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Abstarct

Azerbaijan is one of the targets recipients of foreign investment in the South Cacaus Region. Having rich oil resouces is the main reason for attarcting investors. Those invesments were so beneficial for economy and economic diversification for sustainable development. So related that Azerbaijan government policy mainly stand out that inflow of FDI forward to the a broad transfer of international know-how, management and technology combined with sufficient funds for other sectors of the economy.

After got independence, Azerbaijan made remarkable changes in his economy and could had influence on regional and global process. In spite of initial stages of difficulties of independence Azerbaijan could conduct rational policy and attracted foreign investment into oil and gas sector which was called future development engine. Countless revenues from oil and gas sector were distributed by government among other sectors under name of industry, services in order to improve and develop. Domestic investment was directed into industrial revolution, education and technological innovation which contribute economy for a long term and increase social welfare. Additionally, state played a great and deep role for creating favorable business climate for foreign financer in competitive with other rivalries.

Almost everything used in human life for the human survival [18] is made up of chemical products. In the modern world Chemical industries play an important role. In every industrial process chemical products involved which play an essential vital role. The Chemical industry is the one responsible industry for converting raw materials like natural gas, oil, water, air, minerals and metals in to more valuable products.

Based on those facts Azerbaijan should take strategic steps for sustainable non-oil sector developments. One of the methods requires adoption of new rules in towards innovation in industry, human capital, education and etc for attracting foreign investors in those fields.

Introduction

This thesis purpose explain the role of attraction of the foreign investment in chemical industry. International capital inflow play a crucial role in the economy of countries. It is agreed that they permit levels of domestic capital can create environment for exceed savings. For host countries generating a huge amount of savings, international foreign investment provides a higher return than domestic investment.

At the first chapter there are a plenty of information describe different types of investment, their role in host countries, methods for attracting into local economy, policy toward foreign capital conducted by states and protection policy which help local companies in competition with extrnals. Foreign capital is divided into 2 places under name of Foreign Direct Investment and Foreign Portfolio Investment. It is described in Investment 2017 [1] FPI had some fluctuations during last decades. In contrast that FDI had a steady growth beginning from 2008. Moreover, some factors as named political, social and economical which had a huge and deep influence on decision of foreign financiers'. At Investment 2017 it was shown that a bulk of treatment or bilateral agreements was signed between various countries expand productivity in the relationships of economy. So related that In Azerbaijan after got independence government adopted influence law in towards stimulating foreign investment in to country which covered tax and other indicators.

Chemicals produced by the chemicals industry are used to make virtually every man-made product and play an important role in the everyday life of people around the world. Such products can protect crops and increase yields, prevent and cure disease, provide insulation to reduce energy use and offer countless other benefits that make life better for people.

In modern day improvement of science also affects chemistry and so close to that chemistry has been turned a major factor sustainable economic development from last decades. Increasing world population with demands to chemical products

obliged countries to decrease dependence from import oriented chemical products. Growing world consumption motivates MNEs to seek cheap labor and raw materials which are more important for chemistry. In addition segmentation of chemistry, which segments require more capital, structure of chemistry and types of chemical products are described. Countries future view towards in chemistry also was given and in some emerging countries like India and China adopted a long term plans direction of chemistry.

At the second part investment climate of Azerbaijan was described and in specially chemical industries opportunities, force labor, education in chemistry, skilled works [2] and other programs for development of chemistry. After oil prices falling government accept a solid decision to decrease income from oil sector and work on the frame of developing and improving non-oil sector for sustainable and stable development. In Strategic Road Maps plan was described governments future plans on international capital inflow, which kinds of economic sectors will be developed and role of chemistry in long term plans.

At the 3rd part the methods were shown improving chemistry which based on world practise in developed and developing countries. In developed economies education is priced as a best way of improvement of any segment of economy. Related to that factor R&D expenses were leading in the list among high developed countries. A plenty of diversification in chemistry prove that it is search and investigated by various companies. It is suggested that there is a need to expand government education program on chemistry. Government need to cooperate with other prestigious universities student changing program or learn and increase studies in that areas. Moreover other chemistry segments should be improved like Green chemistry and Cosmetics which will be top of the list in next few years.

Research object-Chemistry is one of the leading elements of Manufacturing industry in the Azerbaijan which cover all other producing sector of economies. Chemical products have an important role in our daily life, so close to that a part of income goes that spendings. From the other sides, Chemistry is needed continual advancement of nano technology. Having rich oil and gas resources to create a

plenty of chances to draw tons of attention from abroad by means of foreign capital in that area. According to Strategic Road Map plan Petro Chemical products has launched to produced by several local companies . One of the biggest Chinese companies to build cooperation relations among two TNC .

Research subject-Capital is very essential for continuous research and developments of Chemistry. Beginning from our bodies into plastics it covers a deep knowledge which is always important for not only personal level but also global. Based on that facts Azerbaijan need to investigate this area by attracting and using various methods ,tools and researchs. By this ways Azerbaijan can turn chemistry imported country into export oriented ones. Trade policies , infrastructure conditions tax and other exemptions can be main tools for creation favorable climate for external capitals.

Methodology is an essential part for dissertation which is involved various Qualitative, quantitative and mixed methods. We use both of them for accurate results. When we use the word quantitative to describe quantitative dissertations, we do not clear mean that the research paper or dissertation will draw on quantitative research methods or statistical analysis techniques.

Qualitative research takes a particular approach towards the research periods, the setting of questions, the development and use of knowledge, the choice of research tactics, the way that findings are presented and discussed, and so forth.

Statistical data also will be used in this research for accurate target under name of Population Standard Deviation, Population Variance, Sample Mean, Sample Standard Deviation Tools to Calculate Sample Size and Power Analysis. Statistics Solutions offers free tools to calculate appropriate sample sizes and conduct power analysis for your dissertation or research study.

There are some factors have an influence on investor's decision when they tend to directly investigation.

Data collection

The investigated materials are based on various internal and external sources, primary and secondary data. According to the International reports that established yearly named Global Competitiveness Index, World Bank Reports, World Economic Forum, Doing Business, World Investment, Global Chemistry Market and etc. From local information recourses data collected from Taxes.gov.az, Customs.gov.az , CESD.az , reports issued by Central banks and other scientific books ,journals and articles.

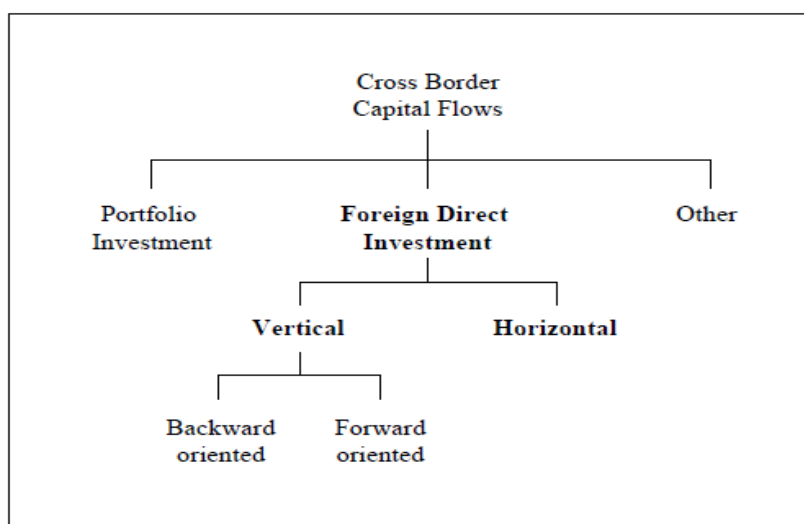
Essence and significance of foreign investments for an economy at the modern stage.

1.1. An economic essence and types of foreign investments

In last decades, increased global integration and liberalization lead rapid capital movements among nations which can be bring a plenty of benefits to both sides. In emerging economies practiced that such movements of capital can influence economy deeply and realize long term plans for future. Countries with stable economic conditions and favorable business environments always have surged an enormous capital inflow in competition with others. Majority of developing countries always seek such capital funds, despite domestic conditions (infrastructure, labor, state policy and other factors) put a plenty of barriers. Countries with stable economic conditions and favorable business environments always have surged an enormous capital inflow in competition with others. Majority of developing countries always seek such capital funds, despite domestic conditions (infrastructure, labor, state policy and other factors) put a plenty of barriers.

International Invesments are divided into four categories due to different characteristics under frame of commercial loans, official flows foreign direct investment (FDI) and portfolio investment (FPI). Comercialloans which is primarily borrowed from internal banks or governments wheras official flows as priced financial aids from developed countries into developings. FDI and FPI are mostly used by foreing investors for investing aborad. Foreign Portfolio investment consist of financial assets and securities which is held by external investors and differing from FDI it doesn not provide ownership to the investors on financial assets and it is relatively depending on volatily of the market .(1-investepodia) .Investors always seek short term gains in FPI and it is included notes ,bonds , financial derivatives , money market instruments and with other words all of those below the 10 Percentage rule and do not involve affiliated enterprises.

Structure of International Capital Flow



Source Vertical and Horizontal Foreign Direct Investments in Transition Countries written by (Alexander Protsenko-2003)

A portfolio investment is one type of foreign capital which consists of bonds, cash equivalents and stocks. Control of foreign portfolio investment is always held directly by capital investors and managed by well educated financiers.

Under portfolio investment capital is entered to the countries finance markets as deposits or investors buy countries' bond and stock markets for money speculation.

Portfolio capital can move of securities from one country to others. Geographic location diversification [6] play essential role in flows of portfolio investment which is inveigled by great rate of returns.

A foreign direct investment (FDI) is an investment in the form of a controlling ownership in a business in one country by firms or entities [7] based in another country. It is thus distinguished from a foreign portfolio investment by a notion of direct control.

Types of FDI. Foreign direct investment as well known have a countless positive influence on some fields of economy and can transfer opportunities from

technological advance to the management skills into domestic firms at the level of competitive rivalry. By the fact acting such improve productivity and approach markets to the modern competitive level and bring globalization[26].

Learning from past theoretical experience MNEs can be divided into 2 periods relating some internal and external factors. The first aspect was OLI concept which introduced by Dunning in 1977 who try to explain that FDI can unite some abilities under name of ownership, location and international advantages. But it could not to over all periodical demands from economical side and we needed new one which suggested by economist which MNEs at 3 levels.

Horizontal being as a type of FDI. Foreign direct investments substitute the business when they are horizontally invested, so close to that same companies in foreign countries produce resemble products . [27] MNEs to get marginal benefit try to cut transportation cost that why they prefer to produce where consumers and markets not far from production plants. Development of Horizontal FDI is influenced by 2 main factors trade cost and economies of scale. That is why the main driving factor in HFDI avoiding from high transportation costs and the possibility of entrance to foreign markets that can only be locally serviced. Additionally companies sometimes live some difficulties getting license abroad which can be resulted lost of profits.

Horizontal FDI has notably been demonstrated in many economist research papers comparing with vertical. For example [28] finds evidence of horizontal FDI but little evidence of vertical FDI. Economist Markusen and Markusen stressed that (2002) a significant proportion of Horizontal FDI were preferred in developed countries .

Markusen (1995) provides a discussion on horizontal MNE as an alternative to trade and local firms and discusses the global problem

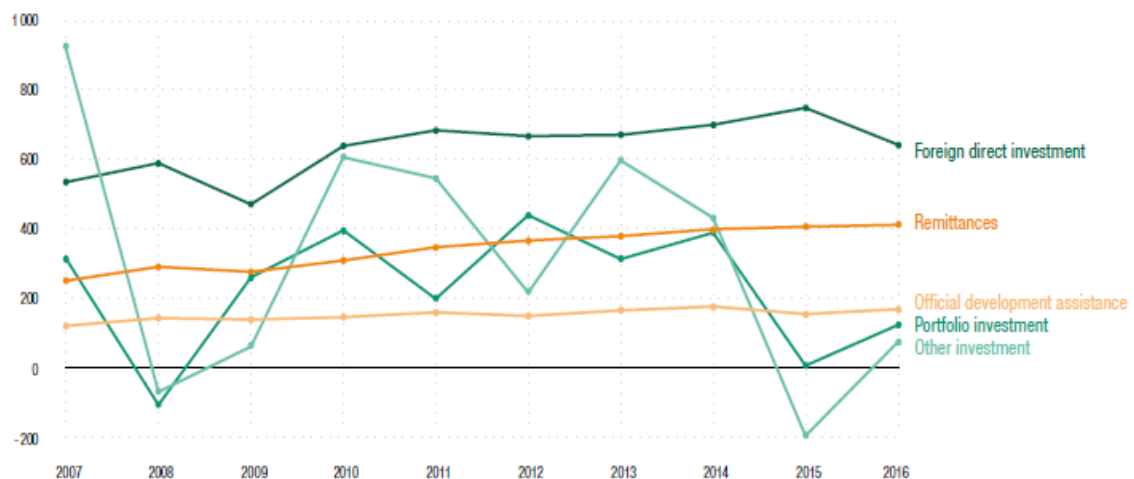
Vertical FDI differed from HDI due to its production stages in various regions. The part of production divided in order to exploit differences in relative factor expenses. So that is why it is named Vertical and production process chains happened in various countries are conducted one after other.

Global foreign investments flows to developing countries were nearly 1,5 trillion in 2016 which approximately 30% low from as being in 2010 (2 trillion). Those given external resources consists of FDI , FPI and other financial resources under name of bank loans or charity aids.[8 investment 2017] From that figure it was cleared that FDI had a huge slice among other types of foreign investment. Other types of foreign capital inflows as named official development assistance and international remittance inflows had observed more stable and a gradual increase from last decades. Differing from other indicators FPI and other inflows were noticed more instable, fluctuated and reached its lowest point in 2015 which more than in 2008. [9]

The weakness of global economic growth obliged MNEs to use of external resources which are very critical for domestic revenue in low economies, rising difficult.

Table2 [10]

External sources of finance for developing economies 2007-2016 (billions of dollars)



Source WorldInvestment report 2017

One of the most essential difference between portfolio and direct investment to have released from this initial era of globalization is that portfolio investment can be much more volatile. Changes in the investment conditions in a country or region can

lead to dramatic swings in portfolio investment [12]. For a country on the rise, As being FDI FPI also bring about rocket growth which helps to developing countries take of positives of economic opportunities by creating new job places and tranfering know-how and etc.Despite of that sometimes countries economic porifle can not meet the invstors ‘ interets and inflow of large money by that investors can turn hazard for hos economies.11]

Moreover, specific economic indicators draw attention of portfolio investors economic policies and business environment especially at factors are shown below

- Taxes on capital gains
- Regulation of the stock and bond market
- The degree of protection of investors gains
- The quality of domestic accounting and disclosure and imitating international standards
- The ease of repatriating capital and dividends.

From last decades to modern day FDI is considered one main way of sustainable development in many fields of economy especially in developing countries under name of technology , social wealth ,transportation and etc.IT is eventually called ““catch up effect”” in developing countries as a way of showing successful economic growth. Positives of FDI are countless and it has been frequently noticed in scientific research papers ,journals and other places. For example according to the (Navarettiand Venables2004) modernazalition of national economy tranformotions of innovations are accepted benefits of FDI .

Total statistic information about FDI. Global FDI were estimated to rise by approximately 5 % in 2017 to nearly 2 trillion (1.8). In spite of trend was observed rising line but it still was below till 2007 peak. A fall in inflows to low income countries or developing countries was partly offset by modest increase in developed economies and visible growth in transition economies. At the result

developed economies is considered main part of global fdi in 2016, whereas 59 % of total.

FDI inflow by region

Table 3

Group of economies	2014	2015	2016	2017
World	1324	1774	1746	1670-1870
Europe	272	566	533	560
North America	231	390	425	360
Africa	71	61	59	65
Asia	460	524	443	515
Latin America and Caribbean	170	165	142	130
Transition Economies	57	38	68	75-85

Source ©UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics).

Approximately 65 billion increase in inflow forecast to Africa from other parts of world as well as being in Asia where nearly 15 percentage of growth would be in 2017. The rise generally related green field FDI projects in real estate, natural gas, infrastructure renewable energy chemicals, automotives and network production. Major receivables are China, India and Indonesia renewed energy policy by governments.

Stable growth was observed Latin America and the Caribbean in 2017 remained unchanged. Investment in the region's extractive industries will likely be modest as operators continue to hold back on capital expenses. Economic policy of US has a deep influence in investment in Central America. It sometimes changed decision of investors.

Defining the portfolio in economic science is difficult. In international economics there are a great variety of portfolio models [13]. Even in Norway it can be seen a bit information about portfolio [14].

The different theories on FDI have primarily come from previous research on multinational corporations in developed countries.

One type of investment is defined FDI which investors set up finance in abroad and have a control interest or ownership on foreign firms. Companies that engage in direct foreign investment are referred in literature as multinational enterprises (MNE). Because of main impact of FDI's a plenty of researcher or international trade economists try to explain foreign direct invest in different ways.

The first explanation of FDI was referred D. Ricardo's theory of comparative advantage but has been criticized because it is based on two countries, two products and a perfect mobility of factors at local level [15]. In this theory Ricardo has used rising share of FDI and other models such as portfolio theory and at the end of result it was not clearly explained and went to failure. Under frame of FDI some theories are; the production cycle theory, the internationalization theory, and the framework employed in this thesis, the eclectic or Ownership, Location and Internalization (OLI) paradigm.

To begin with the Production Cycle theory [16] gave information to us decisions of MNC's to create new products and get it benefits from 50-60 s years at last center. Innovation, growth, maturity a decline as were shown main four stages of productions in this theory. As being negatives of that theory could not ability to clear investment trends after the 70s. Particularly, nowadays all four stages are not followed necessarily by MNCEs or companies and because of that theory is out empirical reality.

The origins of internationalization theory began in 1937 by Ronald Coase and it was extended at 70-80s after failure of previous theory. Getting greater of companies give opportunity extend its area to abroad intermediate products r services.

Eclectic paradigm. Explanation of FDI one of the scientists John Dunning who proposed OLI framework in 1977 tried to use both macro and micro indicators here. **Ownership advantage** is the first part of OLI model and it combined by some factors as name of amount of capital, labor (may be staff), technological and innovational patent, strategic management and etc. Related to that foreign companies in more time can take control over host firms [17] and they can easily increase or decrease marginal profits and develop of local firms fluctuated by affected those decisions [15].

The second one is **Location specific advantage**. Having rich raw materials and the cheapest labor always stimulate MNE come to such places and put money to the economy. Additionally by the way of LSA MNE play a role as transnational corporations. At the results Social and economical advantage have to oblige host countries to pay attention property and contract laws feature of formal constraints [19]). North (1990) in which economic exchange orientation can be resulted low cost at each product and it can create environment to compete for quality and healthy product. The last and main part of OLE model which we briefly discussed above MNEs try to find ways to out abroad where organize the creation and exploitation of their core competencies, given the location attractions of foreign countries. FDI can have an effect on abroad 2 different ways. Firstly they can act by getting license or licenceing in which their role a bit weak. But in contrast that on the second model more likely a firm will prefer to engage in foreign production itself. By that way activity of such firms seen longer in host countries.

Depending on the environment of social, economical and political aspects of host countries Eclectic paradigm OLI shows that benefits of OLE model differ from country to country or firm to firm as well as ownership of money. So that is why weak and strength points of economies analyzed by firms and choice of a country may be different according to various conditions of host economies.

1.2. Foreign investments and their place and role in the economy of a country

Investment policy. Investment it sounds an important way for capital inflow for developing countries and related that countries try to focus on investment policy in which is getting more complex more divergent and more uncertain. Responding of globalization government should smooth some strict rules against limitation of FDI into countries by taxes. Most investment policy regulations or agreements introduced in 216 aimed at increase motivation, promotion, facilitation and liberalization. It is proved by this fact that countries took needable steps towards to FDI [19] (Unictad 2017- Some 58 countries and economies adopted at least 124 investment policy measures – the highest number since 2006.) Diversification of economies oblige host countries changed or multifaceted variety of industries under name of manufacturing (chemical industries especially green chemical industry turn a new trend where 3rd steps of FDI –innovational projects are more preferable According investment 2017). Eighty-four of these measures liberalized, promoted or facilitated investment, while 22 introduced new restrictions or regulations on investment.

Countries from different sides of world should set up rules for more investment into their countries. Kazakhstan introduced a one-stop shop for the issuance of various permits and licenses. Egypt established the Supreme Council, The Republic of Korea established the Special Act on Revitalizing Companies, The Philippines launched “Project Repeal Saudi Arabia expedited the licensing procedures all those programs are planned to attract more money.(2017 invest)

Today demand of capital in different level countries oblige them extensively to address a set of specific rules (laws) under frame of international investment agreements (IIAs). No less than 108 countries have just signed or joined such laws. We can clearly meet a plenty of common elements in preambles, treatment of

investors investment promotions and dispute settlement. Reformation of IIAs and modernization and internationalization of local investment laws should work under one decision (direction). (UNCTAD Investment 2017).

According to Dunning and Lundan investors always turn cycles of the motivation named natural resources in host countries, access to host market without any restrictions, strategic assets of companies in the local markets or host countries, marginal benefits (where low costs and high productivity). All those types of investment strategies are essential, though varying for better development.

1.Natural resource seeking generates sizable government revenues. It leads to explanation of exporting natural forms of products or resource-based products.

2.Market seeking where companies or MNEs almost prefer to access market where a low cost can create to get a huge consumer needs. Initially firms enter to the market to out other local firms. It leads to domestic sales of final products to consumers or intermediates to firms.

3.Strategic Asset seeking FDI enters the country to enhance the capabilities of the investing firm by acquiring a firm with technology and brands that have competitive advantage. By this way countries will turn import-oriented into export-oriented.

Under variables of investment climate some factors under frame of protection guarantee, low production expense, high demand, incentives, trade cooperation efficiency seeking demonstrate higher importance compared with other factors are mentioned above. Approximately 66 percent of firms involved in efficiency-seeking investment find important or critically important compared with only 39 percent of investors with other motivations. Political stability and legal and regulatory environment are consistently valued highly across all types of investors. Other essential elements under name of Large domestic size, macroeconomic stability and favorable exchange rate (nearly 80%), low tax rates, low cost of labor and inputs are considered both of the efficiency seeking and non-efficiency seeking.

Numerous research neglected that the influence of FDI on economic growth can be analyzed by 2 factors namely factor accumulation and total factor productivity (TFP), according to neoclassical growth theory and endogenous growth theory, respectively.

Some economists clarified that [29] based on supportive research examples FDI not only brought positives as well as several mechanisms channels but also negatives.

Table 4

An influence of FDI

N	FDI affects the host country economic growth through	Impact	
		Positive	Negative
1	Shift of new technologies and know-how	X	
2	Evolution of the human resources	X	
3	Integration into the global economy	X	
4	Increase rivalry among various firms in host country	X	
5	Reconstruction and reformation of local companies	X	
6	Problems of government policy		X

Source :Est.org

When analyzing table we can clearly see that almost every develop field of economy can see negative and positive effects from FDI. So related that we can research these mechanism the we follow factors which can occurrence of benefits to economic development.

The main positive influence of FDI is measured by transferred advanced technology and know-how by MNEs. Due to Frindlay (1978) FDI is a one of the best way to improve economic performance by help assistance of transmission of more developed high tech firms. Also it was said by Borensztein et al. (1998), MNEs are responsible for all world spending expense on research and development (R&D).

We assert say that today the amount of using innovation on technology can demonstrate growth level of countries through world. Existence of technological innovations can lead to reduction the cost of production and by that way firms become more competitive and strong [30]. Loungani and Razin (2001) stressed that the technological advances could brought financial investments or purchase of goods and services. FDI's positives on technology also were mentioned a plenty of economist under name of Saggi (2002), Hermes and Lensink (2003), and Varamini and Vu (2007) as a predominant way of increasing economic growth.

It is quite clear that combination of human capital, through R& D and innovation contributes to the advanced technology in host countries. A good level of long term economic growth can be measured by level of innovation which can create opportunities for internal and external competitions.

In spite of positives of FDI on the economic growth of host countries due to the some economists there some restrictions and weakness in order to empirical data, especially at the rate of companies .

At the first type of research support the idea of positives of FDI on local firms through IT. According to the Hoffman and Tan [32] reports on Malasia where increasing investments was hence increasing GDP from 1960 by 23 %. Similarly ,Taiwan and Indonesia were shown whereas FDI has positive influence on sustainable economic growth in Chuang and Lin [32] and Lipsey and Sjöholm (2001). Mexican local firms got support from external MNEs from US to trend a productivity levels which were similar to the American firms' one from 1965 to 1982. The Asia and Pacific have been the fastest-growing regions worldwide over the past years and their economies have greatly improved their competitiveness (WEF, 2012).

FDI and the formation of the human resources. Formation of human resources by increasing volume of external capital inflow is considered other main positive sides of FDI as well as negatives. Rising FDI volume required high-skilled workers to increase productivity at the production cycles. At the Zhang

(2001) was mentioned that FDI is a source of economic growth hence of that it brought know how in production and management methods with high qualified workers. Increasing productivity capacity leads improvement of labor force by provision of formal training, schooling and spill-over effects of layoffs and turnover of labor force from international firm to domestic entities [34]. According to the OECD (2002) multinationals are a larger source of human resource than locals. The main point here that many employees use some programs when they educate workers and then those workers can share this knowledge by creating new companies and it would be resulted spreading knowledge among others [35]. Through countries we can show India as an example where during 2013-2015 years FDI increased 25% which has several determinants responsible for this clustering like availability of quality labor force [36].

According to Lee and Houde (2000) a well educated- workers could be is one of the location advantages that host countries can provide to attract and retain inward FDI. At the result increasing productivity gains more profit by high skilled workers also increase average income per person in country which leads increase social and economical welfare.

Stand out in this review, there are also existing negatives of FDI use of advanced technology sometimes leads to decrease number of workers than local firms which can be resulted increasing level of unemployment (Ford et al. 2008). Another negative when well educated worker may leave country so related that there are no R&D activities that they can engage in the host country (Vissak and Roolaht, 2005).

The effects of FI is so beneficial for local firms by improvement of local brains and turn intelligence of economy generally.

The above effects will be beneficial to the firms in which the employees work and thereby to the economy generally. This wider economic benefit derives not just from the direct contribution of increased output to national income, but also through vertical linkages with suppliers and others. Labor turnover, on the other hand, may

have rather different implications for the individual firm on the one hand, and the wider economy on the other. For the individual firm, some degree of labor stability will be required to ensure that the benefits from training flow back to the firm rather than moving on to rival firms. For the economy as a whole, however, such movement may generate positive spill-over effects. To some extent the successful creation of industrial districts can internalize what would otherwise be externalities to the firm, so that labor turnover becomes less costly, as the firm becomes more likely to benefit from recruiting already skilled labor, and will also benefit from the fact that other firms within the region are operating at or near the relevant technological frontier.

FDI and integration into global economy. Financial support from abroad contributes to the integration of host countries economy to global by FDI (OECD 2002). Mencinger (2003) also touched this point who provides a clear relationship between increase of FDI and the rapid integration into global trade. Brought on technological advance and formation of better human resource can be reason of firms produce more qualified and competitive products through by multinational companies to other countries [37]. Among the main essential competitive advantage which carried by international companies are creation and development international lobbies, establishment of networks and expertise in marketing. Due to Economist named Zhang cooperation and contact with MNEs is very essential of developments of local firms and by using this way they lean and modify to the positive directions. By using different method international companies could thought local firms or vice versa. Due to Blomström and Kokko's (1998) research results some local firms become suppliers and subcontractors of MNEs which leads national companies to export mostly under name of multinational brands.

1.3.Factors influencing inflow of investments into developing countries

Foreign investment is so essential for growth of economy from financial sides. Related to these both investor and host countries economy are very interest in mutual cooperation and all kinds of analyses and researches are conducted by both sides. Determinants of FDI inflow are equal to the global and country-specific elements while capital move to low economies due to Taylor and Sarno [38]. According to the research result which conducted by economists country specific determinant elements of foreign investment directed political, economical and social stability, market accession, corruption index, labor market and labor market condition, rich natural resources, Intellectual property protection rights, stability of national currency, remittance of profit and exchange rate. Out of country specific factors there are some elements which have deep influence of decision of foreign investors under name of global factors, infrastructure conditions and macroeconomic factors.

Resource base. According to production functions countries are seemed attractive when they have rich natural resources and labor. So regarding that natural resource seeker MNEs mainly move to African countries where abundance of natural resources [39].

According to the other study materials, transition economies of Euro-Asia countries also proved the importance of natural resources as determined factors of capital flows. [40]

Since 1994s the main inflow of FI was directed into oil sector and the amount of FDI more 80 percentage of other sectors. According to primary data during 2013, the country received 10.5 billion USD foreign investments from foreign countries and their companies, with 46.8% of them directed to the oil sector (The State Statistical Committee of the Republic of Azerbaijan, 2014c).

Macroeconomic factors. A significant number of researches are carried out by various scientists and economists in which under macroeconomic factors named

GDP, inflation rate, Economic stability, interest rate and trade openness which are main factors drawn foreign capital into host economies.

This reason is highly related to the market accession opportunity of a local people. Most of researches on the effect of market area as a determinate factor of FDI concludes market size as a significant factor for Capital flow. Case studies and panel data analysis on developing countries [41] all found out that it is a essential consideration for FDI.

Exchange rate as determining factor of FDI is deeply studied by various researchers from all part of the world. These studies considered exchange rate from different angles and finding are varied. A case study on Ghana [42] on the volatility of real exchange rate showed that the fluctuation of the real exchange rate has a negative influence on Foreign capital inflow.

Another macroeconomic factor is trade openness. Measure of openness of the economy in Australia [43] has been identified as a significant factor for the inflow of FDI. A study, [44] shows openness to trade promotes FDI to African countries. Openness can also be viewed from economic treaties and integration between countries. A study on developing countries [45] gives evidence that a higher number of bilateral investment treaties, which could have effect on trade openness, raise the FDI that flows to a developing country. In Canada [46] and the North American Free Trade Agreement region in general have shown free trade agreement has significant effect for both inward and outward FDI.

Inflation rate always is kept at the attention center for sustainable business action in foreign capital financiers as being essential elements of Macroeconomic factors. It is priced as a main stability factor for economies in countries. High rate of inflation has a negative effect on foreign capital inflows and for sustainable business cooperation it will be so hazardous steps.

According to CESD stable inflation indicator is one of the main reason for attraction of other investors to Azerbaijan.

Political factors : Political stabilization in country can be advantage for long term investment from abroad. It is referred in some research paper that one of them is

“Foreign Direct Investment and the Interstate Military Conflict”[51] .In this thesis it is cleared that capital flow and military activity or conflicts are very inversely related.

Study on US manufacturing direct investment in Latin America (Nigh, 1986) shows that political factors do affect FDI decisions.

Infrastructure condition. Various research materials proved that inflow of foreign investment into rich natural resources countries dependent on the development level of infrastructure. According to the other materials carried in developing countries like emerging economies, Southeast European countries have described the essential role of infrastructure conditions on capital flows. In contrast to that point is shown that abundant of rich natural resources permit investors to create infrastructure in low developing countries in long term cooperation. For example US FDI outflow to Africa found less evidence on the role of infrastructure.

Global factors.In Latin American and Asian countries both of the global and country specific factors are so essential for determining of long run capital movements [43] According to the Globerman who has researched foreign investment inflow to Canadian by UK and US used for world economic process as being of major partners of Canadian trade.

Social factors also included an important elements of Foreign investment and it is based exclusively on target countries social status which need to improve for better business climate. Every business keep at attention center some social factors such as “Buyinghabits, Education and Health, Attendance in social activities, Population growth rate, Attitudes toward work ,career , imported services, customer services and etc. Human capital development also included that list and some serious steps is taken by government to improve conditions for humans. Human capital development also close to urbanization process where needs better qualified abilities for future and meet the demand of modern day humans need to find a way for develop their self which can be seen attractive for foreign financiers. At the International reports some indicators under frame of education rate ‘level of skilled

labor, university degrees, primary and secondary education stressed as a main indicators for countries social growth rate “

The political factors also play an important role for inflow of capital into host economies. Going to the deep it involved so many political risks under name of property rights, law index, trade policy ,civil liberties and having democratic institutions stimulate and pursued foreign investors they can go a long way in business sector in this country .

Theoretical model of FDI. Long term impact of FDI has been investigated by researchers through years on economic growth. At economic literature explained the estimation for regression analysis from a basic augmented production function where FDI is one of the main variables (1).

$$Y = A * f (K, L, F, P), (1)$$

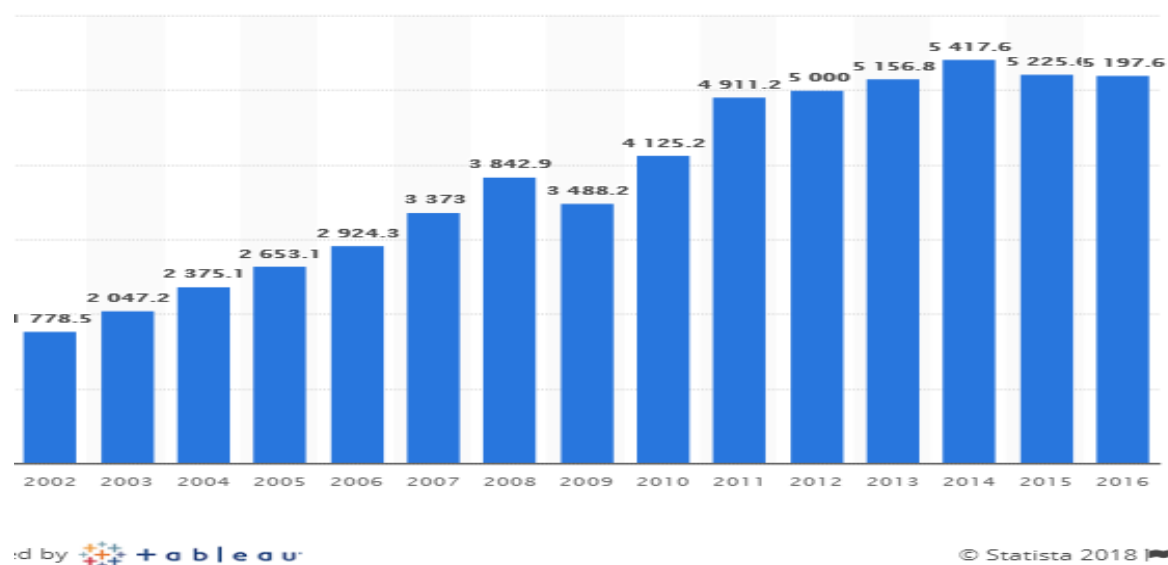
In this formula Y is the output (for given period gross domestic product). A is shown as the exogenous state of technology, K is the physical capital (domestic capital stock), L demonstrates labor input ,F is foreign capital ,P is policy variables. Generally the formula- neoclassical models of such type (1) was shown above at first time introduced by Romer (1990), and extended and developed by Borensztein et al. (1998) and Aleksynska (2003). It were added by Alfaro (2004), Xu (2000), Bevan et al. (2004) the inclusion of human capital , domestic financial development, lagged values of FDI and other growth factors have an impact on robust insights.

Chemical industry. Being one of the most demanded fields of economy it has a significant influence other industries and so close that chemical industry give a plenty of opportunities to create an immense variety of products which turns our daily necessities. A wide range of raw materials from environment (air, minerals to oil) are used at this industry. In addition this sector is considered a raw material producer for other sector. For example in EU over 70% of manufactured chemical

products are used for that aims.Improvement of technology and knowledge also demonstrate its influence in the chemical industry in last decades and so many countries it gradually increase its volume day by day.

Table1 [5]

Volume of Chemical products produced 2002-2016



Source Statista 2018

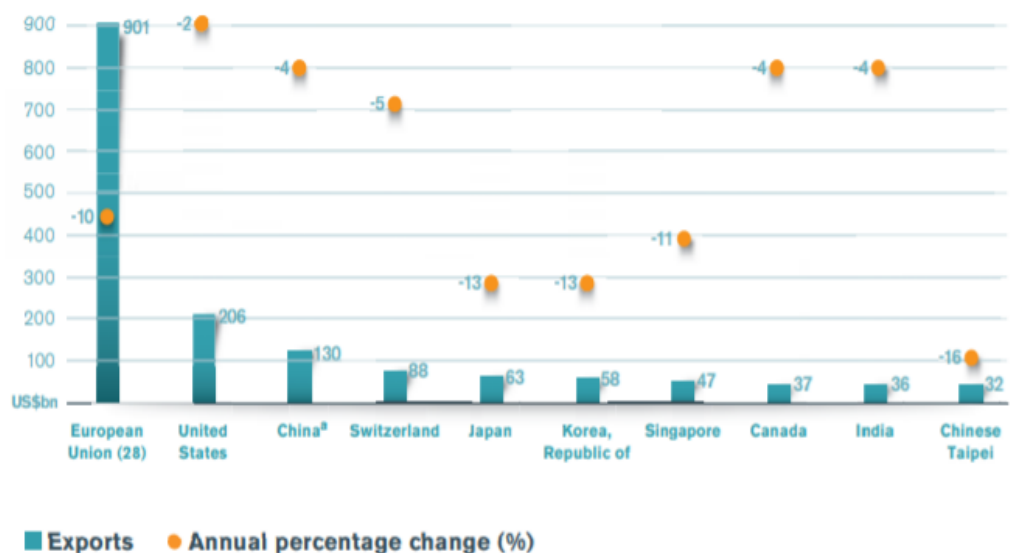
As shown at table1 total global chemical production increased gradually in spite of a low falling in last 2 years.In 2016 production of chemistry was more 3 times grew than 2002 and reached at nearly 5200 billion tons. The last years' decline in production of chemistry close to erosion of oil prices which was driven averagely 49 \$ in 2015 whereas it was 45 \$ in 2016.

At the table 2 was shown top ten exporters of 2015 and at the table 3 following years indicators were shown. In both of them almost all chemical producer could kept their places besides Canada and India. As being in 2015 falling production in chemistry was going also in 2016 but it was not much as in 2015. The main 3 exporters were EU, US and China and rest of the other producers produced under

100. Only India increased volume of chemicals produced and reached Canada's production amount in 2015.

Figure 6

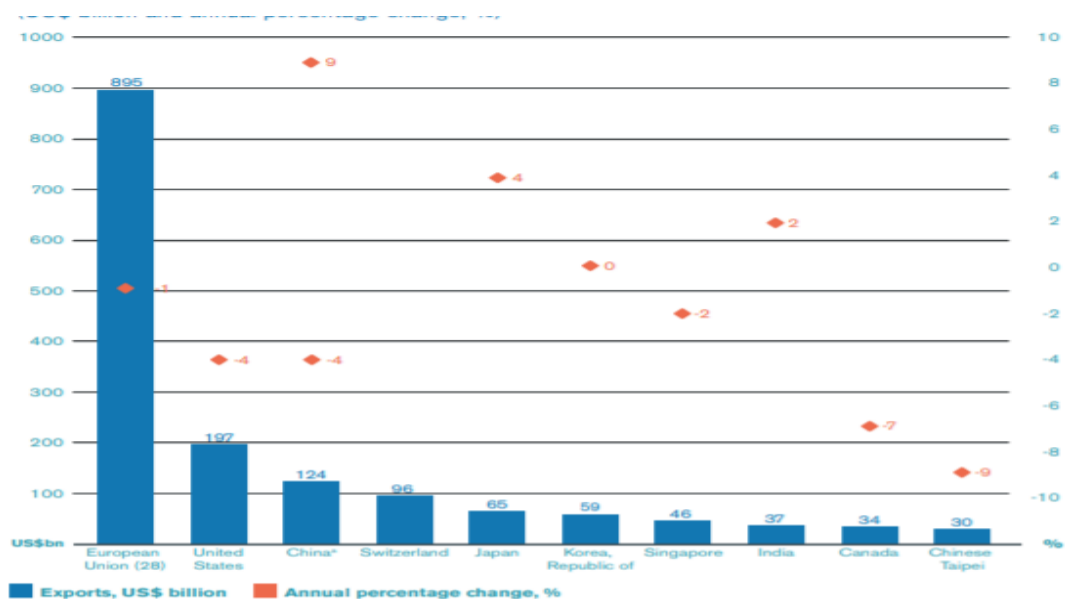
Top ten exporters of chemicals 2015



Source: World Trade Report 2015

Figure 7

Top ten exporters of chemicals 2016



Source: World Trade Report 2016

Chemical industry is more complex than other industries with its segments, subsectors and other characters. First of all we should assert that one of the measurement methods of gains from external investment is called TSR(Total shareholders return). TSR is a international rate of profit (return) of all financial movements during investigation periods. There are major chemical companies around world were given at Table 14 which leading world chemistry on top ten list.

Table.8

Rank	Company	ChemicalSales	Headquarters
1	BASF	63,7	Germany
2	Dowchemicalcomp	48,8	US
3	SINOPEC	43,8	China
4	SABIC	34,8	SaudiArabia
5	FormosaPlasticsCorporation	29,2	Taiwan
6	INEOS	28,5	UK
7	ExxonMobilCorp	28,1	US
8	Lyondellbasel	26,7	US
9	MitsubishiCehmicals	24,3	Japan
10	Dupont	20,7	US

Source –Worldchemistry.com

In last five years some factors effected chemical industries performance around globe. These trends changed value creation among regions from commodity driven to chemical based business models. Those trends are given below.

The Shale Gas Revolution. After increase of natural oil and gas production in US speeded by innovation in technology and exploration give a plenty of opportunities in the competitive position of chemical assets. Development in oil and gas sector

eroded the advantage of the Middle East and has put pressure chemical industries in Europe and Southeast and Northeast Asia.

Rising GDP Growth in South and Southeast Asia. In some developing countries, particularly in India and other South Asia's countries are observed growth in GDP and specially increasing of benefits of local chemical companies drawn attention of external investors to those places.

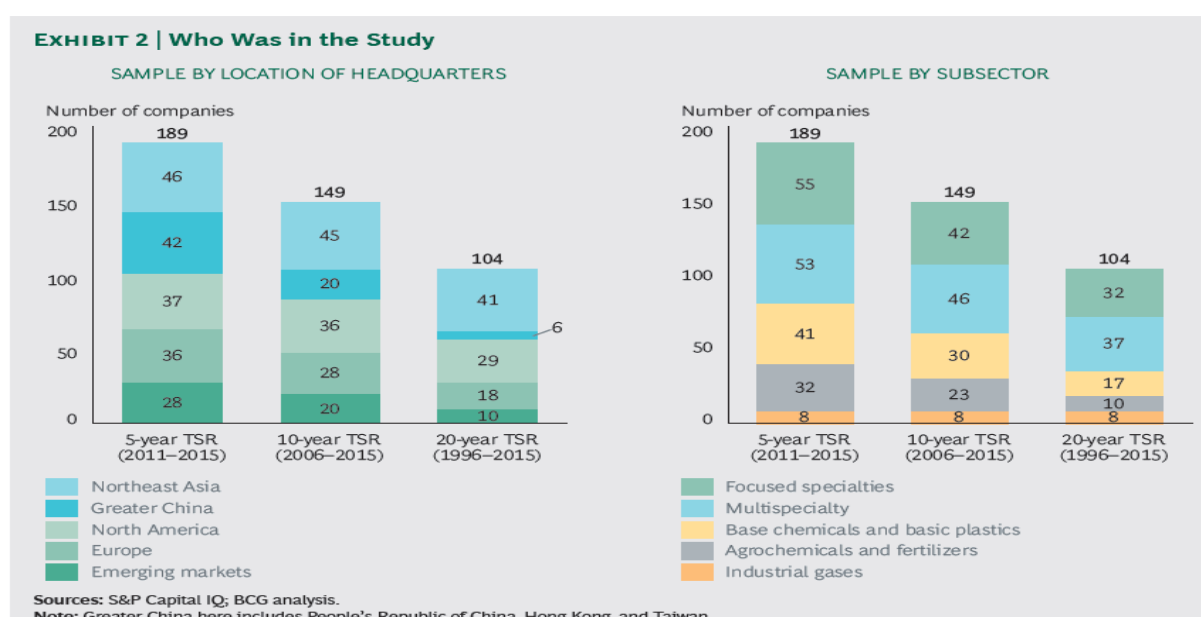
Overcapacity in China. The considerable capacity in the chemistry (base chemicals, agro chemicals fiber and fertilizer clusters in China has decreased production costs which seems more attractive for foreign investors. One belt policy also supported to meet high demand of locals and increase export opportunities. At the results rivalry with other companies Chinese entrepreneurs open up advantages to international markets and the rest of companies felt in pressure .

Higher-end chemical products in China. Having intention to increase consumption declared by government Chemical companies move direction from commodities into higher value added specialties.

Figure 9

Sample by Location of Headquarters

Sample by Subsectors



Sources S&P Capital IQ, BSG analysis

In this table is described number of companies due to regions and segments of chemistry which they involved in. It is clearly viewed that sum up of Asia and China's companies chemical productions nearly half of total's. From 1996 to 2015 production companies' number in industrial gases remained stable at 8. It is seemed that new companies prefer to rest of other segments under name of agrochemicals and fertilizers, base chemicals, basic plastics, multispecialty and focused specialized. Majority of them tracked on focused specialized and it was followed by multi specialty segment products. At the next table formalization of chemical companies is shown in segments.

Table10

Chemical industry participation models

B: Chemicals industry participation models.
 We looked at Chemicals companies divided into five industry segments (based on Capital IQ classification).

		EXAMPLES
COMMODITY CHEMICALS	Companies that primarily produce industrial chemicals and basic chemicals including, but not limited to: plastics, synthetic fibers, films, commodity-based paints and pigments, explosives, and petrochemicals	<ul style="list-style-type: none"> > Chevron Phillips Chemical Co. > Hexion Inc. > Olin Corp. > LyondellBasell Industries N.V.
DIVERSIFIED CHEMICALS	Manufacturers of a diversified range of chemical products, often combining large volume commodities and high margin specialty chemicals	<ul style="list-style-type: none"> > BASF > Solvay SA > DuPont > Dow
SPECIALTY CHEMICALS	Companies that primarily produce high value-added chemicals used in the manufacture of a wide variety of products including, but not limited to: fine chemicals, additives, advanced polymers, adhesives, sealants, specialty paints, pigments, and coatings	<ul style="list-style-type: none"> > Evonik Industries > Ashland Inc. > Balchem Corp. > OMNOVA Solutions Inc.
INDUSTRIAL GASES	Producers of a wide range of gas products and associated systems including but not limited to: propane, hydrogen, oxygen, nitrogen, for industrial applications	<ul style="list-style-type: none"> > Air Products and Chemicals, Inc. > Praxair > Air Liquide SA
FERTILIZERS AND AGRICULTURAL CHEMICALS	Producers of fertilizers, pesticides, potash, or other agriculture-related chemicals	<ul style="list-style-type: none"> > Monsanto Company > Syngenta AG > FMC Corp.

Source: BSG analysis

The Chemical products are divided into 3 categories under name of Basic Chemicals, Specialty Chemicals and Consumer Chemicals. Basic chemicals occupied nearly 2 third of all chemical products in EU. Basic chemicals also separated into 3 parts with special characters.

-chemicals derived from oil, known as petrochemicals

-polymers

-basic inorganics

Oil is considered one main raw materials for producing petrochemicals, also coal and biomass extremely used in that area. An example is methanol, commonly produced from oil and natural gas in Azerbaijan, EU and other oil rich countries only in China from coal. Petrochemicals and polymers converted to the hydrocarbons which are very useful for alkenes and aromatic hydrocarbons.

Basic inorganics. Those are included at low cost chemicals which are used in wide are in agriculture and manufacturing industry. A millions tons of include chlorine, sodium hydroxide, sulfuric and nitric acids and chemicals for fertilizers are produced yearly. As with petrochemicals, many developing economies are now able to produce them more cheaply than companies founded in the US and Europe. This can create a plenty of chances in competition and producers of these products throughout globe work continuously to sneeze costs while meeting ever more stringent environmental and safety standards.

Specialty chemicals. Those types of chemicals cover a plenty of products crop protection, paints and inks. Textile, paper and engineering industrials are included this category. In EU and US (which are main chemical producers) spend millions for active research and development (R&D) those chemicals for better stable profits. An everyday example is household paints which have evolved from being organic solvent-based to being water-based.

Consumer chemicals. Those products are highly demanded among consumers for daily needs under frame of detergents, soaps and other cleanings. Having many obstacles from health and environments side obliged producer firms to extend research in those are over 20 years particularly in finding surfactants that are capable of cleaning anything from sensitive skin to large industrial plants. Moreover, much works has been done parallel in producing different wide rate of synthetic chemicals for cosmetics and fragrances.

How does the chemical industry contribute to an economy?

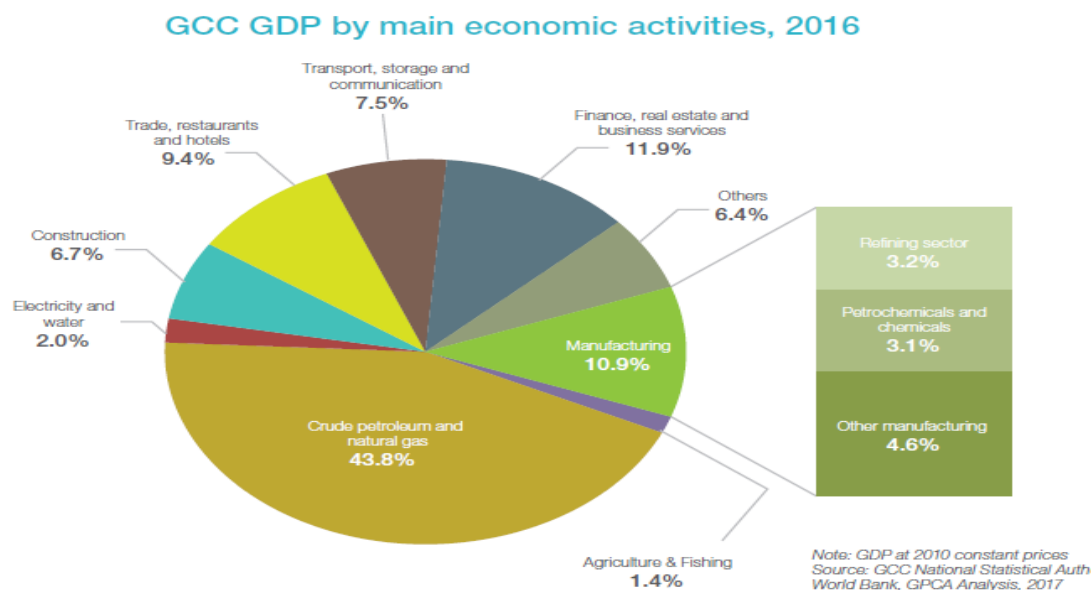
Chemicals are considered one of the most valuable consumers' needs that is very essential contributor to the wealth of host economy. It has been approved that Gross National Product of European countries 2 % which is over 6% of total GNP produced by all manufactured industries.

Generally in most well rewarded industries required high qualified workers who will be more productive for future of host economies. Specific practice programs are held by managers to increase labor potential .

Chemical industry in oil rich countries (GULF). The Chemical industry is one of the historical industries in GCC which contributes economy not only domestic level but also in regional .Chemical industry of GCC supported economy 3,2 % to GDP and nearly 30% to manufacturing industry. The innovation and science based industry serves as a building block for all downstream industries, and support indirectly to almost every sector in the economy. The cost of Chemical industry's production is valued about 44 billion USD which is equal 28% of regional manufacturing value.

In Oman and Qatar chemical industry consist of highest part of manufacturing industry 51% and 44% respectively value added. This indicators in Oman are more than 15 times in 2001 and in Qatar 3 times by making the largest growth of chemical value additions among other GCC countries. By contrast Oman and Qatar, in Kuwait and in the UAE value added chemicals in manufacturing are the less share of 24% and 20% respectively.

GCC by main economic activities 2016

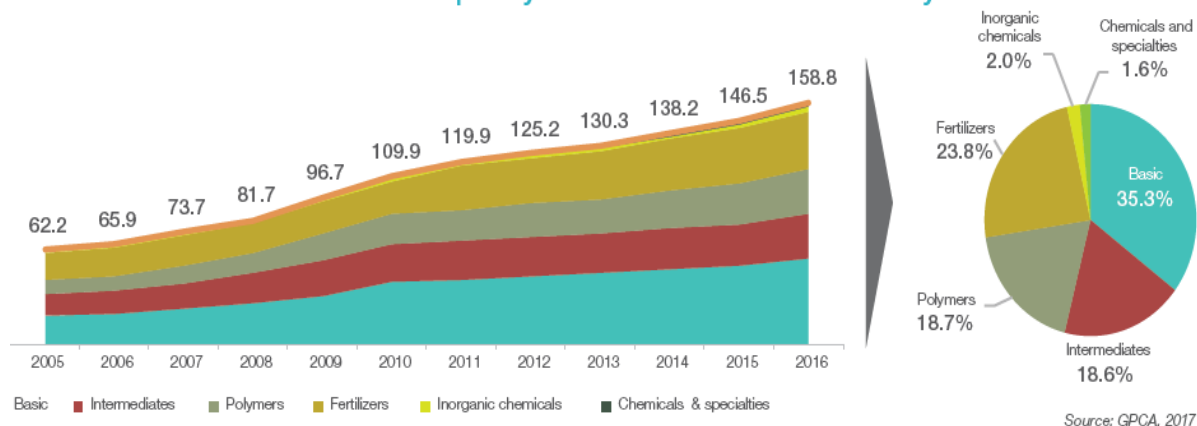


Source : GCC National Statistics Auth World Bank 2017

Production capacity by segments

Having rich oil reserves create a plenty of opportunities for production in Petrochemicals and accounting for 73% of total output volume. The main elements of organic petrochemical segment are polymers, intermediates and basic chemicals. Demand for petrochemicals is still rising, though at a slower rate due to high market penetration. Chemical fertilizers are followed by 23 % as being the second large production and the least production in specialty chemicals and inorganic chemicals.

Production capacity in the GCC chemical industry



Source : GCC National Statistics Auth World Bank 2017

Importance of Global Value Chains

GVC framework describes production process in different types of simple stages. It allows us to understand how those stages are organized by analyzing structure and dynamics of various elements involved in a given industry. From conception to the end the GVC mainly focus on sequences of value added within an industry. It can determine regulations, technologies, products, descriptions, markets in specific industries. Behind this process chemical industry also encompass activities with procurement of raw materials, marketing, design, distribution, transport customer support, disposal of chemical products under name of chemical industry supply chain. In chemical industry infrastructure can be divided into 4 key categories.



Manufacturing Plants

Raw materials convert into intermediate and end products by manufacturing plants. This stage has been divided into 5 periods.

1. To get of chemical ingredients;
2. Temporary staging or storing of products awaiting use in production;
3. Processing of chemical ingredients into products or intermediates;
4. Temporary staging or storing of manufacturing products awaiting shipment; and
5. Staging for shipping end things.

In last decades, improvement of technology also effected chemical manufacturing facility which has been turned highly automated and complex. The construction, design, health, environmental and security concerns.

Transport Systems. Chemical industries mainly are very hazardous for consumers and environment and so close to that reason location of chemical companies are very far from city centers. With many security and safety requirements transport of materials has become distinct area .By the ways of providing companies with raw materials and transporting end products to consumers. The sector uses all kinds of modern transports under frame of rail, highway, air and pipeline. Multiple sizes and configurations of packaging are used to transport chemicals, including bulk packaging such ascargo tanks, tank cars and nonbulk packaging such as bags, drums, and boxes.

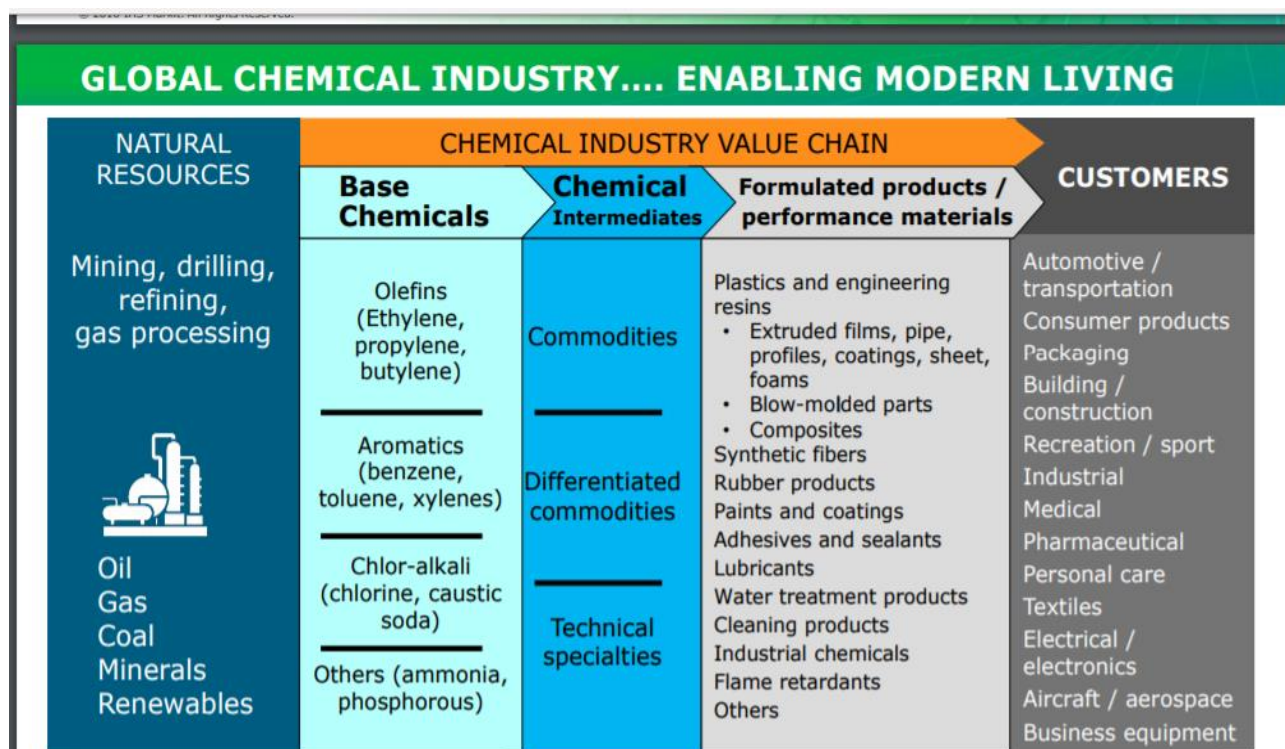
Warehousing and Storage Systems.Two essential operational function are mainly carried by chemical warehousing and storage systems under name of downsized repacking and storage. Warehousing and storage as an essential to production process. Opportunities of having such houses and storages determine a steady flow of raw materials and consumer goods. The adequacy of storage and logistics infrastructure can have a huge influence on the costs paid by customers.

Chemical End Users.The final stage of the chemical industry supply chain encompasses a number of end users from a variety of businesses, including food

services, agriculture, healthcare, mining, science and technology, and education. The chemicals are used for many purposes, such as sanitizers, refrigerants.

Table 13

Global chemical industry

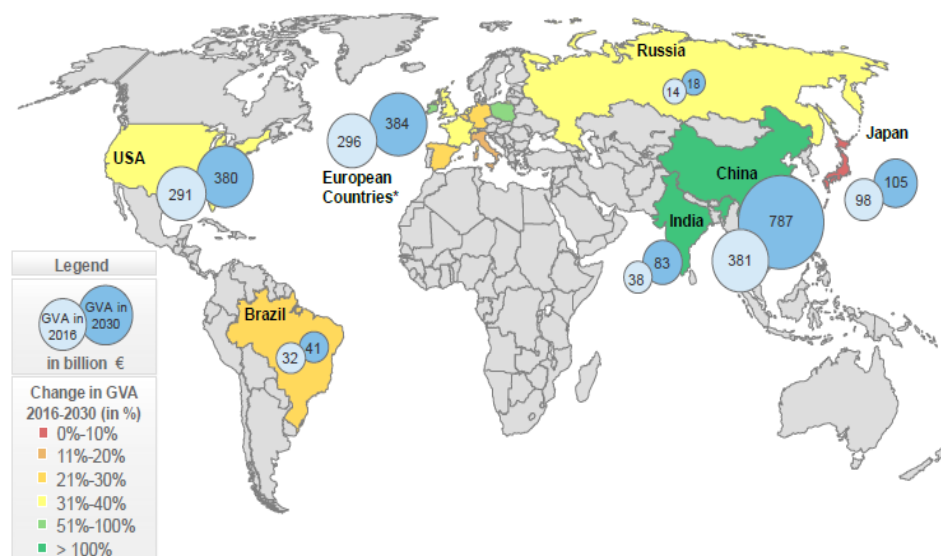


Source: India chemistry production 2016

Future of Chemical industry. Global chemical industry will grow so quite steadily. In given figure 15 is demonstrated that growth rate in gross value added of between 20% and 40% can be expected in majority of countries. It based on several trends. In developing countries increasing demand is leading to a quantitative increase in the worldwide exportation and production of chemicals. Other reason should be shown that increasing world population and middle age of them increase demand to pharmaceuticals which is a main part of chemistry.

Future of chemicals by regions

Figure 18: Forecast of gross value added in the chemical, pharmaceutical and rubber & plastics industries, 2016–2030



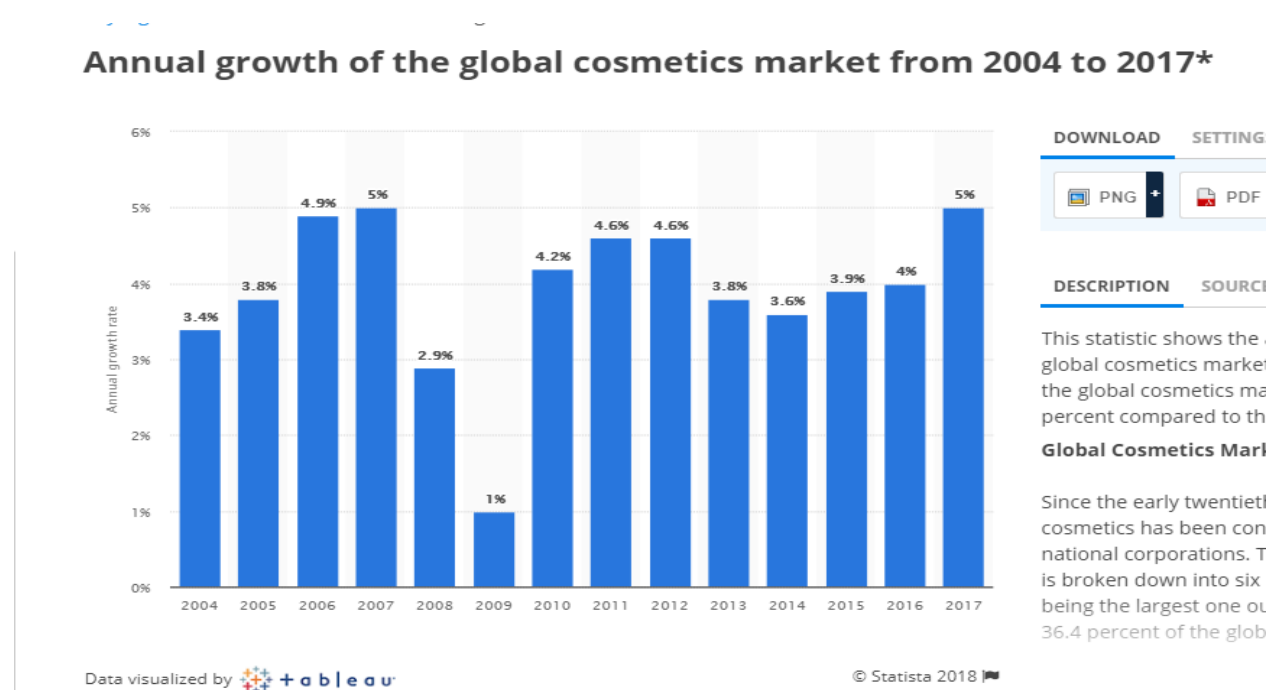
Source: Prognos (2017), based on Prognos Economic Outlook. Note: European countries = Belgium, Germany, France, United Kingdom, Ireland, Italy, Netherlands, Poland, Switzerland, Spain.

Source :Prognos (2017) based on Economic outlook 2017

In China and India is clearly seen that there will be a boom in terms of GVA for rubber& plastics, chemical and pharmaceutical GVA will more than 2 times in 2030. India and China having more billions of population (expected increase of a quarter and reach to 1.6 billion and over 2 billion in China) always create opportunities for higher demand of chemical industries. Moreover in China and India special government programs for supporting development of chemistry will lead growth in that sector. In Saudi Arabia as being In China and India government is active supporting chemical industry an so related that it is noticed a significant growth will be in future. Coal, oil and gas are considered main raw material for chemistry. For that reason having reach oil and gas recourses and diversification of chemistry in other countries stimulate SA to move steps towards chemical industry. One example of this diversification is the \$20 billion joint venture plant between Dow Chemical and Saudi Aramco which represents the first use of naphtha

as a feedstock. In US growth in GVA in all segments of chemistry will be 31% by 2030. Particularly, as a result of shale gas revolution the resource intensive base chemicals sector is profiting from low energy and feedstock costs. Capital investment in chemistry reached at 179 billion dollar. In Europe also will waited chemistry products will increase by nearly 30% as being in US. The reasons behind of growth higher population (demand), developed infrastructure and increasing innovative markets.

Cosmetic Industry - Statistics & Facts



Source Statista 2018

In 2016 compared with previous years there was observed 4% an increase in global cosmetic market. Hair care, skin care, oral cosmetics, deodorants and perfumes are listed a major product categories in beauty industry. Skincare and hair care are leading products with 36 and 23 percentage respectively. In global market the cost of skin care products will project to grow by 20.1 billion in next 5 years [42]. As being in 2016, Asia and Oceania accounting 2 of fifth percentage of a

leader of global market [43].The Asia Pacific mass beauty market is projected to grow [44] by nearly 14.9 billion U.S. dollars in sales between 2016 and 2021.

Major Players: L'OREAL GROUP, PROCTER & GAMBLE, BEIERSDORF AG, AVON PRODUCTS INC.,ORIFLAME COSMETICS GLOBAL SA, THE ESTÉE LAUDER COMPANIES INC., SHISEIDO, KAO CORP., REVLON INC., UNILEVER,YVES ROCHER, MARY KAY INC., AND ALTICOR, amongst others.

In 2017 total volume of cosmetics products L'Oreal was consists of 28,1[47] billion dollar ,and it was followed by P& G by 20,5 billion. L'OREAL factory is situated in China which cost over 30 billion [48]. According to the world requirements R&D occupied a special place of strategies of MNE's companies for future sustainable developments .So close to that that company built R&D center in China in 2014 which was 4ththat center in the world.According the research cosmetic products around world was valued at 533,43 billion in last year [40] and during next five years it will expected to reach 805 billion of market value. Scope of the market mainly are included skin care, hair care, fragrances, shower gels, sun care products and color cosmetics. Increase in selling of such products depends on income of people where it maintains a certain volume of overall.

Essence and significance of foreign investments for an economy at the modern stage.

2.1. Analysis of investment climate of Azerbaijan with respect to the chemical industry

Foreign Investment gradually has increased yearly from independence day and mainly directed to the energy sector. In 2016 it reached nearly 5.5 billion. In spite of majority of those FI focused on oil and gas sector, Azerbaijan government to set policy attracting investors in those sectors: agriculture, transportation, tourism and information and communication technology. For that purpose president Aliyev signed a document for establishing a free trade zone area near Alat which is located 65 km from Baku. Under the recently amended Customs Tariff law, entrepreneurs importing capital equipment for priority sectors will be exempted of taxes up to seven years. In addition there some strong point here why we should do run a business in Azerbaijan.

Azerbaijan is known one of the rich oil and petroleum countries where it seems more attractable for foreign investors. Invested money to oil and non-oil sector by other companies are shown at table 16. Table 1 demonstrate that from 1995 to 2004 years the volume of foreign capital was 9 billion which was nearly 6 times lower than next 9 years between 2003 and 2011. Private foreign capital is one of the general essential indicators for long term development where credibility and economic attractiveness of the country plays significant role in attracting FDI. [52]

Table 16

Foreign investment	1995-2002	2002-2012
Oil sector	6105.3	37359.3
Non-oil sector	3014.4	26759.2
Total	9119.7	64118.5

Source :Capital inflow into oil sector 2012

From point of perspective views of geographical location and mainly existing natural resources Azerbaijan had many competitive advantages after got independence .Policies implemented by governance are mainly related social and economic development, financial institutional buildings, industrialitonal diversification, trade and investment and etc. Government's action plan based on adherence to general recommendations by local and external from international financial institutions or countries academia in combination with country-specific measures and policies.At the end Azerbaijan made some remarkable achievements by attracting FDI.

During last 20 years country's substantial economic and political achievement are highlighted by other developed countries or scientific journals.GDP up to 63.4 billion during a last decade in 2011 from 5.2 billion and GDP grew per capital \$7.003 . One of the highest in the region of Caucasus and Central Asia (for comparison in 2000 GDP per capita was \$662). After collapse of Soviet Union subsequent political instability ,and occupation some part of its area by neighbors adversely effected Azerbaijan economy and it was resulted double digit negative growth at early years of independence but after a years it was turned to positive growing trend in economy after using some methods and strategies economic stabilization ,structural changes and attraction FDI in oil sector .

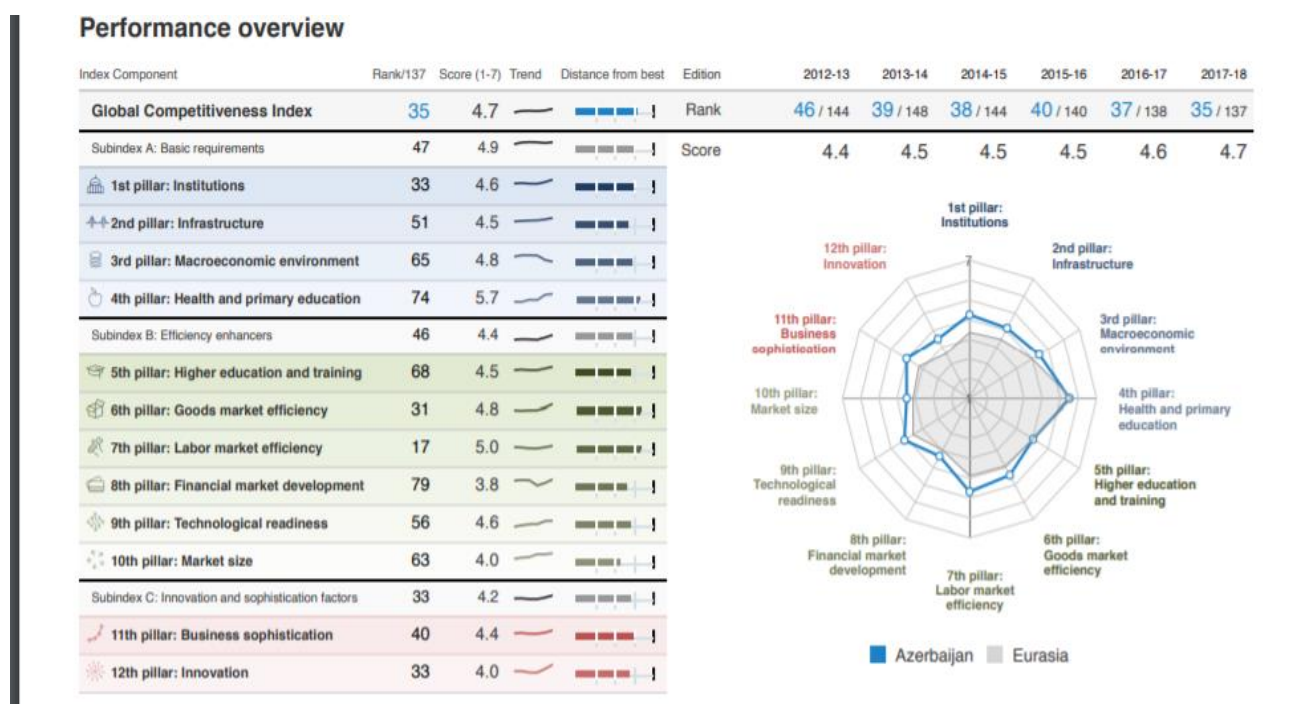
At early periods of FDI strategies growth in foreign trade become possible and advisable through market reforms by introduction or make some accurate of regulation and legistative process of economic development. In order to create favorable business environment for foreign and local investors adopted Law on Protection and Promotion of Foreign Investment in 1992.In addition for more FDI government signed bilateral investment agreements and bilateral tax treaties with many countries.

Global Competitiveness Index in Azerbaijan

Global Competitiveness Index is very essential for economic development and also foreign investors when they investigate and seek potential market while doing business.

Table16

Azerbaijan Performance in GCI 2017-2018



Source Global competitiveness report 2017-2018

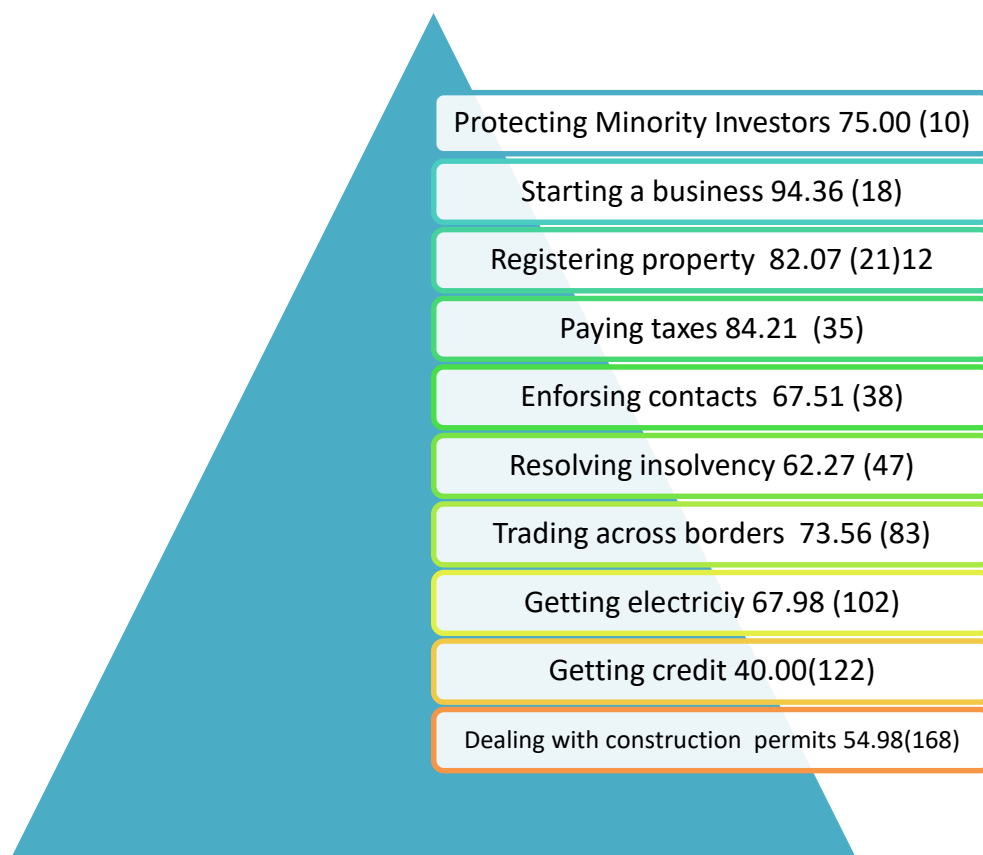
Azerbaijan go ahead by 2 spots and ranked at 35th place in the Global Competitiveness Index report 2017-2017 that was published by World Economic Forum [50]. In that prestigious and believable international rating Azerbaijan could has maintained its leadership among CIS countries. From the other comprehensive side Azerbaijan have good indicators and even outclassed some Great 20 countries as named India, Turkey, Italy and Russia. According to the WEF indicators Armenia ranked 73rd, Russia 38th and Georgia 57th places. In report, Azerbaijan improved in 9 pillars out of 12; Institutions (up 33rdrank by moving 15 spots) Health and Primary Education (ranked 74th by moving 1 spot) Goods Market Efficiency (31th places by moving 19 spots) Higher education and Training (moved up 11 spots and ranked

68th) Financial Market Development (ranked at 79th places by increasing 19 spots). Innovation (moved up 11 spots to rank 33rd places). Azerbaijan made the greatest advancement in Business Sophistication pillar – 20 spots.

In infrastructure pillar transport system of Azerbaijan placed at 43rd among 140 countries. Azerbaijan outclassed Ireland, Belgium, Israel, Austria and Estonia in Labor Efficiency pillar. In contrast above indicators only in 2 pillars Azerbaijan declined its positions – at Macroeconomic Environment and Technological Readiness. In Market Size pillar country's position remained as being previous year. Although the Global Competitiveness Report in 2017-2018 singles out structural problems as major global challenges, Azerbaijan rated 33rd in the world in Institutions pillar. This means that innovation is related Industrial competitiveness

Doing business in Azerbaijan. Government's main policy to develop their economy regularity weather for business, and make economy more attractivable and competitive for local and external investors rivalry with other economies. Doing business consists of two measurements: the distance to frontier score and the ease of doing business ranking. Nearly ten indicators are included world business ranking which are more important for business environments and always compared with previous years' indicators. Those indicators are starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes.

This analyze based on WORLD Bank ranking reports "Doing business in Azerbaijan 2017 and 2018) due to different indexes among 190 economies. First of all in 2017 Azerbaijan was ranked at 65th place whereas it was 61st in 2016, being opposite 2017 it again went forward by 4 steps.



Source : Doing Business Report 2017

Starting business. By this indicator we can measure how to begin business with minimum capital, number of procedures in short days. In Azerbaijan there are some types of business forms as a limited or additional liability company, partnership, joint-stock company or any other structure that is consistent with Azerbaijan law. All operating companies have been required to be registered, otherwise it is not permitted to do anything in business area in Azerbaijan. As one part of registration process “One window “ principle was introduced from 2008 and process involved several state bodies (Ministry of Justice, tax authorities, Social Insurance Fund and Statistics Committee for and required annually and quarterly reports. At least 3 days all procedures are completed.

Dealing with Construction Permit. It is so essential for foreign investors when they decide to build new constructions and so related that they track time, cost of construction including all the necessary documents under name of license, permits

requesting and receiving all necessary inspections and obtaining utility connections. After completing documenting process some indicators should be consistent to quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional experience.

Getting Electricity. This topic also essential for business and including time and cost required for permanent electricity connection for newly constructed buildings. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2017. In spite of conditions are now difficult for investor Azerbaijan ranked 102nd place.

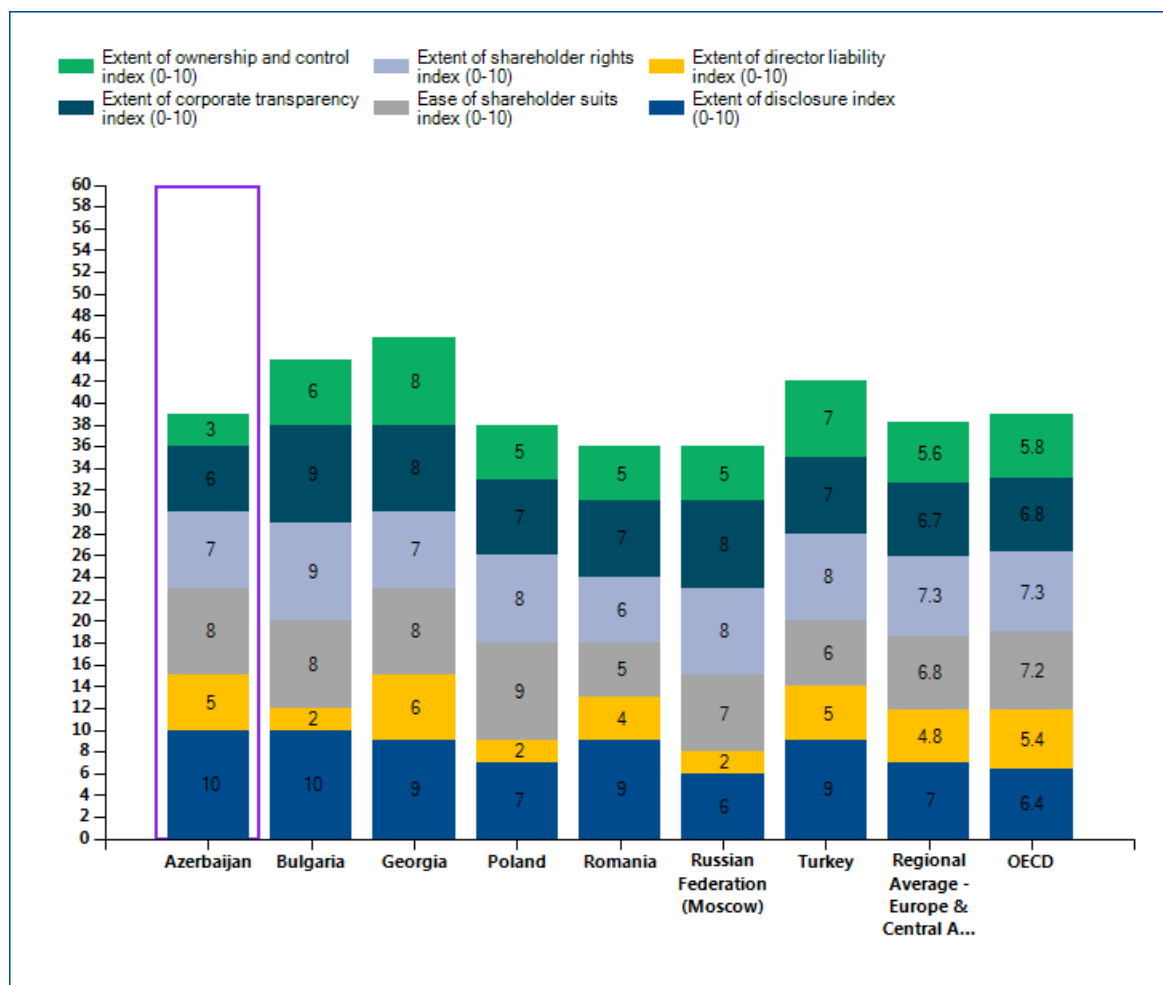
Registering Property. This is also very essential for foreigners while they have interest to invest huge amount money to other countries. This is included under name of property purchasing land, building and other properties. In addition, the topic also measures the quality of the land administration system in every country.

Labor Market Regulation. Having qualified workers would be an advantage for foreign investors and it is measured those indicators under frame of hiring, working hours, redundancy rules, job quality and redundancy cost. Economically active persons in economy is near 5 billion (4759.90 billion) and approximately 95 % of them have job and majority of them (3588.50 billion) work in non- state sector. Related to chemical industry number of workers in Manufacturing sector were 242.2 thousands persons which has been gradually increased from 2010. An average salary in that sector was between 450-500 AZM (210-300\$).

Protecting Minority Investor. It is so important issue for investors how government protects rights of investors and it is included so plenty of indexes to see where the economy stands in the distribution of scores across comparator economies. Azerbaijan in 2017 was ranked on 32nd place where Russia and Romania were 53rd. Azerbaijan was measured at 10 point in extend of disclosure index and 8 point in Ease of shareholders suits whereas low points got from extent of ownership and

control index and Extent of director liability respectively 3 and 5. Azerbaijan strengthened minority investor protections by introducing requirements that related-party transactions undergo external review and be voted on by interested shareholders

Table 17



Paying taxes. Taxes and Taxes policy is included one of the main factors which have a deep influence on investors' decisions and so close that like other countries Azerbaijan consistent law and create favorable investment climate. According to the Tax Code of the Republic of Azerbaijan, the following taxes are applied at the Republic of Azerbaijan under name of State Taxes, Taxes of autonomous republic

and Local taxes. After got independence Azerbaijan government took some steps for protection rights of foreign investors in the territory of the Republic of Azerbaijan, the Law of the Republic of Azerbaijan "On Protection of Foreign Investments" No 57 dated 15 January 1992 was adopted[54]. The law mainly focus on attracting foreign investors and create favorable climate by protection of those rights ,financial resources and etc.In addition there are 129 exemption and tax privileges in Code tax of Azerbaijan. Main tax privilegesand exemptions are here.

A variety of decreesand executive orders were accepted by government to help forming and developing some types of business fields which marked establishment of industrial parks of Sumgayit Chemistry, Balakhani, Mingachevir, Garadagh and Pirallahi in the fields of chemistry, recycling, light industry, shipbuilding and pharmacy respectively, as well as Mingachevir, Pirallahi and ANAS high technologies parks, and Neftchala and Masally industrial quarters. According to new law which is adopted by government FDI flow into industrial and technology parks new entities are free from forming Moreover, stimulate FDIinto industrial and technology parks government adopt a law starting from 2013 legal entities and individuals are involved in entrepreneurial activities without forming a legal entity, who are the residents of industrial or technological parks, have been exempted from income, property and land taxes for the duration of 7 years from the reporting year, in which they were registered in those parks.[49]

By use of promotion methods in Garadagh industrial Park zones shipbuilding activity related to works , production and other activities under name of various services is taxed at Zero. This is one of the important rules for attracting foreign capital by decreasing or abolishing taxes. During next 5 years that types of companies who will work Garadagh industrial parks will be exempted from taxes. Moreover , government continue to extend his list for external investors while if they legal entities and business they will be exempted for land and property taxes for 7 years with including 50 percentage of income tax.

2.2 Analysis of dynamics and status of foreign investments into the chemical industry

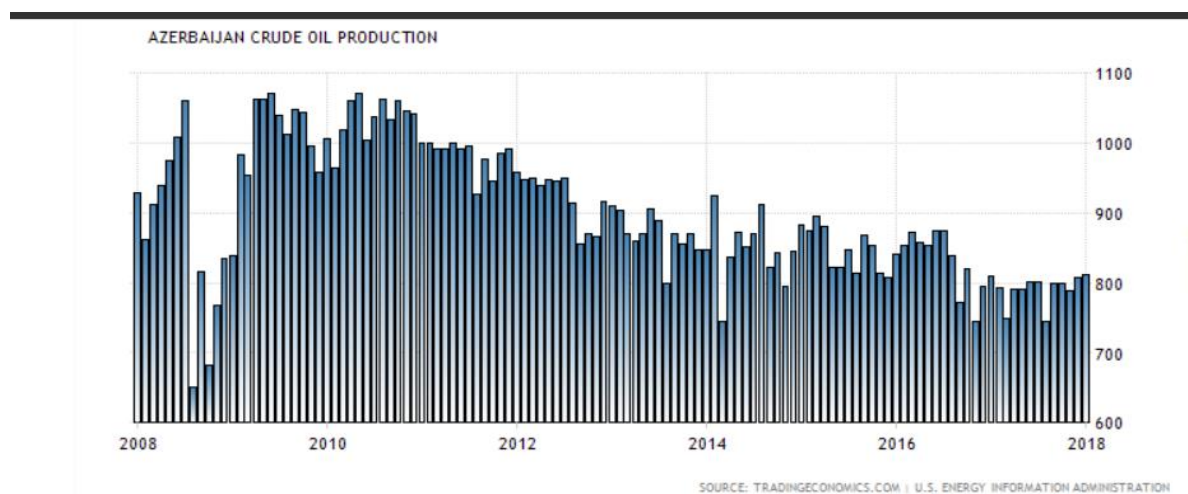
It is known that development of chemical industry in Azerbaijan was related oil industry because of raw material resources. The history of CI went to 19th when Azerbaijan was the initial places exported volume of oil. During Soviet Union period some chemical companies established in Sumgait, Baku and other cities. After got independence development of that field of economy always has been kept attention center of government. So related that in 1992 AzerKimyawa established by Government which is ready to face modern standards. Azer Chemistry included many branches which are in other cities of country and differ from their products. For example Baku Shin, Rubber-technical products, Yod-brom, Household chemistry, Superphosphate, Mechanical repair, Mingachevir "Azizolit", Resin-technical articles, Glass fibers, Regenerat, Neftchala's Yodbrom, Salyan's plastic mass processing, as well as the Scientific-Research "Olefins" and others "Azerikimya" State Project Institutions are included. **Statistics.** According to the Stat.gov.az the worth of total chemical products were 503.2 million which was so low compared with other industries. And positive sign is that the indicator of 2017 is more than 16.5 % from 2016. Closing to having rich raw materials , main chemical products is 48,500 tons of propylene, nearly double times more 96 ,200 tons of ethylene and almost equal to ethylene is with 93,200 of polyethylene. All of products decreased by 7%.

Moreover, other chemicals under name of iodine ,nitrogen ,oxygen , isopropyl alcohol , methanol and varnish and paint products were produced 198.5, 23220.7, 11885.4, 265.8, 9816.7, 11838.5 respectively .In the shown reporting period 23 220,7tcm of nitrogen, 198,5 tons of iodine, 3 527,2 tcm of oxygen, 11 885,4 tons of isopropyl alcohol, 265,8 thousand tons of methanol (methyl alcohol), 9 816,7 tons of varnish and paint products, 11 838,5 tons and organic substances solutions and liquids were produced. [15]

OIL and gas reserves of Azerbaijan. According to the table 15 at chapter 1 pg45 crude oil and gas are considered main raw materials for chemical industry. Based on that fact we searched Azerbaijan oil and gas reserves and daily production. Azerbaijan is one of the oil rich countries where there is a plenty of opportunities for production of chemical industries. Based on historical research materials since 10th century AD oils digged from 10-12 meters. At the initial years of 17th century there were nearly 500 wells drilled at the yard of settlements of Baku. Azerbaijan took at the first place in the world from 1899 to 1901 due to amount of produced oil. During the I and II World War Azerbaijan oil played an essential role for got victory .During at the second war Azerbaijan paid 75 % of oil requirement of Soviet Union. After got independence Azerbaijan has signed contract with 30 companies out of 15 countries. According to the BP statistical revision at the beginning of 2017 Azerbaijan’s proved oil reserves stood at 6,9 billion barrels [7] which was 0.35 percentage of world proved oil reserves .Azerbaijan crude oil production from last decade to modern day. It is clearly seen that after sharp falling in oil prices Azerbaijan decreased oil production and exportation from 2014 .The highest volume of oil production was in 2010 year .In 2016 oil production was 826000 barrels per day which was 1.6 percentage in 2015. Azerbaijan produced over 9,464 million tons of crude oil (including gas condensate) and about 6,955 billion cubic meters of natural gas in the first quarter of 2017.

Azerbaijan Crude Oil Production

Table18



Source: Traidingeconomics.com

Azerbaijan proven gas reserves was valued at 1.1 trillion cub meters by BP researched center on the given BP Statistical Review of World Energy. At the table it was described gas production from 1990 s to back of 5 years . Involving other foreign MNEs to the oil and gas sector created many opportunities by enhancing infrastructure, accession of world market , increasing oil and gas production and etc. In 2017 Azerbaijan exported nearly 30 bcm gas which was more 0.8 percentage than previous year.

Table 19

Natural Gas production 1990-2013 in Azerbaijan

Years	Natural gas (mcm)	Associated gas (mcm)
1990	9926	2123
1991	8621	1497
1992	7872	1371
1993	6805	1109
1994	6379	1382
1995	6644	2146
1996	6305	2076
1997	5964	2008
1998	5590	2334
1999	5997	3062
2000	5642	2860
2001	5535	3165
2002	5144	3119
2003	5128	3170
2004	4995	2056
2005	5732	3855
2006	9076	6727
2007	16850	9593
2008	23399	12811
2009	23598	12080
2010	26312	12370
2011	25728	13360
2012	26796	13579
2013	29245	13945

Source:SSCRA

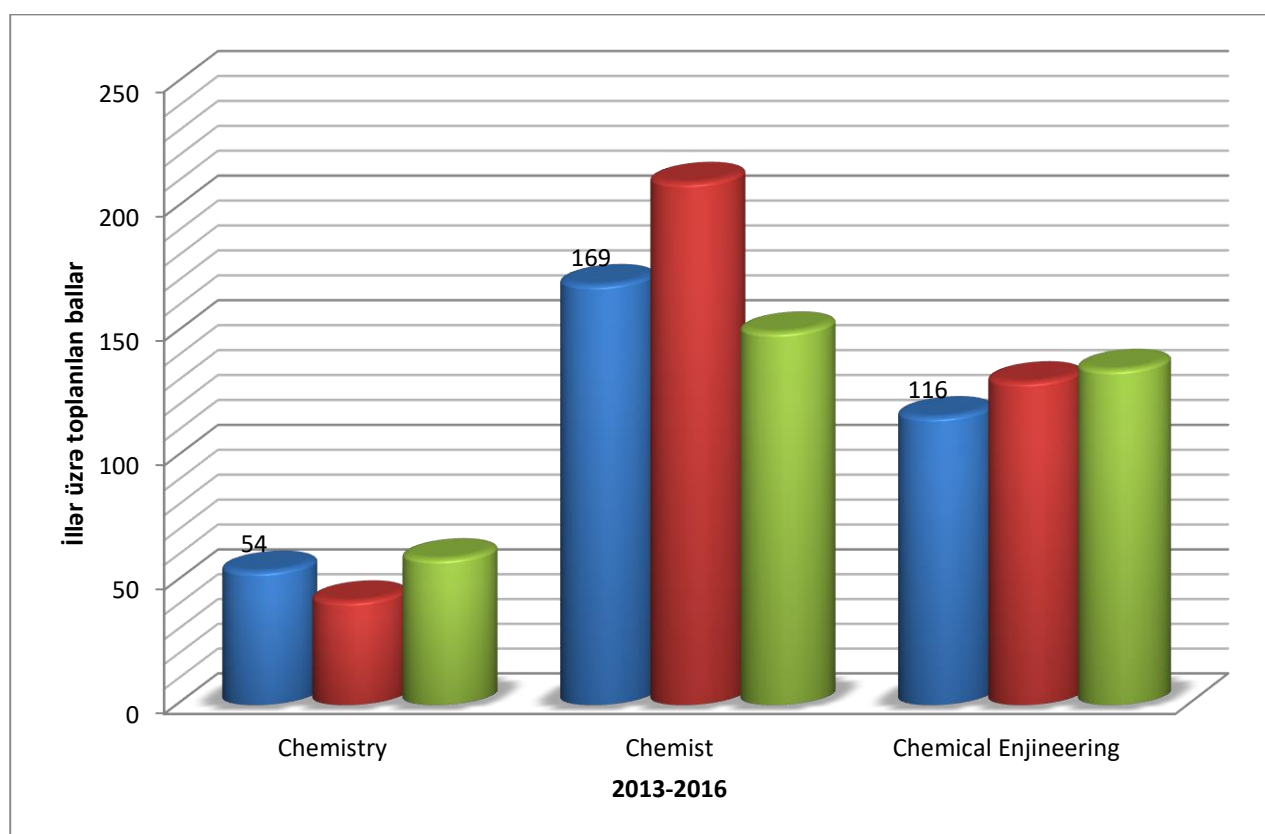
Skilled Labor in Chemical industry

Chemistry has occupied a specific place in Azerbaijan education. Education is carried out in 3 languages under frame of Azeri, English and Russian. At table N 20 number of students was accepted at universities was shown in blue line -2014, green line -2015 and in red line -2016 years. Education was given so prestigious

universities in country named by Baku State University, Khazar University, Baku Higher Oil School and others. The minimum acceptance score to universities were between 300 and 500. Chemistry is always kept at the attention center of government and so related that it was included 1st class preferable education fields in the program of Education abroad 2007-2015 years.

Table 20

Education in chemistry



Source: Dim.gov.az

Labor market

It is clearly seen at Table 6 that in the country in employment both employed persons and the number of economically active population grow steady year by year. Number of jobless people is not high nearly it was consisted of 6 % of employment rate. It is viewed that a majority of workers are employed by non-state

places approximately 75% of total. Based on facts in rural areas and regions unemployment rate is high and meet the financial expense people prefer to move city centers and it is easy to find a better job here.

Distribution of employed people among different sectors we can see that in manufacturing, number of workers increased from 208200 to 242000 in 2016 since 2010.

Table21

Segmentation of active population

	2010	2011	2012	2013	2014	2015	2016
Economically active population	4587.4	4626.1	4688.4	4757.8	4840.7	4915.3	5012.7
Employed persons in economy	4329.1	4375.2	4445.3	4521.2	4602.9	4671.6	4759.9
State	1142.7	1143.2	1157.7	1169.4	1178.2	1176.1	1171.4
Non-state	3186.4	3232.0	3287.6	3351.8	3424.7	3495.5	3588.5

Source: The State Statistical Committee of the Republic of Azerbaijan.

Working conditions also are one of the main reasons for attracting investment into countries' economy .When working conditions are very harmful depending on working environment, infrastructure, lack of special protective tools that always have influence of productivity labor. At table shown below was described working conditions which was very essential and informative for external financiers

Foreign investment flows into Chemical projects In Azerbaijan. Azerbaijan and Azerbaijan experts always ready take or learn world experience and get benefit

at high level. Today Industrial parks are considered one way of sustainable development of countries and based on that creation such industrial parks in country bring countless positive effects on its economy. Basing on “ Azerbaijan 2020 Vision” stronger steps and measures are taken for development innovative local and external companies ,establish of favorable business environment for promotion of new activity kinds and products,transfer cutting edge technologies. Innovation Zones and techno parks are founded application procedure of scientific products in Azerbaijan and increase practice of world economy.One of them is Sumgait Industrial Park that value of investments nearly 1.2 billion dollar. SCIP covers nearly 295,5 hectares and in that place has been planned to promote industrial production, sustainable development of non-oil sector, employment, and business support in Azerbaijan. Such industrial parks areplanned to open in other regions of Azerbaijan named Masalli, Hajiqabul and in 2017 t was opened also in Balakhani. A bulk of benefits by that types industrial parks extend investing opportunities of Azerbaijan and supported improvement of non-oil sector of Azerbaijan.

1. Increase export productivity level
2. To create employment opportunities
3. Drawn attraction of MNEs into non-oil sector.
4. To meet demands of population and prevent outflow of cash
5. To increase local products quality rivalry with externals’
6. To turn main Chemical producer in region

Petro- Chemical industry.Petro chemicals has a main role in chemistry and mainly were driven from crude oil,natural gas and renewable energy source . They are mainly parted into 3 categories depending on their chemical structure olefins, aromatics and synthesis gas. Petro chemical products are widely used in other industries under names of construction, automotive,textile medical appliances and etc. Research carried out by Global Data the produced petrochemicals around world is waited to grow 1735 mmt pa in 2020 from 1435 mmt pa in 2015. It is agreed that by China,US and Iran in next 5 years to realized more than 700 projects

planned related petrochemicals. Nearly 170 of them will be implemented by China with total capacity of 170 mtpa by 2019.

Increasing demand of petrochemical products, Azerbaijan is one of the countries to use its opportunities toward in this sector of chemistry. Azerbaijan has a plenty of chances for realizing greater energy plans. Firstly, availability of cheap raw materials and cheap labor are essential points to begin chemical production in Azerbaijan. Located crossroads between Euro and Asia as well as high level of infrastructure by means of international airports, railways, railroads and seaports make easy to access of Azerbaijan chemical products into CIS countries, Asia and Europe countries.

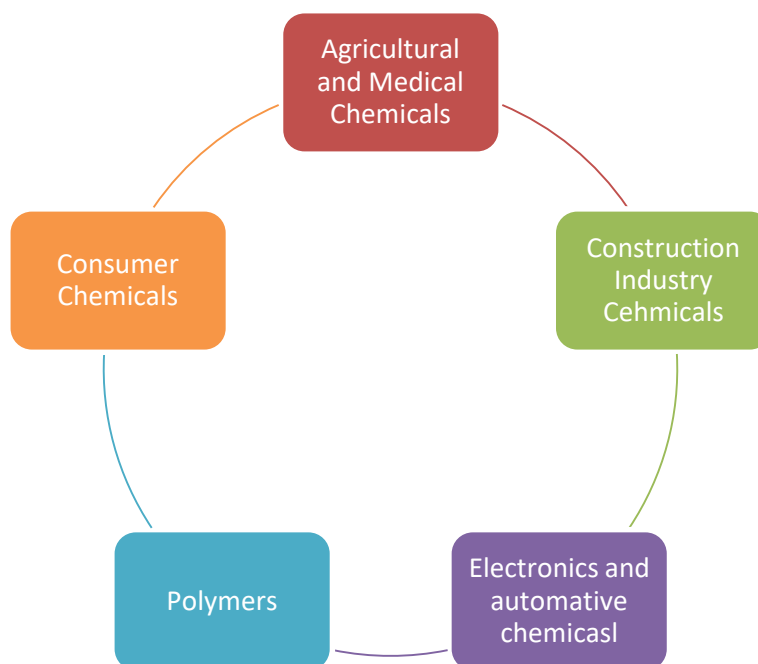
One of the companies is Socar Polymer which was founded in 2013. Project costs nearly 750 million and 60% of investment capitalized by Gazprombank. The production capacity will be 120,000 tons of polyethylene and 180,000 tons of polypropylene at the initial stage. The total capacity is planned to reach 570,000 tons by 2021.

Other main foreign investment projects attracting to the chemical industry. China National Petroleum Company is considered one of the numerous chemical companies in the world. Due to statistic researched information, revenue of the company was over 299 bn in 2016. This company has gas and oil assets in more than 32 countries in Russia, America, Africa, Asia and etc. Having rich oil and gas reserves draw attention such companies into Azerbaijan. In May in 2017 the document signed between Socar and CNPC companies for future cooperation. It was planned to build, develop and operate gas processing complex and new petrochemical in Garadagh. The complex planned to be open in 2022. The capacity of project will be about 11 bcm of gas per year. The company will also include 120,000 tons of propylene and a capacity of 570,000 tons of ethylene with a steam cracker per year, a LLDPE / HDPE polymerization unit with a capacity of about 570,000 tons of high density polyethylene and linear low density polyethylene per

year and other related infrastructure. The estimation of new company In Azerbaijan is valued at 4 billion dollar.

Table 22

Types of Chemical products in Sumgait Industrial parks



Source: scip.az

Infrastructure.SCIP infrastructure consists of Energy Supply ,Gas Distribution Network , Water Supply , Sewerage and Drainage Lines ,Highway and Rail way .

Energy supply.Sumgait Industrial Parks has a huge feasible for providing a wide area with uninterrupted and stable voltage electricity. It is planned to continue building of modern subscribes here. Each of the substations will be controlled by securitysystem.

Gas distribution network.Residents should be provided quality infrastructure service by Sumgait Chemical Industrial Park gas distribution lines from 2 various directions will be constructed in that area. Gas supply will be operated by automatic control panel and will answer international security rules.

Water Supply.Water supply lines which has a wide network will be built in Sumgait Industrial Park. It is agreed to construct 4 underground water reservoirs from 2 to 10 thousand cubic meters for meeting various needs. Moreover, separate lines for flow of chemical, processing,consumer and rain waters will be planned to built in few years at that place.

Highway. Location of favorable geography of Sumgait Industrial Parks simplifies import and export opportunities among Baku and other cities of regions. International transport lines will be constructed in next few years which cover international required norms.Thatwill included all production and non-production purpose of the Park.

2.3 Government policy and mechanism of attracting of foreign investment into chemical industry.

As being one of the most useful investment types FDI also is kept at the attention of government. So close to that FDI is regulated by a number of agreements and treaties with domestic legislations. Some of them were bilateral : US and Azerbaijan dated 1997 motivate reciprocal protection of finances, Law on Protection of Foreign investment in 1992, Azerbaijan and EC cooperation in 1996, Law on Investment Funds in 2010, Law on Investment Activity dated 1995, Law on Privatization on State Program and the second of Privatization of state program was accepted in 2002. Today foreign investment is considered an essential finance source for economic growth so related that government should accept and keep attention center for attracting foreign investors and try to create better environment by different types of tools under name of law. In addition Azerbaijan Government keep going to accept such types of legislation for stimulating external finance.

Azerbaijan Republic president Mr Ilham Aliyev signed other decrees under name of “suspension of inspection related to entrepreneurial activities“ for two years. So close to that number of inspections carried out declined to 34 from 1900 in 2015. Moreover, licensing procedure simplifying by decree of president reducing documentation procedure from 56 to 37.

Laws/Regulations on Foreign Direct Investment. After got independence Azerbaijan government tried to adopt law to motivate and attract foreign investors into host economy. There is some international and bilateral agreements has been signed between Azerbaijan and other countries.

Enforcing contracts. Sometimes effective commercial problems resolution bring a plenty of benefits. At this moments courts are very essential investors because they interpret the rules of market and oblige correction of broken rights. Speedy trials can give many opportunities where may lack the recourses to stay and wait result of along court disputes.

Labor. A Labor Code of Azerbaijan have been regulated all labor relations and accept international labor rights. General working time weekly is 40 hours , except some industrial work places. Azerbaijan is a member of the International Labor Organization (ILO) and has ratified more than 57 ILO Conventions. In experience, labor unions are strongly connected to social and political interests. At the early stages of independence Azerbaijan had rich of unskilled labor but after adoption of some state programs (for example 2007-2015 Education abroad), increase unpaid bachelor or master programs can create a plenty of low and middle income families for a better education. In 2015 in statistic unemployment rate was 5% but in other resources estimate that it was over 15% and under 20 %. The average monthly salary as of March 2017 was over 500 AZM.

Attitude toward Foreign Direct Investment. After go independence Azerbaijan government has worked in direction integration country fully to the globe and attract foreign investment into economy especially non-oil sector. Attracting foreign direct investment to support economic diversification continues to be the stated goal of President Aliyev and his government. Unwaited dropping oil price crisis resulted mainly cutting revenue of state which oblige government to accept short term and long term strategic development plans in non-oil sectors. In addition this may prompt government to pursue more comprehensive reforms in all sector of economy and including completing WTO accession member process .

Limits on Foreign Control. National security and defense were included into Restricted sectors in which financial contribution mainly imposed by government budget. In addition in some sector for example agriculture and communication government exerts specific measure of control on the key sectors. Unreserved legal protection granted by the Law on Protection of Foreign Investment , and it is combined other guaranties which contained within international agreements and treaties. This law regulate that foreign partners , external inventors, joint ventures I manner of less favorable than treatment accorded to national financiers and let repatriation of profit and other invested related funds as taxes paid. In addition

Azerbaijan keeps control limit over foreign investors in domestic market .So close to Azerbaijan Parliament accepted a law in 2013 the total share of foreign investment in insurance of companies cannot exceed 50 percentage of equity capital. This number felt under 10% for individuals .

Bilateral Taxation Treaties

The United States currently does not have a tax treaty with Azerbaijan. The United States and Azerbaijan are however parties to the OECD Convention on Mutual Administrative Assistance in Tax Matters. Over the past year, Azerbaijan has made progress in finalizing an intergovernmental agreement with the United States on implementing the Foreign Account Tax Compliance Act (FATCA). As of May 2014, the United States and Azerbaijan had reached an agreement in substance on what is known as the “IGA Model 1a” agreement and we expect this IGA will be signed in 2015.

Laws/Regulations on Foreign Direct Investment

Foreign investment in Azerbaijan is regulated by a number of international treaties and agreements, as well as by domestic legislation. These include the Bilateral Investment Treaty (BIT) between the United States and the Government of the Republic of Azerbaijan, which encourages the reciprocal protection of investment, dated August 1, 1997; the Azerbaijan-EC Cooperation Agreement dated April 22, 1996; Law on Protection of Foreign Investment dated January 15, 1992 (the Foreign Investment Law); the Law on Investment Activity dated January 13, 1995 (the Investment Activity Law); the Law on Investment Funds dated October 22, 2010 (the Investment Funds Law); the Law On Privatization of State Property dated May 16, 2000 (the Privatization Law); and the Second Program for Privatization of State Property of the Republic of Azerbaijan dated August 10, 2002 (the Second Privatization Program), as well as laws regulating specific sectors of the Azerbaijani economy. This legislation permits foreign direct investment in any activity in which a national investor may also invest, unless otherwise prohibited by law. Azerbaijani law is evolving in accordance with the government’s strategic goal of creating a

welcoming environment for foreign businesses; as such, foreign investments are protected by guarantees provided under Azerbaijani law. The website of Azerbaijan's National Council, lists all laws of the Republic of Azerbaijan, but it is only available in Azerbaijani.

3.1. Measures for increasing investment attractiveness of the chemical industry

Azerbaijan compared with other developing countries has a plenty of opportunities for improving beauty industry . Increasing salaries among middle class that create more opportunity in spending cosmetics. From the other sides ,in modern day demand in cosmetic products also attract men into this segments .

Import of Beauty industry

In Azerbaijan at the second quarter of 2017 export of products were 2,66 billion whereas import was 1,89 [60] billion. The main trade partners were European Union, Islamic Cooperation and Development Organization, OPEC, CIS and Black Sea Economic Cooperation Organization. When investigate Custom report it is cleared that one of the major imported non-oil sectors' products was chemicals and go into deep by segments

-3301---- Resinoids

-3302---- Odoriferous mixtures

-3303----Perfumes and toilet cleaning water

-3304---- Beauty products

-3305----Hair products

-3306----Powder

-3307----Shaving preparations

To begin with Resinoids during last year's second quarter imported value of such products was 29400 [61] dollar and main trade sides were Russia, UK, Ukraine and US. In Odoriferous mixtures spending were towards mainly Russia, France, Ireland

and US by 3121700 dollars. The products under number of 3303 were valued at nearly 4 billion and major of trade countries Russia, Spain, China and France. The main elements of beauty industry were cosmetics product which more than 6 million spent to the EU specially France, Turkey, China, US, Israel and other countries. Hair products are the most expensed segments where more than 7 million of dollars outflow to these types of products. EU, CIS countries and Turkey were the main trade partners. Pastas for teeth or other cleaning products were imported from EU, Russia, China, Korea Republic and Turkey by over 1 millions. At the last number of shaving products approached to 4 million and got from Germany, Russia and Turkey.

Reasons why should Azerbaijan establish cosmetic industry?

Cosmetic industry as seen table N 15 is getting to grow and it will be more beneficial for host country's economy. Based on statistical investigation on cite from Custom.gov.az in spite of having a bulk of chances to export cosmetics in beauty economy, Azerbaijan imported all needs from other countries. We will find solution how and why should Azerbaijan to invest and attract other MNE's to put capital in that sector.

To focus on the reasons which attract Azerbaijan focus on establishing cosmetics infrastructure. On 1st and the 2nd chapter we analyzed that availability of potential market, cheap and high-skilled labor, rich raw materials create opportunity for improving and developing cosmetic products.

In addition, Azerbaijan is surrounded countries which population over 50 billion (including Russia, Iran and Turkey) that will be opportunity in future for Azerbaijan turn import oriented country into export oriented .

Custom taxes. Government stimulating country for increase export to rise tax on imported products which is not suited of consumer basket of local people. It will be more beneficial for local producers like Gazelli to use its rooms in comprehensive.

In this situation state programs (Strategic Road Maps 2020) increase its support to foreign investors or producers like L'OREAL to establish its factory as of China. **Raw materials.** Chemical process industries attracts raw material derived from oil and natural gas, petroleum, salt, oil and fats, natural gas and a small percentage from renewable energy resources and biomass and energy from coal.

Azerbaijan Rich of oil and gas, even in some places it is possible find coal and fats. Location and climate create opportunity to use of renewable energies. In last few years, established of wind and solar stations increase attention of foreign investors which will be provide sustainable resources for chemistry.

Skilled labor. Each year more than hundreds of students are accepted to universities by collection point over 500 out of 700 which is very high indicators by prestigious universities. Chemistry and Chemical engineering are considered leading programs among universities which will bring more benefit into host country. Azerbaijan should to prepare programs for that students extend their knowledge in abroad specially in Green Chemist will be more popular in next few decades.

Green to cosmetics In modern day easy accession of internet or other resources make people more well-informed than previous years. By based on given facts people well know that chemical composition of products or chemical ingredients are very harmful for human body and that is why they avoid from such products and prefer tradition methods. Focusing on organic skin products consumers prefer to keep peace with new innovative trends. So related that in some emerging countries like India and China cosmetic products are prepared based on ancient beauty receipts. It will more attractive than other chemical cosmetics products. Azerbaijan according to relief, favorable climate, and its geographical positions rich of the plants and flowers which are considered a raw materials for green beauty markets.

Marketing projects. In modern day Economy is not able to describe by Marketing. By different ways local products can be improved and create a believable thought in local users' minds that is best for them. From the other sides by help assistance of

marketing we can analyzed weak and strong points of national products rivalry with others and try to do best for developing them. In any given market there are a plenty of new cosmetic brands created and promoted by various ways to promote. To begin need identify consumer segment where would be your products user then attend different workshop events, to collect analyze published information ,frequently conducts survey among cosmetic product user. Often invite experts to investigate content and structure of chemical products and then publish results of researches.

Research and Developments centers .Today majority of development countries spends a millions of money for creation of such research and development centers for sustainable innovative projects which will bring more benefit in future. Chemicals also included such types of products always need to develop and improve. Majority of chemicals products derived from oil, gas, coal and other renewable materials which can rarely found in high developed countries. From the other side a bulk of chemicals have a hazard influence on environment and to solveproblem countries spends more money towards green chemistry.

Main target of R&D centers create such products which higher performing products, which will the lowest cost, regularity compliance and to meet consumer demand in high level. By help assistance of technology and innovation draw attraction foreign investors to put money such types of projects. By used these ways can be a reason for cutting production expense and to keep for a long time, see beforehand negative sides of previous and pretend by using various methods.

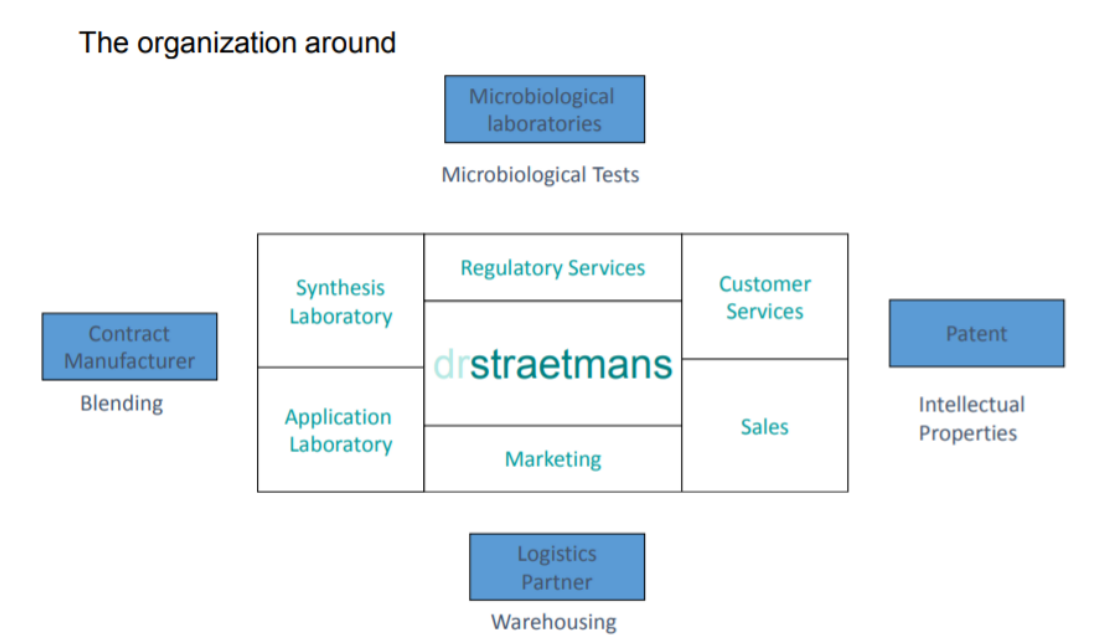
Initial procedures we need to invite well educated and skilled workers from international chemistry centers or to such places or make cooperation at international level under different types of programs such as change students or send them for practices and etc. Additionally, creation such center in country also can be reason for priced country

Infrastructure.In Chemical industrial parks should be create different types of laboratories where can be easy to take an experience or created new types of products. When analyzing the world chemical industry there is a need to focus on

Cosmetic industries for sustainable economical and social welfare. Initial period government should be financed or prepare some types of favorable project invitation of prestigious cosmetic MNEs to apart money for supporting founded factories in such industrial zones.

Table 23.

Map of preparing new products



Source:

Long-term chemical projects.

Azerbaijan experts need to prepare short and long term chemical projects which included establish cosmetic industries and provide in wide area with beauty products. It will consist of several periods. Initially we should learn infrastructure of beauty industry by R&D projects. Then should find a way to cooperate with prestigious world cosmetic industries to establish business factors here and at the

end revenue should be divided according to the agreements. Then we can formulate though of national people that local cosmetic products is better in quality and price than others. Our cosmetic brands should valued as the L'OREAL and Nivea's products.

The Government of Azerbaijan has been working with the World Bank to improve the property registration system, but the system remains awash with bureaucratic requirements and is generally seen as corrupt and inefficient. The January 2014 Index of Economic Freedom – compiled by the Wall Street Journal and the Heritage Foundation – gave Azerbaijan poor scores on private property rights and freedom from corruption.

3.2. Methods of improving mechanisms of attracting foreign investments

Attracting foreign investment international economy boost external and internal opportunities for economic ,political and social growth and provide further social welfare .After got independence main part of foreign capital inflow directed into oil sector while it was declined by government policies .

It was stressed in Strategic Road Map plan for 2020-2040years various effective methods should be searched for creating attracting investors and increase amount of foreign capital. One way of suggested was that there is a need for invention of financiers who invested money to Turkey, East European countries and other countries and create the best favorable environment to them.

At the second part it was mentioned that one of the main difficulties for foreign investors to get finance or credit from banks. Lack of low interest rates, and long lasts of documenting process can be barrier in essential moments. After emphasized that problems on Doing Business Report President Ilham Aliyev accepted a law in second half of 2016 which made a number of significant amendments in the regulation of finance and banking sector.

There are some changes in Banking laws done by The President of Republic of Azerbaijan by creation Chamber Control of Financial Markets. The Chamber also divided into parts under name of the State Committee for Securities, the State Insurance Supervision Service of the Ministry of Finance and the Financial Monitoring Service under the Central Bank [14].

Some kinds of recommendation are suggested by experts that can be more effective attracting of investment into national economy. One of them implemented by creating FDI agencies which preferred in developed countries would be possible solution in accordance working collaboratively with other economic organizations as well as state agencies. Regarding with that it will be so essential decrease inevitable competition for foreign investment among different cities even in regional levels. Azerbaijan new FDI strategy should be focused on non-oil sectors under

fame of boosting innovative projects which bring positive changes trading with other countries. In next future Green chemical projects will more important for producing firms and Azerbaijan will look throughout such project in 1st level.

Government should stimulate local and international universities to work and arise on some weak points together under different types of programs like changing student programs, or finance a significant number of students who should be involved in certain study or experience programs for beauty industries. Today in Azerbaijan when look for jobs we can unfortunately see chemical engineers are required for cosmetic factories or etc. By this way Azerbaijan increase HDI in education area by learning world prestigious university firms, research centers experience.

Macroeconomic stability of country it is important for investors for long term investment projects. Law or one digital number inflation rate, which can be controlled and maintain by government reduce risks while attracting investors. In addition it will be favorable if producing prices is lower than importing products and it stimulate local or external producers for doing business in these places. From the other side political and social stability also important as well as economic. Azerbaijan government should be

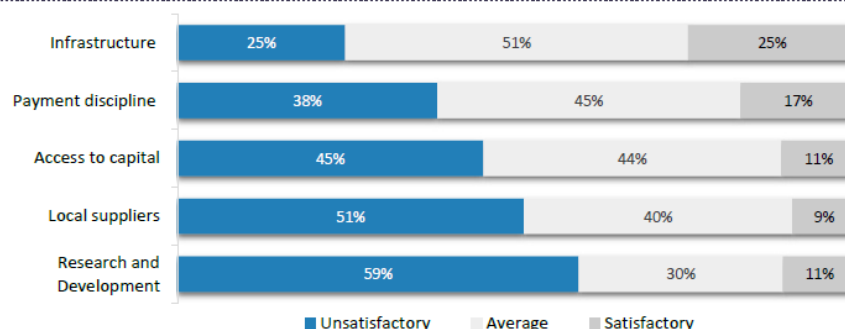
Openness to Regional and International Trade it is played an essential role in foreign trade relation policy of economy. The liberalization of trade regime stimulates export availability for foreign investors. By this way business people get chance to sell their products both local and external market. Azerbaijan is working to accede to the World Trade Organization. Azerbaijan has signed bilateral free trade agreements with seven countries in the former Soviet Union, although some trade liberalizing provisions have yet to take effect. Azerbaijan signed agreements with: The Russian Federation (September 30, 1992); Moldova (May 26, 1995); Ukraine (July 28, 1995); Turkmenistan (March 18, 1996); Uzbekistan (May 27, 1996); Georgia (June 10, 1996); Kazakhstan (June 10, 1997); and Tajikistan (July 13, 2007).

So related to those factors Azerbaijan needs to increase number of such agreements with high developed economies. In this time it will be more effective for both MNE's.

According research conducted by EU organizations the main problems in business climate Development of the domestic supply landscape and infrastructure should be one of the top priorities of the economic policy and it is obviously in the interest of international companies working in Azerbaijan. EU businesses operating in Azerbaijan consider the operational environment to be below average. Infrastructure receives the most positive rating, whereas conditions for R&D are considered worst.

Table23

Figure 4.5: How do you rate the following business climate indicators?



Source: EU business climate source Azerbaijan pdf

As part of its WTO accession program, Azerbaijan has continued to develop a range of WTO-consistent IPR legal and regulatory reforms, which could significantly strengthen IPR rights and enforcement protections, if they were consistently enforced. Azerbaijan amended its copyright legislation in 2008 and formed an anti-piracy commission in May 2010, with representatives from various ministries charged with enforcing existing legislation. Most recently, Azerbaijan adopted a new Law on the Provision of Intellectual Property Rights and Fight against Piracy in May 2012. This new law brings Azerbaijan's intellectual property regime more closely in line with the WTO Trade-Related Intellectual Property Rights (TRIPS)

agreement, and satisfies many of the requirements and expectations of Azerbaijan's WTO Working Party members.

According to the State Copyright Agency, during 2013 piracy in the field of book printing dropped from 61% to 30%, from 90% to 68% in the market of audiovisual products, and from 96% to 87% in the field of software. The Business Software Alliance put the software piracy figure at 87% in 2011.

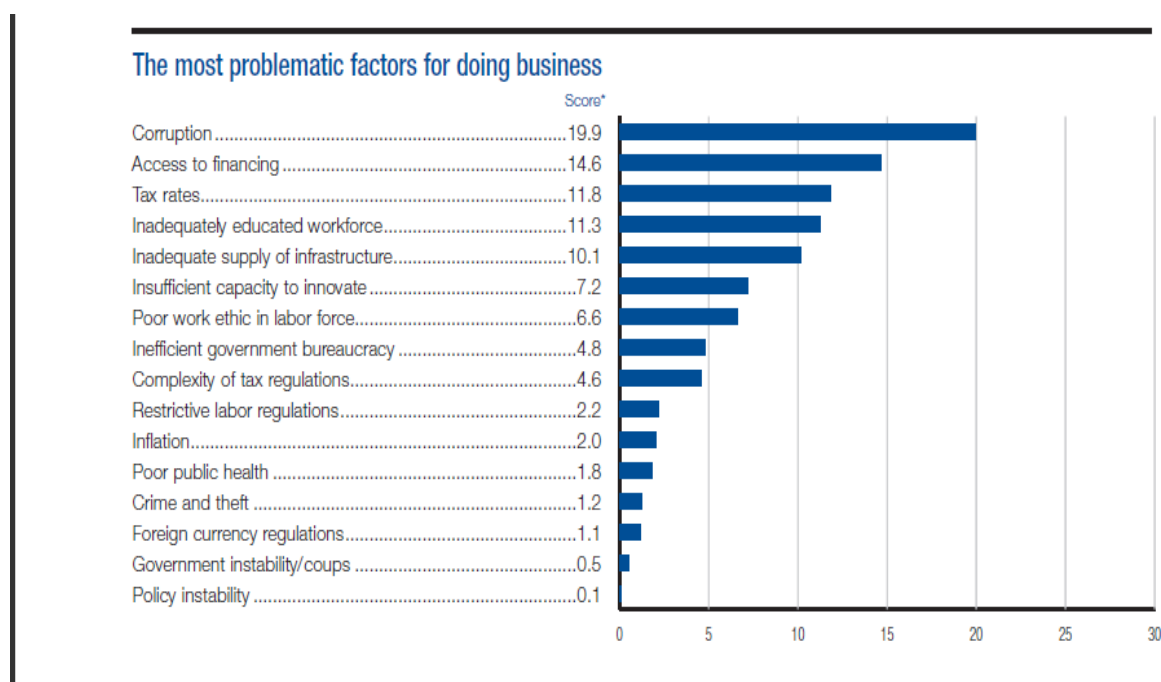
IMPLEMENTATION OF EBRD SMALL BUSINESS SUPPORT (SBS) PROGRAMMES - ENTERPRISE GROWTH PROGRAMME (EGP) AND BUSINESS ADVISORY SERVICES (BAS) IN EASTERN PARTNERSHIP (EAP) COUNTRIES-Azerbaijan needs to keep stability in region by joining EU programs . SBS program - the Enterprise Growth Program (EGP) and Business Advisory Services (BAS) - help MSMEs in the region to improve their competitiveness and ability to attract external financing by improving the financial literacy of senior managers and by facilitating their firms' access to high-quality business support services, enhancing managerial capacity in all areas and striving to develop the capacity of the local consultancy market to deliver the services needed. The SBS programs seek to achieve enterprise-level change and the development of a sustainable infrastructure of business advisory services.

3.3 Expanding legislative initiative for stimulating foreign investments

Laws/Regulations on Foreign Direct Investment. After got independence Azerbaijan government tried to adopt law to motive and attract foreign investors into host economy .There is some international and bilateral agreements has been signed between Azerbaijan and other countries.

These include the Bilateral Investment Treaty (BIT) between the United States and the Government of the Republic of Azerbaijan, which encourages the reciprocal protection of investment, dated August 1, 1997; the Azerbaijan-EC Cooperation Agreement dated April 22, 1996; Law on Protection of Foreign Investment dated January 15, 1992 (the Foreign Investment Law); the Law on Investment Activity dated January 13, 1995 (the Investment Activity Law); the Law on Investment Funds dated October 22, 2010 (the Investment Funds Law); the Law On Privatization of State Property dated May 16, 2000 (the Privatization Law); and the Second Program for Privatization of State Property of the Republic of Azerbaijan dated August 10, 2002 (the Second Privatization Program), as well as laws regulating specific sectors of the Azerbaijani economy.[4] Those types of investment agreement allow not only countries but also MNEs can easily to find a way for mutual projects for long term .

Government should always tracks financial, investment,competitiveness reports which referred essential details to foreign investors. According to the Global Competitiveness indexthe most problematic factors.



According to the Report over 2015-2016 years the most 5 problematic factors are Corruption, Access to finance, Tax rates inequality of educated workers and Inequality supply of infrastructure.

Corruption. Pervasive **corruption** – including bribery of **public officials** – continues to be a major challenge for U.S. and other international firms operating in Azerbaijan. Although anti-corruption legislation is in place, corrupt practices permeate all spheres of public life. Officials from the lowest ranks of the civil service to the top echelons of government are believed to benefit from systemic corruption in the country. In Doing business reports and other international reports are mentioned the main barriers for international investors. Azerbaijan was ranked in countries list where corruption index is very high and is was very scared and problematic situation in invitation of foreigners to economy. As seen Table 23 in last decade acceptance of formative rules by government help to promote country by 30 points. So related that government took some serious steps by crossing electron systems or created E-gov.az, where people use of them by saving time .And by that way any kinds of procrastination are prevented by government anti-corruption challenge. Moreover created Asan Services Center help business people to save

their time and avoid from any type of difficulties in documentation process. Some types of tax report (DSMF tax) are given by electron and it will create better weather for external investors.

Table24

Azerbaijan Corruption Rank



Source :tradingeconomics.com

From financial sides Creation chamber of accounts is way controlling budget plans. It controls and investigates inflows of funds by generated governments and use of funds allocation of local and external bodies.

Access to finance. Having high interest rate, lasted long term credit process it is quite difficulties for external business people leave our markets. Azerbaijan need to accepts a law which for local and external inventor can be get a discounts on interest rates which will stimulate them to invest more capital without any fear and risk.

Additionally, one possible solution that banks should be decrease interest rate for innovative projects which are offered by various entrepreneurs, investors and others. By this way investors are embraced from internal supportive people.

In mutual projects (under organization of mutual and local firms cooperation) government or other prestigious companies should support them and in some situation by subsidy and other types of financial aids.

Tax Rate. Tax one of the main obstacles for attracting investment into host economy. In general, investors are keen on to earn more money and pay less. In some emerging countries government policy in order to attract financier directed to tax system and they get discounts or other types of aids from host economies. At given tables illustrated tax rates of Azerbaijan other developed and developing economies. Azerbaijan due to the tax rates pretends so many developing and developed countries which is very important for capital attraction of external sides.

Table25

Azerbaijan Taxes	Last	Previous	Highest	Lowest	Unit	
Corporate Tax Rate	20.00	20.00	25.00	20.00	percent	[+]
Personal Income Tax Rate	25.00	25.00	35.00	25.00	percent	[+]
Sales Tax Rate	18.00	18.00	18.00	18.00	percent	[+]
Social Security Rate	25.00	25.00	25.00	25.00	percent	[+]
Social Security Rate For Companies	22.00	22.00	22.00	22.00	percent	[+]
Social Security Rate For Employees	3.00	3.00	3.00	3.00	percent	[+]
+						

Source :transeconomist.com

Japan Taxes	Last	Previous	Highest	Lowest	Unit	
Corporate Tax Rate	30.86	30.86	52.40	30.86	percent	[+]
Personal Income Tax Rate	55.95	55.95	55.95	50.00	percent	[+]
Sales Tax Rate	8.00	8.00	8.00	5.00	percent	[+]
Social Security Rate	29.20	29.20	29.60	18.39	percent	[+]
Social Security Rate For Companies	14.75	14.75	15.20	6.80	percent	[+]
Social Security Rate For Employees	14.45	14.45	14.45	11.59	percent	[+]
+						

Source :transeconomist.com

Turkey Taxes	Last	Previous	Highest	Lowest	Unit	
Corporate Tax Rate	22.00	20.00	33.00	20.00	percent	[+]
Personal Income Tax Rate	35.00	35.00	40.00	35.00	percent	[+]
Sales Tax Rate	18.00	18.00	18.00	18.00	percent	[+]
Social Security Rate	37.50	37.50	38.50	31.50	percent	[+]
Social Security Rate For Companies	22.50	22.50	22.50	16.50	percent	[+]
Social Security Rate For Employees	15.00	15.00	16.00	14.00	percent	[+]
+						

Source :transeconomist.com

It is clearly seen that in Azerbaijan there is great chance for investment climate. In emerging and developed economies volume of tax rate is very higher than Azerbaijan. In spite of that government should take serious steps towards taxes as being in Georgia cut even exempt all kinds of taxes for some fields such as beauty or cosmetic products. So close to those Azerbaijan need to abolish some types of taxes by name of land , income or others to stimulate cosmetic industry .

Azerbaijan has not yet developed or implemented special **incentives** to attract foreign investment. A law permitting the creation of Special Economic Zones

(SEZs) was passed by Parliament in December 2009, but no such zones have been established to date. The law provides a legal basis and framework for the establishment and operation of territorial zones. There are plans to develop an SEZ in Alat, a commercial seaport under construction, and the Baku Heydar Aliyev International Airport. [55]

On December 21, 2012, the Azerbaijani Parliament passed amendments to the **Tax Code**, which included an exemption from income, land, and property taxes for business parks in the area of information technology and other industries to be established in Azerbaijan. The amendments also envisage tax and customs privileges for the residents of industrial and technological parks for a term of seven years.

In conclusion

Today growth of cosmetic products is waited to be soared by 2-3 times compared with previous years. In modern day people spends more money on personal care products whether they are men or women or they are young or old. All segments of consumers at least 5% of their income spends to the cosmetic products. Particularly, it is cleared that demand of men to cosmetic products will going to grow in next few years and related to that it create a bulk of chances to use of innovation and technology produce new types of beauty products in local and external markets. The research paper is full of needable information which will be more useful and essential for investigation of this sector. The statistic information is elected from Customs.gov.az show the number of people and their expenses on brand imported products and will directed us which sector of cosmetic industry will be more profitable for future in Azerbaijan .

By this way we can determine which part of beauty industry need foreign capital and cooperation with local and external firms for sustainable development of Azerbaijan.

Increasing demand of chemical products required motivate investors to finance for sustainable profits of those MNEs in other countries. Azerbaijan, and Sumgait in particular, offer a number of advantages given its favorable location, such as the closeness to raw materials (being rich of source of chemical products. Moreover , the political and economic stability of Azerbaijan and a highly qualified workforce facilitate low risk investments.

On the negative side, rise of chemistry industries in country can harm not only environment but also health of population. To sum up those factors we should to keep attention center of technological innovation at the chemical industries .By that way we can decrease or remove completely negatives of Chemical industries.

Summary

Today integration to the globalization required more capital for economic development. So related that governments accepted so various of programs or made challenges in law, economy and civil society rules .Due to determining of political, social and economical factors in spite of having rich natural resource , cheap labor and better infrastructure a plenty of investors try to avoid investing that places. Not only MNEs but also states seek various methods for find possible solutions for creating favorable environment for business people.

Chemistry one of power driven factor of economy which majority of us used to daily life. Innovation and news in technology support of a bulky production such products for consuming. When analyzing international economic reports in future some types of chemical products will be support of economy inside and outside of country.

Additionally, from the economic and social perspective Azerbaijan adjust some rules for creating favorable business climate in chemistry which is best way to produce petrochemical for sustainable revenues .In Strategic Road Map plan it was a one of main priortitet discussed subjects. Government will increase its support in future to attracting foreign investment into chemistry.

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Xülasə

Kimya sənayesi ölkəmiz üçün çox əhəmiyyətli sahələrdən biridir. Dünyada kimya məhsullarına artan tələbat bu sahənin inkişafını zəruri edir. Əmək bazarının bu sahə üzrə ixtisaslaşması, dünya təcrübəsindən yararlanmaq imkanları çəngin neft və qaz resursları bu sahəyə istər daxili istərsə də xarici marağı artırır. Qeyri neft sahəsinin inkişafını nəzərə alaraq bu sahə üzrə xarici investisiyaların cəb edilməsi və bu tip strateji planların hazırlanıb həyata keçirilməsi, yerli və xarici şirkətlərin maraqlarının qorunması dövlətin ali məqsədlərin biridir.

Artıq bu gün dünya praktikasında kimya sənayesi klasterlər şəkilində inkişafı geniş yayılmaqdadır. Bu texnoparklar Çində, Yaponiyada, Hindistanda, Braziliyada, Avropada geniş vüsət almışdır. Hindistan dövlətində kimya sənayesi 2020-ci ilə qədər 300 milyardlıq məhsul istehsal etməyi planlaşdırır. Bu gün qurulan texnoparklar adətən xammal mənbəyini yaxın tikilir və bu tipli klasterlərin inkişafı üçün önəmli olan elektrik enerjisi, insan resursları və xammal ehtiyatları çox önəmlidir.

Sumqayıt Texno parklarının qurulması zəngin infrastruktur, resurs və savadlı kadr ehtiyatının olması biznes mühitinin canlanmasına kömək edən faktorlardandır. Bundan başqa Socarın xarici şirkətlərlə əməkdaşlıq edərək yeni petro kimya layihələrin həyata keçirilməsi xaricdən bu sahəyə marağın artmasına səbəb olur.

Bütün bunları nəzərə alaraq dövlət yerli və xarici biznes mühitinin formalaşmasında və həmçinin xarici kapitalın yerli şirkətlərə daha faydalı olacağına dair qanunlar qəbul etməlidir.

Резюме

Химическая промышленность является одной из важнейших областей нашей страны. Растущая потребность в химических продуктах в мире делает развитие этой области важной. Эксплуатация рынка труда в этой области, богатые нефтегазовые ресурсы, которые позволяют извлекать выгоду из мирового опыта, увеличивают как внутренний, так и внешний интерес в этой области. Принимая во внимание развитие ненефтяного сектора, развитие иностранных инвестиций в этой области и разработка и реализация таких стратегических планов, защищающих интересы отечественных и зарубежных компаний, являются одной из самых высоких целей государства.

Сегодня в мировой практике широко распространена химическая промышленность в виде кластеров. Эти технопарки широко используются в Китае, Японии, Индии, Бразилии и Европе. В индийском государстве химическая промышленность планирует произвести до 300 миллиардов к 2020 году. Технопарки, которые создаются сегодня, обычно строятся вблизи источника сырья, а электрическая энергия, человеческие ресурсы и сырье, которые имеют значение для развития таких кластеров, очень важны.

Создание Сумгайытских парков Техно богато инфраструктурой, ресурсом и хорошо обученным персоналом, что помогает стимулировать деловую среду. Кроме того, сотрудничество Socar с иностранными компаниями привело к новому нефтехимическому проекту, вызвав интерес к этой области из-за рубежа.

Принимая во внимание все это, государство должно принять законы об установлении внутренней и внешней бизнес-среды и что иностранный капитал будет более выгодным для местных компаний.

Report

This thesis purpose explain the role of attraction of the foreign investment in chemical industry. International capital inflow play a crucial role in the economy of countries. It is agreed that ,they permit levels of domestic capital can create environment for exceed savings. For host countries generating a huge amount of savings ,international foreign investment provides a higher return than domestic investment.

At the first chapter there are a plenty of information describe different types of investment , their role in host countries ,methods for attracting into local economy , policy toward foreign capital conducted by states and protection policy which help local companies in competition with extrnals. Foreign capital is divided into 2 places under name of Foreign Direct Investment and Foreign Portfolio Investment. It is described in Investment 2017 FPI had some fluctuations during last decades . In contrast that FDI had a steady growth beginning from 2008. Moreover, some factors as named political ,social and economical which had a huge and deep influence on decision of foreign financiers'. At Investment 2017 it was shown that a bulk of treatment or bilateral agreements was signed between various countries expand productivity in the relationships of economy. So related that In Azerbaijan after got independence government adopted influence law in towards stimulating foreign investment in to country which covered tax and other indicators.

Chemicals produced by the chemicals industry are used to make virtually every man-made product and play an important role in the everyday life of people around the world. Such products can protect crops and increase yields, prevent and cure disease, provide insulation to reduce energy use and offer countless other benefits that make life better for people.

In modern day improvement of science also affects chemistry and so close to that chemistry has been turned a major factor sustainable economic development from last decades. Increasing world population with demands to chemical products obliged countries to decrease dependence from import oriented chemical products.

Growing world consumption motivates MNEs to seek cheap labor and raw materials which are more important for chemistry. In addition segmentation of chemistry, which segments require more capital, structure of chemistry and types of chemical products are described. Countries future view towards in chemistry also was given and in some emerging countries like India and China adopted a long term plans direction of chemistry.

At the second part investment climate of Azerbaijan was described and in specially chemical industries opportunities, force labor, education in chemistry, skilled works and other programs for development of chemistry. After oil prices falling government accept a solid decision to decrease income from oil sector and work on the frame of developing and improving non-oil sector for sustainable and stable development. In Strategic Road Maps plan was described governments future plans on international capital inflow, which kinds of economic sectors will be developed and role of chemistry in long term plans.

At the 3rd part the methods were shown improving chemistry which based on world practise in developed and developing countries. In developed economies education is priced as a best way of improvement of any segment of economy. Related to that factor R&D expenses were leading in the list among high developed countries. A plenty of diversification in chemistry prove that it is search and investigated by various companies. It is suggested that there is a need to expand government education program on chemistry. Government need to cooperate with other prestigious universities student changing program or learn and increase studies in that areas. Moreover other chemistry segments should be improved like Green chemistry and Cosmetics which will be top of the list in next few years.

Research object-Chemistry is one of the leading elements of Manufacturing industry in the Azerbaijan which cover all other producing sector of economies. Chemical products have an important role in our daily life, so close to that a part of income goes that spendings. From the other sides, Chemistry is needed continual advancement of nano technology. Having rich oil and gas resources to create a plenty of chances to draw tons of attention from abroad by means of foreign capital

in that area. According to Strategic Road Map plan Petro Chemical products has launched to produced by several local compnaies . One of the biggest chinese compnaies to buld coperation relations among two TNC .

Reseach subject-Capital isvery essential for continous research and develeopments of Chemistry. Begining from ur bodies into plastics it covers a deep knowledge which always important for notonly personal level but also global. Based on that facts Azerbaijan need to investigate this area by attarcting and using varoius methods ,tools and researchs. By this ways Azerbaijan can turn chemistry imported country into export oriented ones. Trade policies , infrastucture conditions tax and other exemptions can be main tools for creation favorable climate for external capitals.

Methodology is an essential part for dissertation which is involved various Qualitative, quantitative and mixed methods. We use both of them for accurate results. When we use the word quantitative to describe quantitative dissertations, we do not clear mean that the research paper or dissertation will draw on quantitative research methods or statistical analysis techniques.

Qualitative research takes a particular approach towards the research periods, the setting of questions, the development and use of knowledge, the choice of research tactics, the way that findings are presented and discussed, and so forth.

Statistical data also will be used in this research for accurate target under name of Population Standard Deviation, Population Variance, Sample Mean, Sample Standard Deviation Tools to Calculate Sample Size and Power Analysis. Statistics Solutions offers free tools to calculate appropriate sample sizes and conduct power analysis for your dissertation or research study.

There are some factors have an influence on investor's decision when they tend to directly investigation.

Data collection

The investigated materials are based on various internal and external sources, primary and secondary data. According to the International reports that established yearly named Global Competitiveness Index, World Bank Reports, World Economic Forum, Doing Business, World Investment, Global Chemistry Market and etc. From local information recourses data collected from Taxes.gov.az, Customs.gov.az , CESD.az , reports issued by Central banks and other scientific books ,journals and articles.