



Transit update:

Completed works and prospective projects in Azerbaijan



- > Total length of road under construction in Karabakh ~2000 km
- > Over the past two years, **4.9 bln manats (USD 2.9 bln)** have been allocated for restoration and reconstruction works in East Zangazur
- > In 2023, it is predicted that the cost of reconstruction and restoration of the territories freed from occupation will amount to **3 billion manats**.
- > The M-1 Baku-Guba-Russian Federation state border toll road is **18 km shorter** than the current road

Road asset management

- > Twinning project "Increasing Road Safety in Azerbaijan" launched
- > "State Program on Road Traffic Safety for 2019-2023"

Road safety

Road asset management and Road safety

Aviation

- Along with infrastructure reconstruction in Karabakh and Eastern Zangezur economic regions:
 - 2 new international airports have been put into operation (namely, Fuzuli and Zangilan international airport), and
 - 1 (Lachin airport) should be completed by 2025, which will accelerate reintegration to Azerbaijan economy as a result.





Stimulation of the transit passage of trucks belonging to a foreign country

- abolition of some fees by law change services for the
(effective April 1, 2023)

- reconstruction works at the border crossing point

Cross-border transport and Logistics



\$240*



0

Tax Code of the Republic of Azerbaijan 211.3. The article titled "Transportation of dangerous goods" **has been deleted.**



\$25



0

The fee charged to transit trucks **for entry into major cities** has been abolished .



400



1 100

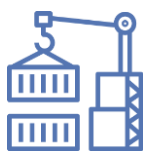
The daily transmission capacity will increase **after the completion of the reconstruction works** at the Khanoba border crossing (daily)

* NOTE: A transit truck passing through Azerbaijan pays USD 240, on average, depending on the level of dangerousness and the transit time



Amid new realities emerging in the world, a great demand has been formed for Azerbaijan as a transit country. This factor also increases the volume of cargo attracted to Baku Port, our country's largest sea gate and logistics center. Currently, Baku Port can handle the volume of incoming cargo, but realistic forecasts that this volume will increase soon make it necessary to start the construction of the second phase of Port of Baku as soon as possible.

Cross-border transport and Logistics



Annual **transshipment** capacity will be increased to 25 million tons



Annual **TEU throughput** capacity will be increased to 500 thousand



New fertilizer terminal will increase annual **fertilizer throughput** capacity to 2.5 tons

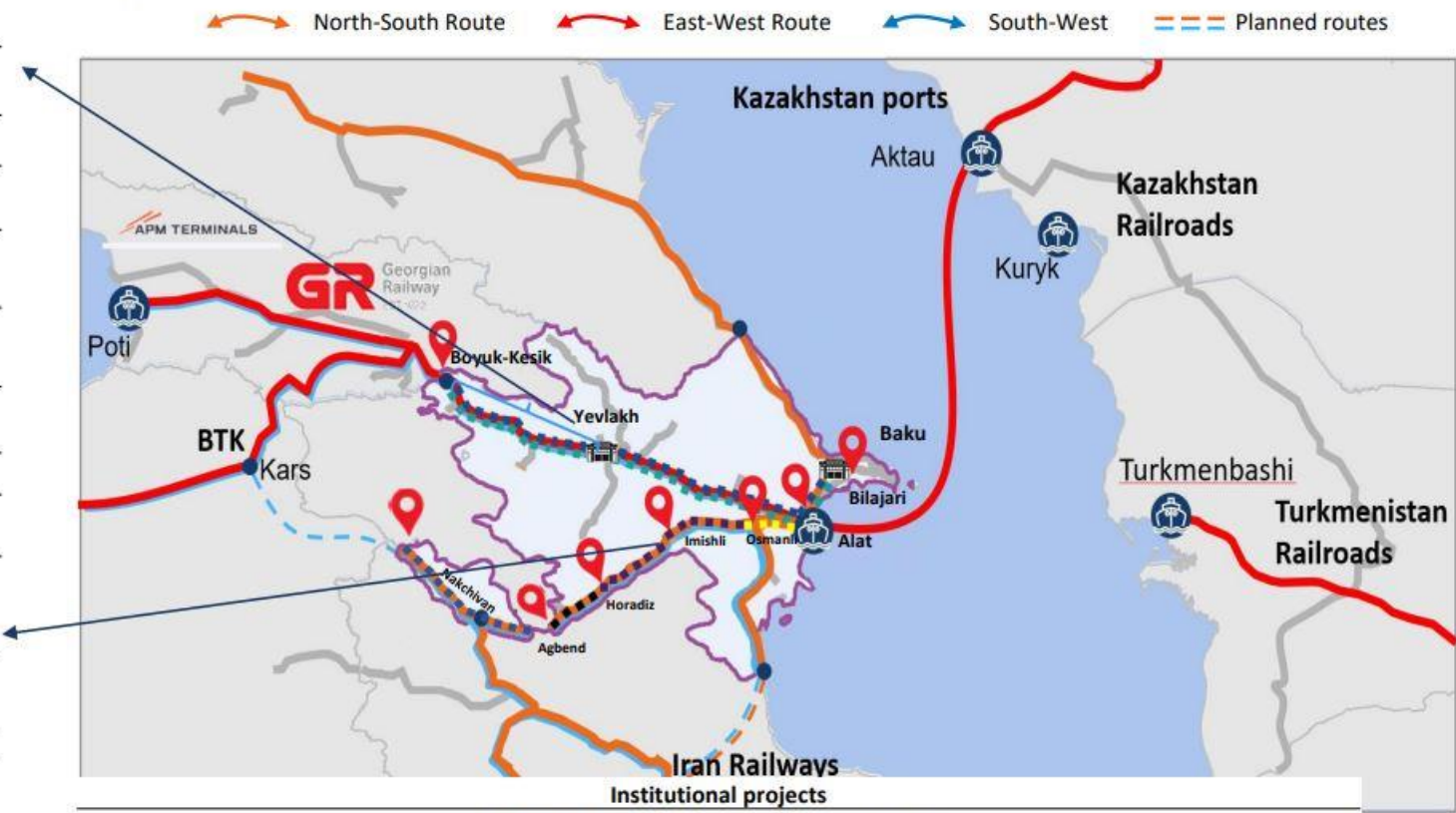


Wheat terminal is planned to be built

Railways

Middle Corridor projects (through Baku-Boyuk Kesik)		
No	Project name	Time period
Strategic projects		
1	Baku - Boyuk Kesik: completion of remaining electric, signaling&communication works	2012-2026
2	Baku - Boyuk Kesik : construction of railway crossings (grade-separated, livestock, and pedestrian)	2024-2027
Short-term capital repair projects that eliminate bottlenecks and directly affect transit volumes		
3	Capital repair of Alat-Bash station	2024
4	Reconstruction of Bilajari sorting station	2024
5	Yevlakh-Boyuk Kesik: Reconstruction of 38 switches, 7 km station roads	2024

Middle Corridor projects (through Zangezur)		
No	Project name	Time period
Strategic projects		
6	Alat-Osmanli: reconstruction of track,energy,signaling&communication systems	2024-2029
Projects in the liberated and other related territories		
7	Osmanli-Horadiz: reconstruction of track, signaling&communication systems	2024-2028
8	Horadiz-Aghbend: reconstruction of track	2021-2024
9	Nakhchivan: reconstruction of track,energy,signaling&communication systems	2024-2028



Institutional projects	
CAPEX excellence to optimize investments	
Done	Application of CAPEX Stage Gate methodology for CAPEX management efficiency and effectiveness in pre-investment phase (CAPEX reduction potential at Feasibility Study and FEED stage) Investment Plan optimization - categorization and prioritization of core investments
Planned	Digitilization of CAPEX monitoring system
Others	
Planned	Simplification of procedures in transit transportation Digitization of administrative procedures during transit operations

THANK YOU!