

## **Distinguished Colleagues!**

As a transit country, transit dependence has caused vulnerability for Azerbaijan, which makes it necessary to diversify transport routes to gain access to international markets. Therefore, Azerbaijan's transit policy is largely focused on benefiting from the full potential of the country, through implementing strategies that encompasses the development of the all modes of transport, specially inland transport, facilitation of border-crossing and promoting the shortest rail and road linkages via its territory. Azerbaijan participates in the development of international transport corridors. Activities in this area are also realized within international organizations and initiatives, such as UNESCAP, UNECE, BSEC, TRACECA, ECO, Turkic Council and etc.

It is paramount importance for Azerbaijan to foster regional cooperation with neighboring countries. Azerbaijan is approaching in realization of Baku-Tbilisi-Kars new railway link project. The international conference titled "Railway Line Baku-Tbilisi-Kars - New Opportunities for the Development of the Historic Silk Road" was held on 16 October 2014, in Baku, Azerbaijan. The conference was attended by the representatives of the regional countries, including SPECA member countries, international organizations and financial institutions. Joint declaration underlining the importance of BTK in increasing transit potential of the region, facilitating connection and expanding economic and trade relations between Europe and Asia, was adopted at the end of the conference.

By integrating regional transport systems and connecting Trans-Europe and Trans-Asia railway networks, BTK will contribute to boosting the competitiveness of Europe-the Caucasus-Asia international transport corridor, increasing the speed of trains, shortening the delivery time of passenger and goods, assuring profitable and safe use of railways. It will provide a physical access to the European railway network and create favorable conditions for shipment of goods from China and Far East passing through Central Asia and Caucasus to Europe along East-West corridor. The first test train was launched on December of 2014, while the railway will become operational in the beginning of 2016

One of the main goals in terms of transportation along the BTK railway and East-West corridor is the creation of powerful port infrastructure. In this regard, construction of new Baku International Sea Trade Port Complex must be stated. The port will be playing key role in transportation of good both by North-South and East-West transport corridors. It has taken some measures for the construction of new sea trade port, according the decree of President of the Republic of Azerbaijan about the "Construction of Baku International New Sea Trade Port Complex", in the crossing area "East-West" and "North-South" transport corridors where has direct exit to the main railways and motorways of the country. On September 22, 2014 Azerbaijan opened a ferry terminal as part of the first phase of the new Baku International Sea Trade Port Complex. As you port construction consist of 3 Phases. When the last, Phase III is finished, Alyat will be the largest non-oil cargo processing port in the region, capable of handling about 25 million tons of freight and up to 1 million TEU annually.

Strategic location of this new port at the intersection of East-West and North-South transport corridors with direct access to main railways and highways of the country is of immense importance for effective functioning of these corridors and further increasing transit potential of the regional countries.

Numbers of projects are implementing for assuring future development and sustainability of country's transport system, increasing competitiveness of international transport corridors, ensuring safety in transport, improving transport services and overcoming physical obstacles

On August 3, the first container train, Nomand Express, arrived at Baku International Sea Trade Port from China via the Trans-Caspian International Transport Route. It became possible as a result of efforts by the Coordination Committee of Trans-Caspian International Transport Route (TITR ) created in October 2013. During the first meeting of the Coordination Committee of the TITR in Baku in January 2015, the parties reached an agreement to organize a container service on the China-Kazakhstan-Azerbaijan-Georgia-Turkey route by using the new Zhezkazgan-Beineu railway. The train, consisting of 82 containers and 41 platforms, departed from China's Shihezi city on July 28. It traveled more than 4,000 kilometers, passed through the Kazakh port of Aktau.

The project envisages the involvement of transit and foreign trade cargoes, as well as the application of competitive single railway tariffs in order to increase cargo transportation. The launch of this route will significantly improve the transit and export prospects of the member countries and increase the competitiveness of the TITR. The project is being implemented by Kazakhstan Temir Zholy, Azerbaijan Railways, Azerbaijan's State Caspian Sea Shipping Company and Baku International Sea Trade Port.

Azerbaijan is also actively participates in establishment of Afghanistan-Turkmenistan-Azerbaijan-Georgia-Turkey transport and transit corridor which is also known as the Lapis Lazuli transit corridor which will connect South Asia to Central Asia and then to Europe. Hope that the new corridor would increase trade and commerce activities among the regional countries.

On 6 May 2015, the Minister of Foreign Affairs of the Republic of Azerbaijan, Mr. Elmar Mammadyarov, signed the instrument of accession to Convention Concerning International Carriage by rail (COTIF). Following the signing, the Republic of Azerbaijan has become the 50th Member State of OTIF.

Azerbaijan is willing to further contribute to the creation of the necessary conditions for the development of secure and effective transportation corridors, smooth transport of goods along these corridors and provision of mutual support along with other SPECA member countries.

Thank you for attention!

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