

*For the Business Forum Paris 2015 by TEAS France*  
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## **Azerbaijan: the strategic partner of France and Europe**

### **Honorable guests, ladies and gentlemen!**

First of all, I welcome all of you, and deliver my deepest gratitude to organizers, especially to The European Azerbaijan Society (TEAS) and Business France, for the cordial hospitality and for the invitation to this esteemed event.

I would like to note that these kinds of events are very important in terms of realization of new cooperation opportunities in business sphere. Fortunately, recently business forums and meetings between Azerbaijan and France are held regularly both in the framework of high level and other visits, accordingly we witness constructive outcome of these events. I believe that the discussions to be hold during the today's event, in its turn, will contribute to the expansion of economic ties between Azerbaijan and France as well as to revealing new cooperation opportunities in non-oil sector, which is priority for us.

### **Dear participants!**

The cooperation with European countries is one of the main directions of Azerbaijan's foreign policy. It is not surprising that about the half - 47% of Azerbaijan's trade turnover is with EU countries. In this regard, further

deepening bilateral form of cooperation with EU Member States as well as Europe's leading country France is significant for both sides.

Economic relations between Azerbaijan and France have taken developing tendency based on the mutually beneficial partnership principles. It is worth mentioning that all main and necessary prerequisites, also broad legal basis for economic cooperation has already been ensured. Our countries have concluded 63 documents; about 30 of them being in economic sphere. Especially, in the last year we have accomplished the signature of more than 10 economy related documents.

France is one of the essential trade partners of Azerbaijan. The volume of our trade turnover for 2014, rising by 8%, reached US\$ 1,7 billion.

Financial cooperation has prospered and covering various fields was more than US\$ 1 billion.

Mutual cooperation in investment activity presents one of the significant branches of economic ties. The amount of investments made by France in Azerbaijan has amounted to US\$ 2,4 billion, including US\$ 2,2 billion investment allocated to oil and gas sector.

Moreover, investments made by French companies in non-oil sector of Azerbaijan's economy amounted US\$ 150 million. In addition, this amount comprises 1,9% of total foreign direct investments in non-oil sector setting France in 9<sup>th</sup> place among foreign investor countries. Undoubtedly, this result doesn't satisfy us, and taking into account the priority given to non-oil sector and the present potential, we consider important to expand the cooperation significantly in this direction.

In its turn, Azerbaijan has also been engaged in investment activity in France. The State Oil Fund purchased the real estate in Paris worth of 135 million Euros.

50 companies based on French investment are operating in Azerbaijan in agriculture, transport, industry, construction, banking and other spheres. Those companies have participated in US\$ 1,8 billion-valued 25 projects in Azerbaijan, executed on state funding, as contractors. The mentioned projects cover wide specter of economic relations.

Accordingly, the project of placing Azerbaijan's first telecommunications satellite in space in cooperation with ARIANSPACE, the construction and exploitation of municipal solid waste incineration plant project with Cnim, improvement of power transformers system project with Alstom and the development project of metro with Sistra have been implemented, moreover Airbus and ATR production airplanes have been purchased.

During the French President's visit to Azerbaijan last year about 10 commercial contracts, total value of which is measured in billions of dollars, were signed among our companies as well as Azerbaijan-France Trade and Industry Chamber was constituted with the participation of influential Azerbaijani and French companies.

**Dear ladies and gentlemen!**

Political and macroeconomic stability in Azerbaijan, continuous development of economy, favorable business environment create great

opportunities for enhancing mutually beneficial cooperation between entrepreneurs.

Within the last 10 years GDP of the country has grown by 3.0 times, investments 4.6 times, the revenues of the state budget 12.2 times, foreign trade turnover 4.3 times, at the same time poverty rate has decreased 8 times and makes now only 5 % and unemployment was 4.9%. Additionally, currency reserves exceeded US\$ 50 billion; foreign debt-to-GDP ratio is 8.6%. In the last 10 years non-oil economy increased 2.5 times, the share of non-oil sector in GDP rose from 37% to 68%.

The economy of Azerbaijan has grown 5.3% in the first quarter of this year, including the 7% growth of non-oil sector, despite of non-stability in energy markets and twofold decline of oil prices in last one year.

Generally, up to the date more than 200 billion valued investments were attracted to our country, nearly half of which are foreign investments. Just last year about US\$ 28 billion investments were dedicated to the state economy totally, including US\$ 11,5 billion foreign investments.

The achievements of Azerbaijan during last 10 years have also been appreciated highly by international organizations; ratings of our country have been improved continuously in the reports.

The main agencies- Fitch Ratings, Standard & Poor's and Moody's have raised Azerbaijan's sovereign rating to investment rating even in the crises years.

In the report of the World Competitiveness 2014-2015 Azerbaijan fixed itself at 38<sup>th</sup> place among 144 countries and it is almost 6 years that we are the number one among CIS countries.

Currently, Azerbaijan economy represents more than the 75% of the economy of South Caucasus.

**Honorable event participants!**

Today our main goal is the achievement of innovative novelties in the development of non-oil sector. Twofold increase in the amount of GDP by virtue of the growth in non-oil sector is projected following the implementation of the measures provided for in “Azerbaijan 2020: Look Into The Future Development Concept”.

New opportunities were provided for foreign investors in this regard. New industrial parks are being launched in the country in order to develop non-oil industry. Certain incentives in taxation and customs regimes will be accorded to entrepreneurial entities, which will reside in those parks.

I think that French companies can be attracted to active investment activity in non-oil sector, especially industry, agriculture, ICT, tourism, ecology and alternative energy in our country benefitting from such privileges.

Once again I welcome all participants, invite the businessmen to take advantage of the existing opportunities and wish all of you successes in your activities.

Thank you for your attention.