

**5th Ministerial Conference on
Central Asia Regional Economic Cooperation
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Urumqi, Xinjiang Uygur Autonomous Region, People's Republic of China**

**Opening Statement and Views on the CAREC Comprehensive Action Plan
(Azerbaijan)**

Mr. Chairman!
Distinguished Guests!
Ladies and gentlemen!

Let me greet all of you and on behalf of delegation of the Republic of Azerbaijan express my gratitude to the Government of China, and Xinjiang UAR and international financial institutions, especially Asian Development Bank for kind hospitality and excellent arrangements of the CAREC events held this year in Urumchi.

Development of regional cooperation is one of the core priorities of the Republic of Azerbaijan and some international projects are under implementation process now. During last years Azerbaijan has achieved impressive results in the spheres of economic growth, attraction of investments, poverty reduction and improving living standards. But we realize that within globalization process sustainable development, also solving of social-economic, environmental and other issues can be achieved by common efforts. That's why we are strongly interested in regional cooperation, particularly within CAREC initiative.

CAREC, regional initiative aimed at the process of poverty reduction and sustainable economic growth achievement by mutually beneficial bilateral and regional cooperation, certainly needs rational, pragmatic, result-oriented and, last but not the least, commonly agreed comprehensive action plan.

In this regard, I would like to thank all experts for the work done on preparation of the draft Comprehensive Action Plan and share our comments.

In our opinion, Comprehensive Action Plan was drafted in a programmatic manner, ensuring its future successful implementation and making the Comprehensive Action Plan relevant for the mid-term out-look, and also gives us directions for the long-term prospect.

Perhaps some goals and planned targets are a bit ambitious but this will add more incentives for the activities within CAREC program.

Like within preparation process of any strategic paper, covering list of undertakings, a very important principle of prioritization have to be taken into account.

Prioritization will promote rational utilization of limited resources.

In addition to the above mentioned, undertakings within CAREC program should be result oriented based on performance indicators in order to facilitate monitoring processes and assessment of carried out activities.

Given limited resources at this stage, we consider it is of huge significance to keep CAREC initiative's emphasis on transport, trade policy, custom facilitation and energy sectors, in order not to get scattered.

Developing transport sector regionally, we should give particular attention to the creation of highly efficient multimodal transport system by construction of rational transport corridors, which will provide CAREC member countries with most effective access both to regional and global markets. As a result we will have improving indicators relating to the time and cost of shipping goods. Improvement of the transport infrastructure will be one of the main contributors to the growth of economy in each member country.

In my turn, I would like to take advantage of the opportunity to express my gratitude to the Asian Development Bank, World Bank, IDB and EBRD for their strong support and contribution within rehabilitation process of the East-West and North-South transport corridors in Azerbaijan. Looking through program for infrastructure investments within Comprehensive Action Plan we see that many undertakings are still expected to be carried out during 2006-2008.

Regionally improved transport system will facilitate trade expansion between CAREC member countries and other countries out of region as well. Now Azerbaijan is in the process of WTO accession and as you are all aware this is a long process of negotiations but we hope that we will become WTO member in the nearest future. It should be mentioned once again that particular emphasis within CAREC program should be placed on customs procedures harmonization, regional transit development, customs automation and bilateral initiatives for data exchange.

Our region is attractive with its rich energy resources and there is a huge potential for the successful cooperation among our countries. We have to utilize all the advantages of regional cooperation to ensure energy security in the region.

No doubt cooperation within CAREC program should be focused at transport, trade and energy sectors, but at the same time we consider gradual extension and deepening of the CAREC program very important, and from this point of view two-tier system is optimal solution. This two-tier approach will give us the opportunity of concentration at main areas of cooperation, such as transport, trade and energy and at the same time to allocate resources for fighting such regional challenges as avian and human influenza, HIV/AIDS, disaster management and preparedness. We understand that only uniting our efforts we can achieve success.

Given future development prospects, extension and deepening of the CAREC initiative, it's of high significance to avoid duplication with other regional initiatives, and we strongly recommend to the CAREC Senior Officials and other staff to be attentive in order to avoid duplication.

We all realize importance of strengthening understanding of benefits from promotion of bilateral and regional cooperation, benefits from improving regional infrastructure through regional projects in transport, trade and energy sectors.

In this regard, we are particularly glad to see strengthening of understanding of benefits within regional cooperation as one of the main goals of the CAREC program. We hope that outreach seminars, in-country workshops and other activities aimed at establishment of regional dialogue will be widely used within CAREC program.

In order to achieve the goals within the CAREC program in an effective manner and its sustainable development we think that involvement of the private sector within CAREC program undertakings is very important. In this regard we believe that, Business Development Forum, held on 16-17th October, which gathered many representatives of the business community and government officials in one place, will contribute in this process. We also hope that such kind of forums will be regularly held in the future, and will give us opportunity to effectively address the issues within the regional initiatives of the private sector.

Of course, we realize that involvement of the private sector in the regional initiatives requires maximum improvement of our current legislation base, promotion conducive investment climate, carrying out institutional and other reforms.

At the end of my speech, I'd like to wish success to all participants and I hope that this meeting will be real success.

Thank you for your attention.

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