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ITC DEVELOPMENT

Azerbaijan's ITC sector is one of dynamic segments of the national economy. Apart from oil sector IT and Communication industry (ITC) receives a significant portion of FDI, and is developing and expanding with a considerable pace. In 1998 investment in ICT was about 68,4 mln (USD), in 2004 reached 114, 6 mln, and in 2005 – 168, 1, making up 11, 2% of total FDI. It should be noted that domestic investment in ICT is growing as well.

The country has a wide network of academic institutions and laboratories specialized in ITC – Cybernetic Institute of the National Academy of Sciences, Information Technology Institute, “Nord” and “Informatika” Scientific Production Unions, National Outer Space Agency. There are a number of academic bureaus: (Kristal, Regist, Tellur, Biotek, Mikroelektronika, Kaskad, etc.).

The parliament of Azerbaijan adopted several laws in the area of ITC – Bill on Electronic Trade, Bill on Post Communication, Bill on Access to Information, Bill on Telecommunication and others.

In 2003 the Government of Azerbaijan adopted National Strategy for the Development of IT and Communication sector, and the creation of information society. The Government has been implementing some other programs – Electronic Azerbaijan, Program on ICT Provision of Secondary and High Schools. The Government simplified many procedures for license acquiring. Many regional ICT hubs were established. Rates and tariffs for communication services were reduced for 35-60 %. Some joint state ITC enterprises have been privatized. The government stipulates the establishment of independent entity in charge of ITC regulations.

In Mingchevir city a new computer manufacturing factory KUR was opened. Several big private companies operate in Azerbaijan: *Aztel* (Azerbaijan-Turkish joint venture), *AzEuroTel* (Azerbaijan-UK), *Baku-Boston TV* (Azerbaijan-US), *Azerin* (Azerbaijan –Turkish internet provider), *ADANET* (Azerbaijan-Germany Co.Ltd). There are 3 mobile phone service providers in Azerbaijan – *Azercell* (2 mln. customers), *Bakcell* (600,000) and newly established *Azerfon*. 38,7 out of 100 people have cellular phone in Azerbaijan. 14,03 out of 100 people have resident phone. The presence of foreign ITC companies in Azerbaijan is enhancing – Intel, IBM, Cisco, Microsoft , Siemens, Ericsson, Alkatel, etc. Local ICT companies are strengthening at the domestic market – AZEL, RISK, Ultra.

Baku TV Tower broadcasts 11 TV and 11 radio channels, and total 22 TV and 13 radio programs are being broadcasted in Azerbaijan. AzTV, national television channel, through a satellite is being broadcasted throughout Europe, North America and the Middle East.

With the assistance of the World Bank the Government is expanding and improving mail services. Internet network is also expanding in Azerbaijan, Currently, 8 out of 100 people have access to the world web. There are 25 internet providers in the country. *Virtual Silk Road* project, which will connect Europe, the Middle East and Central Asia is under implementation. The Government is working on the creation of national data system which will enable e-government, e-commerce, distant learning and other related programs.

Azerbaijan has hosted a number of international conferences on ITC, including under auspices of UNESCO and other international and regional organizations. The Government of Azerbaijan has concluded about 30 bilateral and international agreements and treaties in ITC area with American, Asian and European countries.