



NEWSLETTER

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President Aliyev Visits Germany

On Wednesday President Aliyev paid an official visit to Germany. During high level meeting German Chancellor Angela Merkel said that the EU could improve its energy security with Azerbaijan's support. "We have a serious interest in expanding out mutual economic links," Mrs. Merkel said after meeting with President Ilham Aliyev adding that there would be various points of commonality once new gas pipelines were built. The EU is backing westward gas pipelines from the Caspian Sea fields via Ukraine and Turkey. Recently built Baku-Tbilisi-Ceyhan oil and Baku-Tbilisi-Erzurum gas pipelines have big potentials for the EU. The Union is considering a pipeline, code-named Nabucco, which is to be commissioned by 2011 that would pipe gas from Turkish pipelines and shift it to Western Europe's grid via Bulgaria and Romania. Along with energy issues President Aliyev and Chancellor Merkel have discussed humanitarian and human rights issues.

Azerbaijan Economy to Maintain Growth

"Azerbaijan's economy will maintain last year's 35-percent growth rate in 2007", President Ilham Aliyev said on Tuesday. Oil revenues had allowed the government to create 520,000 new jobs in the nation of 8,6 million over the last three years and reduce poverty, Mr. Ilham Aliev said. The quick growth has allowed increased budget spending which is set to reach the equivalent of US\$6.5 billion this year compared to US\$1.4 billion in 2003. According to the President migration from rural areas to the capital has decreased and the number of poor dropped from 49% to 20%. Along with that the President acknowledged the existing problems. "In some cases social justice is violated. There are also too many unfair decisions and illegal interference into business," President Aliyev

stressed. The President called to cope with the problems not only at high level but also from grass-root levels.

Azerbaijan, Georgia, Turkey Seals Railway Deal

The leaders of Azerbaijan, Georgia and Turkey struck a final agreement on building a major railway to link the three countries on February 7. The long-awaited deal on the Kars-Akhalkalaki-Tbilisi-Baky project, reached in Tbilisi by Presidents Ilham Aliyev and Mikheil Saakashvili as well as Turkish Prime Minister Recep Tayyip Erdogan, gives a go-ahead to laying the strategic rail line, which will begin in April and take two years to complete. The \$600 million project will be implemented without international funding. President Aliyev told the signing ceremony that realization of the project would further ties between the partner states as well as bring stability and peace to the region. He underscored the successful cooperation of the three countries in the energy sector, referring to the Baku-Tbilisi-Ceyhan oil and the Baku-Tbilisi-Erzurum gas pipelines. "With this prospective project, which lays groundwork for success and is a major guarantor of sustainable development for our countries, we all will gain," the Georgian leader said. Turkish Premier Erdogan termed the railway as an "iron Silk Road". "The project, which allows to connect Asia and Europe, is another shining example of regional cooperation", he said. Analysts say the railway is the shortest route to transport cargo between Europe and Asia and will be an alternative to TRANSSIB - the Eurasian transport corridor stretching from the Middle East to Europe through Russia. The annual throughput capacity of the railway will reach 15 million tons a few years after it is commissioned.