

AZERBAIJAN' S ROLE IN TRANSIT TRANSPORTATION OF EURO-ASIAN REGION

(Statement by the, Head of TRACECA and International Projects Unit, International Relations Department of the Ministry of Transport of the Republic of Azerbaijan Elmar Farajov at Second Preparatory Conference to the 16th OSCE Economic and Environmental Forum, Ashgabad ,6-7 March 2008).

Dear Mr. Chairman!
Distinguished colleagues!
Ladies and Gentleman!

Let me on behalf of the Ministry of Transport of the Republic of Azerbaijan great the Secretariat and Conference participants wish them the fruitful work and further success, as well express gratitude to the leadership and people of the Turkmenistan for the warm hospitability.

The integration of the Republic of Azerbaijan into the global economy and expansion of the foreign trade is required the full use of the transit opportunities of a country, active governmental support to the transit projects, simplification of the border and customs technologies to speed up the transit transport, harmonization of the transit and international multimodal transport, introduction of the integrated management and joint border control, exchange of information related to the transport and trade along the entire corridor, facilitation of the border crossing procedures and formation of the common legislative framework for the transit transport.

Given to the favorable geographic location of the Republic of Azerbaijan, a key attention of on going transit policy is regular growing trade turnover and economic interest of the consumers.

Trade and transport between Asia and Europe continues to rise sharply every year. So far, Euro-Asian traffic has mainly used maritime routes as they were deemed more reliable and competitive than land routes.

However, in light of liberalized economies, growing trade and increasing congestion in major Asian and European ports, governments and international organizations in the Euro-Asian region now consider that inland transport links can offer additional transport options to existing and future trade flows between Europe and Asia, as well as facilitate participation of national economies in the global economy. Better links from ports to inland destinations are also needed to sustain further projected growth in merchandise trade.

The main transit policy of a country is the creation of the transport infrastructure promoting to connect the Trans-European and Trans-Asian transport networks, meaning the shortest, fastest and the most economically effective transport connection.

Given to the location of Azerbaijan at crossroads of North-South and West-East and aiming at raising the competitiveness of the transit transportation, I suggest to establish in Baku the OSCE Coordination Center to constantly and regularly carry out the investigations, researches and studies in the field of safe and secured maritime transportation within the Caspian Sea Basin, environmental monitoring to protect the sea biodiversity, fauna and flora. Opening of the Coordination Center in Baku will promote and stimulate to the better search and rescue activities at the Caspian Sea, as well to conduct the seminars, workshops and training courses to prevent and respond the oil spill emergencies.

The construction of the missing 101 km long Kars-Akhalkalaki railway connection line and the railway tunnel within Bosphorus strait (Marmara project) connecting the trans-European and trans-Asian railway networks as well upgrade of its Azerbaijan railway segment meeting to advanced requirements and the construction of New Baku International Sea Trade Port will be resulted to significantly raising of the competitiveness of the Europe-Caucasus-Asia (TRACECA) international transport corridor and transit capacity of countries in a region

In 2007 29 % of the entire transport volume by all the modes of transport was carried through TRACECA international corridor, out of which 23 % was goods in transit. The goods transported along TRACECA corridor being increased comparing with 2000 in 1.6 times, and transit in almost 1.2 times.

Azerbaijan creates the essential conditions for the simplification of the customs clearance and documentation required for the transit transport, undertakes the measures.

The transit policy of the Republic of Azerbaijan as an essential factor for the transport sector defines its strategy.

The accession of the International Conventions and Agreements is playing an extremely important role in defining the transit policy and its practical implementation to uniform it. The Republic of Azerbaijan has acceded to the several Conventions regulating the custom issues in the field of transit. The accession of the Republic of Azerbaijan to the Conventions regulating the transit issues are substantially increased the trade turnover and transit transport.

Besides, a key problem, which negatively impacts to the transit capacity of a country and expansion of the global trade, is occupation of 20 % territory of the Republic of Azerbaijan by Armenia.

Currently, the Transit Strategy of the Republic of Azerbaijan is in a process.

In the recent years the relevant activities are on going to simplify the border crossing procedures for individuals and vehicles, as well create new border posts, and improve their logistics and infrastructures. A high priority is the further development of the border crossing infrastructures. The customs infrastructures have been expanded at all border crossing posts and the relative infrastructure facilities are modernizing in accordance with the advanced requirements, the capacity of the border crossing posts are increasing through installation of the latest technologies, their management and administration is bettered through the use of the advanced information technologies in obtaining the relevant data for clients.

The Republic of Azerbaijan is taking part at the sessions of the National Working Groups for the trade and transport facilitation within the framework of TRACECA Program. The project in terms of the harmonization of the border crossing procedures is implementing under the Working Groups. This project is aiming at improving the infrastructure and state-of-art of the border posts, capacity building for the control authorities' staff and simplifying the control functions.

Besides, for the purpose to improve the registration procedures for individuals and vehicles and the infrastructure of the border posts according to the international standards, the following measures are required to implement:

- create the additional operational lines for the vehicle control (by separating the traffic flows into cars-buses-trucks) equipped with the relative engineering facilities;
- provide the specific watch and control devices to all vehicle control groups; and
- enhance the professionalism of the staff of the border post

In the recent years as the development of the transport infrastructure of Azerbaijan the several projects for the rehabilitation of highways have been developed and implemented with the assistance of the international financial institutions.

The Nakhichevan and Ganja International Airports are fully reconstructed and commissioned, which enable to arrange the international flights and process the international cargoes. The International Cargo Terminal is commissioned at Heydar Aliyev International Airport.

In the past time Baku International Sea Trade Port is reconstructed on an account of the domestic resources. The Maritime Station and Berth of the Ferry Terminal are also upgraded.

For the purpose to increase the freight flow after the construction of Baku-Tbilisi-Kars railway line and partial elimination of congestion in the city, the President of the Republic of Azerbaijan has signed the Decree to move the existing port and construct New International Sea Trade Port at Alyat settlement. The displacement of the sea port will be happen in 3 stages. The first stage will cover 2008 to 2011, second one - 2011 to 2013, and the third one is 2013 to 2015. According to the preliminary estimate, about US\$ 450 million investment will be required for the construction of the new maritime port. According to the project, at the Port there will be 14 berths, 6 of which will be erected on the first stage – from 2008 to 2011. The new port that will be constructed according to the international standards can take 11.6 million tones of cargoes by 2015.

Road, rail and maritime routes can provide time and cost effective transport between the two continents. It will not only relieve port congestion, but also contribute to the economic development of countries along the Euro-Asian transport links, including landlocked developing countries.

Let me once again wish to the Conference delegates good luck!

Thank you for your attention.