### ENERGY

### Minister: Iran, Iraq, Israel and Cyprus can deliver gas to Europe via Azerbaijan

### In the future, Iran can join the Trans Anatolian Natural Gas Pipeline Project (TANAP), and supply its gas to Europe via TANAP or other routes.

### Azerbaijani Minister of Energy Natig Aliyev made the remarks Wednesday at the Caspian Oil & Gas 2015 conference in Baku, APA reports.

### According to the minister, if the processes go on in such a way, Iran can join TANAP.

### “We have repeatedly seen that the US and the EU supports energy projects in Azerbaijan. Maroš Šefčovič, Vice-President of the European Commission, often attends our events and supports these projects. Moreover, he also provides support in the supply of Turkmen gas to Europe,” the minister added.

### Iraq, a country with immense energy resources, is also interested in cooperating with Azerbaijan and may play a key role in boosting energy security of Europe, minister Aliyev said.

### The minister noted that Israel and Cyprus too can deliver their gas to Europe by using Azerbaijan’s infrastructure. “We have negotiated with Israel and Cyprus, and they say they can deliver their gas to Europe via Azerbaijani infrastructure which passes through Turkey”.

### Gas delivery to the neighboring country via TANAP, a project of huge importance in terms of ensuring energy security of Turkey and EU countries and diversification of supplies, is expected to start in 2018. With 16 billion cubic meters per year initially, the volume of gas delivery is intended to gradually increase up to 24 billion cubic meters then 31 billion cubic meters.

### In 2020, the 1850km-long TANAP line will start delivering natural gas which it will buy through the South Caucasus Pipeline by connecting Trans-Adriatic Pipeline (TAP) to Europe through Greece, Albania, and Italy.

### The project's cost is estimated at $10-11 billion

### Stocks among TANAP shareholders have been divided as follows: Southern Gas Corridor Company – 58%, BOTAS – 30%, BP – 12%.

### News.Az

### Yusifzade: Azerbaijan's oil reserves make 4 bln tonnes

### Azeri-Chirag-Guneshli fields block has produced 368 mln tonnes of oil and 109 bcm of gas so far.

### The statement came from the SOCAR first Vice-President Khoshbakht Yusifzade at the Caspian Oil&Gas 2015 conference.

### According to him, 200 mln tonnes of oil produced from ACG made Azerbaijan’s profit oil: “Azerbaijan’s profit oil increases year-by-year. 22.5 mln tonnes or 66% of 34 mln tonnes of oil produced from fields block in 2014 made Azerbaijan’s profit oil”.

### The vice-President noted that 381 mln tonnes of Azerbaijani oil have been exported to world market till June 1. Of this, 275 mln tonnes were transported via Baku-Tbilisi-Ceyhan.

### Yusifzade also noted that Azerbaijan has 2 bln tonnes of oil reserve: “If we taking into account the reserves of Babek, Nakhchivan, Zefer-Meshel, Araz-Alov-Sharg, Asiman-Shafag, then Azerbaijan has 6 trillion cm of gas and 4 bln tonnes of oil”.

### News.Az

**Deputy Minister: TANAP diversifies energy supplies to Turkey**

TANAP to promote diversification of energy supplies in Turkey and implementation of other projects in the future.

According to Oxu.Az, the statement came from Deputy Minister of Energy and Natural Resources of Turkey Safa Sadig Aytekin at the Caspian Oil and Gas conference.

He said demand for energy is growing in Turkey:

"Turkey ensures 73% of its energy needs through import. 40% of the overall volume of energy needs is ensured through local sources and 60% through foreign ones", he said.

The deputy minister also noted in his speech that positive dynamics is preserved on the Iraqi gas market.

"Iraqi gas is playing an important role in the gas supplies of both Turkey and Europe. Timely, effective and profitable energy supplies constitute the basis of the Turkish energy policy", he said.

He also added that the development of technologies in the sphere of oil and gas extraction may help get electric power at cheaper prices.News.Az

**SOCAR announces forecasts on products for 2015**

The State Oil Company of Azerbaijan has announced forecasts on products for 2015.

According to APA-Economics, SOCAR Vice-President on Oil & Gas Production and Transportation Rahman Gurbanov said at the Caspian Oil & Gas 2015 conference that oil production in 2015 is forecasted to be 40.7 mln and gas – 30.2 bcm.

According to Vice-President, SOCAR plans to extract 8.3 mln tonnes of oil and 6.5 bcm of gas from its fields: “Of this, 6.5 mln tonnes will be refined, 1.7 mln tonnes – sold to foreign countries”.

Gurbanov noted that Azeri-Chirag-Guneshli fields block will produce 30.3 mln tonnes of oil and 13.8 bcm of gas, Shahdeniz – 2.1 mln tonnes of oil and 9.8 bcm of gas.

He added that SOCAR will export 1.2 bcm of gas to Georgia.

Azerenergy is expected to receive 4.85 bcm of gas.2.6 bcm of Shahdeniz gas will be given to Azerbaijan, 6.3 bcm to Turkey, 0.74 bcm to Georgia: “3.1 bcm of ACG gas will be given to Azerbaijan, 9.2 bcm will be saved for reservoir pressure maintenance”.News.Az

**European Commission hopes to come to agreement on South Stream project in July**

The European Commission hopes to come to an agreement on the South Stream project in July.

The European Commission hopes to reach an agreement with the participant-countries of the close project South Stream on the action plan which would ensure their further access to at least three sources of gas purchase. The statement came from vice president of the Commission on energy union Maros Sefcovic, Russian media report.

"I hope that we will be able to approve the action plan to be sure that it really takes place", he said during a conference in Riga.

The European Union is currently forming an energy union aimed to reduce EU dependence on Russian gas which ensures at least a third part of the overall gas consumption in the region.News.Az

**TRADE**

**SOCAR cuts oil export due to European Games**

The State Oil Company of Azerbaijan (SOCAR) reduced export of petroleum products due to the European Games, which will start on 12 June.

The country has a great need for fuel, so we have reduced exports to have large stocks in warehouses.

According to Oxu.Az, the statement came from president of SOCAR Rovnag Abdullayev.

According to him, now his company is ready to fully meet the fuel needs of the country.

The head of SOCAR also talked about how the decline in oil prices affects the projects implemented by the company:

"All our projects are being implemented because questions about the financing of these projects have been solved long ago. Sources of funding have been defined. All projects have been successfully carried out according to schedule ".

Abdullayev also commented on houses built on the land belonging to oil companies saying that the government is working on a decision in this area. News.Az

**Azerbaijan cuts imports from Georgia**

Azerbaijan reduced the import of goods from Georgia by 2.1 times in January-April 2015, compared to the same period of 2014, GeoStat, National Statistics Office of Georgia said in its foreign trade report for the first four months of 2015.

Georgia exported $89.6 million worth goods to Azerbaijan in January-April 2015, or 13 percent of the total volume of Georgian export, according to the report.

Azerbaijan imported $188.45 million worth Georgian goods in January-April 2014.

Georgia mainly exports cars, cattle, cement, steel reinforcement and other products to Azerbaijan.

Azerbaijan is in the lead for the volume of imported products from Georgia.

Bulgaria ranks second - $63.47 million worth Georgian products (9.2 percent of the total volume of export) have been exported to the country since early 2015, according to the report.

Turkey ranks third for the volume of import of Georgian goods: $57.88 million, or 8.4 percent of the total volume of Georgia’s export during the reporting period.

The trade turnover between Georgia and Azerbaijan stood at $289.6 million (9.6 percent of the total volume of Georgia’s foreign trade operations) in January-April 2015, or 26.12 percent less than in the same period of 2014.

The trade turnover between the two countries totaled $391.98 million in January-April 2014.

**Azerbaijan to buy French electric trains**

A credit agreement will be signed soon on the purchase of nearly 50 electric trains produced by French company Alstom Transport.

The statement came from head of the Azerbaijani Railway Company Javid Gurbanov, Oxu.Az reports citing Trend.

He said works on reconstruction of railroad, railway infrastructure and communications will also be held at the expense of the raised funds.

"There is a plan to launch express trains to Ganja and then in the northern direction upon completion of works on the launch of the Baku-Sumgayit railway communication.

The major repair of the Baku-Sumgayit railroad is financed by the company", he said. News.Az

**TELECOMMUNICATION**

**Azerbaijan starts broadband internet project**

Azerbaijan has started the implementation of a broadband Internet project, the communications and high-tech ministry reported.

The project is financed by Amsterdam Trade Bank, with an allocation of 13.7 million euros to Aztelekom production association.

Contracts for the purchase of necessary telecommunications equipment have been signed and some of the equipment has already been delivered to the country.

The allocated funds will help toward the construction of 63 cable-sewer systems, laying of optical communication lines stretching 245 kilometers, increasing the number capacity of telecommunication centers in 10 regions of Azerbaijan, as well as increase the number of broadband access ports in 47 cities and regions of the country up to 98 million units.

The ultimate goals of the project are to provide the whole country, including remote rural areas, with high-speed internet in the range of 10-100 megabits/second and to increase the share of broadband internet users to 85 percent.

Should it be successful in these aims, Azerbaijan will reach the level of developed countries by 2017.

Today, Azerbaijan is the leading regional country in terms of developing high technologies.

Currently, some 75 percent of the population uses the Internet. Broadband Internet penetration among the population stands at 62 percent. For these indicators, Azerbaijan is twice ahead of the world average.

Moreover, Azerbaijan holds the 23th place among developing countries on the share of Internet-connected households.

The project on the development of broadband Internet in Azerbaijan which started in 2015 is expected to be implemented in the next three years.

**INDUSTRY**

**AAM to develop new gold mine**

The Anglo-Asian Mining plc which extracts precious metals in Azerbaijan will begin production at its new mine of Gadir from the second half of 2015.

The company stated that its underground mine of Gadir is located about one kilometer from the mine complex Gadabay.

Last year, the Anglo-Asian Mining started gold production at another mine – Gosha. In 2014, the mine provided 28,891 tons of ore, which resulted to 4.15 grams of gold from each ton.

Reserves at the Gosha mine are estimated at approximately 40 million ounces of gold, which is expected to produce until 2017.

The company produced 17,193 ounces of gold in the first quarter of 2015, which is 52 percent more than last year.

By late 2015, the AAM plans to produce 70,000-75,000 ounces of gold, some of which will be produced in the mines Gosha and Gadir.

Copper production by SART method in Azerbaijan amounted to 182 tons in the first quarter of 2015. The company also produced 1,950 ounces of silver.

The company has the right to develop six deposits in the south-west of Azerbaijan - Gadabay, Ordubad, Gosha Bulag, Gyzyl Bulag, Vezhnali, and Soyutlu- under a production sharing agreement signed in August 1997 with Azerbaijan government.

The resource base of the company exceeds 36 tons of gold, 292 tons of silver and 94.000 tons of copper.

: 2014 Gold production increased

Last year, the company produced a total of 60,285 ounces of gold, which is 16 percent more than in 2013 when the gold production reached 52,107 ounces. Gold sales of 50,615 ounces completed at an average of $1,267 per ounce.

Silver production totaled 31,177 ounces, a 53 percent decrease from 2013: 65,939 ounces, due to changes in the mineralogy of the ore.

Copper production totaled 784 tons, a 140 percent increase on 2013 production - 327 tons.

The company registered a revenue of $70 million in 2014, slightly less than in 2013 with revenue was $70.8 million.

Reviewing the year, non-executive chairman Khosrow Zamani said the company’s primary focus in 2014 was the optimization of production, and future development of Gadabay gold, copper and silver mining operation located in the lower Caucasus mountains, west of the country.

“Whilst gold and copper production for the year increased substantially, the environment for mining companies globally remained poor with the effects still being felt of the sustained low gold and copper prices. Despite a strong performance in terms of production, low global metals prices throughout the year, together with the first full year's operational cost of the agitation leach plant at Gadabay, have adversely impacted profitability for 2014. Whilst we achieved solid revenues of $68.0 million, we are disappointed to report a loss before tax of $14.4 million for the year,” he said.

Earlier, the company reported that it will receive a loan worth $4 million. Anglo Asian Mining intends to use these funds for general working capital purposes and has made an initial drawdown of $2 million.

**MACROECONOMICS**

**Central Bank sees growth in foreign exchange reserves**

The foreign exchange reserves of the Central Bank of Azerbaijan (CBA) amounted to $8,430,000,000 in late May.

Oxu.Az reported with reference to CBA that the foreign exchange reserves increased by 0.5% or 42.9 million compared to the end of April.

Since the beginning of August last year and until recently, there has been a decrease in the foreign exchange reserves of the CBA.

Thus, a growth in foreign exchange reserves of the Central Bank has been observed for the first time over the past year.News.Az

**Other**

**Cosmetics declared hazardous product in Azerbaijan**

The Cabinet of Ministers adopted a resolution.

It was decided to make amendment into the "List of products which safety has to be ensured from 1 January 1994" of the resolution of the Cabinet of Ministers №343 from 1 July 1993.

Oxu.Az reports quoting the Cabinet of Ministers, that according to the amendments, cosmetics and perfumes, medical reagents and chemicals were added to the list of products which safety must be ensured.

The decision shall enter into force upon signature.News.Az