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REPLIES TO THE QUESTIONNAIRE ON TRANSPORT DEVELOPMENTS

Transmitted by the Government of Azerbaijan

I. GENERAL TRANSPORT POLICY ASPECTS

A. Developments with regard to your Government's policy objectives for inland transport as a whole and for special sectors (road, rail, inland waterway, urban transport, etc.) as well as external objectives (land use planning, regional development, etc.) to the extent they are related to transport

1. The transport policy of Azerbaijan is founded on the principle of sustainable development of the transport system.
2. A sustainable transport system is characterized by the following criteria: safety, environmental friendliness, mobility, efficiency, competitiveness, accessibility, regularity, comfort, traffic and carrying capacity, and reduced operating expenses.
3. The main aims of State transport policy are to achieve more sustainable, higher-capacity transport infrastructure in order to meet demand for transport services and facilitate integration in the international transport system and to carry out structural reforms aimed at strengthening State regulation and direction of what is a natural monopoly, lowering the transport costs of production, setting economically-based tariffs and increasing competition between transport enterprises.

B. Organizational developments with regard to measures for achieving transport policy objectives, e.g. the structure, functioning and competence of the public administration responsible for transport policies and the relationships of this administration with other administrations (national, regional, local) and with transport enterprises

4. Azerbaijan's unified transport policy is set out in a whole corpus of State documents - the transport policy framework, the transport strategy, the integrated programme for the development of the transport system - that incorporate the directions for the development of both individual transport sectors and their infrastructure.

5. The implementation of State transport policy lies within the purview of the government body responsible for transport administration: the Ministry of Transport of Azerbaijan. In performing its functions with respect to State regulation and direction in the field of transport, the Ministry's activities involve, first and foremost, execution of specific programmes for the drafting and introduction of legal standards, and application of those standards; certification of transport enterprises; licensing; training; and implementation of the unified transport policy in all transport sectors.

C. Policies adopted or action taken by public authorities to enhance safety (users, personnel and third persons) and reduce adverse environmental impact of various modes of inland transport

6. In order to ensure the safe functioning of transport and protect the environment, checks are carried out of compliance with the regulations governing the use of equipment. These regulations are taken into account in certifying equipment, licensing transport activities and introducing modern systems for inspecting the technical state of vehicles.

7. The process for writing off vehicles that cannot be made safe and reliable through repairs and routine maintenance has been expedited.

8. Efforts have been made to upgrade the skills of the personnel who service transport equipment and those responsible for its condition during operation and to increase their sense of responsibility.

9. Measures have been taken to strengthen the protection of transport activities from unlawful interference.

D. Action taken and provisions made by public authorities to promote a rational use of available transport capacity (e.g. to give a better distribution of traffic between collective and individual transport) including measures carried out to encourage the use of urban public transport and to reduce the use of individual motor vehicles in urban areas

10. One of the priorities for ensuring that the needs of the population in the field of transport are met is the development of urban and suburban passenger routes using passenger transport vehicles.

11. On the recommendation of the Ministry of Transport, operators of public passenger transport routes in the city of Baku are replacing very low- and low-capacity buses with medium- and high-capacity buses. This will lead to an increase in the number of passengers carried by public transport and a reduction in the number of individual motor vehicle users.
12. Another priority is the development of the road network, which has proceeded more rapidly of late.
13. The very essence of the market economy supposes that inefficient enterprises must go under, departing the scene and ceding their place to those that offer a better price-to-quality-of-service ratio. This also applies to the transport sector, in which this process is under way.

E. Measures to promote a rational use of energy in transport

14. Economic mechanisms are stimulating the production and use of environmentally safer forms of fuel (petrol with improved environmental characteristics, diesel with reduced sulphur content (in the order of 0.01% by volume)), the utilization of bioingredients in petrol and diesel, the use of compressed natural gas and methanol, and so forth. It is important to increase the fuel economy of motor vehicles. The car factory in Gäncä already has the technical capacity to produce motor vehicles with a fuel consumption of approximately 3 litres/100 kilometres. However, these vehicles are expensive. It is simpler to reduce the fuel consumption of motor vehicles already in use by limiting their speed, improving the information provided to drivers on the roads, enhancing traffic regulation and rationalizing transport operations; this is being done by the appropriate authorities.

II. ECONOMIC, TECHNOLOGICAL AND OPERATIONAL ASPECTS

A. Major technological developments with regard to existing infrastructures, transport equipment, traffic control, etc., including in particular traffic control measures in urban areas

15. There is a presidential decree on the development of the national transport system. Pursuant to the decree, the renewal of transport equipment and the reconstruction of the Azerbaijani transport system as a whole are now proceeding rapidly. It is intended to completely replace the 503-kilometre railway line between Baku and the Georgian border and all equipment on this route for the operation of express trains. It is also planned to renew suburban trains that run through urban areas and along the Caspian Sea coast.

B. Measures to improve the profitability and productivity of transport operations

16. The following measures are being taken, among others, to improve the profitability of transport operations:

Adoption of a flexible tariff policy;

Introduction of new technologies, including an intelligent transport system;

Construction of new terminals;

Simplification of border-crossing procedures.

C. Progress achieved with regard to integrated services of different transport modes for passengers and goods (car-carrying passenger trains, containerization, palletization, piggyback), and improved efficiency for transfer operations (commuting, links with airports, collection, handling and distribution of freight at ports and other major centres)

17. Freight turnover for all transport modes:

In 2005, freight turnover was 26,534 million ton/kilometres;

In 2006, freight turnover increased by 62%, to 43,137 million ton/kilometres.

18. Passengers carried by all transport modes:

In 2005, the number of passengers carried was 1,000,280,000;

In 2006, the figure increased by 6%, to 1,063,343,000.

19. It is clear from the statistics that freight transport has increased significantly, and it can therefore be stated that progress has been achieved in transport as a whole.

20. A project has been developed with a view to achieving higher-speed links with Heydar Aliyev International Airport, and work has begun on widening the roads leading from the city centre to the airport and increasing the speed from 80 kilometres per hour to 150 kilometres per hour, which will allow for faster and smoother travel to and from the facility.

D. Urban and suburban transport plans and the problems arising in relation to the interaction between them

21. The flooding of the country with imported cars has slowed traffic movement significantly, both in the centre of Baku and in nearby districts. In this connection, active efforts are under way to widen roads, construct bridges at intersections of main arterial roads and build car parking.

E. Identification and localization of permanent traffic impediments (bottlenecks, saturation of certain roads, operational difficulties)

22. The main impediments to normal traffic movement have been identified. A presidential decree aimed at eliminating these impediments has been issued. The decree provides for the construction of 9 bridges (4 are now in use), 13 pedestrian subways (3 are in use) and 2 ring roads (construction is under way); building of a new trading port; acquisition of various types of new vessel; and reconstruction of 3 local airports.

F. Research activities in the field of economics which might be of significance to other member countries

23. Research is being conducted into increasing competitiveness in transport and simplifying border-crossing and customs procedures.

III. INFRASTRUCTURE ASPECTS

A. Developments with regard to the planning or realization of major transport infrastructure projects (road, rail, inland waterway, pipeline, domestic or international) as well as improvements to existing infrastructure

24. Azerbaijan is striving to achieve integrated development of all modes of transport infrastructure with a view to increasing capacity in this area. In this connection, it is seeking to attract investment in the transport sector, introduce progressive methods and avoid being left behind by the rapid development seen in the world transport system. It is also showing initiative through its active participation in transport corridors.

25. The main directions for the development of transport infrastructure in Azerbaijan are as follows:

(a) Phased renewal and modernization of the national transport system's fixed productive capital, and enhancement of passenger and freight transport safety;

(b) Introduction of information-management systems, and modernization of automated devices, communication equipment and energy supplies;

(c) Completion of the establishment of a single road network, and integration of the network with international road systems in Europe and Asia;

(d) Modernization and development of approaches to major cities, construction of bypasses, and development of a network of local roads to connect population centres with the public road network and address the social problems of the rural population;

(e) Optimization of the number of international and hub airports, and far-reaching modernization of productive facilities at key airports;

(f) Development of port infrastructure, and enhancement of the capacity of the Caspian Sea fleet.

26. It must be noted that much has been done to develop transport infrastructure on the Azerbaijani segment of the Transport Corridor Europe-Caucasus-Asia (TRACECA). For example, in order to create the conditions for increased freight traffic, transport sector technology has been improved; railway main lines, arterial roads and bridges have been rehabilitated and constructed; and rolling stock, vessels and port facilities have been repaired.

The railway main line linking Baku with the Georgian ports of P'ot'i and Bat'umi has been provided with fibre-optic communication equipment. Three new oil terminals have been put into operation.

B. Methodological developments with regard to criteria for establishing priorities and programmes or infrastructure investment projects

27. The transport strategic planning methodology is based on the following principles:

- (a) Consideration given simultaneously to all transport modes;
- (b) Planning based on common end-user characteristics, notwithstanding the lack of technological convergence of the various transport modes;
- (c) Distribution of responsibilities between providers and users of transport services;
- (d) Use of a "local change - global response" system-level approach;
- (e) Assessment of the social impact of implementing transport projects as an important prerequisite in determining their economic advisability.

28. Priority is being given in the short term to implementing economic reforms in the transport sector and increasing the effectiveness of these reforms. Under the current conditions, this calls for the expedited development of a legislative framework that reflects the new economic realities and for the enhancement of the transport system's management structures.

C. Developments with regard to arrangements for financing infrastructure projects (e.g. road, rail, inland waterway, pipeline, urban transport infrastructure), particular modalities possibly envisaged (e.g. by introducing global or specific financing resources, allocation of infrastructure costs)

29. Infrastructure projects are financed by means of resources allocated from the State budget and grants or loans from international financial institutions.

30. State investment is selective and is directed, first and foremost, towards tackling priority national problems, as well as supporting key transport activities and ensuring transport safety.

31. The investment policy that provides for the development of the transport system in the directions indicated envisages State participation in financing transport facilities of national importance and the increase of investment capacity through investment by transport enterprises themselves and through the attraction of other sources of finance for investment projects, including private investment.

32. Given the limited nature of investment resources, the priority task is to bring all links in the transport system up to standard.

IV. WHERE AVAILABLE, PROVIDE FIGURES REFLECTING THE PLANNED OR ANTICIPATED QUALITATIVE DEVELOPMENTS WITH REGARD TO SOME KEY ELEMENTS IN THE INLAND TRANSPORT SECTOR, FOR EXAMPLE

A. Total employment, if possible broken down by mode of transport

33. A total of 52,920 persons are employed in transport:

25,020 in rail transport;

11,478 in road transport;

3,733 in pipeline transport;

9,219 in maritime transport;

3,470 in air transport.

B. Total investment in the transport sector (amount and percentage of total domestic capital formation) with regard to infrastructure as well as equipment, if possible broken down by mode of transport (road, rail, inland waterway, pipeline, container transport equipment and urban transport facilities (by major urban agglomerations))

34. The level of investment is as follows:

Rail transport - 22,502,000 manats;

Maritime transport - 30,078,000 manats;

Pipeline transport - 225,915,000 manats.

C. Volume of passenger transport broken down by road transport (collective and individual transport), rail transport (making a distinction where appropriate for urban transport) as well as domestic air transport, growth percentage and breakdown by modes of transport or passenger/kilometre estimate

Passenger transport (thousands of passengers)

	2000	2001	2002	2003	2004	2005	2006
Total	871 484	894 520	893 225	920 988	954 227	1 000 280	1 063 343
Rail	4 250	4 646	4 442	4 736	5 241	5 492	5 816
Maritime	12	11	14	13	20	18	17
Air	701	701	732	867	1 094	1 211	1 336
Tram	2 427	1 709	1 135	453	-	-	-
Trolleybus	3 431	3 522	3 104	2 301	1 249	696	105
Urban	117 364	119 341	115 639	127 052	136 898	146 952	161 096
Car	743 301	764 590	768 159	785 566	809 725	845 910	894 973
Bus	720 881	743 411	746 633	763 608	786 515	821 122	867 926
Taxi	22 420	21 179	21 525	21 958	23 210	24 788	27 047

D. Volume of freight transport (growth percentage and breakdown of traffic according to mode of transport or ton/kilometre volume) for road transport, rail transport, inland waterway transport and pipeline transport

Freight transport (thousands of tons)

	2000	2001	2002	2003	2004	2005	2006
Total	80 180	92 648	98 445	110 001	117 313	128 328	145 078
Rail	15 876	15 390	17 464	20 345	20 671	26 522	29 687
Maritime	8 779	10 247	11 381	13 272	13 209	13 680	13 507
Air	37	31	31	52	75	74	73
Pipeline	15 054	16 517	15 831	17 262	18 145	18 534	27 427
Road	40 434	50 463	53 738	59 070	65 214	69 518	74 384

E. Length of networks (in thousand kilometres or percentage increase) broken down by road (making a distinction, if possible, between roads and motorways), rail and inland waterways (making a distinction, if possible, among the major categories) and pipelines

Length of networks (kilometres)

	2000	2001	2002	2003	2004	2005	2006
Rail	2 116	2 116	2 122	2 122	2 122	2 122	2 122
Tram	35.9	32.3	27.0	22.0	-	-	-
Trolleybus	165.3	161.2	119.4	53.7	48.2	48.2	8.1
Urban	28.5	28.5	28.5	29.9	29.9	29.9	29.9
Pipeline	4 400	4 400	4 200	4 200	4 500	4 500	5 800
Road	18 759	18 791	18 791	18 799	18 799	18 799	18 799

F. Transport equipment: capacity of railway rolling stock (number of passenger carriages, total number of seats and sleeping berths, number and total capacity of goods vehicles), capacity of inland waterway fleets, number of private passenger cars, etc.

Number of goods vehicles	units	22 251
Number of passenger carriages	units	727
Number of containers	units	11 607
Freight capacity of vessels	1 000 tons	375.5
Passenger capacity of vessels	places	1 414
Number of private passenger cars	units	458 840
