

CATALOGUE

OF INVESTMENT PROJECTS IN AZERBAIJAN





2014

CONTENTS

AGRICULTURE

4



FOOD INDUSTRY

18



TOURISM

27



CONSTRUCTION

36



HEAVY INDUSTRY

45



LIGHT INDUSTRY

53



INTRODUCTION

Azerbaijan Investment and Export Promotion Foundation (“AZPROMO”) is a key partner for international investors in exploring business opportunities in Azerbaijan. Established by the Ministry of Economy and Industry of the Republic of Azerbaijan as a joint public private initiative in 2003, AZPROMO’s main objective is to increase the volume of non-hydrocarbon foreign direct investment in Azerbaijan, as well as to stimulate the strengthening and expansion of the country’s non-hydrocarbon export capacities.

AZPROMO serves as a “one-stop-shop” for international investors possessing an in-depth knowledge of investment opportunities and market features of the country. We advise foreign investors on legal issues related to doing business in Azerbaijan, guide them in their negotiations with all relevant Government agencies and local entrepreneurs, help with logistics, organise trade missions, fairs, business forums and other events in Azerbaijan as well as abroad. Five core pillars of our investment promotion activities include; image building, investment generation, investment facilitation, investor servicing and aftercare, and policy advocacy.

Today, Azerbaijan is one of the most attractive destinations for FDIs in the region. Since the mid 90’s we have doubled our economic potential, enabled and sustained macroeconomic stability and undertook a wide range of economic and regulatory reforms ensuring sustainable business and investment environment. Consequently, the World Bank ‘Doing Business Report 2009’ named Azerbaijan the world’s leading reformer of business regulations and recorded the biggest jump ever in the world ranking of ‘ease of doing business’ (from 97th position to 33rd). Our economy is the 39th most competitive economy in the world, according to the Global Competitiveness Report 2013-2014 compiled by World Economic Forum; taking the lead in competitiveness in the CIS region. Moreover, investment grade from leading international rating agencies is continuously improved. Azerbaijan shows stability of sovereign investment ratings with ‘BBB—’ long term and ‘F3’ short term credit ratings from Fitch Ratings and ‘BBB—’ long term and ‘A3’ short term credit ratings from Standard and Poor’s.

Azerbaijan is a country with a wide range of investment opportunities and is undoubtedly one of the most attractive destinations for foreign direct investments (FDI) in the region. Since 1995, over 172 bln USD was invested in the Azerbaijani economy, of which more than a half was invested by foreign businesses. We believe there are a number of key positive factors behind our success in attracting FDI. These are years of political stability, rapid economic development together with traditional Azerbaijani hospitality, as well as the presence of abundant resources and a favorable location on the crossroads of Eurasia with the best infrastructure in the region.

Today, we are pleased to share information on potential investment projects in priority areas proposed by different entities from the private and public sectors, in Azerbaijan. AZPROMO encourages and welcomes businesses from other countries to visit Azerbaijan, seize the investment opportunities, and witness the growth of your business with the support and collaboration of APROMO and the wider business community.



Overview

Agriculture is one of the most important sectors of the economy in Azerbaijan, a country that is considered as one the earliest sites of human agricultural activity. The fertile lands, abundance of water and climatic diversity create favourable conditions for a strong agricultural sector. The food-processing sector constitutes an important component of the national economy and accounts for around 37% of national manufacturing output.

The years of fast development in the national economy have led to a rapid growth in consumption and changes in consumer tastes in the food and beverage sector. Being one of the leading producers of agricultural goods in CIS, Azerbaijan seeks to further develop its agriculture and food industry for import substitution as well as for export.

Share of agriculture in GDP:	5.3% (3.9 billion USD)
Agricultural land:	4.8 million ha.
Arable land:	1.9 million ha.
Climatic zones/types:	9 out of 11 existing in the world
Employed population in agriculture:	1.68 million persons (37.1% of total employed population in economy)
Gross output of agriculture:	6.7 billion USD (increased 5 times since 2001)
Food production:	3.3 billion USD (2012) (increased 3.7 times since 2001)
Main export partners in agri-food industry:	CIS, Central Asia, Middle East, EU
Main exported agri-food products:	fresh fruits and vegetables, sugar, vegetable oil, alcoholic and non-alcoholic beverages

Source: The State Statistical Committee of the Republic of Azerbaijan

*2013

Advantages:

- NO taxes, except for land tax
- NO customs duties and VAT on specified products and equipments imported for the purpose of using in agri-food production
- Government's subsidies and access to finance
- State Program on the reliable supply of food products to the population for 2008-2015

Mainly developing subsectors

- Dairy products
- Fruits and vegetables
- Viticulture
- Sugar products
- Beverages
- Animal husbandry
- Fisheries
- Apiculture
- Organic oils
- Tea production
- Hazelnuts
- Cereals

More information on www.azpromo.az



AGRICULTURE



Project name	Development of fruit-growing
Location	Shabran region, Dashliytag village
Project objectives & description	<p>It is planned to realize the project in Dashliytag village of Shabran region. The company possesses 5 hectares of productive garden and a modern cooling house with capacity of 1000 tons. In the frame of this new project it is planned to purchase 2 tractors on wheels, 1 chemical sprinkler equipment, 1 freesia plant and to crop 50 hectares of intensive apple garden. Technology and equipment purchased for this project will be rented to other farmers for service so as to attract additional financial resources.</p>
Project cost	900 000 USD
Proposed financial scheme	26% - Company
& share distribution	74% - Investor
Implementation period	10 years
Project payback period	10 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	“Un-Agro” company



Project name	Development of pedigree cattle
Location	Siyazan region
Project objectives & description	The project purpose is development of animal husbandry. “Orkhan” LLC has leased 198 hectares of land with a stall of 300 cattle capacity. At the moment there are 9 pedigreed cattle in this stall. It is planned to design the farm as a modern husbandry complex and to purchase 60 cattle. Grown pedigree cattle will be sold to individual farmers and meat and dairy products will be sold in Baku and Sumgait markets.
Project cost	580 000 USD
Proposed financial scheme	34% - Company
& share distribution	66% - Investor
Implementation period	5 years
Project payback period	5 years
Documents available	Under preparation
(business plan, etc.) :	
Initiator:	“Orkhan” company



Project name

Fruit and greenhouse vegetable growing

Location

Guba region

Project objectives & description

It is planned to crop 10 hectares of intensive type of apple gardens and 1 hectare of greenhouse on the land belonging to entrepreneur Mr. Habil Veysal Mirzayev. Starting from 2nd years sales of tomatoes and cucumber products, which are to be cropped on 1 hectare greenhouse by consecutive cropping system, will be the basis for successful realization of the project. Although greenhouse is an agricultural production area, production there is close to industrial production. Therefore, by applying consecutive cropping production and sales become possible during 8 months of year. It is planned to open 20 new vacancies in frames of the project.

Project cost

1 100 000 USD

Proposed financial scheme

40% - Company

& share distribution

60% - Investor

Implementation period

10 years

Project payback period

10 years

Documents available

Business plan

(business plan, etc.) :

Initiator:

“Orkhan” company



AGRICULTURE



Project name	Development of grape-growing
Location	Gakh region
Project objectives & description	The project purpose is expansion of grape production. 1. Cropping of new 200 hectares of grapes garden 2. Establishment of irrigation system
Project cost	5 400 000 USD
Proposed financial scheme	25% - Company
& share distribution	75% - Investor
Implementation period	3 years
Project payback period	7 years
Documents available (business plan, etc.) :	Business plan
Initiator:	“Lider Max” company





Project name	Development of fishery
Location	Shaki region
Project objectives & description	<p>The project purpose is supplying population with different types of fishery products.</p> <ol style="list-style-type: none">1. Increase in production of fishery products up to 500 tons2. Attraction of additional water sources3. Installment of new equipment meeting international standards
Project cost	1 540 000 USD
Proposed financial scheme	51% - Company
& share distribution	49% - Investor
Implementation period	1 years
Project payback period	5 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	“Girkhbulag Trout Fishing Farm” company



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Project name	Increasing of production volume of organic rose oil
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Location	Zagatala region
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Project objectives & description	<p>It is planned to increase production volume of organic rose oil from current 4 kg up to 100kg.</p> <ol style="list-style-type: none">1. Raw material stock will be increased by cropping of new 100 hectares of rose plantations2. A new computerized enterprise with equipments meeting highest international standards will be established
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Project cost	1 mln. USD
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Proposed financial scheme	24% - Company
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& share distribution	76% - Investor
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Implementation period	5 years
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Project payback period	3 years 7 months
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Documents available	Business plan
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(business plan, etc.) :	
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Initiator:	“Jaliar” company
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AGRICULTURE



Project name	Development of sheep farming
Location	Ismayilli region
Project objectives & description	Capacity/year: 10 000 sheep, 15 000 lamb, 50 000 kg sheep cheese, 300 000 kg meat
Project cost	3 200 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 years
Project payback period	2 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	"Azmark ltd" company



Project name	Growing and processing of medical plants
Location	Ismayilli region
Project objectives & description	Seeds of medical plants, packaged medical plants, oil of tea prickles and healing juices. More than 100 kinds of wild medical plants grow in forests of Ismayilli. Demand is higher for most of them. It is planned to grow and process plants highly demanded by population and industry.
Project cost	400 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 years
Project payback period	2 years
Documents available (business plan, etc.) :	Initial feasibility study
Initiator:	"Azmark Ltd" company



Project name	Development of tea-growing
Location	Haftoni village, Lenkoran region, Azerbaijan
Project objectives & description	<p>The project is aimed at the development of tea-growing in southern regions of Azerbaijan. The realization of the project will ensure the opening of new working places and supply the demand of tea in Azerbaijan with local produce.</p> <p>The project considers establishment of 9 hectares tea plantation where ecological pure tea will be produced and packaged.</p>
Project cost	158 000 USD
Proposed financial scheme & share distribution	50% / 50%
Implementation period	2 years
Project payback period	4-5 years
Documents available (business plan, etc.) :	Business plan
Initiator:	“Lenkeran Chay-5”, Lenkeran “Bioflora” LLC



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Project name

Production of combined feed

Location

Khachmaz region, Azerbaijan

Project objectives & description

The project purpose is satisfaction of increasing demand for combined feed in the Northern regions of Azerbaijan.

The project considers production of combined feed using existing raw materials

(waste products remaining by poultry, meat, apple and tomato processing) in the Northern regions. Rising domestic demand and real customers create favourable conditions for the production of combined feed.

Project cost

1 mln. USD

Proposed financial scheme

67% - Company

& share distribution

33% - Investor

Implementation period

6 months

Project payback period

3 years

Documents available

Business plan

(business plan, etc.) :

Initiator:

“Shamil” LLC



AGRICULTURE



Project name	Greenhouse construction
Location	Baku, Garagah district, Alyati settlement
Project objectives & description	<p>Production of vegetables (tomato) in Garadagh district via development of modern greenhouse facility.</p> <p>The Project envisages construction of 1ha square greenhouse facilities designed for tomato production, which is one of the most demanded product of local and foreign markets. For implementing the Project the Company needs to identify the supplier of greenhouse equipment, facilitate creation of the infrastructure and construction of utilities, complete foundation of the greenhouse, purchase and install the equipment, hire and train staff of the enterprise.</p>
Project cost	1 406 072 AZN
Proposed financial scheme	50% - Company
& share distribution	50% - Investor
Implementation period	7 years
Project payback period	5 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	"Incomeservice" company



Priority investment areas

- * Production and processing of medicinal herbs
- * Greenhouse production
- * Construction of refrigerated storage facilities
- * Production of fertilizers
- * Seed farming
- * Apiculture
- * Aquaculture
- * Production of saffron
- * Establishment of silkworm breeding farm
- * Establishment of mills
- * Floriculture and ornamental plant production
- * Establishment of broiler enterprises
- * Pedigree cattle farms
- * Production of nursing
- * Production of fresh fruits and vegetables (apples, cherries, persimmons, pomegranate, kiwi, hazelnuts, feijoa, tomatoes, grapes, cucumbers, greens, early potatoes, rice, tea leaves, citrus fruits, onions, etc.)
- * Establishment of stock-farm for milk production and processing purposes
- * Development of veterinary services
- * Horticulture



AGRICULTURE

Project name	Milk processing factory
Location	Ismayilli region
Project objectives & description	The project purpose is local milk based cheese, sour-cream and other dairy production. Daily milk production of Ismayilli region is 20-30 tons and this capacity grows annually. However, processed milk products are bought from Baku. Processing milk in the region under appropriate trademark will enable to produce more qualitative and competitive products.
Project cost	655 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	2 years
Documents available (business plan, etc.) :	Initial feasibility study
Initiator:	Azmark Ltd.



Project name	Wine-making factory
Location	Ismayilli region
Project objectives & description	The project purpose is production of fruit vodka and wine. Ismayilli is one of regions with traditionally widely developed vine-growing. At the moment restoration of vineyards is being implemented and production capacity of grapes increases annually. At the same time, demand for fruit vodka made in Ismayilli region is growing rapidly. Yet, there is a lack of industry production of fruit vodka. Therefore, it is planned to establish enterprise with production capacity of 200 000 dkl of wine and 50 000 dkl of fruit vodka.
Project cost	1 960 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	3 years
Documents available	Initial feasibility study
(business plan, etc.) :	
Initiator:	Azmark Ltd.



Project name	Mineral water factory
Location	Ismayilli region
Project objectives & description	<p>The project purpose is production of sparkling and still water with capacity of 20 mln. liters annually. According to statistics demand in mineral waters increased in recent years because of climate change. At the same time, mineral waters produced in Azerbaijan have a large export potential.</p> <p>Ismayilli is among leading regions for its rich surface and underground waters.</p>
Project cost	1 960 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	2 years
Documents available (business plan, etc.) :	Initial feasibility study
Initiator:	Azmark Ltd.



Project name	“NURUD” water production
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Location	Goygol region, village Uchbulag
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Project objectives & description	The project is aimed at the production and sales of sparkling and still water “NURUD” and fizzy drinks. “Fahrali” enterprise started business activity in 1999. The enterprise is producing competitive sparkling and still water and juices under “NURUD” brand. Its production capacity is 500 tonnes monthly. The enterprise uses natural spring water for production. The characteristics of the product: very high importance as cure (diuretic, cleans stone and salts from kidneys, eliminates gases in gastroenteric system, cleans bile).
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Project cost	770 000 USD
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Proposed financial scheme	Upon negotiations
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& share distribution	
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Implementation period	6 months
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Project payback period	10 years
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Documents available	Under preparation
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(business plan, etc.) :	
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Initiator:	“Fahrali” enterprise
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Project name	Production of vegetable oil
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Location	Gakh region
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Project objectives & description	<ol style="list-style-type: none">1. Cropping of new 400 hectares of sunflower areas2. Cropping of new 300 hectares of soybean areas3. Establishment of processing zone meeting modern standards
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Project cost	1 030 000 USD
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Proposed financial scheme	25% - Company
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& share distribution	75% - Investor
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Implementation period	2 years
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Project payback period	5 years
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Documents available	Business plan
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(business plan, etc.) :	
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Initiator:	“Ilisu” company
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Project name	Production of the confectionery products “New Chinar”
Location	Ganja region, Azerbaijan
Project objectives & description	<p>The objective of the project is to restore the production of the new assortments and production of famous “Chinar” sweets.</p> <p>The project considers restoration of sweets production in one of the biggest sweets production plant of Caucasus region. There is a need in obtaining of new equipments for production of confectionary products</p>
Project cost	4.5 - 5 mln. USD
Proposed financial scheme & share distribution	Depends on negotiations
Implementation period	1 years
Project payback period	5 years
Documents available (business plan, etc.) :	Feasibility study
Initiator:	“Ganja Gannadi” JSC



Project name	Creation of a new production line of “Miri Grand” LLC
Location	Aghsu region, Azerbaijan
Project objectives & description	<p>The aim of the project is to increase export of fruit juices to foreign markets.</p> <p>The project considers establishment of a new production line to expand the output.</p> <p>The establishment of new production line will increase annual production from 300 000 decalitres to 450 000 decalitres.</p>
Project cost	1 300 000 USD
Proposed financial scheme	70% - Investor
& share distribution	30% - Company
Implementation period	2 years
Project payback period	2 years
Documents available (business plan, etc.) :	Feasibility study and Business plan
Initiator:	“Miri Grand” LLC

Project name	Enhancement of hazelnut processing
Location	Baku city, Azerbaijan
Project objectives & description	<p>The project aims at development and enhancement of existing hazelnut processing. It considers establishment and increasing of additional capacity for cake production, purchasing of new equipments and development of entrepreneurship and export potential</p> <p>The production capacity is to be increased up to 150 tons hazelnut and 100 tons cake per month and different types of nut-pastas (cacao, milky and caramel pastas) to be produced and sold in domestic and foreign markets.</p>
Project cost	9 812 500 USD
Proposed financial scheme	62 % - “ELFEM” LLC
& share distribution	38 % - Investor
Implementation period	12 months
Project payback period	4 years
Documents available	Business plan and other related documents
(business plan, etc.) :	
Initiator:	“ELFEM” LLC



Priority investment areas

- * Production of tomato paste
- * Production of fruit juices
- * Packaging and labelling
- * Production of meat and meat products
- * Poultry production
- * Production of dairy products
- * Production of sunflower oil
- * Honey processing and packaging
- * Production of mineral and natural water and packaging
- * Potato processing (production of potato chips, potato flour, etc.)
- * Confectionery production
- * Bakery and floury products
- * Production of frozen fruits and vegetables
- * Nuts processing facility
- * Production of child food
- * Production of olives and olive products
- * Establishment of grape processing manufacture
- * Wine production
- * Canned fruits and vegetables production
- * Production of dried fruit and berries
- * Production of mayonnaise, ketchup and other sauces
- * Production of salt



Overview

Azerbaijan is not only an attractive destination for international business, but it is also emerging as a new tourism destination. The sphere of the fairylike travels and adventures, active rest in paradise oases and against a background of turquoise waves, contemplate and cognitive trips, the refined tasting of the Eastern dishes – all this Azerbaijan hospitably offers to the people of good will and the tourists from many countries have already begun to travel here.

Azerbaijan has all the necessary ingredients of a tourist-friendly country: hospitable people, rich cultural, historic and religious diversity, beautiful natural scenery, delicious cuisine and exotic foods, and many more. Tourism sector became one of the fastest developing segments of economy with immense potential and opportunities. It is, moreover, assigned an important role in the enunciated aspirations of the government towards diversified economy.

Number of tourists:	2 129 500 (increased 3 times since 2005)
Number of hotels and hotel-type enterprises:	530 (increased 5.7 times since 2001)
Number of beds:	33 951 (increased 3.5 times since 2001)
Number of overnight stays:	1 674 065 (increased 10.4 times since 2001)
Number of tourism enterprises:	196 (increased 11 times since 2001)
Total income of hotels and hotel-types enterprises	218.3 million USD
Total income of tourism enterprises	45.5 million USD
Top nationalities visiting Azerbaijan	Russia, Georgia, Turkey, Iran, Ukraine, United Kingdom, Kazakhstan, Uzbekistan, Germany, Italy

Source: The State Statistical Committee of the Republic of Azerbaijan

*2013

Advantages:

- Perfect landscape (sea, forests, mountains, meadows) and rich recreational recourses

- Construction, renovation and expansion of international airports
- Hosting international events such as

FIRST EUROPEAN OLYMPIC GAMES 2015

- Increasing tourist arrivals
- International standards of hospitality
- State Program on the development of tourism in Azerbaijan Republic in the years of 2010-2014

Mainly developing subsectors

- cultural and heritage tourism
- recreational tourism
- business tourism
- eco-tourism
- religious tourism
- sport and adventure tourism

More information on www.azpromo.az



Project name	Construction of tourism, sport and resort centre
Location	Khachmaz region, Azerbaijan
Project objectives & description	<p>The project is aimed at development of tourism sector in Khachmaz region and increase of tourists flow into the region.</p> <p>The complex will be constructed in the 200 hectares coastal area surrounded with forest, sulfide springs and mountains. The area is ideal for the development of summer tourism and is included to the list of priority lands for the implementation of the Program on the development of tourism.</p> <p>Following tourism facilities are to be constructed in the complex:</p> <ul style="list-style-type: none"> * Hotel and cottages * Health centre * Concert hall / Entertainment centre * Medical unit * Water sport units * Pools
Project cost	110 mln. USD
Proposed financial scheme	109 mln. USD - Investor
& share distribution	All partnership opportunities might be discussed
Implementation period	2 year
Project payback period	15 years
Documents available (business plan, etc.) :	Feasibility study
Initiator:	“Khudat-Baliq-l” JSC

Project name	3-star tourism facilities
Location	Ismayilli region
Project objectives & description	The project purpose is establishment of 120-bed recreation center. Although number of tourists visiting Lahij settlement has increased significantly in recent years, however there is no economy-class hotel there. It is planned to construct a 120-bed hotel with recreation infrastructure. The project has strong comparative advantage.
Project cost	1 180 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	3 years
Documents available	Initial feasibility study
(business plan, etc.) :	
Initiator:	Azmark Ltd.

Project name	Construction of “Water & Fire” tourism complex
Location	Gilazi settlement, Khizi region, Azerbaijan
Project objectives & description	<p>The main purpose of the project is development of seaside resort area in Khizi region. Construction of resort and tourism center, establishment of recreation area, organization of beach and other types of tourism are considered to implement in 4 development zones:</p> <p><u>Development zone 1:</u> “Beach tourism”. Acceptable beaches, fair water quality. New autonomous development for international tourism.</p> <p><u>Development zone 2:</u> “Nature tourism”. Proximity to the bird resort area. Starting point for exploring the natural beauties of northern Azerbaijan.</p> <p><u>Development zone 3:</u> “Culture tourism”. Proximity to important cultural landmark, “Besh Barmag” (mountain called ‘Five Fingers’).</p> <p><u>Development zone 4:</u> “Event tourism”. Best accessible area; potential airport connection. New autonomous settlement with inherent attractions. Opportunity for short trips from Baku (1 hour) and Sumgait (15 min).</p>
Project cost	200 mln. USD
Proposed financing scheme & share distribution	100% by foreign investor
Project payback period	15 years
Documents available (business plan, etc.) :	Being prepared
Initiator:	Ministry of Culture and Tourism of Azerbaijan

Project name	"Ideal" tourism and healthy catering centre
Location	Oghuz region, Padar village, Oghuz-Baku highway
Project objectives & description	Innovation in catering service based on natural and organic food. Building of guest house for 12 persons, restaurant for 100 persons, banquet hall for 200 persons, open-air restaurant for 180 persons and other auxiliary facilities. Daily capacity: serving 250-300 guests simultaneously
Project cost	2.2 million AZN
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	4 months
Project payback period	8 years
Documents available	Business plan, draft project, conceptual plan
(business plan, etc.) :	
Initiator:	"Ideal" company

Project name	Baku Golf Club
Location	Baku, Mehdiabad settlement
Project objectives & description	<p>The construction of 9 hole, 35 par, Championship Golf Course which includes the construction of driving range (250 meter long), Club House, artificial lakes and waterfall.</p> <p>Baku Golf club is designed by Golf Course Architect Alan Rijks from The Netherlands, senior member of the EIGCA (European institute of Golf course Architects) Created a very unique Golf course with Strategy, variety, diverse and rolling terrain, beauty and outstanding hazards, all features a Golf course should possess.</p> <p>The Golf Course is 18 km from city center (20 minutes) and would be wonderful place for spending weekends with whole family.</p> <p>The Club House offers facilities such as F&B services, pro shop, locker rooms and Caddy Master. With views to the finishing hole, across the lake and streams.</p>
Project cost	6 000 000 AZN
Proposed financial scheme	
& share distribution	
Implementation period	8 - 9 months
Project payback period	3 - 4 years
Documents available	
(business plan, etc.) :	
Initiator:	“Bakhchasaray” LLC

Priority investment areas

- * Construction of 3-4 star hotels
- * (Re-) Construction of tourism complexes
- * Construction of SPA hotels
- * Adventure tourism and recreation
- * Development of infrastructure for recreation zones
- * Development of medicinal, religious, mountainous, winter and sledge, historical, cultural and eco- tourism
- * Development of touristic sites
- * Development of adventure facilities
- * National souvenirs, gifts, copper plates and others



Overview

Azerbaijan is a booming construction market. There are several reasons behind the rapid development of the construction sector in the last few years. The large capital investment in local infrastructure related to oil and gas projects evolved this business area into a very competitive sector with increasing number of strong local and foreign companies able to deliver the highest international standards in construction.

There are currently significant opportunities for construction:

- brand hotels in the capital city and quality hotels in the regions
- tourism complexes
- logistical warehouses,
- production of new types of construction materials,
- development of architectural and engineering services
- introduction of state of the art construction technology

Share in GDP:	11.8% (8.7 billion USD)
Volume of construction work:	11.1 billion USD (increased 5.4 times since 2005)
Implemented construction work by type:	New construction 66.2%
	Capital repair 17.6%
	Current repair 2.9%
	Other 13.3%
Private companies' share in construction work:	81.3%
Volume of total investments:	22.8 billion USD (increased 14.4 times since 2001)
Number of issued construction permits:	1, 667 (2012)

Source: The State Statistical Committee of the Republic of Azerbaijan

*2013

Advantages:

- Increasing demand in residential construction market
- Growing income of population and concessional loans
- Local production of required construction materials
- Significant industrial, agricultural and transport projects
- Influx of business travelers and foreign tourists causing major demand in hotel sector
- Continuous reforms and strategies to boost the sector

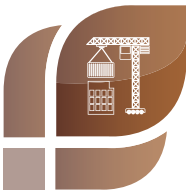
Mainly developing subsectors

- residential sector
- hotel sector
- office sector
- warehouse sector
- infrastructure

Major infrastructure projects

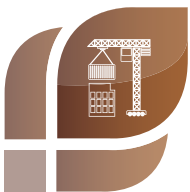
- Baku-Tbilisi-Kars Railway Line
- New Baku International Sea Trade Port
- New Terminal at Baku International Airport

More information on www.azpromo.az



CONSTRUCTION

Project name	Baku White City
Location	Baku city, Azerbaijan
Project objectives & description	<p>The aim of the project is to develop one of the greatest urban districts in the region and make the most efficient use of land through optimizing development densities.</p> <p>At the current time, a unique opportunity for the restoration and rationalized use of the Black City area has arisen on an industrial site, which is located directly at the centre of Baku Bay. A site with an area of 221 ha has a chance to be reborn for a new purpose.</p> <p>As lead consultant, the world-renowned engineering and architectural design firm Atkins (UK) performed master planning for the project. Along with specialists from Azerbaijan, Fosters and Partners (UK), and American architectural bureau F+A Architects, were also involved. BWC will accommodate 50 000 residents in 10 districts.</p> <p>BWC will have one of the largest per capita (40000) parking place. Largest mall of the region will be located in BWC. Waterfront line will accommodate 65 meter high observation wheel - twice the current and higher than Roue de Paris.</p>
Project cost	Depends on particular project
Proposed financing scheme & share distribution	Depends on negotiations
Implementation period	Depends on particular project
Project payback period	Depends on particular project
Documents available (business plan, etc.) :	Approved Master Plan
Initiator:	"ADEC" Azerbaijan Development Company



CONSTRUCTION



Project name

Tile production factory

Location

Nakhchivan city, Azerbaijan

Project objectives & description

Construction of tile factory with production capacity of 120 000 m² per month. Meeting the need in building materials in Nakhchivan Autonomous Republic and Azerbaijan.

Annual production volume is 900 000 m² which is planned for export.

There is necessary building of 6800 m² that needs to be equipped.

76% of the project cost will be spent on installation of equipment.

Project cost

6.5 mln. EUR

Proposed financing scheme

To be negotiated

& share distribution

Implementation period

1 year

Project payback period

3 - 4 years

Documents available

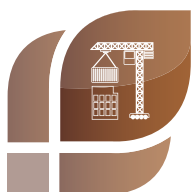
Being prepared

(business plan, etc.) :

Initiator:

“Cahan Holding” Company

38



CONSTRUCTION

Project name	Building of modern hotel in the centre of Baku
Location	Baku city, Azerbaijan
Project objectives & description	<p>The purpose of the project is to render high quality accommodation services and total satisfaction of expressed or implied guests’ needs.</p> <p>Area for building of hotel which is situated in the centre of business activity of Baku is available.</p> <p>The project considers construction of hotel (suite) in the centre of Baku, near the boulevard. Hotel would meet the needs of both locals and visitors to the area and represent complex of services to all forms of business.</p>
Project cost	2-3 mln. USD
Proposed financing scheme	Depends on agreement: Direct investment, long-term cooperation
& share distribution	51% / 49% ; 80% / 20% ; other options can be discussed
Implementation period	1 year
Project payback period	3 years
Documents available	Being prepared
(business plan, etc.) :	
Initiator:	“2M Engineering” Company



CONSTRUCTION

Project name	Production of composite panels and modular house construction
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Location	Ismayilli region
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Project objectives & description	The project purpose is production of 500 000 sq.m. of composite panels annually. Demand for quickly built modular houses and office buildings is increasing at the moment. The reason for this is very fast construction of such houses (1 per week) and buldings and its economic efficiency.
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Project cost	1 050 000 USD
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Proposed financial scheme	30% - Company
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& share distribution	70% - Investor
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Implementation period	1 year
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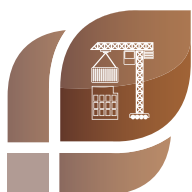
Project payback period	2 years
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Documents available	Initial feasibility study
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(business plan, etc.) :	
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Initiator:	Azmark Ltd.
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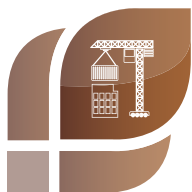
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CONSTRUCTION



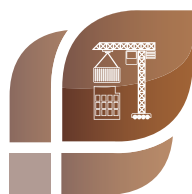
Project name	Processing of rocks and river stones
Location	Ismayilli region
Project objectives & description	The project purpose is production of construction related stones. Sources of rocks are widely spread in the region. At the same time several big rivers pass through territory of the region. This gives good opportunity to establish enterprise for processing of rocks and river stones widely applied in construction.
Project cost	655 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	2 years
Documents available	Initial feasibility study
(business plan, etc.) :	
Initiator:	Azmark Ltd.



CONSTRUCTION



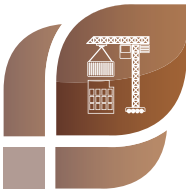
Project name	Fiber gypsum board production line
Location	Ismayilli region
Project objectives & description	Fiber Gypsum Board (FBG) is another promising new material for construction and repair. Unlike drywall in this material are not you using paper that provides more cost-effective, eco-friendly and fireproof material for construction industry. Main source of raw materials for the production - gypsum is located just 120 km far from production area. And rest of materials (up to 3 components) located and produced within Ismayilli district. In first stage planned to produce 1 mln. Square meter FBG per year.
Project cost	1 200 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	1 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	"Azmark" LTD



CONSTRUCTION

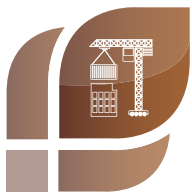


Project name	Basalt products production plant
Location	Ganja region
Project objectives & description	Share of usage products made from basalt fiber are extremely increased in the world for recent years especially in construction industry. Basalt arms and basaltic pipe fittings have been successfully used by many construction companies worldwide. In established company planning to produce basalt fiber arms for construction roads and building, basalt isolation materials and tubes, total production capacity for first year will be 10 000 ton/year.
Project cost	6 000 000 USD
Proposed financial scheme	10% - Company
& share distribution	90% - Investor
Implementation period	1 year
Project payback period	3 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	“Azmark” LTD



Priority investment areas

- * Production of building finishing materials
- * Production of artificial marble
- * Production of construction materials
- * Production of ceramic coating tiles
- * Production of lime
- * Construction of brick factory
- * Production of construction glass
- * Production of aluminum
- * Construction of logistical warehouses
- * Production of cement and concrete blocks
- * Construction of machinery plants



CONSTRUCTION



Overview

The industry is one of the most developed sectors and major recipient of foreign investments in Azerbaijan. Industrial sectors of Azerbaijan that produce half of the GDP in the country includes mainly energy and related sectors, chemistry, machinery, metallurgy, food industry, light industry and other areas. The main directions of state policy in the field of industry include the modernization and reconstruction of equipment facilities, increasing the competitiveness of national products, introduction of new technologies and know-how, attraction of investments and encouraging the processing industry development.

Share in GDP:	46.3% (34 billion USD)
Volume of industrial products:	43.1 billion USD (increased 4.4 times since 2005)
Structure of production:	Private sector 81.1%
	Public sector 18.9%
	Mining industry 73%
Sectoral structure of industry :	Manufacturing industry 21.1%
	Others 5.9%
	9.5 billion USD (increased 8.6 times since 2001)
Volume of total investments:	foreign investments 53.4%
	local investments 46.6%

Source: The State Statistical Committee of the Republic of Azerbaijan

*2013

Advantages:

- Wide range of raw materials for the development of various industrial sectors
- Active privatization policy and increasing share of private sector in total industrial production
- Historical experience in industry causing formulation of skilled labour force
- Favourable legal framework regulating production and economic activity in industry
- Economic reforms and strategies to stipulate the development of the industrial sector

Mainly developing subsectors

- light industry
- metallurgy
- machinery
- chemical industry

Major industrial projects

- Sumgait Chemical Industrial Park
- Sumgait Techno Park
- Balakhani Eco-Industrial Park

More information on www.azpromo.az





Project name	Manufacture of heating boilers
Location	Baku city, Azerbaijan
Project objectives & description	<p>The aim of the project is to become the premier manufacturer of heating systems in Azerbaijan.</p> <p>It is considered to deliver parts of boilers to Azerbaijan from abroad, then assemble parts into ready product and finally organize sale in Azerbaijan and neighboring countries, such as Russia, Georgia, Kazakhstan, Turkmenistan, etc.</p>
Project cost	2-3 mln. USD
Proposed financing scheme	Depends on agreement:
& share distribution	51% / 49% ; 80% / 20% ; other options can be discussed
Implementation period	1 year
Project payback period	3 years
Documents available	Being prepared
(business plan, etc.) :	
Initiator:	“2M Engineering” Company





Project name	Reconstruction of equipment park of “Baku Steel Wire” JSC
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Location	Baku city, Azerbaijan
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Project objectives & description	<p>The purpose of the project is to restore the activity of existing steel wire enterprise.</p> <p>The project considers rebuilding of existing plant, construction and repair works, installation and exploitation of modern technologies, raw material supplies. Complete technical upgrading and installation of new equipment for steel wire manufacturing would lead to produce and sale about 20,000 tons of steel ropes annually.</p>
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Project cost	5 mln. USD
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Proposed financing scheme	Will be determined upon mutual negotiations
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& share distribution	
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Implementation period	1 - 1.5 year
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Project payback period	2 years
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Documents available	Business plan
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(business plan, etc.) :	
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Initiator:	“Baku Steel Wire” JSC
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Project name	Production of energy efficient LED lamps
Location	Ganja city, Azerbaijan
Project objectives & description	<p>The main purpose of the project is to gain the mass production of lighting equipments (lamps) based on new generation of white LEDs.</p> <p>The project considers rebuilding of existing plant, construction and repair works, installation and exploitation of modern technologies. The main products considered for production are white LED lights and mass lighting equipment.</p> <p>Energy efficient LED lamps will be manufacturing with the employment of nano technologies. It is also considered to attract the several Scientific-Research and Design-Constructor Institutes.</p>
Project cost	12.7 mln. USD
Proposed financing scheme & share distribution	Will be determined upon mutual negotiations
Implementation period	1 year
Project payback period	2 years
Documents available (business plan, etc.) :	Business plan
Initiator:	“Bullur Electronics” JSC



Project name	Reconstruction of lime production plant
Location	Gazakh region, Azerbaijan
Project objectives & description	<p>The purpose of the project is restoring the production of lime for different purposes.</p> <p>The project considers production of lime with the high activity by using latest technology. The lime products will be used in oil, chemical, food and agricultural sectors.</p>
Project cost	12.8 mln. EUR
Proposed financing scheme	70% - Investor
& share distribution	30% - Company
Implementation period	2 years
Project payback period	4 years
Documents available	Being prepared
(business plan, etc.) :	
Initiator:	“Matanat A” Company



Project name	Incubator and farming equipment manufacturing
Location	Ismayilli region
Project objectives & description	<p>In view of the large-scale projects already started and planning to implement in Azerbaijan the field of the poultry and dairy farming equipment is flat. There a big increasing demand for high quality equipment and services for this area.</p> <p>New established company planning to produce automated eggs and meat grade chicken production house equipment, automated diary farm equipment, cooling and chilling equipment for farms, industrial and mini incubators, modern farm house heaters and etc. First year turnover will be in range of 2-3 mln USD. In same level quality price will be for 30 % less than imported analogs from Russia or Turkey.</p>
Project cost	1 500 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	1 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	"Azmark" LTD



Project name	Harvesting agricultural equipment manufacturing
Location	Agcabadi region
Project objectives & description	<p>In view of the large-scale projects already started and planning to implement in future in Azerbaijan the field of harvest there a need to provide quality equipment for this industry.</p> <p>New established company planning to produce harvesting equipment as well as provide repair service for those kind of equipment.</p>
Project cost	1 500 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	2 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	Qurbanov Maharram

Priority investment areas

- * Waste processing facilities
- * Production of aluminum shape
- * Production of polyvinylchloride pipes and components
- * Production of polypropylene sacks
- * Production of plastic bags and nylon sacks
- * Production of polyurethane sponge
- * Production of spring beds
- * Production of fiber boards
- * Establishment of woodworking enterprise
- * Production of spare parts for agricultural equipment
- * Production of oil-field equipment
- * Production of electric equipment
- * Production of polymer materials
- * Production of precious metals
- * Production of communal services equipment
- * Production of medical equipment
- * Production of throwaway tares



Project name	Development of carpet-making in regions
Location	Guba region, Azerbaijan
Project objectives & description	<p>The purpose of the project is expansion of carpet-making in Northern regions of Azerbaijan and opening of new work places.</p> <p>The project considers production of products with export potential for developing of handicraft and carpet-making art and demonstrating in the World markets. Establishment of show rooms and galleries also will be implemented within the project.</p>
Project cost	306 600 USD
Proposed financing scheme	105 000 USD - “Gadim Guba”
& share distribution	201 000 USD - Investor
Implementation period	1 year
Project payback period	5 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	“Gadim Guba” LLC



Project name	Expansion of shoes production
Location	Ismayilli region
Project objectives & description	The project purpose is expansion of production area and increasing of production assortment. New production workshop will be constructed, new production equipment will be installed, production area will be expanded, annual production power will be increased from 12000 pairs to 50000 pairs and number of employees will be increased from 25 to 50. New type of shoes will be produced for local and foreign markets.
Project cost	640 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	2 year
Project payback period	10 years
Documents available	Feasibility study and business plan
(business plan, etc.) :	
Initiator:	“Sandal” company



Project name	Wood processing and furniture manufacturing
Location	Ismayilli region
Project objectives & description	In recent years, carried out major a lot of construction projects in our country, including the construction of private houses. In this case, demand for wood products, especially wooden construction materials and furniture is increased. When importing average price for raw wood form Russia is starting from 150 USD for cubic meter the price for ready products in range of 600-1000 USD per cubic meter. The average annual imports of these products are approaching to \$1 billion US dollar. On the new established production facilities is planning to manufacture German technology based wood doors, wood windows and furniture.
Project cost	900 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	1 years
Documents available	Business plan
(business plan, etc.) :	
Initiator:	“Azmark” LTD





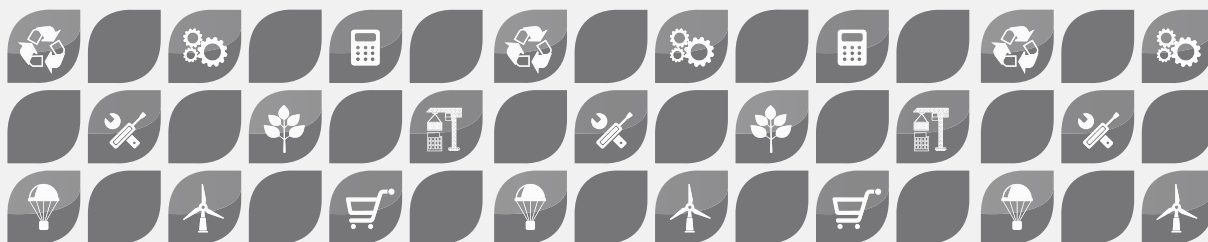
Project name	Carpet factory
Location	Ismayilli region
Project objectives & description	The project purpose is production of hand-made carpets. Demand for carpets weaved by hand is still high in the world. Azerbaijan has a rich carpet weaving traditions. By applying latest technologies it is possible to produce high quality carpets by cost efficient methods.
Project cost	392 000 USD
Proposed financial scheme	30% - Company
& share distribution	70% - Investor
Implementation period	1 year
Project payback period	2 years
Documents available (business plan, etc.) :	Initial feasibility study
Initiator:	Azmark Ltd.

Priority investment areas

- * Production of furniture
- * Production of protective clothing
- * Carpet weaving
- * Shoes production
- * Production of underwear
- * Establishment of clothing (including uniform) manufacture
- * Establishment of wool processing manufacture
- * Production of leather
- * Production of nursery nappies
- * Establishment of weaving mill



For notes



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