TOURISTS BY COUNTRY (%)



INVESTMENT OPPORTUNITIES



HOTELS



RECREATION ZONES



ADVENTURE FACILITIES



ENTERTAINMENT FACILITIES



TRAVEL AGENCIES



ONLINE SERVICES



EVENTS AND CONFERENCES



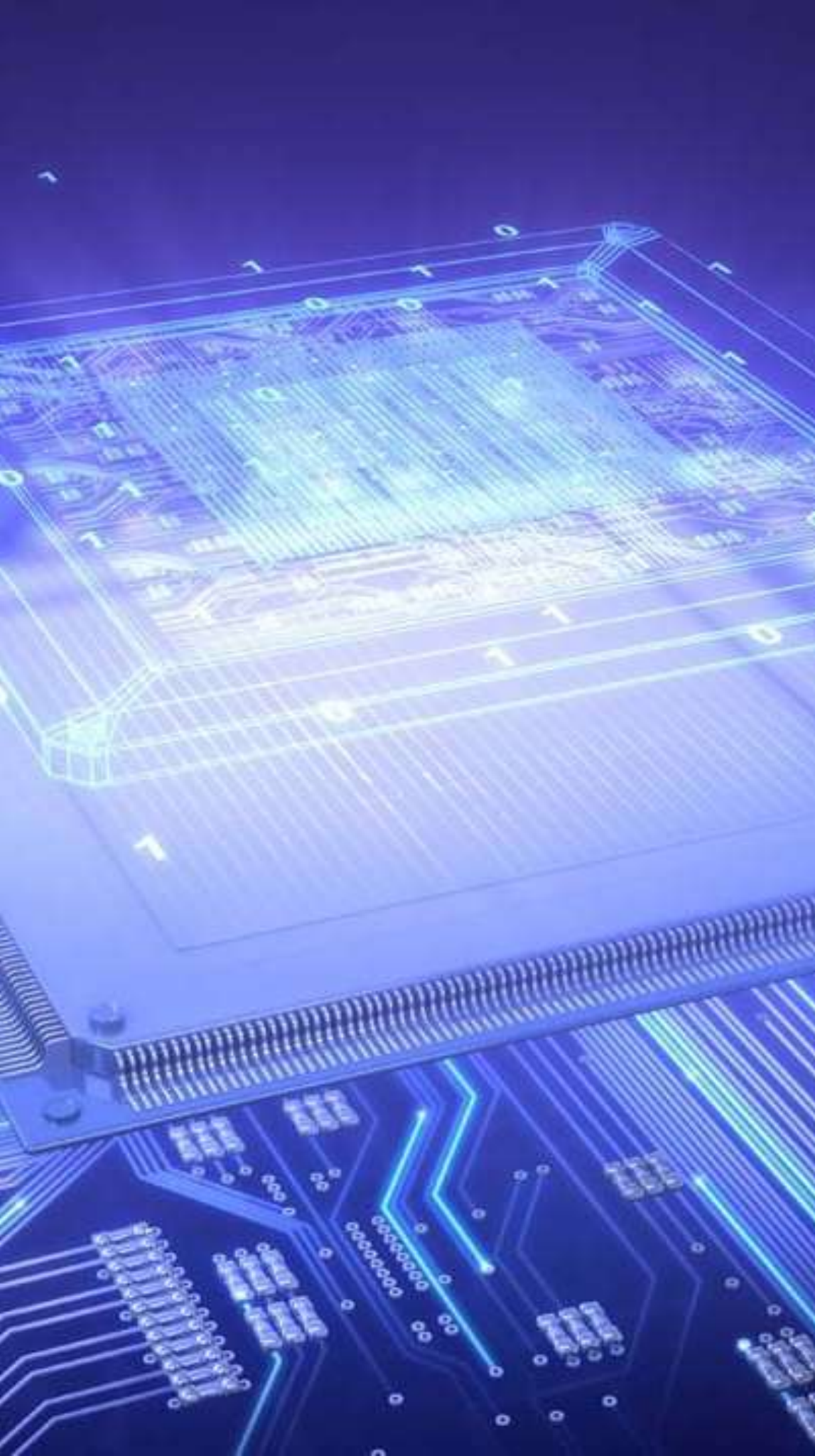
RESTAURANTS AND CATERING



SOUVENIR PRODUCTION



SHOPPING



SECTOR OPPORTUNITIES

ICT

2%
OF GDP

75
INTERNET USERS/100
POP.

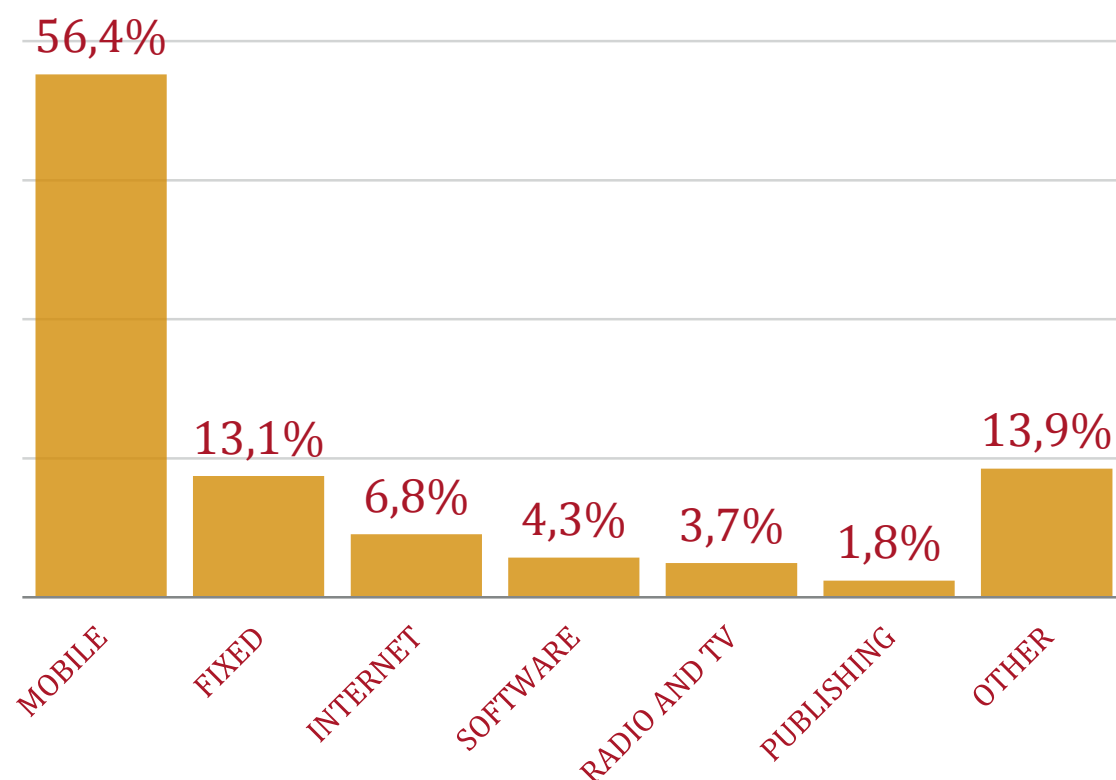
112
MOBILE TELEPHONE
SUBSCRIPTIONS/100
POP.

1.6 BLN AZN
VOLUME OF ICT
SERVICES

15.1%
GROWTH IN VOLUME
OF SERVICES

67
PC USERS/100 POP.

STRUCTURE OF ICT SERVICES



GLOBAL INFORMATION TECHNOLOGY REPORT 2015

LAWS RELATING TO ICT	26/143
MOBILE NETWORK COVERAGE	1/143
GOVERNMENT SUCCESS IN ICT PROMOTION	10/143
ECONOMIC AND SOCIAL IMPACT OF ICT	49/143
ICT USE FOR B2B TRANSACTIONS	43/143
FIXED BROADBAND INTERNET SUBSCRIPTIONS	41/143
ICT USE AND GOVERNMENT EFFICIENCY	10/143
CAPACITY FOR INNOVATION	43/143

INVESTMENT OPPORTUNITIES HIGH TECHNOLOGIES PARK

INVESTMENT PACKAGE 1

REAL ESTATE

INVESTMENT PACKAGE 2

TECHNOLOGY TRANSFER

INVESTMENT PACKAGE 3

STARTUPS AND
VENTURE FUNDS

7

Y
E
A
R
S

0% CORPORATE TAX

0% LAND AND PROPERTY
TAX

0% VAT ON HARDWARE,
TECHNOLOGICAL
EQUIPMENT AND
STRUCTURES IMPORTED
BY RESIDENTS

0% CUSTOMS DUTY ON
HARDWARE,
TECHNOLOGICAL
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SECTOR
OPPORTUNITIES

CHEMICALS

247 M AZN
PRODUCTION
VOLUME

28.9%
GROWTH OF
PRODUCTION

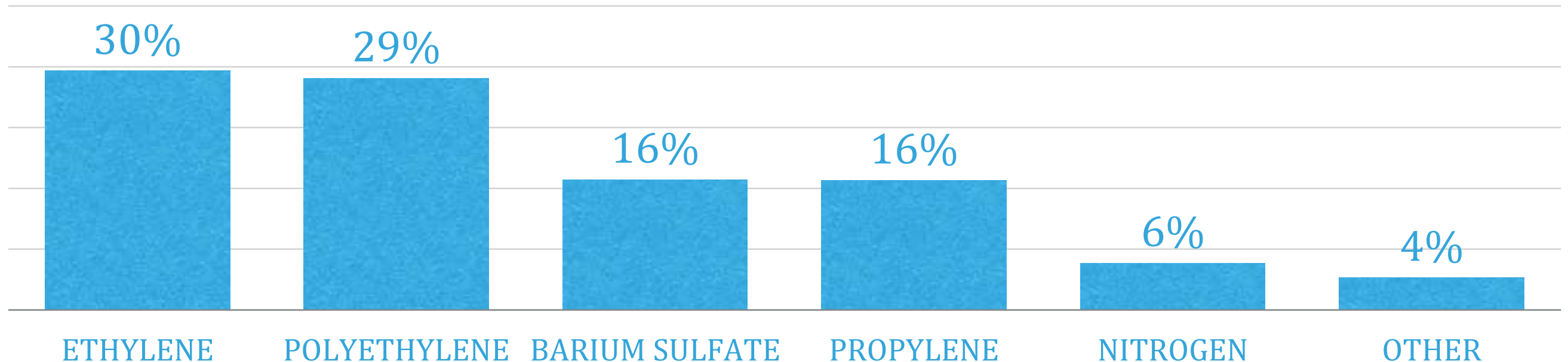
170
ENTERPRISES

6.5 THS
EMPLOYEES

489 AZN
AVERAGE MONTHLY
WAGE

> 500 M USD
CUMULATIVE
INVESTMENTS

MAJOR PRODUCTS



INVESTMENT OPPORTUNITIES SUMGAIT CHEMICAL INDUSTRIAL PARK

INDUSTRIES

- AGRICULTURAL AND MEDICAL CHEMICALS
- CONSUMER CHEMICALS
- CONSTRUCTION INDUSTRY CHEMICALS
- ELECTRONICS AND AUTOMOTIVE INDUSTRY CHEMICALS
- POLYMERS
- PRODUCTION OF INDUSTRIAL EQUIPMENT

7
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INVESTMENT OPPORTUNITIES

- 🔧 NITROGEN, PHOSPHORUS, POTASSIUM CONTAINING FERTILISERS (NPK)
- 🔧 FIBRE GYPSUM BOARDS
- 🔧 BASALT FIBRE
- 🔧 GLASS AND CARBO FIBRE
- 🔧 ACYCLIC ALCOHOLS AND THEIR DERIVATIVES
- 🔧 PVC
- 🔧 CHLORIDES, HYDROXIDES, SODIUM (CAUSTIC SODA) AND CAUSTIC POTASH
- 🔧 CAR TIRES
- 🔧 ENGINE OILS
- 🔧 SINGLE CRYSTAL WAFER
- 🔧 SOAP AND CLEANING AGENTS
- 🔧 HOUSEHOLD CHEMICALS
- 🔧 EPOXY RESINS AND ADHESIVES
- 🔧 MEDICAL DISPOSABLE SYRINGES AND SYSTEMS
- 🔧 ANTIBIOTICS



SECTOR
OPPORTUNITIES

MACHINERY
AND
EQUIPMENT

MACHINERY AND EQUIPMENT

602 M AZN
PRODUCTION VOLUME

290
ENTERPRISES

14.6 THS
EMPLOYEES

> 500 M USD
CUMULATIVE INVESTMENTS

MAJOR PRODUCTS

- | | | |
|----------------------|--------------------------|-------------------|
| ☑ TV SETS | ☑ WELL-CONTROL EQUIPMENT | ☑ TRACTORS |
| ☑ CASH REGISTERS | ☑ ROD WELL-PUMPS | ☑ PASSENGER CARS |
| ☑ ELECTRIC MOTORS | ☑ AIR CONDITIONERS | ☑ TRUCKS |
| ☑ POWER TRANSFORMERS | ☑ REFRIGERATORS | ☑ CAR SPARE PARTS |

INVESTMENT OPPORTUNITIES



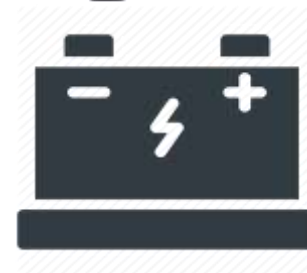
PETROLEUM INDUSTRY
EQUIPMENT



HEATING BOILERS



CAR OIL AND AIR FILTERS



POWER ACCUMULATORS



LED BASED LIGHT BULBS



SMART HOME DEVICES



AGRICULTURAL EQUIPMENT



FOOD INDUSTRY EQUIPMENT



CONSTRUCTION MACHINERY



POWER AND ENERGY
EQUIPMENT

THANK YOU!

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