



The Fourth Annual TEAS Business Forum London

ECONOMIC DIVERSIFICATION IS THE KEY

2014: Year of Industry

**No.4 Hamilton Place, London, W1J 7BQ
WEDNESDAY 5 NOVEMBER 2014**

www.teas.eu | teasbusinessforum@teas.eu

The European Azerbaijan Society (TEAS) serves as a networking and knowledge-sharing platform aimed at fostering business network creation, investment possibilities and strategic commercial alignments. This flagship event will:

- Outline the opportunities and risks when undertaking business and trade in Azerbaijan
- Provide updates on Azerbaijan's investment climate and investors' concerns
- Discuss recommendations for new policies and governance practices to further promote investments in and by international and domestic businesses
- Raise awareness of the non-oil growth sectors in the country, development of which will assist with achieving economic diversification.

Designed to act as a platform to develop business networks and highlight the wealth of business and investment opportunities that exist in Azerbaijan, the conference this year will focus on such topics as the:

- ICT industry
- Financial Services sector
- Energy issues in the region
- Large-scale infrastructure projects area.

The *TEAS Business Forum* will bring together investors, policy-makers, bankers, journalists, analysts, NGO representatives and government executives for an extensive programme, including:

- Challenging and insightful discussion panels
- Opportunities to exchange views with government policymakers and gain access to business leaders
- Facts, expertise and forecasts
- Networking opportunities.

The European Azerbaijan Society – Business Forum 2014
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 Focus on:

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- Energy Updates

BAKU

in collaboration with

Baku 2015
15th EUROPEAN GAMES

BUSINESS FORUM

THE EUROPEAN AZERBAIJAN SOCIETY

No.4 Hamilton Place, London, W1J 7BQ – 5 November 2014

Draft Agenda (Please note: subject to change)

WEDNESDAY 5 NOVEMBER 2014

08.30 Registration

Azerbaijan Means Business: Key Messages to Investors and Businesses – Economic Diversification is the Key

09.00 Official Welcome

Word of welcome: Vanessa Raine – Business Director, UEI

Forum Moderator: John Patterson – CEO, I2Offshore

Keynote Welcome Speech:

- Shahmar Movsumov – Executive Director, State Oil Fund of Azerbaijan (SOFAZ)

Speakers:

- Tale Heydarov – Chairman, The European Azerbaijan Society (TEAS)
- Lord Risby – Prime Ministerial Trade Envoy; Vice-Chairman, All-Party Parliamentary Group for East Asian Business
- Dirk Schuebel – Head of Division, Eastern Partnership – Bilateral (Division for Relations with Ukraine, Moldova, Belarus and the Southern Caucasus), European External Action Service (EEAS)
- Rufat Mammadov – President, Azerbaijan Export and Investment Promotion Foundation (AZPROMO)
- Ilham Aliyev – Deputy Executive Director, Azerbaijan Investment Company (AIC)

SESSION 1: Challenges and Opportunities in the ICT Sector – the New Fuel for the Azerbaijani economy

10.00–10.45

Moderator: Farid Ismayilzade – Founder and CEO, GoldenPay

ICT has become the second-most profitable sector in the Azerbaijani economy, and the Azerbaijani government has put its development at the forefront of its agenda, as the nation seeks to become an ICT hub for the region. The State Fund for the Development of Information Technologies was established in 2012 and operates as a state body with the remit of stimulating the ICT field.

Shahin Mustafayev, Azerbaijani Minister of Economic Development, said: "We will continue to take measures to reduce the dependence of the economy on oil, and will also continue with a balanced development of the non-oil sector."

Professor Dr Ali Abbasov, Azerbaijani Minister for Communications and High Technologies, commented: "The ICT sector has, over the last decade, enjoyed an average annual growth rate of 25–30 per cent. In 2012, the sector grew by 17.3 per cent, reaching approximately US\$2bn." Source: <http://www.the-report.net/azerbaijan/oct2013/704-ict-2013-the-year-of-ict>

Speakers:

- Zaur Hasanov – Director, Trans-Eurasian Information Super Highway (TASIM), Azerbaijani Ministry of Communications and High Technologies
- Azar Bayramov – Deputy Executive Director, Azerbaijani State Fund for Development of Information Technologies
- Chingiz Aliyev – BP Projects Co-ordinator, Sumgait Technological Park
- Eldar Abassov – Managing Partner, InfiPro

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10.45–11.00 Coffee Break

Session 2: Finance, Financial Services and Banking

11.00–12.00

Moderator: Vugar Farman Aliyev – Director, KPMG Azerbaijan

The Azerbaijani government has significantly increased its budgetary expenditure in recent years, due to its continued strong hydrocarbon export revenues. This has facilitated increased growth in other areas, including the financial services sector. Today, this sphere represents around 31 per cent of GDP, leaving it open to investment opportunities.

Azerbaijani banks managed to avoid damage during the international economic downturn, due to limited exposure to credit from abroad. Today, credit is increasing, a new securities market is emerging, and there is growth within the insurance and microfinance sectors.

Most Azerbaijani banks are small, with the remaining state-owned bank, the International Bank of Azerbaijan (IBA), still accounting for 34 per cent of banking sector assets. The privatisation of IBA is under consideration, but although 23 banks have some foreign shareholding, only five are majority foreign-owned.

Topics to be covered:

Regulation and supervision: International standards and good practices have been respected within all institutional frameworks in Azerbaijan, and this will continue to be the case under the Financial Sector Assessment Programme, scheduled to resume in 2014. There are plans to channel resources, destined for non-hydrocarbon sector development, into the economy through private sector commercial banks.

Trade Finance: Trade finance and SME credit lines from external funding agencies are needed in Azerbaijan today, despite the improved access of Azerbaijani banks to international market funding. Azerbaijani banks urgently need capital, and assistance in the form of equity could be the way forward.

Retail banking: Banks are offering a wide range of services and retail banking has increasing importance. Bank products are being offered to customers via the latest technological systems, including internet, mobile and automated banking systems.

Microfinance: The microfinance sector is well-established in Azerbaijan, dominated by Access Bank and FINCA, which account for nearly 50 per cent, although the smaller providers still require funding.

Insurance and leasing: Further regulation is needed in this sector, together with increasing capacity and conceptualising reforms to create a more competitive environment. Leasing does not feature heavily in the market.

Speakers:

- Rashad Orujov – Executive Director, Central Bank of Azerbaijan (CBA)
- Jon Edwards – Deputy Head, Equity Primary Markets, London Stock Exchange
- Fariz Azizov – Chairman, Baku Stock Exchange
- Jhale Hajiyeva – Executive Director, Azerbaijan Microfinance Association (AMFA)
- Neil McKain – Country Manager, European Bank for Reconstruction and Development (EBRD)
- Yevgeniy Soltanov – Vice-President and Head of Business Development and Marketing, Unibank
- Farid Akhundov – CEO, Pasha Bank
- Behnam Gurbanzada – Director, Islamic Banking, International Bank of Azerbaijan (IBA)

Session 3: Keynote Speeches

12.00–12.20

Moderator: John Patterson – CEO, I2Offshore

- Kamran Agasi – Director, Innovations Centre, Azerbaijani State Agency for Public Service and Social Innovations
- William Louis-Marie – Practice Director, Communications, Baku 2015 European Games Operation Committee (BECOG)

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Session 4: Energy – Construction Begins on the Southern Gas Corridor

12.30–13.30

Moderator: Mehmet Ögütçü – Chairman, Global Resources Partnership and Special Envoy of The Energy Charter, Brussels

The Southern Gas Corridor is rapidly taking shape and coming closer to bringing Azerbaijani Caspian gas to the European market. It is important to remember that the Shah Deniz development, necessitating construction of the Trans-Anatolian Pipeline (TANAP) and Trans-Adriatic Pipeline (TAP), are only the initial steps for what is to come. Eventually the Southern Energy Corridor will carry Central Asian, Caspian, Iranian, Iraqi and Eastern Mediterranean gas flows, via Turkey, to high-value international markets.

In June 2013, the State Oil Company of the Azerbaijani Republic (SOCAR) won a tender to take control of DESFA, the Greek public natural gas transmission system operator, outbidding Gazprom in the process. A week later, Azerbaijan and the Shah Deniz Consortium selected TAP over its rival Nabucco West for the transportation of Caspian gas to Europe. The volumes flowing through TANAP will increase from 16bcm³ (bcm) annually, planned for 2020, to 23bcm by 2023 and 31bcm by 2026.

By the end of May, several agreements were signed with Turkey over TANAP to increase the Shah Deniz II stake of TPAO, the Turkish national oil and gas company, to 19 per cent, and the share of BOTAS, the Turkish pipeline corporation, to 30 per cent. TANAP shareholders plan to lay the pipeline's foundation during the second quarter of 2014, and it will be commissioned in 2018. The costs of the TANAP project are estimated at between \$10–11bn.

The main risk to the Southern Gas Corridor comes from its competitor – the prospective Russian-led South Stream Gas Pipeline. However, the Bulgarian Prime Minister has ordered a halt to construction work on this pipeline project, which was planned to bypass Ukraine as a transit country and consolidate the Russian energy grip on Europe.

It is a bigger game, coupled with huge opportunities and risks, both geopolitical and economic. The game is not over yet – it requires integrated management of energy, geopolitics, finance, investment and human capital.

Speakers:

- Christopher Pincher MP – Chair, Azerbaijan All-Party Parliamentary Group and Member of the Energy and Climate Change Select Committee
- David Merkel – Former Deputy Assistant, US Secretary of State for European and Eurasian Affairs and Professor, Azerbaijan Diplomatic Academy
- Rufat Afandiyev – UK Director, State Oil Company of the Azerbaijani Republic (SOCAR)
- Joe Murphy – Vice-President, Southern Corridor, BP
- Lisa Givert – Head of Communications, Trans-Adriatic Pipeline (TAP)
- Magsud Mammadov – External Relations Manager, Trans-Anatolian Pipeline (TANAP)

13.30

Closing Comments

End of Forum: Networking Lunch

B2B meetings 15.00–17.00

Interested companies are kindly requested to register with:
Vanessa Raine
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