

REPORTING PROFORMA FOR COMMERCIAL WINGS

May 2024

Name of the Mission: **Embassy of India, Baku (Azerbaijan)****A. Trade in goods**

a) Total trade in goods during

0	4	2	0	2	4
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	Export (US\$ million)	Import (US\$ million)	Status (P) Provisional / (F) Final
Azerbaijan's trade with India	57.97	19.32	F
Country's total global trade	2,184.26	1,753.14	F

Source: The Custom's Committee of the Republic of Azerbaijan

b) Preferential trade in goods during: Information is not available at the host country

0	4	2	0	2	4
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Sl. No.	Preferential / Free Trade Agreement with India	Preferential Imports from India (US\$ million)	Preferential Imports from World (US\$ million)

1. (a) Top 10 items of import from India during

0	3	2	0	2	4
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Sl. No.	6-digit HS Code	Commodity	Value (US\$ million)	Unit of Measurement	Quantity	% share in total import of the commodity
1.	100630	Rice	4.047	tons	1696	88.6%
2.	300490	Drugs	1.182	tons	46	3.3%
3.	851713	Smartphones	0.886	pieces	3316	2.87%
4.	842959	Types of mechanical spades and excavators	0.783	pieces	14	32.7%
5.	690721	Unglazed ceramic flags and paving	0.718	ths. m2	79	29.9%
6.	090240	Other black tea	0.518	tons	158	25.9%
7.	841391	Components for liquid pumps	0.450	tons	4	26.1%
8.	680223	Stones for monuments and building (granite)	0.272	tons	479	45.6%
9.	020230	Meat of large horned livestock	0.239	tons	81	10.6%

10.	841821	Household refrigerators	0.158	pieces	396	35.82%
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1. (b) Top 10 items of export to India during

0	3	2	0	2	4
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Sl. No.	6-digit HS Code	Commodity	Value (US\$ million)	Quantity	Unit of Measurement	% share in total export of the commodity
1.	270900	Crude oil	94.399	138,484	tons	14.2%
2.	410411	Cattle skins	0.126	7	ths. pieces	19.9%
	271051	Jet fuel	0.120	66	tons	7,8%

c) Potential products of imports from India

S. No.	Commodity (6 digit HS tariff line)	Rationale (Max. 200 words)
1.	Other black tea (HS090240)	Azerbaijan imported tea (HS090240 other black tea) in the amount of US\$ 57.31 million during Jan-Dec 2023. Sri Lanka was the major exporter holding a share of 86.9% of total imports. India's export was US\$ 5.25 million which hold a share of 9.1% of total imports. India's imports increased 124.8% compared to last year. Kenya accounted for 2.6% share in imports.
2.	Black tea (HS090230)	Azerbaijan imported tea (HS090230 black tea) for US\$ 11.94 million during Jan-Dec 2023. 58.1% of tea was imported from Russia. Sri Lanka holds a share of 31.5% of the imports. UAE accounted for 3.6%. India's export was US\$ 0.206 million accounting for 1.7%. Under this HS code, black tea is imported in packages and tea imported from Russia is re-exported tea mainly from Sri Lanka, India and Kenya. Import duties: VAT is 18% & customs duty is 15%(5% for content exceeding 3 kgs)
3.	Drugs (HS300490)	Azerbaijan imported drugs for US\$ 380.364 million during the period Jan-Dec 2023. Azerbaijan is importing drugs from more than 45 countries. Turkey being a major exporter of medicines shared 20.5%. Germany shared 8.8%, Romania shared 7.3%, Russia shared 6.7%, and France shared 6.6%. Italy, Slovenia, India, Hungary, Ukraine, Spain are among other major drug exporting countries. India's was 3.7% with US\$ 14.2 million drug export becoming the eighth major drug exporter to Azerbaijan. Avromed and Zeytun Pharma are the main firms dealing with drugs in Azerbaijan.
4.	Smartphones (HS 851713)	Azerbaijan imported smartphones for US\$ 334.347 million in Year 2023. The main exporter was China accounting for 63.1% of overall import. Vietnam shared 17.9% and India's share was 5.8%. USA's share was 0.6% and Hong Kong's share was 0.3%.
5.	T-shirts, singlets and other vests, knitted or crocheted of cotton (HS 610910)	Azerbaijan imported t-shirts, singlets and other vests, knitted or crocheted of cotton in the amount of US\$ 18.5 million. Major importers was Turkey sharing 41.6%, Bangladesh was the second exporter sharing 20.6%. Import from China was 10.7% Import from India accounted for 4.2% of Azerbaijan's import.

b) Alerts on non-tariff measures (SPS/TBT/ import and export procedures/ restrictions/prohibitions, licensing / STEs etc.)

S. No	Notification no./ date	Measure	HS Codes	Effective from	Remarks if any

c) Alerts on standards, technical regulations and conformity assessment procedures:

S. No.	Notification no./ date	Standard/ technical regulation/ conformity assessment procedure	HS Codes	Effective from	Remarks if any

d) Alerts on trade defense measures taken by respective country: *(Safeguards including special safeguard, anti-dumping, CVD or anti-subsidy)*

S. No.	Notification no., date or other references	Type (initiation, final, prov., sunset, consultations, new shipper review)	Details of products/ sectors affected (including HS codes)	Effective from	Remarks if any

e. Alert on services, regulatory regime, qualification requirement, licensing procedures, visa regime, barriers etc.

S. No.	Notification no., and date or other references	Service sectors affected	Modes	Effective from	Remarks if any

Information not available at the host country.

2. Feedback

a. Feedback from major Indian industries/other commercial concerns and Indian trade visitors to that country

Sl. No	Name of business house	Activity sector	Trade barrier issues if any (incl. HS codes)	General Feedback (Max.200 words)
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b. Feedback on major trade activities **including logistic events** (trade fairs/BSM including Indian participation)

Sl. No.	Activity (trade fair, BSM etc.)	Date and venue	Number of participants from India	Name(s) of large/ key participants from India	Feedback received (Max.200 words)	Source of funding (MAI, TA/TC)

c. Feedback from local commercial visitors to trade fairs in India, including under BSM; Number of Business Visas issued in May 2023: 05

S. No.	Activity (trade fair)	Date and venue	Number of participants from the relevant country	List of large/ key participants from the relevant country	Number of Business Visas issued	Feedback received (Max.200 words)

(Number of regular business visas issued : None)

3. Trade and Investment:

a. Significant trends in trade and investment

S. No.	Category	Details of significant trends (Max.200 words)
1.	Trade	<p>Trade turnover of Azerbaijan was US 13.633 billion during the January- April 2024, decreased by 23.76% compared to the same period of last year. Italy, Turkey, Russia, China and Israel were major trade partners during this period. Trade surplus was 2.704 US\$ billion. Azerbaijan's import was 5.465 US\$ billion, increased by 3.2%. China, Russia, Turkey, Australia and Germany were major exporters to Azerbaijan during this period. Azerbaijan's export was US\$ 8.169 billion, decreased by 35.1% and Italy, Turkey, Israel, India and Russia were major export destinations.</p> <p>Bilateral trade between India and Azerbaijan was US\$ 582.24 million during the January – April 2024, decreasing 5.0 % compared to last year. India was Azerbaijan's 6th largest trade partner during this period. India's share in Azerbaijan's global trade was 4.3%</p> <p>India's export to Azerbaijan was US\$ 68.57 million during the period from January - March 2024, increased by 0.4% as compared to the same period of last year. India's share in Azerbaijan's global import was 1.3%.</p> <p>India's import from Azerbaijan was US\$ 513.67 million decreased 5.7%. India was 4th largest export destination for Azerbaijan. India's share in Azerbaijan's global export was 6.3%.</p> <p>During January-April 2024, India imported crude oil from Azerbaijan in the amount of US\$ 511.93 million. India was the 3rd destination for Azerbaijan's crude oil after Italy, Israel accounting for 11.7% of total crude oil export.</p>
2.	Investment	<p>Indian companies have invested US\$ 1.2 billion in the Azerbaijani economy according to the Ministry of Economy of the Republic of Azerbaijan.</p> <p>Azerbaijani Investments in India was US\$ 57.6 million as of 30 November 2022 by State Oil Fund of the Republic of Azerbaijan (SOFAZ).</p> <p>During 2019-2022, 83 physical entities and 805 commercial legal entities with Indian investment registered in Azerbaijan. Out of this, 38 physical entities and 84 commercial entities terminated its activity.</p> <p>As of 14 March 2023, there are 930 actively operating commercial entities with Indian investment in Azerbaijan.</p>

Investment

Industry	Number of Indian Companies in Azerbaijan (as of March 2023)	Invested Amount (Unit: Thousand US \$)
Total	930	-

b. Opportunities for investments/ assets on offer/major company divestment:

Information about Investment opportunities in Azerbaijan can be accessed in the latest Catalogue of various investment projects in Azerbaijan published on the website of Azerbaijan Export & Investment Promotion Foundation:

<http://invest.gov.az/>

<http://www.azpromo.az/uploads/files/pages/544c83f2101eed5bac6e20364871f70.pdf>

Details of some major industrial organization operating in Azerbaijan are as under:

S.No	Sector Name	Particulars of the asset / company	Contact details
1.	Pharmaceutical	Pirallahi Industrial Park <u>Web: www.scip.az</u>	Address: Baku, Pirallahi district, SamadVurgun Tel.: (+994 12) 488 80 65 Fax: (+994 12) 488 80 64 E-mail: office@scip.az
2.	Chemical, engineering, industrial	"Sumgayit Chemistry Industrial Park" LLC	Address: Kimyachilar str., 1, AZ 5002, Sumgait, Azerbaijan. Tel.: (+994 12) 488 80 65 Fax: (+994 12) 488 80 64 E-mail: office@scip.az
3.	Recycling, waste processing	Balakhani Industrial Park	Address: Bakı – AZ1025, Xocalı pr., 55 Tel.: (+99412) 464 4111 Fax: (+99412) 464 4112 Email: info@tamizshahar.az
4.	Textile	Mingachevir Industrial Park	Address: 69 H.Aliyev Ave., Mingachevir, Azerbaijan, AZ4500 Tel: (+99412) 488 80 65 E-mail: office@scip.az Fax: (+99412) 488 80 64
5.	Large, medium and heavy tonnage vessels & equipment (tankers, dry cargo ships, vessel, boats etc.)	Garadagh Industrial Park	Address: 25th km Salyan Highway, Garadagh district, AZ1083, Baku, Azerbaijan Tel: (+99412) 488 80 65 E-mail: office@scip.az Fax: (+99412) 488 80 64
6.	Free Economic Zone	Alat Free Economic Zone (AFEZ) with a strategic geographic location, adjacent to Baku International Sea Trade Port and global transport corridors, will serve a regional investment hub. The legal	Address: 152 Heydar Aliyev Avenue, Chinar Plaza, 14'th floor, AZ1029 Azerbaijan, Baku Tel: +994 12 437 93 13 , +994 12 505 93 13

		framework for the development, operation and governance of AFEZ Zone based on the Law of Republic of Azerbaijan “on the Alat Free Economic Zone”, adopted by the Parliament and signed by the President of Azerbaijan as a prevailing law of the Republic of Azerbaijan and internal regulations of AFEZ issued by Alat Free Economic Zone Authority. AFEZ will provide a package of fiscal and non-fiscal incentives for investors engaged in high value-added and export-oriented manufacturing and international traded services.	E-mail: office@afez.az Web: www.afez.az
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The residents of Sumgait Chemical Industrial Park, Mingachevir Industrial Park, Garadagh Industrial Park, Pirallahi and Balakhani Industrial Parks are exempted for 10 years from: *Corporate income tax, Property tax, Land tax, VAT for imported machinery, technological equipment and plant.*

In addition, residents of industrial parks for a period of 10 years are exempted from customs duties on imported machinery, technological equipment and plant.

- c. Information on tender Notices for projects and procurement of interest to Indian project exporters/ suppliers (US\$ 15 million & above)

S.No.	Tender/ procurement notice No and date	Sector	Value of tender/ procurement
Updated information on Azerbaijan tenders may be accessed on the website: http://tender.gov.az/new/index.php?lan=en https://www.adb.org/projects/tenders http://www.socar.az/socar/en/company/procurement-supply-chain-management/procurement-notices			

- 4. Important India-related statements of commercial significance by political leaders, think tanks, chambers, associations etc. / Significant stories/features on India related trade, investment, services and logistic sector, published in foreign journals/dailies, etc.:**

5. Details of trade research, information dissemination activity of the commercial wing

S. No.	Nature of activity (trade research, information dissemination, seminars etc) (Max.200 words)	Details of Seminar/ conference (date/ venue, no of participants) or research (Max.200 words)	Details of trade research (title of the report, executive summary, date of publication) (Max.200 words)	Details of Information (Max.200 words)

1	18th edition of Indian Fashion Jewellery and Accessories Show (IFJAS)	24-26 June, 2024 at India Expo Centre & Mart, Greater Noida, Delhi NCR.	Export Promotion Council for Handicrafts	Information was shared with Local stakeholders.
2	71st India International Garment Fair (IIGF)	25-26-27 June 2024 at Yashobhoomi, New Delhi, India.	Apparel Export Promotion Council (AEPC)	Information was shared with Local stakeholders.
3	2nd edition of UP International Trade Show	25- 29 September 2024 at India Expo Centre & Mart, Greater Noida, UP.	The Government of Uttar Pradesh and FIEO	Information was shared with Local stakeholders.
4	10th edition of iPHEX	28-30 August 2024 at IEML Greater Noida, Delhi-NCR India	Pharmexcil	Information was shared with Local stakeholders.
5	WOFX - World Furniture Expo	5-6-7 December, 2024 at Bombay Exhibition Center, Mumbai, India	Worldex India Exhibition & Promotion Pvt Ltd	Information was shared with Local stakeholders.
6	7th Reverse Buyer-Seller Meet co-located with ELECRAMA 2025	22-26 February 2025, at the India Expo Mart Ltd., Greater NOIDA, Delhi NCR, India.	IEEMA	Information was shared with Local stakeholders.

6. Any other issue of importance

Commercial events and activities

Ambassador had meeting with Mr. Manish Dabkara, President, CMAI & Mr. Rohit Kumar, Secretary General, CMAI & Dr. Abhay Sinha, Director General, Services Export Promotion Council (SEPC) on May 7, 2024.

Ambassador had a meeting with Mr. Navin Patel, Group Chairman, Southern Gujarat Chamber of Commerce & Industry on May 14, 2024.

Ambassador had a meeting with Mr. Rajarshi Gupta ONGC Managing Director & CEO of ONGC Videsh Ltd.

Mr. Sunil Kimar visited Baku, Azerbaijan and requested the Mission to share the List of legal consulting companies, which was provided by the Mission.

Important News

Azerbaijan hosted the “Turkic States Economic Forum 2024”

Turkish States Economic Forum 2024 (TDEF) was organized with the sponsorship of the country's first Bank, Kapital Bank, the official partnership of the Organization of Turkic States (OTS), Agency for the Development of Small and Medium Enterprises (KOBIA), and Association of Small & Medium Enterprises & Clubs (KOBASKA) and the Azerbaijan Franchise Association (AFA). TDEF brought together the leading businessmen, investors and statesmen of the Turkic world.

First-ever assembly among Turkic-speaking nations, held on May 2-3, 2024, aimed to explore existing markets and investment opportunities among these countries, facilitate the integration of brands into the international environment, develop inter-company commercial relations, support the attraction of foreign investors and companies to the country, and strengthen relations among Turkic-speaking countries.

Several panels were held at the forum, including discussions on “Economic cooperation between the countries of the Turkic world, its impact and contribution to the global economy”, “China or India Road? Importance of Toll Free Trade Zone”, “Turkish Woman; Development of Women Entrepreneurs”, “Branding's contribution to increasing economic cooperation between Turanian countries: Transferring the experience of the franchising model”.

Azerbaijani agency to supervise Caspian-Black Sea-EU green energy export project

The Secretariat overseeing the implementation of the Caspian-Black Sea-EU perspective green energy export project will be based in Baku and supervised by the Azerbaijan Renewable Energy Agency (AREA) under the Ministry of Energy, Trend reports via AREA. On May 1st, in Tashkent, Azerbaijan, Kazakhstan, and Uzbekistan signed a Memorandum of Cooperation on integrating their energy systems to export green energy to Europe via the Caspian Sea, Azerbaijan, Georgia, and the Black Sea to Romania, Hungary, and potentially other EU countries.

The Parties decided in Tashkent to create a pre-feasibility study for the project, which will link Azerbaijan, Kazakhstan, and Uzbekistan's energy industries. This study will build a commercial model for international transmission corridors and sell green energy to EU members. They will hire international specialists to evaluate project technical and economic conditions.

Initial estimates suggest that Azerbaijan and Georgia, as part of the Black Sea Energy project, have the potential to transport 2 GW of green energy to the EU, with potential for expansion. We expect to complete the feasibility study for this segment in 2024.

Azerbaijan to generate institutional investor database

Baku Stock Exchange (BSE) supports institutional investors by enhancing information accessibility and market research to boost capital markets and investment operations.

The following key directions are being considered:

- Provide support for institutional investors. Banks, insurance corporations, and financial institutions, including private pension funds and investment firms, are prioritized. Access to market information, regulatory stability, and capital attractiveness are the major goals.
- Development of information mechanisms. The proposal suggests establishing mechanisms for information exchange among key market participants, such as banks and insurance companies, to enhance their capacity to manage investments and risks.
- Focus on transparency. It's necessary to ensure transparency in market operations and information openness so that institutional investors can more effectively manage assets and make informed investment decisions.
- The potential of institutional investors is estimated to reach 2.5 billion manat (\$1.47 billion).
- These initiatives aim to promote a sustainable and attractive investment climate that attracts local and foreign investors, boosting economic growth and the financial system.
- In 2023, the BSE's turnover was 27.3 billion manat (USD16 billion), up 1.8 times from 2022's.

Azerbaijani SOCAR, Russian Tatneft sign new cooperation roadmap

The State Oil Company of Azerbaijan (SOCAR) and Tatneft PJSC signed a new roadmap for cooperation in Kazan, SOCAR President Rovshan Najaf wrote on his page on X, Trend reports.

"Within the framework of the XV International Economic Forum "Russia - Islamic World: KazanForum 2024" we held a fruitful meeting with the General Director of Tatneft Nail Maganov. During the meeting, a new roadmap for cooperation was signed and an exchange of views took place on various issues of mutual interest," - he wrote.

Italy aims to increase agricultural machinery exports to Azerbaijan

Italy is ready to export advanced agricultural machinery to Azerbaijan, mainly used to reduce the impact of climate change on the agricultural sector, Fabio Ricci, Deputy General Director of the Italian Agricultural Machinery Manufacturers Federation. According to him, 13 companies from Italy arrived in Baku on May 14 to participate in the Azerbaijani-Italian business forum and study the local market. Ricci emphasized that Italian companies are exploring business opportunities in Azerbaijan. "The main purpose of our participation in exhibitions held in Azerbaijan was to see the equipment used in the agricultural sector. This will allow us to determine the country's demand for equipment in the future," Ricci said.

Azerbaijan launches unified e-participation platform

In Azerbaijan, a unified e-participation platform will be established. This initiative aligns with the Activity Plan of the Working Group on "Technology and Innovation" of the Business Environment and International Ratings Commission for the year 2024. Within the framework of creating the unified e-participation portal, measures would be taken to improve direct communication channels with citizens, gather feedback from citizens on the provision of government services, and ensure the electronic decision-making process. It should be noted that the project should be prepared by 1st August and submitted to the Commission by Ministry of Digital Development and Transport.

Azerbaijan implements Tax Incentives for COP29

Tax incentives are being introduced in Azerbaijan in connection with the upcoming 29th session of the Conference of the Parties to United Nations Framework Convention on Climate Change (COP29). This initiative involves proposed amendments to the Tax Code, which were deliberated upon during a session of the Azerbaijani Parliament. Under the proposed amendment, non-resident individuals engaged in supplying goods, performing work, or providing services related to COP29 will be eligible for a nine-month exemption from income tax, commencing on March 1, 2024. This amendment underwent thorough discussion and was subsequently passed in the third reading. It's worth mentioning that Azerbaijan is slated to host COP29 this November. This decision was reached during COP28 plenary meeting held in Dubai on 11 December 2023. Baku is anticipated to welcome approximately 70 thousand to 80 thousand foreign guests, positioning itself as the focal point of global attention. COP serves as the principal legislative body overseeing the Convention's implementation, with 198 countries currently party to it.
