



**THE STATE AGENCY ON ALTERNATIVE AND RENEWABLE  
ENERGY SOURCES OF THE REPUBLIC OF AZERBAIJAN**



**AZERBAIJAN:  
MARKET CONDITIONS  
FOR RENEWABLE ENERGY INVESTMENT**

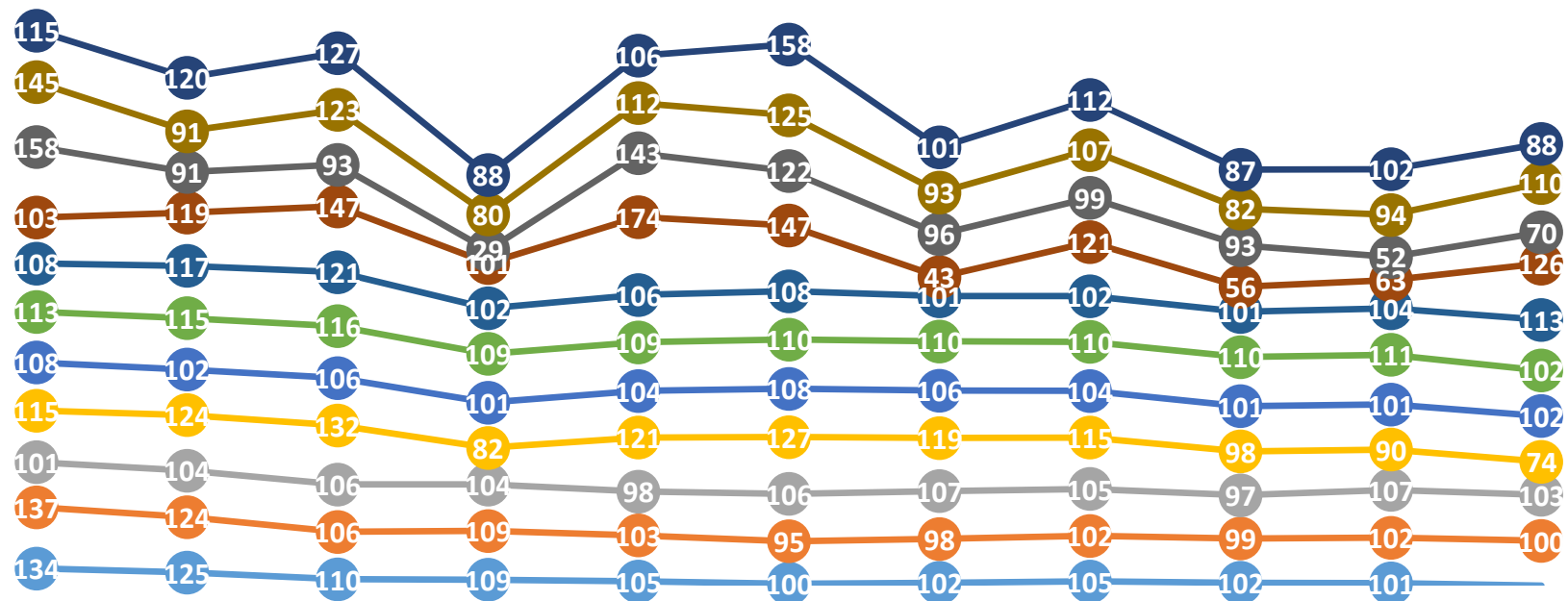
# MACROECONOMIC INDICATORS OF AZERBAIJAN REPUBLIC (2016)

<b>GDP</b>	<ul style="list-style-type: none"> <li>• General: 37,8 billion.\$</li> <li>• Per capita: 3926,5 \$</li> <li>• Growth rate: 3.8%</li> </ul>
<b>Investments</b>	<ul style="list-style-type: none"> <li>•General: 14,3 billion. \$</li> <li>•Local: 4,1 billion. \$</li> <li>•Foreign: 10,1 billion. \$</li> </ul>
<b>Trade</b>	<ul style="list-style-type: none"> <li>•Goods turnover : 20,6 billion. \$</li> <li>• Export: 11,4 billion. \$</li> <li>• Import: 9,2 billion. \$</li> </ul>
<b>Other macroeconomic indicators</b>	<ul style="list-style-type: none"> <li>• Inflation: 10,4 %</li> <li>• strategic currency reserves: 46 billion. \$</li> </ul>
<b>Social statistics</b>	<ul style="list-style-type: none"> <li>• Average monthly salary: 280 \$</li> <li>• Unemployment: 6.0 %</li> <li>• Growth of incomes of the population : 4,9 %</li> </ul>

# MAIN MACROECONOMIC INDICATORS 2006-2016

(as % of the previous year)

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016



- Gross domestic product
- Agricultural production
- Freight carried
- Industrial producers price index
- Export to other countries
- Industrial production
- Capital investments
- Retail trade turnover
- Export to CIS countries
- Import from CIS countries

# INVESTMENT CLIMATE

Hospitable policy

National treatment  
for foreign  
investors

Absence of  
restrictions for any  
type of foreign  
investment

Incentives for  
foreign investors

Guarantees

Guarantees against  
adverse changes in  
legislation,  
nationalization and  
requisition

Non-discrimination  
policy

Guarantees of compensation  
for damage and repatriation  
of profits

The developed  
legislative base

Laws on investment  
activities and  
protection of  
foreign investments

New York (1958)  
and  
Washington(1965)  
Convention

46 bilateral investment  
treaties and  
44 agreements on  
avoidance of double  
taxation

Institutional support of  
Government

Azerbaijan Export and  
Investments Promotion  
Foundation  
(AZPROMO)

Azerbaijan  
Investment  
Company

National  
Fund for Entrepren  
eurship Support

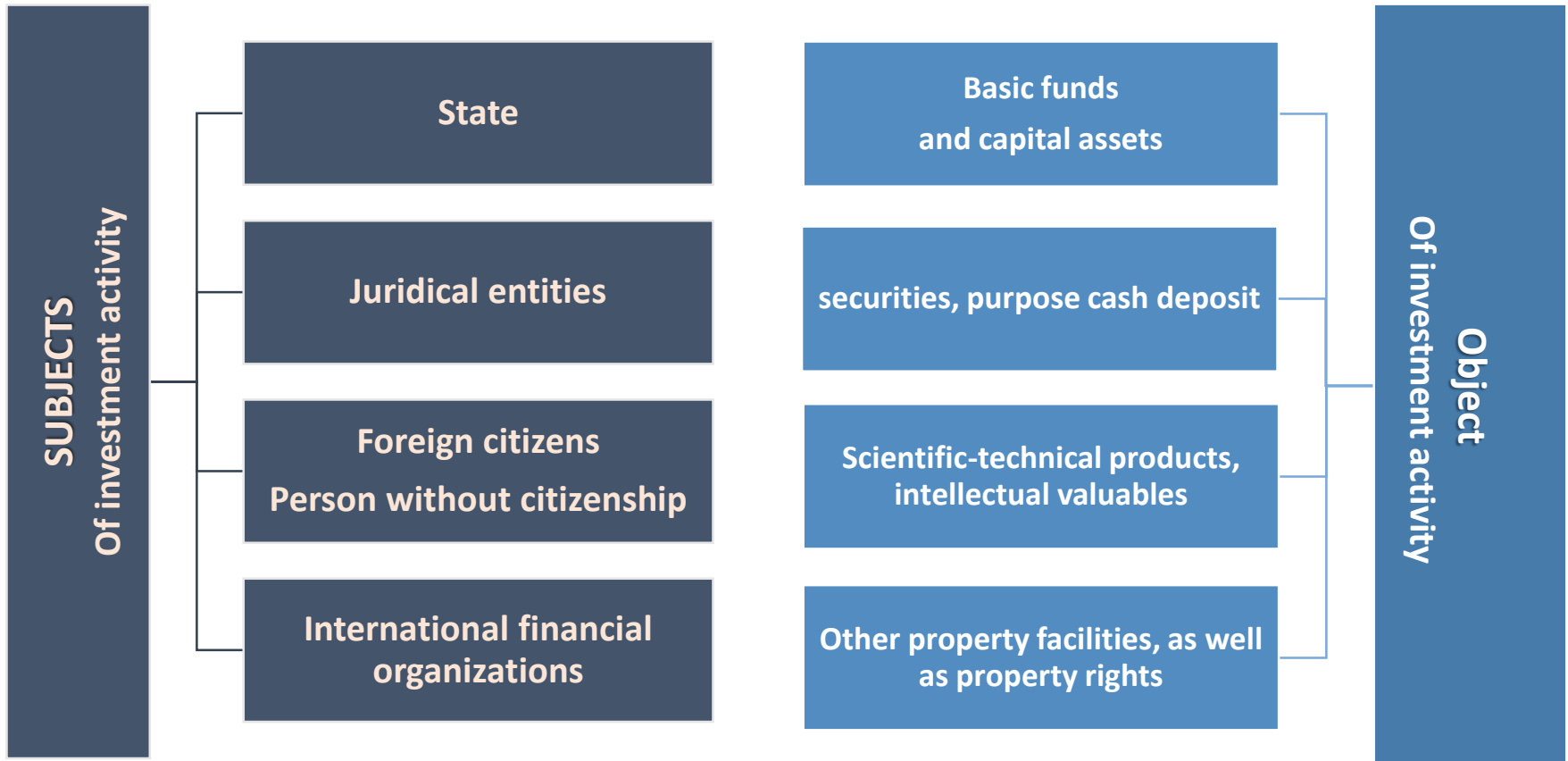
# LAW OF THE AZERBAIJAN REPUBLIC «ON PROTECTION OF FOREIGN INVESTMENTS»

*January 15, 1992 № 57  
(With changes and additions to the 05.03.2010)*

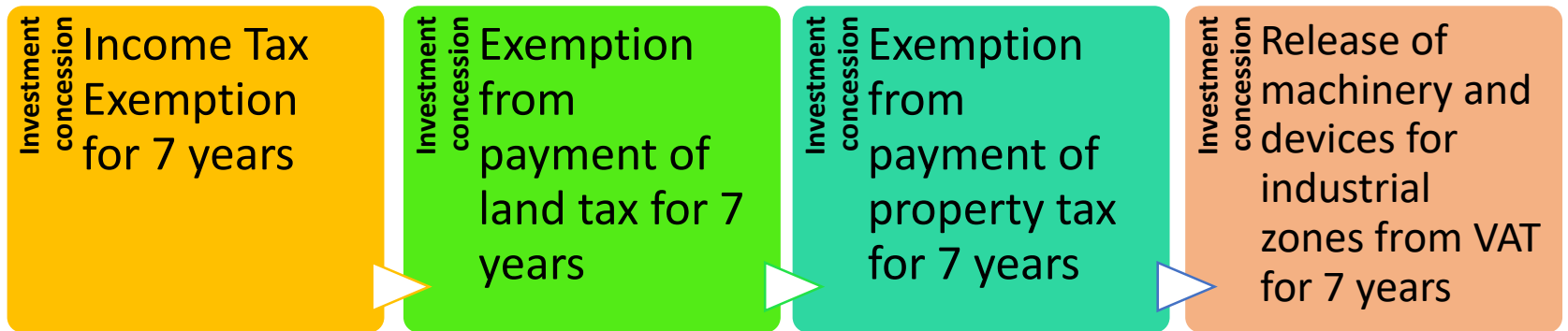
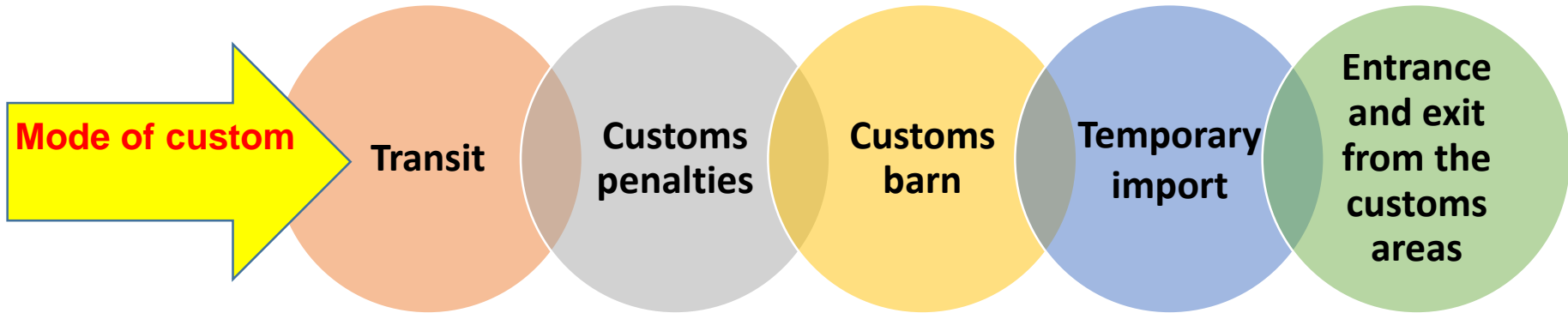


# LAW OF THE AZERBAIJAN REPUBLIC «ON INVESTMENT ACTIVITY»

*January 13, 1995 № 952  
(With changes and additions to the 09.10.2007)*



# REFORMS IN THE TAX AND CUSTOMS SPHERE



# LEGISLATIVE BASE FOR FOREIGN INVESTMENT

- **Law «On Utilization Of Energy Resources» (1996)** *(14.04.2017)*
- **Law «On power industry» (1998)** *(as of October 28, 2016)*
- **Law «Law on Power Engineering» (1998)** *(as of May 20, 2006)*
- **Law «About power and thermal plants» (1999)**
- **Law «On the bowels of the earth» (1998)** *(as of December 18, 2015)*
- **About business activity (1992)** *(as of November 11, 2016)*
- **About anti-monopoly activity (1993)** *(as of April 5, 2016)*
- **On unfair competition (1993)** *(as of April 3, 2015)*
- **On natural monopolies (1998)** *(as of June 2, 2008)*
- **On public procurement (2001)** *(as of April 7, 2017)*
- **On privatization of state-owned property (2000)** *(20.10.2015)*
- **On the Implementation of Special Financing for Investment Projects in Connection with Construction and Infrastructure Facilities (2016) and etc.**



# TARIFFS FOR ELECTRICITY

Decision № 17 on 28 November 2016

«About Regulation of the electricity tariffs within the Republic»

No	Services	Tariffs (inc VAT) kopeck/EUR cent KWh)
<b>1.</b>	<b>Purchase from the producers</b>	
<b>1.1.</b>	Small private hydro	5,0 / 2,4
<b>1.2.</b>	Wind energy	5,5 / 2,7
<b>1.3.</b>	Other RE sources	5,7 / 2,8
<b>2.</b>	<b>Wholesale price</b>	5,7 / 2,8
<b>2.1.</b>	Energy supply realized directly from the 35KV and 110 KV lines, having stable load demand within a day, chemical and aluminum industries with average demand not less than 5 million KWh per month for production purposes, steel smelting production enterprises based on mining ore	
<b>2.1.1.</b>	Daytime (08.00- 22.00)	5,8 / 2,9
<b>2.1.2.</b>	Nighttime (22.00- 08.00)	2,8 / 1,4
<b>3.</b>	<b>Transit price</b>	0,2 / 0,1
<b>4.</b>	<b>Retail prices</b>	
<b>4.1.</b>	Residential	
<b>4.1.1.</b>	For the part of the monthly consumption volume below 300 KWh (300 KWh included)	7,0 / 3,5
<b>4.1.2.</b>	For the part of the monthly consumption volume more than 300 KWh	11,0 / 5,5
<b>4.2.</b>	Nonresidential	9,0 / 4,5

# PROJECTS UP TO 2020 (TOTAL 420 MVT)

№	Type of plant	Project title	Capacity, MW
			electricity
<b>1</b>	<b>WPP</b>	Wind Power Plants - total	350
<b>1.1</b>		Absheron-Khizi WPP*	70
<b>1.2</b>		Absheron-Garadagh WPP**	55
<b>1.3</b>		Shurabad (Khizi) WPP	55
<b>1.4</b>		Lokbatan WPP	25
<b>1.5</b>		Khizi WPP	145
<b>2</b>	<b>SPP</b>	Solar Power Plants- total	50
<b>2.1</b>		Siyazan SPPP	30
<b>2.2</b>		Absheron-Khizi SPP*	10
<b>2.3</b>		Absheron-Garadagh SPP**	10
<b>3</b>	<b>Biomass PP</b>	Biomass PP- total	20
<b>3.1</b>		Samukh Biomass Cogeneration Plant	1.1
<b>3.2</b>		Samukh Biomass Cogeneration Plant	2.2
<b>3.3</b>		Aghjabedi Biomass PP	4.5
<b>3.4</b>		Siyazan Biomass Cogeneration Plant	3.0
<b>3.5</b>		Oghuz Biomass PP	2.2
<b>3.6</b>		Imishli Biomass PP	2.0
<b>3.7</b>		Bilasovar Biomass PP	3.0
<b>3.8</b>		Aghjabedi Biomass PP	2.0



**THANKS FOR  
ATTENTION**



**The State Agency on Alternative and  
Renewable Energy Sources of the  
Republic of Azerbaijan**

[www.area.gov.az](http://www.area.gov.az)