

DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN
on the approval of “State Program on the development of industry in the
Republic of Azerbaijan in 2015-2020”

In line with the Decree number 212 of the 10th of January 2014 “On declaration of the year 2014 as the Year of Industry” and following the Clause 3 of Article 103 of the Constitution of the Republic of Azerbaijan I hereby decide:

1. To approve the “State Program on the development of industry in the Republic of Azerbaijan in 2015-2020”.
2. The Cabinet of Ministers of the Republic of Azerbaijan:
 - 2.1. shall take necessary actions in order to secure the implementation of the State Program together with other relevant central and local government authorities;
 - 2.2. shall resolve other matters arising from this Decree.
3. Ministry of Economy and Industry shall coordinate the execution of actions specified in the State Program and shall report once a year to the President of the Republic of Azerbaijan on the implementation of the State Program.

Ilham Aliyev
President of the Republic of Azerbaijan
Baku City, 26th of December 2014
№ 964

Approved by the Decree number
964 of the President of the
Republic of Azerbaijan on the
26th of December 2014

STATE PROGRAM
on the development of the industry in the Republic of Azerbaijan in the years
2015-2020

1. Introduction

One of the main priorities of the policies conducted in the country is to increase the economic competitiveness and to improve the structure of the economy from the point of the development of industry. Industrialisation is important not just as an economic factor, but also in its social, scientific and cultural aspects including employment of the population, population's income level, urbanisation, skilled workforce, and scientific research and development.

Industrial production of oil that happened in Baku in 1848 for the first time in the world is considered the beginning of industrialisation in Azerbaijan. Significant increase of oil production in the second half of the XIX century gave additional impulse to industrialisation process, which in turn resulted in the formation of oil-related infrastructure and industrial sectors in the country. Since the mid of the XX century industrialisation process spread out into the country's regions, when new industrial cities had been established.

Wide industrialisation of Azerbaijan in the 1970-1980s is associated with the name of national leader Heydar Aliyev. During this period, large-scale investments had been directed into the development of industry, and a large number of the Soviet-scale industrial enterprises had been established, as well as new non-traditional industrial fields. In effect diversification of the industry accelerated. Along with

this, the practice of sending students in large numbers to the leading universities of the Soviet Union with the view of the enhancement of the human capital of industry became widespread.

The crisis that started with the collapse of the Soviet Union and continued in the first years of the independence had negative effect on the industry, as well as onto all sectors of the economy. Transition from a planned economy to a market economy on the one hand, and occupation of Azerbaijani territory by Armenia on the other hand had a downside effect on industry resulting in drastic reduction of volumes and assortment of the industrial production.

The growth of industrial production started from 1997 by which time a political and economic stability had been restored in the country. After the restoration of independence the key element in the development of industry was played by the foreign investments attracted into the oil and gas sector. Development of this field directly and indirectly stimulated the revival of the other fields of the industry. At that period, privatisation of the industrial enterprises had been carried out and the basis of the market economy institutions had been established.

The pace of industrialisation increased in Azerbaijan since 2004, when improvement of regional structure of industry had been defined as one of the main priorities, purposeful measures had been taken in order to provide for energy supply, which had vital importance for the industry. The republic turned from the net importer of natural gas and electric power into the net exporter, and the infrastructure of the industry had been improved significantly. During this period, in addition to infrastructure projects, state investments had been channelled into several production-oriented projects, favourable business environment had been created in the country, projects executed by the private sector had been financed by the state on concessional terms, and when necessary government participated in these projects.

As a result of these measures industry stepped onto a new stage of development, and as a beginning of this stage 2014 was declared the “Year of Industry” in the

Republic of Azerbaijan. In order to transform Azerbaijan into the strong regional industrial hub by the efficient use of the existing potential and considering the priority directions defined in the “Azerbaijan 2020: Look into the future” Development Concept “State Program on the development of industry in the Republic of Azerbaijan in 2015-2020” (hereinafter “State Program”) has been elaborated.

2. Global trends in industry and best practices

Despite fast increase of the share of service sector in the global added value, industry remains as a stimulating factor for the development of all sectors of economy. Having 40 per cent of global energy consumption the manufacturing industry stipulates the development of mining as well as industry-oriented services. Beside this, industry is an important source of work place creation.

According to the International Labour Organisation the number of people working in the manufacturing industry globally increased by more than 190 million in 2012 compared to 2000 and this increase occurred mainly on the account of the developing countries. This is caused by a higher rate of industrial production in the developing countries compared to the developed countries. Thus, the share of the developing countries in the added value of global manufacturing industry increased almost twice in 2011 compared to 2000 reaching 38 per cent from the previous figure of 20 per cent.

International comparisons show that growth rates and development stages of the manufacturing industry change according to the income level of the countries. In the course of countries development low-tech and labour-intensive sectors such as food, light and furniture industry give up their leading positions to the middle-tech sectors such as chemicals, metallurgy, shipbuilding, machine and equipment production. High-technology sectors such as electronics, computer production, pharmaceuticals and space industry act as a locomotive in the final stage of industrialisation and play an important role in the development of industry at a global scale.

The development of industry is facing several global challenges. These challenges consist of such factors as decrease and intensification of product life cycle, concentration of R&D, change of the geographical structure of consumer demand and sophistication of production chains.

Sophistication of production chains of companies in the globalising world creates new opportunities for active participation of developing countries in international labour distribution. Sophistication of production chains is characterised by production of different parts of a single product by different enterprises located in different geographic places, with final assembling of the final product in yet another country. The main factors stipulating fragmentation of production consist of cheap workforce, vicinity to the international trade corridors, specialisation of certain regions in several industrial sectors and adoption of strict regulations on protection of environment in the developed countries.

Another aspect of sophistication of production chains is related to dramatic increase of half-finished goods trade. Main tenet related to globalisation of production chain that existed till recent times was that the developed countries kept high value added activities in their countries and transferred labour-intense activities to the developing countries. But in recent years, several researches have shown that in a result of the global restructuring of the industry R&D, product design and other high value added activities are being transferred to the developing countries. According to the studies of UNIDO, the tendency of transfer of high value added activities and services from the developed countries to the developing ones will remain main challenge for the developed countries and major opportunity for the developing countries.

At present, increase of uncertainty in the international markets and existing challenges in the industry calls for the increase of economic regulation activities of governments of both the developed and developing countries. Development of industry is encouraged in four main directions in world practice. These directions include the roles of the government as a regulator of tariffs, fiscal privileges and

subsidies; as a financial regulator influencing credit markets in order to direct public and private resources into industrial projects; as a producer directly involved into economic activity; and as a consumer providing government procurement for the strategic industry sectors. These measures of related to industrial enterprises are widespread in the world as support mechanisms used by governments. The main purpose of support to industry is to increase the competitiveness of industrial enterprises and to provide necessary resources as to facilitate the access of companies to the international markets. Best practices on support measures cover such activities as investment promotion and bettering business environment, promotion of international trade and export, development of skills and human capital, creation of industrial parks and industrial clusters, development of regions, supporting transfer of technologies and promotion of innovations.

Among the above-mentioned measures transfer of technologies and promotion of innovations is of particular importance. It is possible to divide policies on promotion of innovations implemented in a number of countries into 4 groups, according to the development level and research capacity of countries: transfer of technologies, increase of domestic technological capacity, strengthening innovation capacity of small and medium-sized enterprises and support to development of start-ups in high and medium technology sectors.

Policies on industrial development conducted in the developing countries in the second half of the XX century is of special value from the standpoint of study of world experience of industrialisation. Policies on industrial development conducted in these countries are bases on two models: foreign markets oriented Asian model and import substitution Latin American model. In several Asian countries that based their policies on export orientation high economic growth and creation of diversified industrial infrastructure in a short period has been observed. Industrialisation had been commenced with active interference of the state, but in 1980s it had been followed by large-scale reforms with policies of economic

liberalisation, hard fiscal regulation, decrease of state subsidies, privatisation, and liberalisation of foreign trade.

In these countries at the stage of industrialisation labour-intensive and export of relatively simple products had been replaced by more capital-intensive and knowledge-oriented industrial sectors, and from the end of 1980s industrial production started to develop not only by export to the foreign countries but also by meeting local demand. As specialisation in countries relying on the export model deepened in sectors like metallurgy, automotive, machine building, shipbuilding, electric appliances production, and electronics and every next industrial sector became more sophisticated, the measures of governments directed to human capital accumulation increased.

3. Current situation in Azerbaijani industry and future perspectives

As a result of successful economic policies carried out in Azerbaijan in recent years the process of industrialisation gained additional momentum. Implementation of well-designed oil and gas strategy made it possible to form reliable financial recourses, which widened the instrumentality for efficient usage of the industrial potential. In the past 10 years industrial production increased by 2.7 times, including the increase of production of building materials by 2.5 times, electric appliances by 2.1 times, metallurgy by 2.2 times, and garment industry by 2.5 times.

In 2013 the volume of industrial production and services reached 33.7 billion AZN, out of which 74 per cent was created in mining, 20.1 per cent in manufacturing, 5.2 per cent in electricity, gas and steam production, distribution and provision, and 0.7 per cent in water supply, waste collection and recycling. In this period dynamic increase of investments into the fixed assets and capital of industrial enterprises has been observed. Compared to 2003 in 2013 amount of investment channelled into the fixed capital of the industrial enterprises increased by 2.2 times reaching 7 billion AZN, which constitutes 39.6 per cent of the investments into fixed capital. In 2013 66.2 per cent of investments into fixed

capital was channelled into mining, 13.8 per cent into manufacturing, 14.5 per cent into water supply, waste collection and recycling, and 5.5 per cent into electricity, gas and steam production, distribution and provision. Based on the figures of 2012 44.2 per cent of investments made into the industry was foreign investments, and 55.8 per cent domestic investments. Fixed assets of the industry increased by 13 per cent totalling at 46.8 billion AZN or, which is the same, equalled to 56.9 per cent of the fixed capital of economy.

In 2013 number of people working in the industry was equal to 183.1 thousand, of which 51.9 thousand worked in public and 48.1 per cent in private companies, 20.5 per cent (37.5 thousand) in mining, 49.9 per cent (91.4 thousand) in manufacturing, 16.6 per cent (30.3 thousand) in electricity, gas and steam production, distribution and provision, and 13 per cent (23.9 thousand) in water supply, waste collection and recycling.

In the last 10 years average monthly salaries in industry increased by 4.7 times and reached average 648.5 AZN, with 753.2 AZN in private sector. In 2013 an average monthly salary was 1,516.3 AZN in mining, 438.5 in manufacturing, 467.2 AZN in electricity, gas and steam production, distribution and provision, and 319.4 AZN in water supply, waste collection and recycling.

Within the framework of industrialisation in recent years along with successes in oil and gas, gold mining and other mining sectors, diversification of industry has been widened, new industrial production facilities has been given into commission, and new modern technological and competitive enterprises has been created.

The opening of the Shipbuilding Plant in Baku, increase of production capacity of the Garadag Cement Factory and construction and commissioning of new cement plants in Gazakh and Nakhchivan, establishment of the Aluminium Production Complex in Ganja, and gold and copper processing plants in Dashkasan and Gadabay, establishment of the Azerbaijan Steel Production Complex, launching of modernisation of petrochemical industry in Sumgait and laying down the

foundation for carbamide plant create wide opportunities for further diversification of non-oil industry in the next stage of development.

New competitive enterprises, among which are automobile production plant in Nakhchivan, tractor and agriculture machinery plant in Ganja, electronic equipment plant in Mingachevir, solar panel plant in Sumgait, metal structures plant in Garadagh, and ceramic tiles plant in Hajigabul, have been established recently in the fields like mechanical engineering, equipment production, instrument-making and construction materials production, which make up the basis of non-oil industry of the country. At the same time, in recent years important projects have been carried out towards the establishment of powerful defence industry, where in a short period of time around 50 new production lines have been established. These defence industry enterprises, along with military production, are also producing civil products, and the volume of this type of products has doubled in recent years.

In the past 10 years new enterprises of textile, clothing, leather goods, footwear, paper and paperboard, furniture and of other fields of non-oil processing industry have been built and put into operation in Baku and other regions.

The development of agriculture on the one hand and improvement of the infrastructure of the regions on the other hand have stimulated the establishment of new competitive enterprises in food processing area in recent years. During the past period Sugar Factory in Imishli, Salt Plant in Absheron, Vegetable Oil Processing Plant in Sumgayit, Corn processing plant and Glucose Production Plant in Oghuz, and other dairy, canning and food processing facilities have been given into commission in different regions of the country.

In modern times, establishment of relevant institutions and enhancement of their performance play an important role in the acceleration of the industrialisation process of the country. Sumgayit Technologies Park, Sumgayit Chemical Industrial Park, Balakhani Industrial Park and High Technologies Park can be mentioned as examples.

All necessary conditions for further development of the industry are available in Azerbaijan. Favourable business and investment environment, qualified human resources, institutional potential, renewed energy and transport infrastructure, availability of raw material resources, access to international markets and abundant financial resources form the basis of these conditions.

As can be seen from the world experience, the prerequisites for the development of the industry are the maintenance of macroeconomic stability and creation of a favourable business and investment environment. Observations show that the development of industry requires transition from import substitution model to export-oriented production model, regardless of the size of the domestic market. One reason for this is that the production volume aimed at the domestic market does not allow the reduction of cost expenses in small economies, and the other reason is that the provision of long-term high growth rate of domestic demand is not possible. Domestic demand and export opportunities with high growth potential will play a special role in the improvement of the structure of industrial production in subsequent years. Diversification of industry requires the establishment of new non-traditional areas besides numerous traditional manufacturing sectors.

Firstly, it is of high importance to extend the production output of the competitive heavy industry based on local raw materials. In recent times, the cement manufacturing facilities had been constructed with the capacity to meet the internal demand of the country on the account of local raw materials. It is necessary to build new facilities according to the modern standards in the metallurgy, oil-gas processing, and petrochemical and chemistry fields in the time term covered by the State Program. Production of the base products in the metallurgy and petrochemical fields will stimulate creation of a number of enterprises producing the end products. Beside this, the development of metallurgy will improve supply of raw materials to the newly created shipbuilding industry, raise its competitiveness and provide healthy conditions for development of

mechanical engineering. Attention should be channelled throughout the term of the State Program into the development of mechanical engineering, and especially oil engineering industry; actions should be taken in order to increase the share of the goods and equipment produced in this field to meet the internal demand. In case of necessity the State should be closely involved in building enterprises of heavy industry manufacturing, the base products for the industry, and production of semi-finished and end products from the base products should be ensured by the private sector.

Azerbaijan has a wide range of opportunities for establishment of new manufacturing enterprises in different fields of the manufacturing industry. In recent years, a number of competitive enterprises had been established in the country with application of advanced technologies and mainly in the field of food industry, light industry, furniture industry and building materials manufacturing. In addition to the extension of production capacities in these fields, actions directed to the establishment of new manufacturing enterprise in metallurgy, machinery and equipment manufacturing, alternative power installations and equipment manufacturing and defence industry should be continued. While establishing new industrial enterprises particular attention should be given to use of power saving technologies meeting high ecological requirements.

Also during implementation of the State Program starting up new manufacturing industries with high technologies will be in the list of priorities. From this point, the opportunities to extent production of electronic equipment and to build pharmaceuticals manufacturing industry should be analysed. As manufacturing of high technology requires a large pool of research and development activities, focusing onto a certain number of the priorities in this field would be a necessity.

One of the main purposes of the industrial policy is to carry out actions to strengthen competitiveness of the industry. These actions should be further solidified by specific measures devised according the results of sectoral studies revealing the characteristics of various sectors. In order to increase the

competitiveness of the industry, the agility in regulating the energy rates should be increased, and agile tariff policy should be accompanied by favourable tax and customs regime and swift exchange rate policy. Beside this, opportunities for attracting investments to industry should be extended, access to concessional loans and leasing provided by the government and directed into industry should be improved and the mechanism for promotion of investments to non-oil industry should be established. To improve infrastructure located in the territories adjacent to industrial enterprises, which are located outside of industrial zones (special economic zones, industrial parks and industrial estates), the mechanism for coordination of infrastructure projects implemented on the account of state funds with those of the private sector should be established in order to reduce the construction costs of industrial enterprises. At the same time, using the best practices of the advanced economies the application of the public-private partnership models should be extended.

There should be activities supporting general functioning of the industrial enterprise, as well as support in spheres such as provision of information, marketing and branding, standards and certificates, training, and especially in research and development activities. As it is known, innovations play a critical role for increase of competitiveness of the industry. From this point, supporting the research and development activities performed by the private sector is of great importance. This process should be accompanied by improvement of personnel capacity and scientific advancement of the industry.

During the implementation term of the State Program strengthening the functioning of the existing industrial and technological parks, establishing new industrial parks and industrial sites (estates), starting up special economic zones and increasing the industrial capacity of the country regions should be kept in focus.

4. Main aims and objectives of the State Program

4.1. Main aims of the State Program are as follows:

- 4.1.1. Modernisation of the industry and bettering of its structure;
- 4.1.2. Increase of export potential of non-oil industry;
- 4.1.3. Expansion of a competitive industrial production with efficient use of energy that provides for high added value;
- 4.1.4. Expansion of science-intense and innovative production;
- 4.1.5. Preparation of skilled workforces for new manufacturing fields.

4.2. The objectives of the State Program are as follows:

- 4.2.1. To expand support to industrial production;
- 4.2.2. To strengthen the potential of the traditional production fields;
- 4.2.3. To support inclusion of available natural and economic resources into economic turnover;
- 4.2.4. To improve infrastructure basis of the industry;
- 4.2.5. To stimulate attraction of local and foreign investments into non-oil industry;
- 4.2.6. To carry out activities aimed at the advanced technology transfer and assimilation;
- 4.2.7. To promote the modern management and corporate management principles among industrial enterprises;
- 4.2.8. To promote standardisation and certification of the industrial enterprises;
- 4.2.9. To support branding, marketing and advertising activities of the industrial enterprises;
- 4.2.10. To create healthy and safe jobs at the industrial enterprises;
- 4.2.11. To build production chains up to production of the end products with participation of the private sector;

- 4.2.12. To support establishment of new industrial fields;
- 4.2.13. To strengthen the industrial capacity of the country's regions;
- 4.2.14. To establish new regional development centres, special economic zones, production clusters and new industrial enterprises in priority fields based on local raw materials and considering the competitive advantages of each area and economic region;
- 4.2.15. To establish industrial and technology parks and industrial sites (estates);
- 4.2.16. To strengthen cooperation between state and private sectors for the purpose of development of non-oil export;
- 4.2.17. To support creation of enterprises with energy-saving, low waste or wasteless technologies, effective usage of natural resources and protection of the environment with goal of neutralisation and recycling of the wastes;
- 4.2.18. To strengthen the government's support to innovation activity;
- 4.2.19. To stimulate application of innovative technologies at the industrial enterprises.

5. Main directions of the State Program

5.1. Increasing competitiveness of the industry and strengthening its capacity

- 5.1.1. Research of factors affecting the competitiveness and export capacity of the industry;
- 5.1.2. Carrying out actions raising competitiveness and export capacity of the industry;
- 5.1.3. Conducting research in every industrial sector, and determining potential manufacturing fields;

- 5.1.4. Developing current production fields and creation of new ones;
- 5.1.5. Improvement of the regional structure of the industry;
- 5.1.6. Improvement of industrial standards;
- 5.1.7. Strengthening international cooperation in the field of industry.

5.2. Supporting activities of industrial enterprises

- 5.2.1. Improvement of industrial infrastructure;
- 5.2.2. Improving access to financial resources for industrial enterprises;
- 5.2.3. Supporting implementation of standards and certification;
- 5.2.4. Supporting marketing and branding activities;
- 5.2.5. Information and data support;
- 5.2.6. Training and seminar support;
- 5.2.7. Supporting Research and Development activities.

5.3. Establishment of industrial zones and clusters

- 5.3.1. Creation of special economic zones;
- 5.3.2. Strengthening the activity of existing industry and technology parks and creation of new ones;
- 5.3.3. Development and creation of industrial sites (estates);
- 5.3.4. Promotion and development of industrial clusters.

5.4. Strengthening human capital and scientific support

- 5.4.1. Strengthening the capacity of secondary and initial vocational educational institutions;
- 5.4.2. Expanding opportunities for preparation of qualified specialists in technical areas;
- 5.4.3. Strengthening links between high, secondary, vocational training institutions, research institutions and industrial enterprises;
- 5.4.4. Strengthening scientific support to industry;

5.4.5. Organisation of specialists' preparation at educational institutions according to the market demand.

5.5. Improvement of legislation

5.5.1. Improvement of legislative base regulating the activity of industrial enterprises.

6. Expected results

6.1. In a result of implementation of the State Program the followings expected to be achieved:

6.1.1. Transformation of non-oil industry into the main driver of the economic growth as a result of its modernisation and diversification;

6.1.2. Transformation of non-oil industry into the main source of export growth;

6.1.3. Increase of the share of regions in industrial output;

6.1.4. Increase of the share of industry in the structure of employment;

6.1.5. Increase of productivity in industry;

6.1.6. Increase of the skilled workforce;

6.1.7. Creation of new jobs in the industry, mainly through establishment of middle and high technology enterprises;

6.1.8. Increase of the number of enterprises applying technological innovations;

6.1.9. Increase of R&D activities of the industrial enterprises;

6.1.10. Establishment of support mechanisms for industrial enterprises' activities;

6.1.11. Concentration of industrial enterprises in industrial zones;

- 6.1.12. Widening the use of international standards in the industry;
- 6.1.13. Formation of improved legislative framework of the industry.

7. Sources of financing of the State Program

7.1. Implementation of the activities envisaged by the State Program will be financed from the following sources:

- 7.1.1. State budget;
- 7.1.2. Extra budgetary funds;
- 7.1.3. The funds of the National Fund for Entrepreneurship Support;
- 7.1.4. The resources of the Azerbaijan Investment Company;
- 7.1.5. Local budgets;
- 7.1.6. Local private investments and foreign direct investments;
- 7.1.7. Loans and grants;
- 7.1.8. Financial and technical assistance of the international and foreign organisations;
- 7.1.9. Other sources not prohibited by law.

8. Action Plan for the implementation of the “State Program on the development of industry in the Republic of Azerbaijan in 2015-2020”

№	Name of action	Executors	Execution period
1	2	3	4
1. Strengthening competitiveness and capacity of industry			
1.1.	Elaboration and relevant submission of proposals related to strengthening competitiveness in different spheres of industry, including through creation of new enterprises based on local natural resources	Ministry of Economy and Industry	2015-2020
1.2.	Supporting activities on restructuring industrial enterprises and on creation of new enterprises of manufacturing industry	Ministry of Economy and Industry, State Committee on Property Issues, Ministry of Agriculture	2015-2020
1.3.	Elaboration and relevant submission of proposals related to supporting the export of industrial products	Ministry of Economy and Industry, Ministry of Agriculture	2015
1.4.	Acceleration of national standards prepared on the basis of international standards in order to increase competitiveness of	State Committee on Standardization, Metrology and Patent	2015-2020

	industrial products		
1.5.	Elaboration of sample investment projects and their submission to entrepreneurs in order to promote creation of competitive industrial enterprises	Ministry of Economy and Industry, Ministry of Agriculture	2015-2020
1.6.	Elaboration and relevant submission of proposals related to promotion of application of environmentally-friendly technologies and of efficient energy usage at enterprises	Ministry of Economy and Industry, Ministry of Energy, Ministry of Ecology and Natural Resources, State Committee on Standardization, Metrology and Patent	2015
1.7.	Elaboration and relevant submission of proposals aimed at simplification of conditions necessary for purchasing equipment and machinery through leasing by industrial enterprises	Ministry of Economy and Industry	2015
1.8.	Ensuring coordination of infrastructure projects being implemented on the account of state funds with those of private sector in order to improve out-of-enterprise infrastructure provision	Ministry of Economy and Industry	2015-2020
1.9.	Implementation of activities related to support of local production	Ministry of Economy and Industry	2015-2020
1.10.	Acceleration of restructurisation and privatisation processes of	State Committee on Property Issues	2015-2017

	industrial enterprises		
1.11.	Elaboration and relevant submission of proposals related to development of oil machine building	Ministry of Economy and Industry, State Oil Company, “Azerneftkimyamash” OJC	2015
1.12.	Expansion of production of new types of defence industry products	Ministry of Defence Industry	2015-2020
1.13.	Expansion of production of machines, mechanisms and equipment for agriculture	Ministry of Agriculture, Ministry of Economy and Industry, Ganja Automobile Factory Production Union	2015-2020
1.14.	Expansion of production of alternative energy devices and equipment	State Agency on Alternative and Renewable Energy Sources	2015-2020
1.15.	Implementation of necessary measures related to increase of production capacity of Ganja Aluminium Plant	State Committee on Property Issues	2015
1.16.	Building and commissioning of Azerbaijan Steel Production Complex with production process covering stages from iron ore extraction to steel production	Ministry of Economy and Industry, “Azerbaijan Steel Production Complex” CJSC	2015-2018
1.17.	Implementation of necessary measures related to establishment of polymer plant at Sumgait Chemical Industrial Park	State Oil Company of Azerbaijan Republic, Ministry of Economy and Industry	2015-2016
1.18.	Commissioning of Carbamide Plant in Sumgait	State Oil Company of Azerbaijan Republic,	2017

		Ministry of Economy and Industry	
1.19.	Construction and commissioning of waste sorting, transportation and processing enterprises	Ministry of Economy and Industry, “Clean City” JSC	2017-2020
2. Support to activities of industrial enterprises			
2.1.	Provision of information support to industrial enterprises	Ministry of Economy and Industry, State Committee on Standardization, Metrology and Patent	2015-2020
2.2.	Preparation of promotional electronic resources and printed materials on investment opportunities in industry	Ministry of Economy and Industry	2015-2020
2.3.	Hosting seminars, roundtables and scientific-practical conferences on development of industry	Ministry of Economy and Industry, Azerbaijan National Academy of Sciences	2015-2020
2.4.	Support to training conducted by industrial enterprises	Ministry of Economy and Industry	2015-2020
2.5.	Conducting regular publicity activities for local producers about industrial products ordered by state enterprises	Ministry of Economy and Industry	2015-2020
2.6.	Making research on various sectors of industry and presenting its results to local companies	Ministry of Economy and Industry	2015-2018
2.7.	Elaboration of proposals based on the analysis of international experience and relevant submission of these proposals aimed to	Ministry of Economy and Industry	2015

	support R&D activities of industrial enterprises		
2.8.	Elaboration and relevant submission of proposals on creation, development and support of local brands for targeted markets	Ministry of Economy and Industry, State Committee on Standardization, Metrology and Patent, Ministry of Communications and High Technologies	2015
2.9.	Elaboration of proposals and implementation of relevant measures aimed to assist industrial enterprises in application of standards and obtaining international quality certificates	State Committee on Standardization, Metrology and Patent, Ministry of Economy and Industry	2015-2018
2.10.	Assistance for application of corporate management standards at industrial enterprises	Ministry of Economy and Industry, State Committee on Property Issues	2015-2020
2.11.	Promotion of the establishment of associations in various fields of industry	Ministry of Economy and Industry, Ministry of Education	2015-2020
2.12.	Analysis of international experience, elaboration of proposals and their relevant submission on supporting creation of new industrial small and medium start-up companies	Ministry of Economy and Industry	2015
2.13.	Elaboration and relevant submission of proposals related to promotion of participation of local companies at foreign international industry exhibitions	Ministry of Economy and Industry	2015

2.14.	Support to local exhibitions on various sectors of industry	Ministry of Economy and Industry	2015-2020
2.15.	Creation of Enterprise Information System containing comprehensive information on activities of industrial enterprises	Ministry of Economy and Industry	2015-2016
2.16.	Improvement of industrial statistics	State Statistics Committee, Ministry of Economy and Industry	2015-2016
3. Creation of industrial zones and clusters			
3.1.	Completion of infrastructure works at Sumgait Chemical Industrial Park, improvement of the functioning of the park	Ministry of Economy and Industry, Sumgait City Executive Power	2015-2017
3.2.	Completion of infrastructure works at Balakhani Industrial Park, improvement of the functioning of the park	Ministry of Economy and Industry, Baku City Executive Power	2015-2017
3.3.	Formation of infrastructure of High Technologies Park and organisation of the functioning of the park	Ministry of Communications and High Technologies	2015-2016
3.4.	Establishment of industrial park in Ganja, formation of its infrastructure and organisation of its functioning	Ministry of Economy and Industry, State Committee on Property Issues, Ganja City Executive Power	2015-2018
3.5.	Establishment of industrial park in Mingachevir, formation of its infrastructure and organisation of its functioning	Ministry of Economy and Industry, State Committee on Property Issues, Mingachevir City Executive Power	2015-2018

3.6.	Elaboration and implementation of proposals on relevant measures for the establishment of industrial clusters	Ministry of Economy and Industry, local executive power organs	2015-2020
3.7.	Implementation of relevant measures related to creation of industrial sites (estates)	Ministry of Economy and Industry, local executive power organs	2015-2020
4. Strengthening human potential and scientific support of industry			
4.1.	Organisation of study and experience-sharing tours to foreign innovative industrial enterprises for senior management of local industrial enterprises	Ministry of Economy and Industry	2015-2020
4.2.	Organisation of trainings for experts working in industry	Ministry of Economy and Industry, Ministry of Education	2015-2020
4.3.	Supporting participation of experts working in industry at refresher training courses abroad	Ministry of Education, Ministry of Economy and Industry	2015-2020
4.4.	Establishment of Vocational Education Centres in order to organise vocational, refresher and retraining courses, elaborate and improve study plans and programs for different sectors of industry	Ministry of Education, Ministry of Labour and Social Protection of Population, Ministry of Economy and Industry	2016-2020
4.5.	Improvement of education programs on vocational education standards and specialisations	Ministry of Education, Ministry of Labour and Social Protection of Population	2016

4.6.	Strengthening human capital and material-technical basis of initial vocational education institutions	Ministry of Education	2015-2020
4.7.	Organisation of operation of Vocational Education Centre under “Sumgait Chemical Industrial Park” LLC	Ministry of Economy and Industry	2016
4.8.	Elaboration and relevant submission of proposals related to promotion of opening of private technical vocational schools and lyceums	Ministry of Education, Ministry of Economy and Industry	2016
4.9.	Improvement of study programs and human capital of technical universities, and strengthening their material-technical basis considering future development prospects of industry	Ministry of Education, Ministry of Economy and Industry	2015-2017
4.10.	Creation of innovation centres at universities with involvement of private sector	Ministry of Education	2016-2017
4.11.	Elaboration and relevant submission of proposals related to support to registration of patents by local inventors	State Committee on Standardization, Metrology and Patent, Azerbaijan National Academy of Sciences, Ministry of Economy and Industry	2015
4.12.	Elaboration and relevant submission of proposals on support to applied-science and R&D activities aimed at the development of	Azerbaijan National Academy of Sciences, Ministry of Education, Ministry of Economy	2015-2020

	industry by universities, scientific institutions and study centres and on strengthening cooperation with industrial enterprises	and Industry	
4.13.	Elaboration and relevant submission of proposals related to optimisation of functioning, support of scientific-research and project design institutes and coordination of their cooperation with industrial enterprises	Ministry of Economy and Industry, ministries, committees and organisations that have subordinate scientific-research and project design institutes	2015-2020
4.14.	Elaboration and relevant submission of proposals related to encouragement mechanism for publishing articles in internationally rated magazines on technical subjects	Azerbaijan National Academy of Sciences, Ministry of Education, Ministry of Economy and Industry, Ministry of Communications and High Technologies	2015
4.15.	Strengthening of cooperation with international organisations in field of science, technology and innovations	Ministry of Economy and Industry, Ministry of Foreign Affairs, Azerbaijan National Academy of Sciences, Ministry of Communications and High Technologies	2015-2017
5. Improvement of legislation			
5.1.	Preparation of proposals in direction of analysis and improvement of legislation regulating activities in industry	Ministry of Economy and Industry, Ministry of Justice	2015-2016
5.2.	Preparation of drafts of relevant normative legal acts and	Ministry of Economy and Industry	2015

	mechanisms on investment promotion		
5.3.	Preparation of drafts of relevant normative legal acts related to establishment and functioning of industrial sites (estates)	Ministry of Economy and Industry	2015
5.4.	Strengthening supervision of industrial enterprises harming environment, preparation and relevant submission of proposals on amendments to legislation in this regards	Ministry of Ecology and Natural Resources, Ministry of Economy and Industry	2015