

**Distinguished vice-minister and heads of delegation!**  
**Dear Meeting participants!**  
**Ladies and Gentlemen!**

On behalf of the Ministry of Transport of the Republic of Azerbaijan, I would like to greet all the participants of the 19<sup>th</sup> session of SPECA Project Working Group on Transport and Border Crossing express my appreciation to the Ministry of Transport and Communications of the Republic of Kazakhstan and to extend my gratitude to Mr. Azat Bekturov for generous reception, warm welcome and for excellent arrangements made to ensure successful work of the meeting., which provides us with the opportunity to discuss the activities implemented and consider the issues encompassing future joint activities

The Republic of Azerbaijan attaches great importance to the joint efforts aimed at improving transport links and implementing important regional projects, in particular for increasing competitiveness of international transport corridors, upgrading and developing infrastructure, ensuring safety, facilitating border crossing and pays special attention to improving the regulatory framework.

Azerbaijan attaches importance to regional transit cooperation within TRACECA corridor, which is involved in gradually developing trends of trade and economic development. Major traffic flows passing through a corridor formed on the one hand, in Western and Central Europe, and on the other - in Central and South-East Asia, while Azerbaijan's territory serves as the main segment for this transportation.

With a view to facilitate transit on the East-West corridor, by fostering cooperation among transit countries, Azerbaijan, Turkey, Kazakhstan and China put efforts to realize Silk Wind project, aimed at attracting additional traffic flow to the TRACECA corridor, through establishing regular, efficient container route and providing complex logistics services and applying information exchange system between customs administrations and participants of shipping chain

Infrastructure development along the international transport corridors passing through the territory of the country, enhancement of relations with the countries of the region and the improvement of transport safety are of core importance. In order to facilitate border-crossing procedures and reduce the waiting time on border-crossing points, which contributes to the shortness of delivery time, "Single Window" principle is applied since the beginning of 2010.

As participant of Baku-Tbilisi-Jeyhan and Baku-Tbilisi-Erzurum gas pipeline projects, Azerbaijan is under the process of realizing Baku-Tbilisi-Kars new railway link project. The project aims the construction of 101 km railway connection linking Tran European and Trans-Asian railway networks and the rehabilitation of 160 km existing railway infrastructure in Georgia. Implementation of the project started with the signing of the Intergovernmental Agreement on "Baku-Tbilisi-Kars new railway connection" and the its founding ceremony was on 7 February 2007 in Tbilisi.

The Baku (Azerbaijan) – Tbilisi (Georgia)-Akhalkalaki (Georgia) – Kars (Turkey) railway, is a regional rail link project to directly connect Azerbaijan, Georgia and Turkey. This Railway Link will be an important route for transportation by Europe-the Caucasus-Asia (TRACECA) corridor and considers the construction of 101 km railway route as a missing link for the connectivity of Trans-European and Trans-Asian Railway networks in the Caucasus, as well as the rehabilitation of 160 km of railways in the territory of Georgia. The Project also includes the rehabilitation of 503 km Baku-Georgian border railway route. The construction works on Georgian territory are financed through the loan of 775 million U.S. dollars allocated by Azerbaijan

After Baku-Tbilisi-Kars new railway line project becomes operational, annual cargo volume on this route is projected as follows:

3rd year in operation - 3 mln. tonnes;

5th year in operation - 6-8 mln. tonnes;

8th year in operation - 10 mln. tonnes and more.

International passenger services will also be provided on this route out and currently rolling stock options are being discussed between experts of Azerbaijan and Georgia.

A number of problems, particularly difficult landscape and severe climate caused necessary changes and other objective and subjective reasons resulted in certain pauses in project implementation. The project and the line are currently expected to become operational in 2015. As well as, this project was included in the Final Report of the Trans-European railway projects Master Plan developed by the United Nations Economic Commission for Europe, as a project of first priority.

Along with aforementioned, reconstruction of 503 km long Baku-Georgian border railway route as the part of Baku-Tbilisi-Kars in the territory of Azerbaijan, construction of New International Sea Trade Port Complex in a settlement of Baku, as well as the construction of a tunnel in Bosphorus will contribute to boosting the competitiveness of Europe-the Caucasus-Asia international transport corridor, increasing the speed of trains, shortening the delivery time of passenger and goods, assuring profitable and safe use of railways, and create appropriate conditions for delivery of goods from China and Far East and inversely, passing through Central Asia and Caucasus.

The new port area – Alyat settlement of Baku city is about 70 km distance from the capital and is located on the intersection of “East-West” and “North-South” transport corridors with direct access to main railways and highways of the country. The Port will cover the 400-hectare territory, including 100 ha for the International Logistics Centre. Construction of the port will be conducted by three stages.

- At the first stage its total capacity will reach 10 million tons of cargo and 40,000 containers a year. Stage I (2012-13) envisages construction of two ferry and three cargo bridges for acceptance of containers, Ro-Ro and usual dry-cargo (universal) vessels. The constructed of the first stage is expected to

be finished at the end 2014 and from this date the new port will be operational;

- the second stage 17 million tons and 150,000 containers. Construction of three more cargo bridges;

- the third stage 25 million tons of cargo and 1 million containers. Construction of two more cargo bridges.

Ensuring unhindered and uninterrupted maritime transportation on East-West corridor is an important issue. In this context, 12 tankers with 13 000 tons capacity and 6 ferries with 52 and 54 railcar capacities were purchased.

The location of the port on the cross point of main transit cargo transportations creates available condition for a logistics centre in this area.

The Logistics Centre is proposed to be constructed by financial assistance of European Union in the territory of New Baku Sea Trade Port Complex that is currently under construction. The proposed Logistics Centre will be situated in a strategic area, on the cross point of highway and railway routes along East-West and North-South transport corridors.

In order to modernize the transport system and increase transit potential of the country a number of projects are implemented.

Since 2003 Baku-Iranian Border, Baku-Georgian border, Baku-Russian Federation border highways are constructed and reconstructed with application of modern technologies.

The overall length of motorways of the country is 18 994 km. 1915 km has international, 2725 km has republic significance. The 14 354 km of the rest is of local importance.

In the last 10 years, 4.5 thousand kilometers of motorways was constructed and renewed. The construction and reconstruction works are implemented from both budget resources and loans of international financial institutions. Overall estimation of loan agreements is \$ 5.6 billion. In the amount of 2.8 billion dollars was used. The amount of funds by the Azerbaijan Government for road infrastructure is \$ 7.3 billion.

806.1 km long highway construction and reconstruction is done. 460.5 km of these highways is constructed by the loans of international financial institutions, 345.6 km by own resources of the country. Currently work is done on 870 km long highway. 746 km of this is implemented by the loans of international banks.

The 194 km long Baku-Russia border highway is being reconstructed and covered with asphalt and concrete, and the concrete part of the more than 134 km ready for use. It is anticipated to finish the construction works along TRACECA and North-South corridors soon.

The reconstruction of existing roads, construction of 2 ring roads, a lot of overpasses, bridges and pedestrian crossings are being continued with the purpose of improvement of urban transport system of Baku. Since 2003, 57 traffic junctions, road facilities and 51 surface and underground pedestrian crossings have been completed.

“Intellectual Management system of Transport Operations” project is implemented in order to create optimal management of transport systems, ensure the safety, reduce traffic jams and increase the traffic capacity of urban roads. The system will cover not only Baku, but also whole Absheron peninsula.

In total, during the years 2003-2014, the investment in transport sector has amounted to \$21 billion, including \$13,6 billion to road transport, \$1,3 billion to maritime transport, \$2,7 billion to aviation.

With the purpose of improvement of urban transport system, reconstruction of existing motorways in Baku, 3 ring roads, number of bridges and passages, pedestrian crosswalks is continued. Since 2007, 11 large transport hubs, road installations and 21 over ground and underground pedestrian crosswalks were built.

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Numbers of projects are implemented for assuring future development and sustainability of country’s transport system, increasing competitiveness of international transport corridors, ensuring safety in transport, improving transport services and overcoming physical obstacles.

To ensure the better quality of transport services, lately, 4 modern international airports were given for operation and international bus terminal was built to provide the passengers with necessary services.

Azerbaijan strives to ensure that the outcomes of implemented projects contribute to the development of competitiveness and attractiveness of the transportation through its territory to facilitate further trade liberalization and reduction of barriers in the path of goods along the whole corridor.

### **Dear participants of the meeting!**

Emphasizing importance of the issues included in the agenda I hope that constructive decisions and clear targets for near future made at the meeting will create conditions for steady development of transport system in the region and we do believe that the vast transport projects being implemented on Azerbaijan’s initiative today are not only for favour for Azerbaijan. They represent a great value also in terms of regional cooperation too.

Once more, I wish all the participants of the meeting successful and efficient work.

**Thank you for attention.**