

Dear Colleagues! Dear Participants!

Nowadays the economy of Azerbaijan is showing sustainable development along with the active integration into the international community and large-scale projects implemented domestically. The processes on modernization and development of the transport infrastructure have entered a new stage of development. In recent years big changes in the transport system of the country have been fixed.

In view of bringing the level of the Azerbaijan railroads into compliance with the international standards, on July 6, 2010 the President signed the Executive Order, approving the State Program on Development of the Railway Transport System of Azerbaijan for 2010-2014. It was the start to a new process of reforms in the sphere of improvement and restructuring of the railways. According to the State Program, measures are introduced to update the rolling and locomotive stocks, to perform the overhaul of railroads, power supply, and signalization and communication facilities, to ensure transition from direct current to alternating in the direction of Baku-Boyuk Kesik route, to modernize technical equipment as well as to implement other important tasks. State Program's main focus is on enhancement of the transit potential, improvement of the level of railway transport services, ensuring a fruitful operation of the transport complex by reducing transportation costs in passenger traffic.

The credit agreements were signed to ensure funding "The project of support of the railway transport and trade", aimed at improvement of the infrastructure, managements and development of railways. Under the agreements, the International Bank for Reconstruction and Development (World Bank) allocated a \$450 million loan and the Export Bank of the Czech Republic provided some 215 million euros. According to the State Program, these funds will be used on reconstruction of locomotives, roads, power supply, signalization and communication facilities, on acquisition of new locomotives and introduction of

the International Financial Reporting Standards. The repair of 317-km road towards Baku-Boyuk-Kasik is ongoing and about 250 kilometers of the road have been already overhauled.

The work on reconstruction of power supply, signalization and communication facilities is being commenced. Acquisition of new locomotives and cars of different function is also on the agenda. The operations on construction of the second new bridge over the River Kura and the branch railway line passing over the bridge on the 73rd kilometer of the Saloglu-Poylu section and reconstruction of the metal bridge over the River Kura on the 253rd kilometer of the Yevlakh-Malay section are also under implementation.

All these actions will increase operational potential of Baku-Tbilisi-Kars new railway line that will directly connect Europe and Asia with uninterrupted freight transportation from China till London. After implementation of the project, which graded as priority by UNECE, the highest carrying capacity of the corridor will total 17 mln tons of cargoes. This figure will reach about 1 mln passengers and 6.5 mln tons of cargoes at the initial stage.

Now, I would like to give you brief information on ongoing and planned projects to improve road infrastructure of international importance, to bring roads to I category on East-West and North-South corridors.

This year reconstruction works on Ganja ring road section of Yevlakh-Ganja road completed. Construction of additional 2 lanes, at the same time reconstruction on 168,8 km and rehabilitation of 54 km expected to complete till late 2013.

Rehabilitation of 163 km, reconstruction and new construction works on 60 km continue and to be given to operation in 2014.

Construction of additional 2 lanes on 185,6 km and reconstruction of 59 km roads are expected to be completed in 2015. 204 km new construction works on Alyat-Astara-State border with Iran, which began in 2006, also to be completed in late 2015.

At last, a couple of words about future road projects. Construction of 130 km additional two lanes on Ganja-State border with Georgia and rehabilitation of 164

km on Yevlakh-Zagatala-State border with Georgia will be started respectively in 2014 and 2015 and completed in 2017 and 2018.

The work on replacement of ships and ferries belonging to the Caspian Shipping Company with modern vessels was continued in the marine transport. Ferries designed for 54 train cars and ordered at the expense of the state budget are currently imported to the country from Croatia. The handover-acceptance of another ferry “Barda” built for Azerbaijan State Caspian Shipping Company was held in Ulyanik shipyard (Croatian city of Pula) in 2012. 4 ferries produced in Croatia were bought over the past 4 years. New ferries will contribute to the transportation of cargoes and strengthening of Azerbaijan’s transit potential.

The work on preparation of the area for construction and creation of road infrastructure connecting the port complex is carried out within the framework of the project on construction of new Baku International Commercial Sea Port. The work on deepening of the seabed in the port area is at the stage of completion.

Thank you for attention!