

## **Actual Economic Topics**

- *Southern Gas Corridor to bring needed diversification of supply to Europe: Int'l Gas Union*
- *Azerbaijan Invests about \$ 9.9 bn in SGC Project - SOCAR*
- *IEA to Help Azerbaijan in Preparation of Energy Sector Development Strategy*
- *System to assess agricultural loans created*
- *Deputy minister urges use of electric and hybrid cars in Azerbaijan*
- *Country may join EBRD Technical Cooperation Fund*
- *GDP to Grow by 2.4% - Ministry of Economy of Azerbaijan*
- *Azerbaijan Sets Oil Price in State Budget for 2020 at \$ 55 per Barrel*

## **ENERGY**

### **Southern Gas Corridor to bring needed diversification of supply to Europe: Int'l Gas Union**

Southern Gas Corridor project, which envisages transportation of Azerbaijani gas to Europe, will bring needed diversification of supply to Europe, the International Gas Union (IGU) told. <https://www.news.az/articles/economy/141662>

### **Azerbaijan Invests about \$ 9.9 bn in SGC Project - SOCAR**

Turan: The total cost of Canub Qaz Dehlizi CJSC (South Gas Corridor, a management company from Azerbaijan) amounted to \$ 9.87 billion within the framework of the project for the creation of South Generating Company.

"The total share of financing by Azerbaijan in all segments of SGC is about \$ 10.1 billion. Of this amount, SGC has been so far invested about 97% (\$ 9.87 billion) of funds both from equity and from outside financial institutions," the official representative of SOCAR, Ibrahim Ahmedov, said.

Ahmedov also said that so far in the framework of the SGC project, the overall progress on the construction of the Trans-Anatolian Gas Pipeline (TANAP) is about 100%, on the project of the construction of the Trans-Adriatic Gas Pipeline (TAP) - 88.8%, and according to Stage II of development Shah Deniz deposits - 93%.

SOCAR's share in the company's capital is 49%, and the state's share is 51%. The State Oil Fund of Azerbaijan has provided financing for state equity participation in Canub Qaz Dehlizi CJSC.

### **IEA to Help Azerbaijan in Preparation of Energy Sector Development Strategy**

Turan: The International Energy Agency (IEA) will support the preparation of a Strategy for the Long-Term Development of the Energy Sector of Azerbaijan, Fatih Birol, IEA Executive Director, said.

Azerbaijani Energy Minister Perviz Shahbazov, on a visit to the UAE, met with IEA Executive Director Birol, the Ministry said.

During the meeting, a number of issues were discussed, in particular about the current state of affairs in the oil market, factors affecting supply and demand, diversification of the economy of oil countries and the development of renewable energy sources.

Shahbazov also noted the importance of cooperation with the IEA in the preparation of the Strategy for the Long-Term Development of the Energy Sector of Azerbaijan.

## **AGRICULTURE**

System to assess agricultural loans created

Thanks to a new innovative tool to evaluate loans in the agricultural sector, banks in Azerbaijan are expected to increase their capacity to lend to local farmers and agricultural firms. <https://www.azernews.az/business/155582.html>

## **TRANSPORT**

Deputy minister urges use of electric and hybrid cars in Azerbaijan

According to the requirements of the Paris climate agreement, Azerbaijan intends to reduce the level of greenhouse gas emissions by 35 percent by 2030, and one of the ways to achieve this goal is to use environmentally friendly transport,” he said. <https://www.azernews.az/business/156038.html>

## **MACROECONOMICS**

### **Country may join EBRD Technical Cooperation Fund**

Presently, European Bank for Reconstruction and Development (EBRD) is keen to implement the projects in the development of small and medium-sized enterprises (SMEs) and financial sector in Azerbaijan. <https://www.azernews.az/business/155572.html>

### **GDP to Grow by 2.4% - Ministry of Economy of Azerbaijan**

Turan: The government published macroeconomic forecasts for 2020, according to which the real growth of the Azerbaijani economy will be 2.4%. Moreover, last year it had a more optimistic view of the medium-term period.

According to forecasts of the Ministry of Economy, next year the production of added value in the country's economy will amount to 82.7 billion manat. Taking into account the projected exchange rate of the national currency against the US dollar, this corresponds to \$ 48.6 billion. In 2018, specialists of this department made forecasts for 2020 on the volume of GDP at the level of 87.2 billion manat, in real growth to 2019 - 3.8%.

The government expects the production of non-oil and gas GDP at the level of 54.2 billion manat (+ 3.3%). The share of industry (31.5 billion manat) in the structure of GDP is projected at 38%. At the same time, the non-oil industry will increase by 8.5% over the year.

In 2021, GDP (88.4 billion manat) will grow by 3.8%, in 2022 - 3%, and in 2023 - 2.7%.

### **Azerbaijan Sets Oil Price in State Budget for 2020 at \$ 55 per Barrel**

Turan: The Azerbaijani government predicts a state budget deficit for 2020 at the level of 1 billion 133.7 million manat or 1.4% of GDP, the government told Interfax-Azerbaijan.

Budget revenues for 2020 are projected at 24 billion 484 million manat (an increase of 5.7% compared to 2019), expenses - 25 billion 617.7 million manat (an increase of 5.7%).

The state budget revenues for the next year are calculated from the oil price of \$ 55 per barrel (for 2019 - \$ 60 per barrel).

In the revenue structure, 57% or 13 billion 947.5 million manat is planned to be provided from revenues from the oil sector, 43% or 10 billion 536.5 million manat from the non-oil sector. Compared to 2019, an increase in budget revenues from the non-oil sector is planned by 11.3%.

Transfers to the state budget from the State Oil Fund of Azerbaijan for 2020 are provided in the amount of 11 billion 767.5 million manat (an increase of 3.5% compared with the figure for 2019) or 48.1% of all budget revenues.

In the structure of expenditures, 10 billion 247.1 million manat (specific gravity 40.7%) is planned to be allocated for social purposes, which is 2 billion 664.2 million manat more than in 2019.

In particular, labor costs in 2020 are planned at the level of 6 billion 723.4 million manat, for the payment of pensions and social benefits - 3 billion 213.4 million manat, including a transfer to the State Social Protection Fund - 1 billion 426.9 million manat.

\* The forecast for the state budget revenues for 2019 is 23 billion 168 million manat, expenses - 25 billion 190 million manat. The state budget deficit for 2019 is projected at 2 billion 22 million manat or 2.5% of GDP.