



MINISTRY OF ECONOMY
OF THE REPUBLIC
OF AZERBAIJAN

POTENTIAL PRODUCTS AND OPPORTUNITIES FOR MANUFACTURING

NOVEMBER 2024

GENERAL INFORMATION



Potential products

25



World trade turnover of the products

2.3 trillion USD



Regional import volume of the products

40 billion USD



China's share of regional imports

23 billion USD (58%)



Import volume of Azerbaijan

1 billion USD



Project costs

573-658 million USD



Potential export volume

3 billion USD

MANUFACTURING OF PORCELAIN PRODUCTS



Product name	PORCELAIN
HS code	691200
Import volume of Azerbaijan	16 million USD
World trade turnover	20 billion USD
Regional import	Russia – 232 million USD Türkiye - 153 million USD Kazakhstan – 56 million USD Uzbekistan – 12 million USD Georgia – 21 million USD Turkmenistan – 13 million USD Total: 487 million USD
China's share of regional imports	388 million USD (80%)
Project cost	15 million USD
Raw materials	kaolin clay, cement, feldspar, clay, paint
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

MANUFACTURING OF CERAMIC SANITARY PRODUCTS



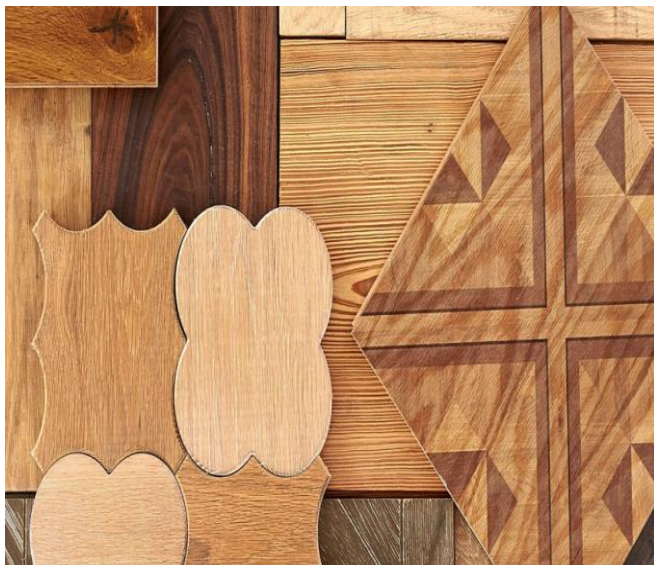
Product name	CERAMIC SANITARY PRODUCTS (sinks, washbasins)
HS code	691010, 691090
Import volume of Azerbaijan	16 million USD
World trade turnover	17.8 billion USD
Regional import	Russia – 101 million USD Türkiye - 26 million USD Kazakhstan – 42 million USD Uzbekistan – 14 million USD Georgia – 15 million USD Turkmenistan – 3 million USD Total: 201 million USD
China's share of regional imports	71 million USD (35%)
Project cost	10 million USD
Raw materials	kaolin clay, cement, feldspar, clay, paint
Potential export destinations	Russia, Georgia, Central Asia

MANUFACTURING OF SANITARY PRODUCTS



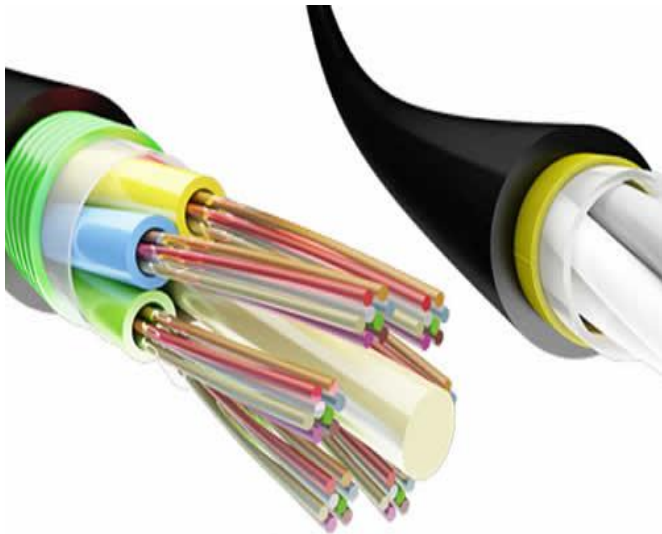
Product name	SANITARY PRODUCTS
HS code	8481808190
Import volume of Azerbaijan	19 million USD
World trade turnover	124 billion USD
Regional import	Russia – 352 million USD Kazakhstan – 92 million USD Türkiye - 90 million USD Uzbekistan – 12 million USD Georgia – 7 million USD Total: 553 million USD
China's share of regional imports	159 million USD (29%)
Project cost	12 million USD
Raw materials	copper, brass, iron, plastic, chrome, nickel, zinc
Potential export destinations	Russia, Georgia, Central Asia

MANUFACTURING OF WOODEN PARQUET



Product name	WOODEN PARQUET
HS code	441873-441879
Import volume of Azerbaijan	12.4 million USD
World trade turnover	5 billion USD
Regional import	Türkiye - 34 million USD Russia – 12 million USD Kazakhstan – 10 million USD Uzbekistan – 2 million USD Georgia –5 million USD Iran – 2 million USD Total: 65 million USD
China's share of regional imports	0.5 million USD (1%)
Project cost	4 million USD
Raw materials	wood material, chemicals
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

MANUFACTURING OF FIBER OPTIC CABLES



Product name	FIBER OPTIC CABLE (submarine)
HS code	854470
Import volume of Azerbaijan	28 million USD
World trade turnover	19 billion USD
Regional import	Türkiye - 53 million USD Russia – 28 million USD Kazakhstan – 18 million USD Uzbekistan – 13 million USD Ukraine – 10 million USD Georgia – 5 million USD Total: 127 million USD
China's share of regional imports	67 million USD (53%)
Project cost	30-50 million USD
Raw materials	copper, plastic, glass preform, coating materials
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

PRODUCTION OF LED LAMPS AND TAPES



Product name	LED LAMPS AND TAPES
HS code	853951, 853952
Import volume of Azerbaijan	8.3 million USD
World trade turnover	15.2 billion USD
Regional import	Russia – 148 million USD Türkiye - 109 million USD Ukraine – 47 million USD Kazakhstan – 34 million USD Uzbekistan – 11 million USD Turkmenistan – 5 million USD Total: 354 million USD
China's share of regional imports	225 million USD (64%)
Project cost	15 million USD
Raw materials	led chips, aluminum, copper, iron, ceramics
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

MANUFACTURING OF PLUGS AND SOCKETS



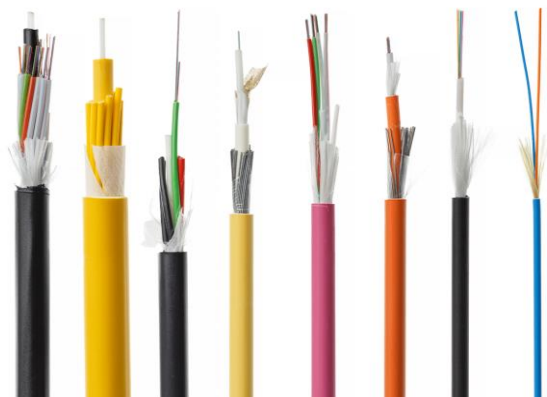
Product name	PLUGS AND SOCKETS
HS code	853669
Import volume of Azerbaijan	9.7 million USD
World trade turnover	45 billion USD
Regional import	Türkiye - 400 million USD Russia – 150 million USD Ukraine – 80 million USD Kazakhstan – 28 million USD Uzbekistan – 18 million USD Iran – 7 million USD Georgia – 6 million USD Total: 689 million USD
China's share of regional imports	57 million USD (8%)
Project cost	5-10 million USD
Raw materials	copper, aluminum, plastic (ABS, PVC)
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

PRODUCTION OF ELECTRICAL INSULATORS



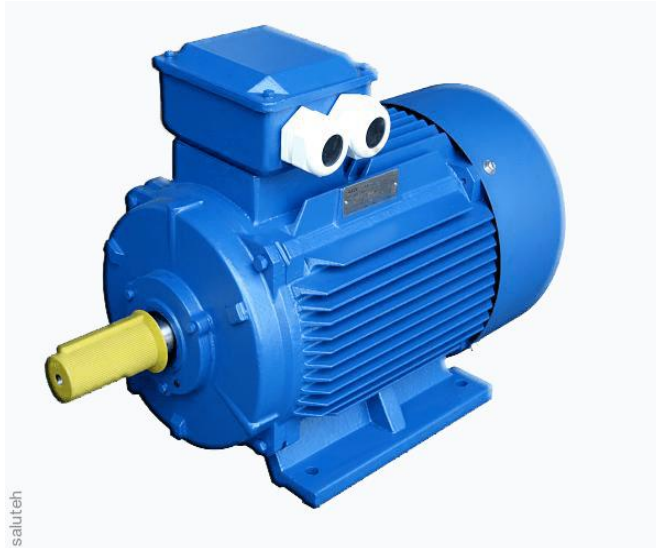
Product name	ELECTRICAL INSULATORS
HS code	8546
Import volume of Azerbaijan	7 million USD
World trade turnover	5.3 billion USD
Regional import	Türkiye - 58 million USD Russia – 29 million USD Kazakhstan – 16 million USD Iran – 6 million USD Uzbekistan – 5 million USD Ukraine – 5 million USD Georgia – 3 million USD Total: 122 million USD
China's share of regional imports	24 million USD (20%)
Project cost	20 million USD
Raw materials	glass and ceramic material
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

PRODUCTION OF COPPER ELECTRICAL CABLES



Product name	CABLE
HS code	854442, 854449, 854460
Import volume of Azerbaijan	48 million USD
World trade turnover	176 billion USD
Regional import	<p>Türkiye - 847 million USD</p> <p>Ukraine – 394 million USD</p> <p>Russia – 370 million USD</p> <p>Kazakhstan – 241 million USD</p> <p>Uzbekistan – 136 million USD</p> <p>Georgia – 49 million USD</p> <p>Iran – 43 million USD</p> <p>Total: 2 080 million USD</p>
China's share of regional imports	611 million USD (30%)
Project cost	50 million USD (building a manufacturing cluster)
Raw materials	copper, PVC, PP
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

PRODUCTION OF ELECTRIC MOTORS



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Product name	ELECTRIC MOTOR
HS code	850110, 850120, 850140, 850151, 850152, 850153
Import volume of Azerbaijan	16.5 million USD
World trade turnover	92 billion USD
Regional import	Türkiye - 899 million USD Russia – 543 million USD Iran – 175 million USD Kazakhstan – 153 million USD Uzbekistan – 98 million USD Ukraine – 92 million USD Georgia – 4 million USD Total: 1 964 million USD
China's share of regional imports	934 million USD (48%)
Project cost	15 million USD
Raw materials	copper, aluminum, iron, plastic
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

PRODUCTION OF WATER PUMPS



Product name	WATER PUMP
HS code	841381
Import volume of Azerbaijan	10.6 million USD
World trade turnover	8.9 billion USD
Regional import	Türkiye - 51 million USD Russia – 29 million USD Kazakhstan – 26 million USD Ukraine – 22 million USD Iran – 10 million USD Uzbekistan – 9 million USD Georgia – 7 million USD Total: 154 million USD
China's share of regional imports	16 million USD (10%)
Project cost	15 million USD
Raw materials	copper, aluminum, iron, plastic
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

COMPRESSOR PRODUCTION



Product name	COMPRESSOR
HS code	841430, 841440
Import volume of Azerbaijan	7 million USD
World trade turnover	34 billion USD
Regional import	Türkiye - 704 million USD Russia – 230 million USD Iran – 122 million USD Uzbekistan – 49 million USD Ukraine – 24 million USD Kazakhstan – 22 million USD Georgia – 2 million USD Total: 1 153 million USD
China's share of regional imports	685 million USD (10%)
Project cost	10 million USD
Raw materials	copper, aluminum, iron, plastic
Potential export destinations	Russia, Türkiye, Iran and Central Asia

MANUFACTURING OF GENERATORS



Product name	GENERATOR
HS code	850161-850164
Import volume of Azerbaijan	8.5 million USD
World trade turnover	41 billion USD
Regional import	Türkiye - 376 million USD Russia – 139 million USD Kazakhstan – 35 million USD Uzbekistan – 17 million USD Iran – 11 million USD Georgia – 4 million USD Total: 582 million USD
China's share of regional imports	269 million USD (46%)
Project cost	10 million USD
Raw materials	copper, aluminum, iron, plastic
Potential export destinations	Russia, Türkiye, Iran and Central Asia

TRANSFORMER MANUFACTURING



Product name	TRANSFORMER
HS code	850421-850423, 850431-850434
Import volume of Azerbaijan	30 million USD
World trade turnover	47 billion USD
Regional import	Russia – 414 million USD Uzbekistan – 125 million USD Türkiye - 106 million USD Kazakhstan – 61 million USD Ukraine – 47 million USD Iran – 30 million USD Georgia – 20 million USD Total: 803 million USD
China's share of regional imports	474 million USD (590%)
Project cost	12 million USD
Raw materials	copper, aluminum, iron, plastic
Potential export destinations	Russia, Türkiye, Iran and Central Asia

ELEVATOR PRODUCTION



Product name	ELEVATOR
HS code	842810
Import volume of Azerbaijan	23.2 million USD
World trade turnover	13.5 billion USD
Regional import	Russia – 250 million USD Kazakhstan – 118 million USD Türkiye - 77 million USD Ukraine – 36 million USD Uzbekistan – 35 million USD Georgia – 23 million USD Total: 539 million USD
China's share of regional imports	340 million USD (63%)
Project cost	5 million USD
Raw materials	metal and plastic parts
Potential export destinations	Russia and Central Asia

TIRE PRODUCTION



Product name	TIRE
HS code	4011
Import volume of Azerbaijan	114 million USD
World trade turnover	196 billion USD
Regional import	Russia – 2 228 million USD Türkiye - 1 218 million USD Kazakhstan – 648 million USD Ukraine – 503 million USD Uzbekistan – 381 million USD Iran – 106 million USD Georgia – 75 million USD Turkmenistan – 58 million USD Total: 5 217 million USD
China's share of regional imports	2 398 million USD (46%)
Project cost	150 million USD
Raw materials	natural rubber, synthetic rubber, wire, chemical compounds
Potential export destinations	Russia, Georgia, Central Asia

MANUFACTURING OF AIR AND OIL FILTERS



Product name	AIR AND OIL FILTERS
HS code	8421310009, 8421230009
Import volume of Azerbaijan	AIR FILTER– 8.7 million USD (1.7 mln. number) OIL FILTER– 16.1 million USD (6.6 mln. number)
World trade turnover	27 billion USD
Regional import	Russia – 479 million USD Türkiye - 396 million USD Kazakhstan – 57 million USD Uzbekistan – 22 million USD Georgia – 13 million USD Total: 967 million USD
China's share of regional imports	160 million USD (17%)
Project cost	5-10 million USD
Raw materials	paper, plastic fiber, metal, plastic
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

BRAKE SYSTEM PRODUCTION



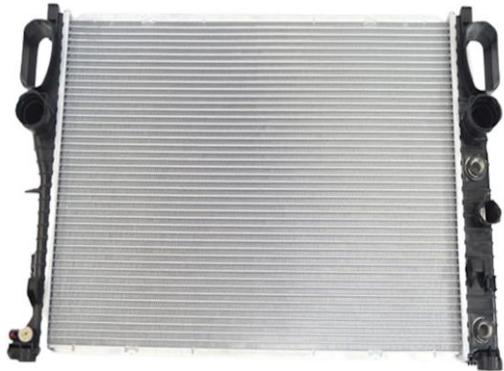
Product name	BRAKE SYSTEM
HS code	870830
Import volume of Azerbaijan	20 million USD
World trade turnover	75 billion USD
Regional import	<p>Türkiye - 678 million USD</p> <p>Russia – 638 million USD</p> <p>Uzbekistan – 133 million USD</p> <p>Ukraine – 131 million USD</p> <p>Kazakhstan – 88 million USD</p> <p>Georgia – 15 million USD</p> <p>Total: 1 683 million USD</p>
China's share of regional imports	556 million USD (33%)
Project cost	10 million USD
Raw materials	iron and ferrous materials
Potential export destinations	Russia, Georgia, Central Asia

MANUFACTURING OF MUFFLER AND GAS PIPES



Product name	MUFFLER AND GAS PIPE
HS code	870892
Import volume of Azerbaijan	2.6 million USD
World trade turnover	23 billion USD
Regional import	Türkiye - 150 million USD Russia – 29 million USD Kazakhstan – 50 million USD Ukraine – 12 million USD Iran – 44 million USD Uzbekistan – 4 million USD Total: 213 million USD
China's share of regional imports	69 million USD (32%)
Project cost	15 million USD
Raw materials	special types of steel and aluminum
Potential export destinations	Russia, Georgia, Central Asia

MANUFACTURING OF AUTOMOBILE RADIATORS



Product name	RADIATOR
HS code	870891
Import volume of Azerbaijan	7.1 million USD
World trade turnover	16.8 billion USD
Regional import	<p>Türkiye - 162 million USD Russia – 140 million USD Kazakhstan – 38 million USD Ukraine – 30 million USD Uzbekistan – 17 million USD Iran – 14 million USD Georgia – 6 million USD Total: 407 million USD</p>
China's share of regional imports	202 million USD (50%)
Project cost	15-20 million USD
Raw materials	aluminum, copper, plastic
Potential export destinations	Russia, Georgia, Central Asia

PRODUCTION OF BATTERIES



Product name	BATTERY
HS code	850710, 850720
Import volume of Azerbaijan	30 million USD
World trade turnover	40.4 billion USD
Regional import	Russia – 310 million USD Türkiye - 293 million USD Ukraine – 150 million USD Kazakhstan – 64 million USD Uzbekistan – 38 million USD Georgia – 23 million USD Total: 878 million USD
China's share of regional imports	217 million USD (25%)
Project cost	20-50 million USD
Raw materials	lead, plastic, sulfuric acid
Potential export destinations	Russia, Georgia, Central Asia

MANUFACTURING OF AUTOMOBILE BUMPERS AND PARTS



Product name	BUMPER AND PARTS
HS code	870810
Import volume of Azerbaijan	4 million USD
World trade turnover	18.3 billion USD
Regional import	Türkiye - 113 million USD Russia - 48 million USD Kazakhstan - 14 million USD Ukraine - 12 million USD Iran - 11 million USD Uzbekistan - 8 million USD Georgia - 7 million USD Total: 213 million USD
China's share of regional imports	71 million USD (33%)
Project cost	10-20 million USD
Raw materials	plastic, aluminum, iron, fiber glass
Potential export destinations	Russia, Türkiye, Georgia, Central Asia

MANUFACTURING OF SPARK PLUGS



Product name	SPARK PLUGS
HS code	851110
Import volume of Azerbaijan	5.1 million USD
World trade turnover	7.2 billion USD
Regional import	Russia – 75 million USD Türkiye - 71 million USD Kazakhstan – 27 million USD Ukraine – 14 million USD Iran – 13 million USD Uzbekistan – 8 million USD Georgia – 3 million USD Total: 211 million USD
China's share of regional imports	60 million USD (28%)
Project cost	20-30 million USD
Raw materials	ceramics, nickel, platinum, iridium
Potential export destinations	Russia, Türkiye, Central Asia

SHOE PRODUCTION



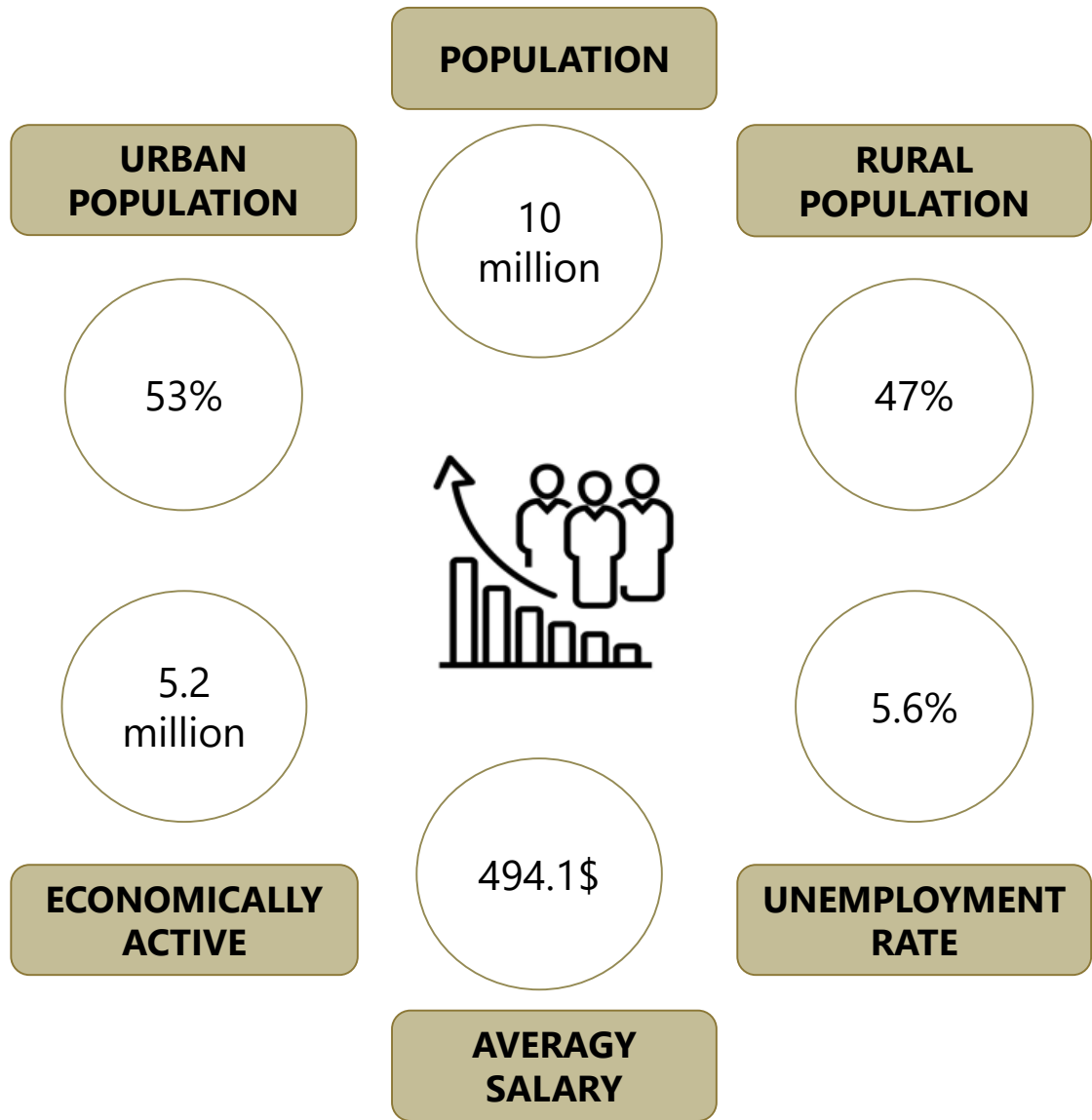
Product name	SHOE
HS code	6401-6405
Import volume of Azerbaijan	134 million USD
World trade turnover	315 billion USD
Regional import	Russia – 3 509 million USD Türkiye - 1 338 million USD Kazakhstan – 465 million USD Ukraine – 403 million USD Georgia – 111 million USD Uzbekistan – 40 million USD Iran – 30 million USD Total: 5 896 million USD
China's share of regional imports	5 044 million USD (85%)
Project cost	50 million USD (building a manufacturing cluster)
Raw materials	leather, sole, adhesive and accessories
Potential export destinations	Russia, Georgia, Central Asia

CLOTHING MANUFACTURING

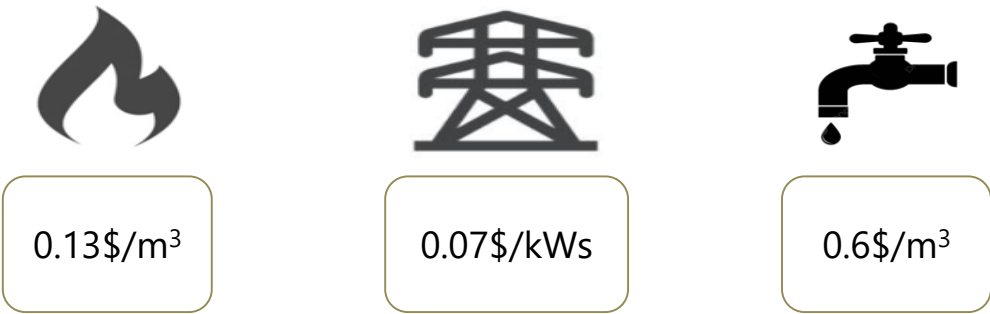


Product name	CLOTHING
HS code	61,62
Import volume of Azerbaijan	414 million USD
World trade turnover	966 billion USD
Regional import	Russia – 6 519 million USD
	Kazakhstan – 3 460 million USD
	Türkiye - 2 956 million USD
	Ukraine – 815 million USD
	Georgia – 324 million USD
	Uzbekistan – 160 million USD
	Iran – 65 million USD
	Turkmenistan – 35 million USD
	Total: 14 334 million USD
China's share of regional imports	9 922 million USD (70%)
Project cost	50 million USD (building a manufacturing cluster)
Raw materials	fabric, thread and accessories
Potential export destinations	Russia, Georgia, Central Asia

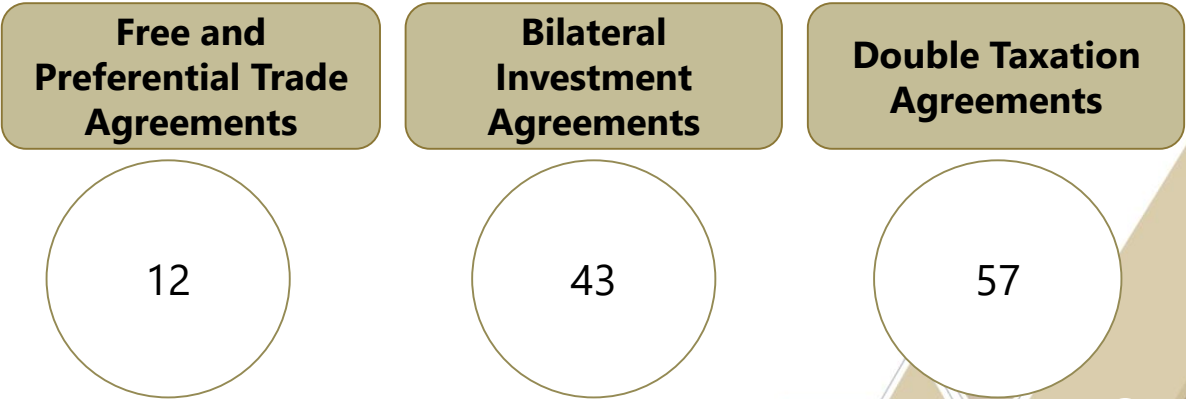
GENERAL INFORMATION



UTILITY PRICES FOR BUSINESSES



TRADE POLICY OVERVIEW



INVESTMENT INCENTIVES: FREE ECONOMIC ZONE

ALAT FREE ECONOMIC ZONE

Total area: 850 hectares
Future development area: 7000 hectares

Exemptions from customs duties and taxes on imports to the free zone and exports from the free zone

No personal income tax for local personnel

No social security payments and other similar taxes and payments for foreign skilled personnel

No restrictions on foreign ownership

Investors property is immune from any nationalization, expropriation measures or other restrictions on private ownership

No restrictions on currency transactions or profit repatriation

No requirement for a local partner

Full protection of intellectual property rights

Assistance in finding skilled local personnel

INFRASTRUCTURE



Electricity supply



Natural gas supply



Sewage system



Water supply system



Internal highways



Railway lines



Seaport system



Fiber-optic cable

Full protection of intellectual property rights

INVESTMENT INCENTIVES: INDUSTRIAL PARKS

10 YEARS

(FROM THE DATE OF RECEIVING RESIDENT STATUS)

RESIDENTS OF INDUSTRIAL AND TECHNOLOGY PARKS

0% corporate and income taxes

0% land and property taxes

0% VAT on machinery, technological equipment and facilities imported by residents

0% customs duties on machinery, technological equipment and facilities imported by residents

INFRASTRUCTURE



Electricity supply



Natural gas supply



Sewage system



Water supply system



Internal highways



Railway lines



Fiber-optic cable

INVESTMENT INCENTIVES: LIBERATED TERRITORIES

10 YEARS

(STARTING FROM JANUARY 1, 2023)

LEGAL ENTITIES IN THE LIBERATED TERRITORIES

Exemptions from corporate, income, land and simplified taxes

VAT and customs duties exemptions: for the import of machinery, technological equipment and facilities, as well as for raw materials and supplies

Exemption on dividend incomes of stakeholders and stockholders

20% discount on utility services

Subsidization of the mandatory state social insurance fee

Provision of loans with state guarantees and subsidization of loan interest

INVESTMENT INCENTIVES: INVESTMENT PROMOTION DOCUMENT

7 YEARS

HOLDERS OF INVESTMENT PROMOTION DOCUMENT

50% decrease from corporate and income taxes

0% land and property taxes

0% VAT on machinery, technological equipment and facilities and structures imported by IPD holders

0% customs duties on machinery, technological equipment and facilities and structures imported by IPD holders

EFFECTIVE TIME SAVING ROUTES



THANK YOU!

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