

SOCAR, Equinor to start drilling at Karabakh oilfield



By Rasana Gasimova

Azerbaijan's State Oil Company (SOCAR) and Norway's Equinor will start drilling an appraisal well in the Karabakh field with estimated oil reserves of 100 million tons.

This was stated during the

meeting between SOCAR's President Rovnag Abdullayev and Norwegian delegation led by Torgrim Reitan, Executive Vice President for International Development and Production of Equinor ASA on November 19.

After drilling of the appraisal well, it is planned to install a stationary unit and start production from the well. The construction of the main stand is already com-

pleted by SOCAR's Bos Shelf Company. Once the concept of the upper part of the platform is defined, the construction will begin.

Spheres of cooperation between the companies were also discussed at the meeting. The parties exchanged views on the current state and future plans for the development of the Karabakh field, as well as the development of the Azeri-Chirag-Deepwater Gunashli

fields.

Torgir Reitan praised safety and transparency standards in Reitan Equinor's joint projects with SOCAR, noting that projects implemented in Azerbaijan are important for the company. The parties stressed the need for more rapid implementation of the "Karabakh" project and discussed further steps in this direction.

As part of another joint project by SOCAR and Equinor, Ashrafi - Dan Ulduzu - Aypara, SOCAR's Caspian Geo Company has been conducting seismic exploration since September 2019. 2D-3D seismic survey is being conducted in the area. About 80 percent of 3D exploration has already been completed and processing and analyzing of the collected data will begin in December.

Equinor ASA (formerly Statoil) has been operating in Azerbaijan since 1992. The company is a shareholder of the Production Sharing Agreement (7.27 percent) on Azeri-Chirag-Guneshli project the Baku-Tbilisi-Ceyhan (8.71 percent) oil pipeline.

Note that SOCAR and Equinor signed a Production Sharing Agreement (PSA) type contract in Baku on May 31, 2018 to explore and develop the block of prospective structures Dan -Ulduzu-Ashrafi-Aypara and Risk Service Contract to develop the Karabakh field.

Parliament requests increase of its 2020 budget



By Ofeliya Afandiyeva

Azerbaijani Parliament has requested the Ministry of Finance to revise the legislative body's maintaining expenditure in 2020 and increase financing by \$1.1 million.

The proposed cost estimate of the parliament for 2020 is forecasted at \$26.7 million, of which 79.7 per cent will be directed to cover expenses of the wage fund, head of the parliamentary affairs Firudin Hajiyev has said.

Hajiyev explained that the allocated funds will be used "for reconstruction of electric substations built in 1980, the replacement of equipment unsuitable for exploitation, the purchase and installation of the relevant equipment for the development of information technologies in the administrative buildings of the parliament, reconstruction works in special rooms allocated for manag-

ing the electronic voting system in the meeting rooms."

He added that the increased funding for the parliament is needed in view of the increased number of foreign guests arriving at the Azerbaijani Parliament, as well as visits abroad by the parliament deputies and trips within the country. Furthermore, Hajiyev said that a certain amount of funds will be spent on enlarging the vehicle fleet of the parliament.

By comparison, Azerbaijan's Chamber of Accounts will be allocated \$5.3 million to maintain the Chamber in 2020. Chairman of Chamber Vugar Gulmammadov Gulmammadov has said that 1.5 per cent of these funds are for capital expenses and 98.4 per cent for current expenses. Some 90.4 per cent of the current expenses are envisaged for wage fund, 6.93 per cent for the purchase of goods and 1.42 per cent for social payments. The proposed cost estimate will completely cover the Chamber of Accounts' financial provision for 2020.

Expert: Baku can become "bridge over trouble water"

By Abdul Kerimkhanov

With its commitment to cooperation and its multilateral foreign policy, Azerbaijan is becoming a "bridge over trouble water" of today's world of politics, Bosnian expert Sabahudin Hadzialic, who is Assoc. Prof. Dr & Dr. Honoris Causa, said in an interview with Azernews.

Hadzialic praised Azerbaijan's hosting of the 18th Summit of Heads of State and Government of the Non-Aligned Movement member countries on October 25-26. As he emphasized, holding several major geopolitical events in Baku in such a short period of time (the Summit of the Turkic countries, the NAM summit) testifies to Azerbaijan's strengthened geopolitical and geostrategic position.

"However, the ultimate goal is the benefit of all in the World," he said.

"Uniting the countries that did not join any military-political blocs during the Cold War, the NAM has been transformed into one of the important multilateral mechanisms. Today, the NAM is the second political platform after the UN, uniting in its ranks the biggest number of countries," Causa added.

Commenting on the Movement's potential to increase its political influence in the modern world, where there are many conflicts and wars, the expert said that it is important to have the Non-Aligned Movement for establishment of the world peace, security and cooperation.

The representatives of 158 countries and international organizations participated in the summit held in Baku on October 25-26. Azerbaijan will chair this structure in 2019-2022.



Seimas Speaker: Azerbaijan, Lithuania seek to elevate ties to higher level



Pranckietis said.

The speaker of the Lithuanian Seimas noted that this visit was quite fruitful.

"During the meeting with Azerbaijani officials, including the speaker of the Azerbaijani Parliament, the prime minister, the foreign minister and the minister of economy, we discussed specific steps and put forward specific proposals for the development of relations," Pranckietis noted.

Pranckietis stressed that Lithuania, as an EU member, is interested in the signing a new partnership agreement between the EU and Azerbaijan.

"Of course, we are interested in the agreement between Azerbaijan and the EU, as well as visa issues between the two sides. Azerbaijan is also one of the participants in the Eastern Partnership program, which turned 10 this year," the Lithuanian parliamentary speaker said.

Pranckietis also expressed support for the negotiated settlement of the Nagorno-Karabakh conflict.

"Lithuania supports the settlement of the Nagorno-Karabakh conflict through peaceful negotiations. It is necessary to sit at the negotiating table to resolve this conflict. This issue is on the agenda. The issue of resolving this conflict needs to be raised throughout the EU, so that everyone understands that this problem must be resolved," the speaker added.

Saudi investment reaches \$370 million

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As to economic relations, Saudi Arabia has been investing in Azerbaijan since the mid - 1990s. Economic cooperation has significantly developed since 2009. The Saudi Arabia's total public and private investment Azerbaijan is about \$370 million, with the trade exchange between the two economies amounting to about \$17 million in 2018, the report cited Azerbaijan's State Customs Committee.

Furthermore, the two countries maintain the Azerbaijan-Saudi Joint Commission on Cooperation, which contributes to the expansion of cooperation in the economy, investments, technology, trade, culture, sports, and youth.

The first meeting of the commission was held in 2001 in Baku. Its recent meeting was convened in Baku in March 2019 and resulted in several agreements aimed at developing economic partnerships and increasing trade and the growth of business in various sectors, which was signed by the Azerbaijani Ministry of Finance and the Saudi Arabian General Investment Authority (SAGIA).

Energy cooperation

Saudi Arabia has been establishing stronger ties with Azerbaijan through its participation in Azerbaijan's Contract of the Century (1994) for the development of its oil business, and its joint-American Delta-Hess Company held 2.72 percent in that contract.

In 2012, The State Oil Company of the Azerbaijan Republic (SOCAR) and Saudi Arabia's Soroof International company signed an agreement on oil and gas projects in Azerbaijan in 2012.

Moreover, in 2018 Saudi Aramco established a stronger presence in Azerbaijan by registering a regional representative company, Aramco Overseas Company Azerbaijan LLC, in Baku in order to focus on oil and gas industries in Azerbaijan and Central Asia.

Investments

The first Gulf Cooperation Council (GCC) - Azeri Business Forum held in Baku in October 2017 with the participation of all six members - Saudi Arabia, United Arab Emirates, Bahrain, Kuwait, Qatar, and Oman - further supported and encouraged the GCC-Azeri economic partnership and cooperation.

The forum concluded that the GCC's total investment so far in Azerbaijan was about \$1.3 billion, while Azerbaijan maintained an investment of \$300 million in the GCCs. Recent numbers in 2017 pointed to an increase of the trade turnover between the GCCs and Azerbaijan, which reached \$86 million. Moreover, there are approximately 260 GCC companies operating inside Azerbaijan.

The first Azerbaijan-Arab Investment and Business Forum in May 2018. The forum was organized by

the Association for Azerbaijan-Arab Cooperation (AACC).

Military cooperation

Since the beginning of the diplomatic relationship between Azerbaijan and Saudi Arabia, both countries have been on excellent terms on various political and international issues and on economic cooperation. In the past few years, the two countries began to engage actively to improve their bilateral diplomatic and economic connections, to include potential military cooperation.

Recently Azerbaijan appointed a military attaché and established an office in Riyadh. Military officials began to exchange visits and meetings between the two countries, and as a result, in April 2019, the Azerbaijanis and Saudis signed an agreement to boost their military cooperation for the coming years.

The report also noted that relations between Azerbaijan and Saudi Arabia go beyond political and economic terms to include culture and tourism. The two countries share some cultural, religious, and historical similarities.

Toursim

In 2016, 7500 tourists from Saudi Arabia visited Azerbaijan. This number more than quadrupled in 2017 to reach 33,000. Moreover, in 2018, there were 73,000 Saudi tourists visited Azerbaijan, which comprised 2.6 percent of the total number of tourists to

the country (2.8 million).

As to the GCCs tourists, in 2018, the number of tourists from Bahrain increased by over 200 percent; Kuwaitis, by nearly 200 percent; Emiratis, by over 300 percent; and Omanis, by more than 8 percent.

The report says that the flux of tourists to Azerbaijan is understandable as the country offers many choices to tourists, including halal foods, as well as its proximity to the Gulf region.

"In addition to its temperate weather, Azerbaijan has a coastal environment, being bordered by the Caspian Sea. A recent survey by an Azerbaijani company found that Saudis and Emiratis were the most frequent tourists from the GCCs, and that Emirati tourists numbered around 93,000, even exceeding the Saudis in 2018.29 According to the same survey, Saudi and Emirati tourists preferred Baku, where they stayed, on average, for six days, and the most visited region was Gabala, a historical region with a mountainous landscape, which is located in the north of Azerbaijan."

Looking to the future, the report expects the Azerbaijani-Saudi relationship to improve even further both in oil-producing and non-oil sectors.

It is suggested that the two states should support and facilitate private-sector initiatives from both countries in a number of fields, including business, technological industries, as well as trade, import and export, tourism, and health.

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