

Azerbaijan

1st Expert Group Meeting on Developing Euro-Asian Transport Linkages

Almaty (Kazakhstan), 9-11 March 2004.

Ladies and gentlemen,

It is my honor to greet all the participants of the Expert Group on Development of Euroasian Transport Corridors and wish them success.

I would like also to thank the organizers of the meeting.

As you know Azerbaijan is situated on the crossing of transport corridors which play an important role for the economies of Central Asia. Transport system of our country has a great potential.

Democratic reforms which were implemented, stable political situation and market economy contribute to the process of mutual cooperation between our country and the countries of the Region.

Azerbaijan has already defined main directions of its transport strategy:

- Infrastructure Development and creation of the efficient transport system
- Integration to the International Transport System
- Development of the International Transport Corridors with TRACECA and North – South as priorities
- Facilitation of Border Crossing Procedures, creation of the more flexible tariff policy and harmonization of the transport legislation
- Development of the Information Network and the system of control and monitoring of transportation

Our goal is to create the unified Euroasian Transport System which would provide the cooperation within Region, promote international trade and improve the social economic indicators.

The Ministry of Transport of the Republic of Azerbaijan is an organization which is in charge of implementation of State Transport Policy concerning all modes of transport (railways, road transport, maritime transport and civil aviation) and regulating of multimodal transportation.

Regarding the recent formation of Ministry of Transport it is important for us to take into account international experience, concerning realization of these tasks in the context of unified transport policy. Therefore we are monitoring the activity and methods of the countries with more developed transport systems.

Within the period of 1996-2003 the average annual indicator of national goods transportation increased by 15 %.

One of the most important elements of effective transitional transportation system is regional cooperation, therefore Azerbaijan participates actively in the activities of regional organizations and projects (ГҮҮАМ, ЭКО, ОЧЭС etc).

One of the results of such cooperation is TRACECA Programme, in the framework of which some steps towards creation of the more favorable transit environment are being undertaken. On the other hand, Azerbaijan invoked international community to undertake effective measures to guarantee effective operation of all routes of TRACECA corridor.

We approve measures towards the implementation of new communicative technologies aimed to minimize transport elements and support the idea of establishment in Baku the Logistics Center on oil transportations in the framework of TRACECA programme.

Azerbaijan supports the principals and goals of SPECA and realizes that the implementation of them would contribute to the regional cooperation and development of the international trade.

There is great potential in our region which should be used to improve the living conditions of population, but the main obstacle towards the realization of this goal is regional conflicts.

In the result of the military aggression of Armenia our country lost 20% of its territory whereas more than one million of our citizens became refugees. In the

occupied regions armenian squads completely destroyed transport infrastructure, including 178 km of railways and 540 km of roads.

The occupation by Armenia the part of our transport infrastructure is the main obstacle towards the full scale integration of our Republic into the North – South Project.

It is obvious that the cooperation between Azerbaijan and Armenia would be possible only after the liquidation of consequences of occupation and removal of armenian troops from our territory.

One of the most important directions of our transport policy is the creation of infrastructure system based on international standarts and formation of the effective transport system which could be successfully integrated into the international transport projects.

Nowadays the reconstruction of the most important segments of TRACECA corridor: Baku – Kazah (Azerbaijan – Georgia border) 503 km ; and North – South corridor: Baku – Kuba (Azerbaijan – Russia border) 208 km and Astara (Azerbaijan – Iran border) are being financed.

It is planed to spend 263 mln \$ on these projects during 3 year period, including 230 mln \$ of credits from the international financial organizations and 33 mln \$ from the Government of Azerbaijan.

More than 200 mln \$ will be spent on reconstruction of the most important railway segments, formation of the technical base and introducing telecommunication technologies into the railway management process.

In the field of civil aviation, according to the development plan, the planes will be modernized and competitiveness of airlines should be enhanced. At present 6 airlines are operating in the market, 2 of them are private. Out of 5 main airports 3 are international.

International Maritime Trade Port of Baku, established in 1902 is the only Port of Azerbaijan Republic which has relations with all Caspian countries and access to the international markets through Volga – Don and Volga – Baltic channels.

This Port is the link between Georgian ports on Black Sea and the Republics of Central Asia and it is also an important transport center of TRACECA corridor.

Port has the lowest tariffs among the other Caspian ports.

The investments into the maritime transport would help to create the balance between the transportation potential of railway and that of shipping which is very important for the development of TRACECA corridor.

In conclusion, I would like to wish all participants of this meeting success in realisation of their plans.

Thank you very much for your attention!