

THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN
AZERBAIJAN STATE UNIVERSITY of ECONOMICS
INTERNATIONAL GRADUATE AND DOCTORATE CENTER

MASTER DISSERTATION

ON THE TOPIC

“Economic contributions of international logistics management in Azerbaijan”

Ismayil Ulvi Azer

BAKU– 2019

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BAKU – 2019

BEYNƏLXALQ LOGİSTİK İDARƏETMƏNİN AZƏRBAYCANDA İQTİSADI FAYDALARI

XÜLASƏ

Tədqiqatın aktuallığı. İqtisadi rəqabətin yüksək olduğu, regionda və dünyada siyasi və iqtisadi amillərin dəyişdiyizamanda ölkənin bazar iqtisadiyyatına uyğun əsas iqtisadi hədəfi ölkədaxili infrastrukturunu inkişaf etdirmək, logistika və yükdaşıma əməliyyatlarının ölkədən keçməsinin təmin edilməsi və yerləşdiyi coğrafi mövqeyin üstünlüyündən maksimum faydalanmaqdır.

Tədqiqatın məqsəd və vəzifələri. Tədqiqatın əsas məqsədi Azərbaycanın beynəlxalq logistik idarəetmədə rolunun müəyyənləşdirilməsi, təhlili və qiymətləndirilməsi, çətin geosiyasi və geoiqtisadi zamanda onun inkişaf strategiyası və uzunmüddətli hədəflərinin formalaşdırılması və qoyulmuş hədəflərə çatmaq üçün bir metodun ərsəyə gətirilməsidir.

İstifadə olunmuş tədqiqat metodları. Tədqiqat zamanı əsas metodik vasitələrdən: sistematik yanaşma, müqayisəli və ekspert qiymətləndirmə metodları, analitik və iqtisadi-statistik təhlil proqnozlaşdırma, GZİT analizi, modelləşdirmə və digər müasir metodikalardan istifadə olunmuşdur.

Tədqiqatın informasiya bazası. Tədqiqatın informasiya bazası kimi Azərbaycanda fəaliyyət göstərən bir sıra iqtisadi mərkəzlərin nəşrləri, hüquqi sənədləri, son dövrlərdə nəşr olunmuş Azərbaycan Dövlət Statistika Komitəsinin göstəriciləri, yerli və xarici alimlərin nəşrləri və digər informasiya mənbələrini göstərmək mümkündür.

Tədqiqatın məhdudiyyətləri. Tədqiqatın məhdudiyyətləri kimi ilk növbədə mövzuya dair məlumat bazasının, iqtisadi və statistik informasiyanın məhdud və ya konfidensiallığı müşahidə olunur.

Tədqiqatın nəticələri. Azərbaycanın logistik imkanlarının artırılmasını müəyyən edən amillər nəzərdən keçirilmişdir. Ölkədə yükdaşıma qabiliyyətini artırmaq üçün hədəflənmiş proqramın yaradılması metodu təklif edilmişdir.

Nəticələrin elmi-praktiki əhəmiyyəti. Bu tədqiqatın nəticəsi Azərbaycanın dövlət və ya özəl qurumlarının fəaliyyətində, habelə yeni yaranmış logistik şirkətlərdə operativ və strateji qərarlar qəbul edərkən idarəetmə praktikasında istifadə edilə bilər.

Açar sözlər: Logistika, Yükdaşıma, Azərbaycan

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ABBREVIATIONS

GDP	Gross Domestic Product
CAREC	Central Asia Region Economic Cooperation
UK	United Kingdom
US	United States
USA	United States of America
WTO	World Trade Organization
TRACECA	Transport Corridor Europe, Caucasus, Asia
AR	Azerbaijan Railways

INTRODUCTION

Actuality of the research. The main economical target of Azerbaijan is to develop infrastructure, to achieve passing logistics and transportation operations through the country and to get maximum benefit from the advantage of its geographical position in the terms of high economic rivalry, simultaneously altering political and economical factors in the region and whole world.

Study level of the issue. The main principles of logistics and the general verdicts for its assessment and management of the logistics mentioned in the most of works of scientists. Discovering essential assets for generation geologically, deciding the measure of hold to be discovered, uncovering them, deciding separation to advertise, answers for transportation issues, making appropriation channels and watching supply request harmony are errands that are finished by production network experts.

Purpose and tasks of the research. The principle target of this research is to analyze the overall difficulties looked by the logistics and the best procedures it could utilize to empower them fit for testing built up international logistics from cutting edge economies. This paper receives informative study of existing writing on the topic under survey utilizing library investigate approach. The investigation depends on data gathered from academic diary articles, international doing business and national strategy reports and other significant sources that are properly recognized.

Object and subject of research. The object of research is international logistics management and its economic contribution in Azerbaijan. The theoretical and methodological basics of the topic are the works of native and foreign scientists in related with logistics management.

Research methods. It is used modern methodological tools: systematic approach, SWOT analyze, economic analyze, statistical analyze, methods of comparative and expert assessments, modeling, forecasting etc.

Research database. This paper receives informative study of existing writing on the topic under survey utilizing library investigate approach. The investigation depends on data gathered from academic diary articles, international doing business and national strategy reports and other significant sources that are properly recognized.

Research limitations. A few quantity of economical and statistical data on logistics management.

Scientific and practical significance of the results. Results of this research can be used in the public and private organizations of Azerbaijan as well as newly created companies within the management of practice for taking operative and strategic decides.

Structure and volume of dissertation work. This scientific work consists of introduction, three chapters, conclusion, 1 graphs and 3 figures and 2 tables. In work, 73 pages of text. During the work 30 different sources were used.

CHAPTER 1. LOGISTICS MANAGEMENT

1.1. Principles of logistics

An appropriate modern definition that applies to most industry might be that logistics concerns the efficient transfer of goods from the source of supply through the place of manufacture to the point of consumption in a cost-effective way whilst providing an acceptable service to the customer.

Logistics functions to meet customer needs by inspiring salient manufacturing and marketing activities. The foundational commitment of logistic is the areal settling of raw materials, work in progress and finished inventories at the lowest conceivable expense. Logistics management includes the design and administration of systems to control the flow of materials work in progress and finished inventory to support business unit strategy”

Considering all definitions, it concludes that logistics management:

- Being the function of managing the total flow of materials that consist of receiving of supplied raw materials as well as movement in the company, and delivery of final product to the end user;

- Takes into account, physically, movement of goods including data flow with required documents and reports in related with materials;

- Covers all kind of procedures which handle the service of customer with the lowest expense;

- Aims minimizing of the cost by increasing movement temp of goods, in progress and final goods.

The major logistics activities have to be defined considering the logistics operations and management in a company and its supply chain. Following logistics activities are as below:

- Customer service;
- Traffic and transportation;
- Warehousing and storage;

- Identifying inventory area and plant;
- Inventory management;
- Procurement of ordering;
- Logistics bonds;
- Purchasing;
- Materials handling;
- Packaging;
- Demand forecasting;
- Spare parts;
- Salvage and scrap disposal;
- Return goods handling logistics.

It covers to manage moving of the goods and some activities like as choosing the way of delivery (air, rail, water, pipeline, road, or a combination thereof), identifying the particular route also called as routing, acquiescing in different national distribution laws and being conscious of whole domestic and international delivering regulations. Transportation is also known as connection part in logistics industry and is often maximum expense in the logistics activity, a pivotal factor which is supposed to manage effectively. There are a lot of various choices that are convenient for the delivering of materials to the required places.

It possibly may be defined as major element of any firm's logistics system which accumulation materials (raw materials, parts, products work in process, final goods) and supplies data to managers about the current status, condition, and stored goods in different places. Warehousing not only saves time but also provides effectively using of place by admitting manufactured product to stock for future depletion. In any logistics system warehousing is an integral part so that it plays a vital role in providing a desired level of client service at minimum possible total cost. This activity is a bridge among the manufacturer, consumer and the third parts. Nowadays,

warehousing has already reached to a major point from being a minor factor of a firm's logistics system.

It holds an exchange level of the inventory stored to get maximum grade of the client service with the holding cost of inventory that consists of assets held in inventory, variable and fixed storage expenses and depreciation. A firm may have a major piece of its present resources put away in stock. That is the reason logistics is worried about all stock inside the business, from crude materials, subassembly or purchased in parts, to work-in-advancement to completed product.

Request handling incorporates the frameworks utilized by an association to get orders from clients; keep an eye on the status of requests and speak with clients in regards to orders; just as really taking care of the request and making it accessible to the client. Some portion of the request handling framework in this manner is the checking of stock status, client credit, invoicing, and money.

Purchasing, or acquiring and supply management, is the buying of materials and administrations from outside associations to help the organization's activities from creation to advertising, deals and logistics. Procurement incorporates exercises, for example, provider-supplier determination, exchange of value, terms and amounts, and quality evaluation. As associations structure longer-term associations with less key providers-suppliers, obtainment keeps on developing in its significance and commitment to the association. The expense of bought materials and supplies is a noteworthy piece of all out expenses of generally associations. The acquisition work likewise gives the chance to utilizing the capacities and abilities of providers through closer combination of the purchasers' and providers' logistics forms. Acquisition is in this way assuming an undeniably basic job in making and supporting upper hand as a major aspect of a coordinated logistics process. Driving associations incorporate these supply side issues in their key arranging. Assembling must likewise interface into a methodology and plan for acquisition. There should be solidarity inside the business

between showcasing, dissemination, creation and acquirement through the assignments of incorporated logistics the executives.

Packaging gives publicizing, promoting, insurance and capacity for merchandise. Bundling performs two essential capacities with advertising and logistics. In a showcasing sense the bundle goes about as a type of advancement or promoting, pulling in clients to and illuminating them about the item. From a logistics viewpoint, bundling fills two needs: it must shield the item from harm while it is being put away or transported, and can likewise make it simpler to store and move items by diminishing taking care of and along these lines materials dealing with expenses.

The errand of logistics is to design, arrange, control, and assess the progression of materials and data inside and between/among frameworks, and to guarantee the equipment required for the execution of these undertakings is accessible. The reason for logistics is that, obliging applicable necessities sought to be prepared for conveyance:

- the right item (dependably the item/administration required at the time must be made accessible);
- in the perfect sum (littler sums result in the ending of generation, while bigger sums bring about structure up stocks);
- in the correct quality (the item/administration quality must be made accessible that the customer requires);
- at the ideal time (the item/administration must be set aside a few minutes required by the customer);
- to the correct place (the item/administration must be made accessible at where the customer needs it);
- at the correct cost (the item/administration must be made accessible at the cost acknowledged by the customer) (Waters, C. D. J. (C. Donald J.), 1949–
Logistics : an introduction to supply chain management / Donald Waters)

The most essential calculated targets might be detailed based on fundamental strategic standards whereby the adequacy of generation, and administration arrangement procedures might be expanded:

- reducing conveyance due dates, and throughput times;
- maximum utilization of limits;
- reducing stocks and costs;
- increasing clearness;
- creating and expanding adaptability;
- generating low ecological burden, applying earth benevolent advancements;
- achieving high transportation limits;
- improving customer fulfillment and viability;

While arranging the fulfillment of these strategic goals the fulfillment of a solitary target must not be viewed as a detached issue, yet all calculated destinations ought to be sensibly considered in the meantime on a weighted premise.

Table 1. Logistic targets

Shortening of delivery deadlines	Shortening of throughput times
Maximum utilisation of capacities	Cutting expenses, increasing financial efficiency
Creation and increase of flexibility	Increasing transparency
Quality management	Developing re-cycling techniques
Low emission	Applying environmentally friendly technologies
Large transportation capability	Improving international cooperation
Increasing customer satisfaction	Increasing efficiency

Source: www.tankonyvtar.hu, Basics of Logistics

What performing artists of the economy today anticipate from logistics is the cutting of logistics related expenses, and accomplishing the suitable standard of customer administration. Essentially in decreasing logistics costs never to go for cutting the expenses of individual components of the strategic framework or the calculated procedure, yet – watching the idea of the frameworks approach – cost cutting must decrease cost on the whole framework considering likewise relations among the components of the framework. Expanding the customer administration level is an instrumental target in logistics in light of the fact that just those best adjusting to customer needs can win advertise rivalry, and that is unfeasible without raising the gauges of calculated administrations.

The accompanying figure speaks to the most vital key components required to accomplish strategic destinations.

Table2. Principle key components of accomplishing calculated goals

Specification of product structure	Improving cooperation
Structure of assets	Information system
Depth of production: make or buy, outsourcing	Electronic data exchange
Controlling	Re-cycling
Customer satisfaction	Logistic environment

Source: www.tankonyvtar.hu, Basics of Logistics

These most vital key components are as per the following:

- the structure of the strategic association;
- the structure of the item, the equipment and the data framework;
- the profundity of creation (make or purchase, redistributing);

- capitalising on upper hands by examination with the best (benchmarking);
- logistic controlling;
- recycling;
- customer fulfillment.

1.2. Main types of logistics

So as to expand the deals just as the piece of the overall industry, numerous organizations promote that their merchandise will perform well over some stretch of time. The clients are, in this way, persuaded in the event that they purchases the result of that organization, guaranteed of agreeable execution of the item. And yet, it is particularly clear that the organization can't guarantee the tasteful execution of every single of its item which is sold in the market. Maybe a couple of the items sold may not execute as publicized over the particular time frame. Such items should be brought back by the organization to affirm great client administration. Multination companies to secure their reputation and to prevent its rivals from getting its clients, review promptly the imperfect or inadequate item from the market. Product review is a basic competency coming about from increasingly unbending quality standards product termination dating responsibility for perilous outcomes. In this manner, the organization has inadequate merchandise that would be returned while confining the all out strategic framework arrange and ascertaining the all out expense of such an arrangement of system. Consolidating the merchandise returned in the all out strategic frameworks system and cost is called as Return Logistics. Return logistics prerequisite additionally result from the expanding number of laws denying arbitrary rejecting and transfer on one hand, while empowering reusing of waste, for example, refreshment holders, bundling materials, and so on. The most critical part of return strategic task is the requirement for greatest control when a potential wellbeing

obligation exist, for instance, a tainted medication in the market is very unsafe and the organization needs to review all the supply of debased medication.

Military logistics is the workmanship and exploration of arranging and completing the development and support of military powers. In its most thorough sense, it is those angles or military tasks that bargain with: design, improvement, securing, capacity, dissemination, upkeep, clearing, and mien of material, evacuation, and hospitalization of personnel, acquisition or development, support, activity, and states of offices.

3 PL, third party logistics depicts organizations that give one or huge numbers of an assortment of logistics related administrations. Sorts of administrations would incorporate open warehousing, contract warehousing, transportation the board, dissemination the executives, cargo combination. A third party logistics supplier may assume control over all getting, stockpiling, esteem included, sending, and transportation obligations regarding a customer and direct them in the 3PL's distribution center utilizing the 3 PLs hardware and representatives or may oversee one or these capacities in the customers office utilizing the customers gear, or anything blend of the above mentioned. Third party logistics can be characterized as the "matter of proposing physical dissemination changes to a customer and undertaking far reaching physical conveyance services. Third party logistics, another plan of action for physical circulation, began in the U.K. and turned out to be exceedingly well known in U.S. during the 90s. Third party logistics suppliers offer imaginative options in contrast to customers as complete logistics administrations. Since third party logistics necessitates that suppliers have cozy access to the corporate methodology of their customers, connections are based long haul contracts generally speaking. The developing interest for 3 PL can be ascribed to both demand & supply side elements. Faced with deregulation and developing challenge, transport organizations are looking for new business openings, and customers are trying to

redistribute their logistics tasks decrease expenses and spotlight the board assets on center organizations.

Customarily, providers and huge organizations have been satisfying the needs by expanded stock, speedier transportation arrangements posting nearby administration engineers and ordinarily utilizing an outsider specialist organization. Today they have to meet expanded dimensions of administrations according to online acquirement, complete supply perceivability, virtual stock administration and imperative coordinating innovation. Presently partnerships are redistributing their whole arrangement of inventory network process from a single design, make and run coordinated thorough production network arrangements. This advancement in store network re-appropriating is called fourth party logistics – the point being to give greatest generally speaking advantage. Subsequently a fourth gathering logistics supplier is a store network integrator that amasses and deals with the assets, abilities and innovation of its own association with those of reciprocal specialist co-op to convey an exhaustive inventory network arrangement. It use the abilities of outsider logistics suppliers and business process chiefs to convey an inventory network arrangement through a unified purpose of contact. As the fourth party logistics supplier takes into account various customers, the venture is spread crosswise over customers in this way exploiting economies of scale.

Income development by upgraded item quality, accessibility and improved client administration - all encouraged by the use of driving technology. Operating cost decrease can be accomplished through operational efficiencies, process upgrades and acquisitions. Funds will be accomplished by complete redistributing of inventory network capacities and not simply selected components. Fixed capital decreases will result from capital resource exchange and improved resource use. The fourth party logistics association will claim physical resources through opening up the customer association to put resources into center competencies. Emergence of fourth gathering logistics is another idea in inventory network re-appropriating. With the quick

headways of advances, it will be simpler to receive the rewards of fourth gathering logistics idea. In this way fourth gathering logistics is the eventual fate of store network the board.

Making of significant worth in a transformation procedure intensely relies upon accessibility of contributions on schedule. Making accessible these contributions on time at purpose of utilization at least expense is the pith of inbound logistics. Every one of the exercises of an obtainment exhibition cycle go under the extent of inbound logistics. Scope of inbound logistics covers transportation amid acquisition task, stockpiling, dealing with assuming any and generally speaking administration of stock of data sources. A few exercises or undertakings are required to encourage an efficient progression of materials, parts or completed stock into a manufacturing complex. They are sourcing, request arrangement and speeding up, transportation, accepting and capacity. Generally speaking, acquirement activities are called inbound logistics. Inbound logistics have potential roads for lessening frameworks costs. Shipping time, size of cargo, strategy for transport and estimation of items included are not the same as those of physical dissemination cycles. Ordinarily conveyance is extensive as an ease transportation mode is picked. As the estimation of stock is low, size of shipment is vast and travel stock expenses are low.

1.3. Economic contribution of logistics in the world

Logistics assumes an enormous job inside the present economy. It is evaluated that the UK logistics and posts sector is worth 55 bln to the economy and includes 5% of the UK GDP. The business additionally utilizes 1.7m individuals.

Simply envision an existence where nothing was conveyed or transported between locations. Not exclusively is logistics crucially critical to the dispersion business, it has made appropriation quick and effective. Truth be told, as indicated by the FTA (Freight Transport Association), in 2014, 139 bln ton km of products were

moved by HGV. In this aggressive market, it is incredibly helpful that organizations never again need to hang tight for what they need.

Numerous organizations depend on transport and logistics to keep their business strong. Today organizations have great foundation and record keeping, which keeps on improving through headways in innovation. As time has advanced, so has the significance of logistics, in truth this ascent has brought factors, for instance, warehousing and different offices closer to extensive towns and cities. Logistics is influencing organizations inside towns and urban areas, bringing more employments into these areas.

Being an imperative piece of the supply chain, logistics controls the viable forward and invert stream of merchandise and ventures cause to beneficiary. This implies that logistics affects the shipment of merchandise and how rapidly they can get to the purchaser, again adding an aggressive edge to other businesses. The pattern of outsider logistics (3 PL) is on the rise. Globally, the logistic business has seen an enormous development over the previous decade, with 40% of associations currently utilizing 3PL and the business being said to be worth \$750 bln comprehensively, and \$174 bln in Europe. This demonstrates an expansion in occupations for transporters, distribution center office proprietors, and specialists in cargo related jobs. Technology is making logistics progressively effective.

Logistics is one of the real consumptions for organizations, in this manner influencing and being influenced by other financial exercises. At the end of previous century, enterprises in the US spent an expected \$555 bln. on cargo transportation; aboutly \$330bln on stockpiling, and stock conveying expenses; and over \$41bln to control, impart, and deal with the logistics procedure; the complete costs on logistics along these lines adding up more than \$900 bln. In the first year of 2000s' , US business logistics frameworks costs totalled close to \$970 bln, the likeness 10 % of the US total national output estimated in ostensible dollars. Around the world,

organizations spent about \$3 trln on logistics. (Bank of America; as cited by Weaser, 2001).

Logistics redistributing is likewise enormous business in the US. In 2000s, outsider logistics specialist co-ops as 3 PLs, for instance, produced nearly \$56 bln income in the US and in 2001 assessed complete contract logistics showcase incomes were over \$60 bln. Logistics is additionally a colossal customer of land, work and capital, especially in industrialized nations where interest in logistics offices keeps running into a huge number, as it can be seen from the above precedent. As a huge part of GDP in the US approximately 10 % in 1996, logistics influences the rate of expansion, loan fees, profitability, vitality expenses and accessibility, and different parts of the economy. Anyway it has been accounted for that the normal association in the US, for instance, could improve its logistics profitability by 20 %. It is in this manner significant that organizations in the South African, as with those in every single other nation, improve their logistics profitability. By boosting the effectiveness of logistics tasks, logistics can make a significant commitment to the economy all in all. Logistics additionally assumes a key job in the economy in that it bolsters the development and stream of numerous financial exchanges. It is a significant action with respect to the help of the closeout of for all intents and purposes all merchandise and ventures. So as to relate to this job of logistics, consider the way that if merchandise don't touch base on schedule, clients can't get them. On the off chance that merchandise don't touch base in the right spot or condition, no deal can be made. All financial movement all through the store network would endure if the logistics work neglected to satisfy this role. The above dialogs of the small scale and large scale jobs of logistics the board are given to show the sweeping impacts and job of logistics in both the economy of organizations just as nations. Be that as it may, the remainder of this postulation will concentrate fundamentally on the smaller scale financial job of logistics.

A logistics center is the center point of a particular region where every one of the exercises identifying with transport, logistics and products conveyance – both for local and worldwide shipping – are completed, on a business premise, by different administrators. The administrators might be either proprietors or occupants of the structures or offices (stockrooms, conveyance focuses, capacity regions, workplaces, truck administrations, and so on.) worked there. So as to follow free market administrators, a logistics center must be open to all organizations engaged with the exercises mentioned above. A logistics center should likewise be outfitted with all the open offices important to doing the previously mentioned tasks. In the event that conceivable, it ought to likewise incorporate open administrations for the staff just as clients' hardware. So as to energize multi-purpose transport for products taking care of, a logistics center ought to ideally be served by an assortment of transport techniques (streets, rail, ocean, inland conduits, air). It is imperative that a logistics center be overseen as a solitary and impartial lawful body (ideally by a Public-Private-Partnership) if collaboration and business participation are to be guaranteed. At long last, a logistics center must consent to European models and quality execution so as to give the system to business and feasible transport arrangements.

The most significant components in the logistics center concept is dependent on three significant components:

- Territorial arranging close by infrastructure rationalization;
- Transport quality;
- Intermodality improvement.

These thusly produce other important impacts from financial aspects and transport issues.

Returning to the logistics center definition at the highest point of the page is helpful to a superior comprehension of this point. The logistics center is a particular region where every one of the exercises identifying with transport, logistics and products dispersion are completed by different administrators. Committing a

particular zone to transport, logistics and products circulation naturally infers arranging the region and legitimizing frameworks so as to advance region use, to protect the earth (moving the overwhelming traffic worried from neighborhoods to the logistics center), and to manufacture the foundations following explicit criteria dependent on administrator priorities.

The quality standard of administration is absolutely a standout amongst the most significant components in guaranteeing an astounding dimension of intensity, especially while thinking about that these days contending implies enduring the impacts of globalization. The expansion in cargo transport, globalization and developing challenge between all neighborhood generation regions have been constraining enterprises to request increasingly effective transport and logistics arrangements: this implies expelling diseconomy and bottlenecks. A logistics center is able to suggest the neighborhood generation framework the best arrangements as far as logistics, transport and capacity exercises. It includes monitoring transport expense increments and industrial profitability rivalry. The primary target of each one of those issues in a logistics center is to guarantee a top notch level, producing the accompanying transport framework impacts:

- Streamlining of the logistics line;
- Streamlining of lorry usage;
- Streamlining of distribution center usage;
- Streamlining of labor association;
- Diminishing in the all out transport costs;
- Reduction in the all out mechanical expenses;
- Abatement in faculty costs;
- Intermodality advancement.

Nowadays transport of road is as yet the most well-known transport means in Europe. The interest of this transport has been continually expanding in the course of the most recent 20 years, against a relentless abatement in rail cargo transport. The

most significant objectives of a logistics center are to: unite the progression of the cargo transport overseen by the vehicle and logistics administrators; offer advantageous transport and synergic arrangements, utilizing square transport prepares on long-run ventures. The most significant frameworks inside a logistics center are the stockrooms and the multi-purpose terminal. The stockroom is where the vehicle administrator for the most part plays out his business. There are distinctive kinds of stockrooms, contingent upon the action the vehicle administrator manages and the cargo it deal with.

In the course of recent years, worldwide exchange has expanded by about 600 %, impelling the development of logistics center points in basically every nation around the globe.

Due to a report issued by CBRE, "Global and Emerging Logistics Hubs," that recognizes 30 logistics center points that assume a key job provincial and worldwide supply chains. The report likewise indicates 20 developing center points that may end up worldwide center points throughout the following decade.

Worldwide logisticshubsindicate four mutual attributes:

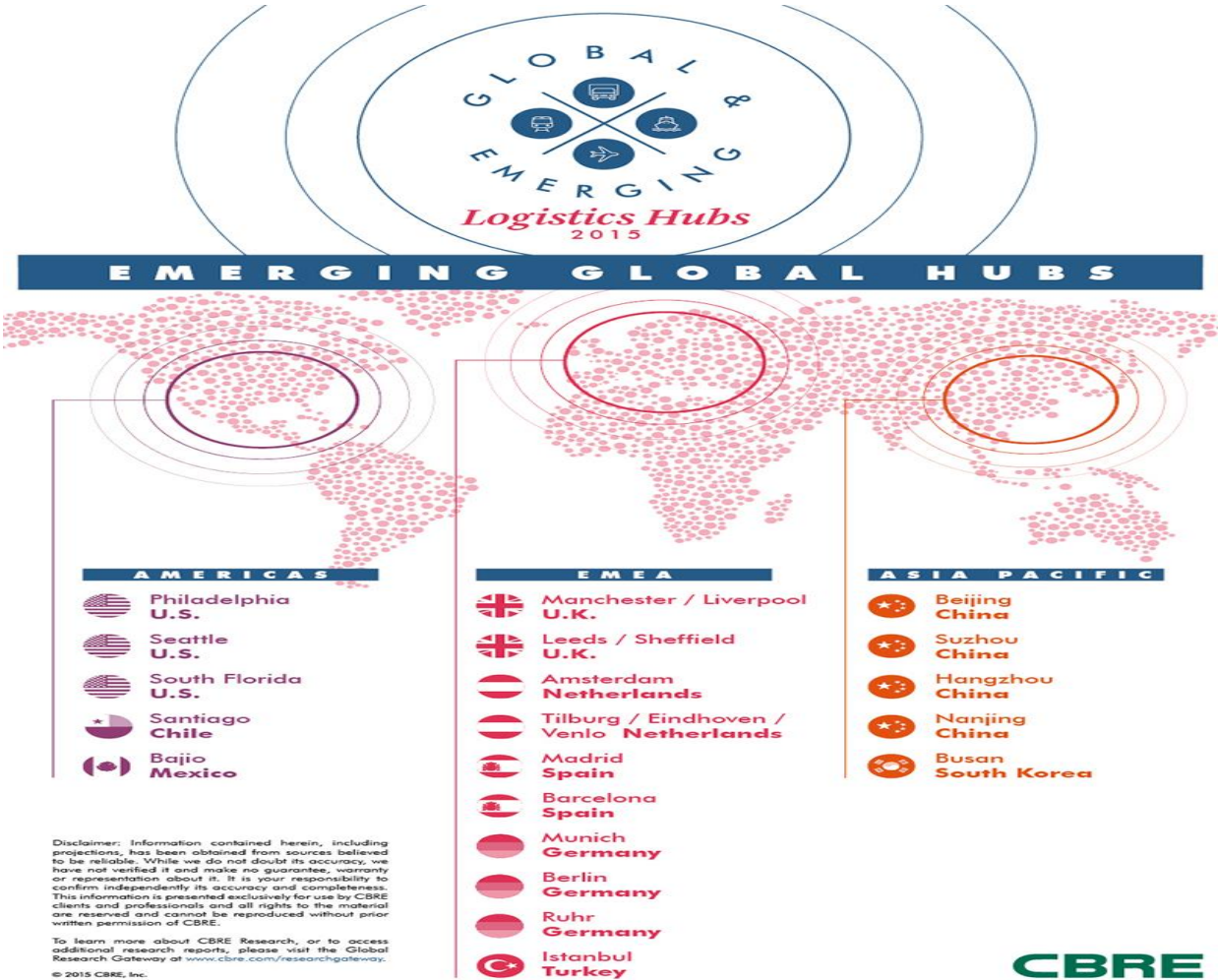
- Various transportation alternatives, for example, significant seaports/air terminals, key multi-purpose facilities and significant roadway exchanges;
- A plenitude of offices to process, store, and delivering items;
- Accessing to an expansive market and associated with other worldwide areas, as a rule through other worldwide logistics centers;
- A generally safe political condition and nearby economies that are vigorously involved in worldwide exchange of products and enterprises.

This report recognizes current worldwide logistics center points far and wide, incorporating 9 in North America, 5 in Asia, totally, 11 in Europe, the Middle East, and Africa. They incorporate the substantial center points of Antwerp, Belgium; Hong Kong, China; and Hamburg, Germany;Singapore and small sized however powerful

centers like Monterrey, Mexico; Toronto, Canada; Tokyo and Osaka/Kobe in Japan; Moscow, Russia; and Dubai, United Arab Emirates.

The rising logistics centers incorporate Busan, South Korea; Amsterdam, the Netherlands; Seattle, Washington, USA, the Bajío locale of Mexico (home to the developing mechanical focuses of Guanajuato, Querétaro, Aguascalientes, and Jalisco); Santiago, Chile; Philadelphia, Pennsylvania, USA; and Istanbul, Turkey.

Figure 1. Emerging global hubs



Source: www.cbre.com, Global and Emerging Logistics Hubs Report 2015

These areas warrant consideration from the commercial center, like logistics center points are typically home to expansive bunches of circulation offices that are

exceptionally looked for after by real land financial specialists and logistics administrators.

World Bank positioned Singapore the busiest logistics center among 155 states all around.

Real worldwide airplane terminals demonstrate basic to the proficiency of logistics in the district. The biggest payload air terminal on the planet is the Changi Airport in Singapore which deals with 2 mln tons of payload every year, service 6500 flights in a week, and associates 240 urban communities in 60 states.

Demonstration by the Cargo Traffic 2010 Data the Bangkok's and Kuala Lumpur's universal air terminals are as occupied. Both are a piece of the world's best 30 airplane terminals regarding payload traffic. Thailand's Suvarnabhumi Airport taken care of over 1.3 mln tons of payload while the Kuala Lumpur International Airport gloats of right around 700k tons of load at the same time.

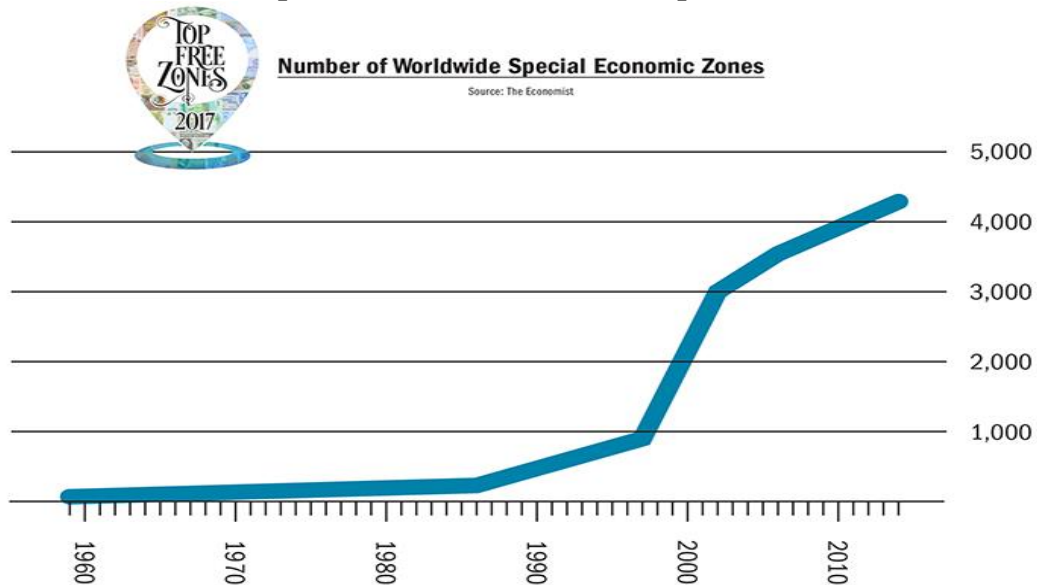
ASEAN, possibly assuming among the busiest as far as international shipping. Singapore implements 1/7 of the worldwide shipment throughput and dealt with a sum of 31,2 mln TEUs of holders in 2012. Other 6 container ports made it to the World Shipping Council's rundown of top 40 compartment ports all around. They are Tanjung Pelepas and Port Kelang in Malaysia, Tanjung Priok in Indonesia, Laem Chabang in Thailand, Ho Chi Minh in Vietnam, and Manila, Philippines.

Late of 2015, there were over than 4000 freezones. One could be excused for speculation there may be a one of a kind name for each individual zone: free zone, outside exchange zone, extraordinary monetary zone and so on. However, results are significant than name. So that Conway has made a Top Free Zones positioning out of the blue, perceiving the best two zones for each world area, as dictated by overview results from industry specialists and site determination advisors dependent on the accompanying choice criteria:

- Proven track record of accomplishment with speculators

- Ease of access to important data, including license necessities and different tasks prerequisites
- Support given to current financial specialists and planned speculators
- Well-educated personnel
- Ability to take into account clients who prefer foreign languages if required
- Accessible, easy-to-utilizeand enlightening website

Graph 1: Number of worldwide special economic zones

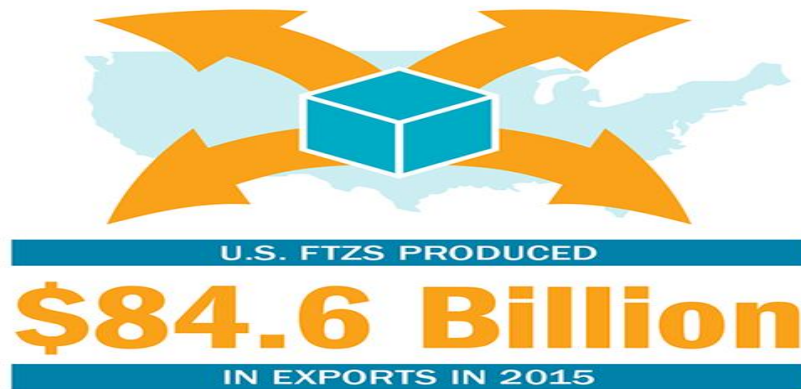


Source: www.siteselection.com, Top Free Zones 2017

While observing a blast in the quantity of free zones working worldwide in the previous couple of decades, including the quantity of states with a free zone expanding from under 30 out of 1975 to 130 out of 2006, few out of every odd free zone is an ensured achievement. India has several zones that haven't gotten off the ground, incorporating more than 60 in Maharashtra state alone. Vision, flexibility and great administration are demanded to guarantee a free zone succeeds. For instance, Costa Rica and India extended free zone generation objectives as of late. As opposed to concentrate exclusively on the material and attire creation that has since a long time ago commanded free zone generation, Costa Rica and India targeted to broaden their

free zone generation yield. Costa Rica has underlined gadgets and pharmaceuticals creation over the most recent couple of years, and India has expanded its emphasis on sustenance and hardware generation. The two nations perceive they should be versatile on the off chance that they wish to see their free zones succeed. There have been other free zone victories in the course of recent decades. Site selection managing editor Adam Bruns noticed "China's first unique monetary zone — Shenzhen — is presently a standout amongst its most created and imaginative urban areas." The Economist has contended South Korean zones are among the world's best because of their capacity to cultivate interfaces between organizations working during the zones and nearby providers. Honduras has additionally been fruitful at associating neighborhood ventures with organizations working inside their zones and something like 85 percent of the complete wages are given to nearby laborers. Chinese free zones currently utilize in excess of 40 mln individuals and record for a larger part of China's all out fares. The International Labor Organization's (ILO) "preservationist" 2014 gauge for complete overall work in free zones was 66 mln. When these are great measurements, it is likewise worth underscoring that numerous zones still have issues to handle. Numerous free zones include low level work condition, low payment and high turnover. By far most of free zone laborers are ladies, huge numbers of whom are misused with lower incomes and long working hours than male partners. US foreign trade zone send out creation (\$84 bln) was the second most noteworthy fare absolute ever for the US, plunging marginally from the earlier year because of intensifying oil economic situations in 2015. An aggregate of 2900 organizations work inside US FTZ and 420000 individuals are utilized in the FTZs

Figure 2: US FTZs' production in exports



Source:www.siteselection.com, Top Free Zones 2017

It is observed a solid connection between's framework quality and venture, fares and work in zones. Exchange assistance, for example, South Korea's encouraging of solid and positive connections among free zone organizations and nearby providers, is additionally firmly associated with program results. Conventional pointers of aggressiveness, including low wages, exchange inclinations and monetary motivators, are not connected with zone achievement. In spite of those pointers not being connected with zone achievement, the ILO notes many zone businesses favor young ladies since they can pay them not as much as men and progressively experienced laborers.

Most of free zones are troubled by interconnected and effectively cured hindrances to their prosperity, including absence of network support originating from a dismissal for nearby network advancement. In its 2016 piece "Mexico's Special Economic Zones: White Elephants?", the Woodrow Wilson International Center for Scholars' Mexico Institute exhorted the Mexican government to "characterize accomplishment as neighborhood improvement, not as outside venture" and to "maintain a strategic distance from enterprises that strengthen aggressiveness by means of low-paid-employments." The Mexico Institute contends long haul free zone achievement, relies upon supporting and building up the nearby network. The Institute

refers to explicit models in India and Bangladesh of disappointed and poor networks ascending against zone extends that don't bolster the nearby network.

The notification is obvious: zone ventures can't simply be monetary motivation zones for worldwide organizations. All should improve the prosperity of the encompassing network.

The Zone works as a fare handling zone and spotlights on creation of agri-nourishment, materials, calfskin, metallurgy, mechanical, gadgets, synthetic and high innovation.

The Zone profits by Morocco's different organized commerce understandings (FTAs), incorporating FTAs with the EU and the US.

The zone made in excess of 47000 occupations and pulled in more than €500 mln worth of interest in its initial 10 years of activity.

The Lekki Free Trade Zone works inside Lagos State and gives clients access to Africa's most crowded country, including its vast working-age populace in 18 – 34 ages.

The Zone takes into account assembling, oil and gas, land and the travel industry organizations.

The Zone is under 70 km far from Murtala Mohammed International Airport and around 50 km (31 miles) from Apapa Port, the biggest port in West Africa.

The Zone involves four traditions territories: Waigaoqiao Free Trade Zone, Waigaoqiao Free Trade Logistics Park, Yangshan Free Trade Port Area and Pudong Airport Free Trade Zone.

The zone covers 28.78 sq. km. (11.1 sq. miles) and gives legitimate administrations to imminent and current financial specialists.

The Foreign-Trade Zone is overseen by the non-benefit association Georgia Foreign Trade Zone, Inc., starts in Hartsfield-Jackson Atlanta International Airport, the world's busiest airplane terminal, and incorporates ports of section in the seaside urban areas of Savannah and Brunswick.

Benefits of utilizing the zone incorporate obligation decrease, obligation deferral and obligation end. Obligations are likewise not owed on work, overhead and benefit.

Consumers profit by obligation decreases and end, notwithstanding wiping out stock/advertisement valorem charge, wiping out disadvantages, limiting security costs because of traditions security necessities and staying away from amounts inside the zone itself.

Zone clients profit by help with stock control and can fit the bill for advantages on the off chance that they meet their legislative revealing duties, including direct conveyance and week after week section which can speed up item development.

The zone houses in excess of 92500 representatives, two metro stations, in excess of 600 retail outlets and in excess of 300 cafes.

The zone additionally includes 66 business and private pinnacle structures and five lodgings.

The Dubai Airport Free Zone suggests various setup and authoritative administrations to planned zone clients.

The zone gives access to the majority of the administrative divisions and private associations zone clients should facilitate with to build up and improve their tasks inside the zone. These associations help with visa procurement, work contracts, office rent understandings, telecom setup and security administrations, to give some examples.

The Klaipeda Free Economic Zone has in excess of 100 organizations working inside the zone, 27 greenfield venture extends and has in excess of 4000 representatives working inside the zone.

The Zone has practical experience in car, mechanical designing and gear, plastics and pet, nourishment and logistics, pressing and esteem chain the board items and administrations.

The Cadiz Free Zone works inside the Port of Cadiz and highlights stockrooms, stockpiling pits, ice chests, vehicle cranes, inclines and modern surface.

The Free Zone and Business Park gives an assortment of administrations to clients to guarantee effective establishment and exportation of their items notwithstanding giving clients access to Costa Rica's expansive 15-34-year-old working populace of more than 1,6 mln.

Franca Bogotá Zona is the main free zone in the Bogotá territory and is just 6 km from El Dorado International Airport.

CHAPTER 2. LOGISTICS INDUSTRY IN AZERBAIJAN

2.1. Modern state of logistics and its most developed branches in Azerbaijan

Following a significant number of its antiquated ways, the present New Silk Road crosses Eurasia by means of various transport hallways and ways. There are different rail and street hallways crosswise over Eurasia ordered by various global associations, including UNECE, UNESCAP, ABD's CAREC and IRU. Every passage is significant in its very own right, and every legitimacy a top to bottom investigation. Be that as it may, this report will restrain itself to an examination of the focal East-West hallway (for example Transport Corridor Europe, Caucasus, Asia (TRACECA)) and the corridor North-South over Azerbaijan.

The Transport Corridor Europe, Caucasus and Asia (TRACECA) program is an EU driven universal multi-purpose transport activity. It goes back to the May 1993 Brussels gathering between three South Caucasus and five Central Asian nations. The program got extra driving force with the consenting to of the "Basic Multilateral Arrangement on International Transport for Development of the Europe-the Caucasus-Asia Corridor", which occurred amid a recorded summit in Baku in September 1998. Part states set up an Intergovernmental Commission (IGC) and the TRACECA Permanent Secretariat, situated in Baku. The first signatories included twelve nations: Armenia, Azerbaijan, Bulgaria, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Romania, Tajikistan, Turkey, Ukraine, and Uzbekistan. The thirteenth part, the Islamic Republic of Iran, joined the TRACECA in 2009, while Lithuania has gone about as an onlooker.

It was confirmed by Azerbaijan on March 4 in 2011. This is a significant understanding, as the TRACECA course, especially its Azerbaijanis area, includes multi-purpose transportation by road, rail and ocean. Successful coordination between the nations of the Black Sea and the Caspian Sea area, and between the diverse methods of transportation, is pivotal to forming TRACECA into a quick, financially

savvy, and solid multimodal transport passageway. This understanding is the initial phase toward this path.

In 2007, the exchange between the TRACECA part nations represented \$41 bln, and their consolidated exchange with the EU was \$290 bln. However, the travel freight among Europe and China through the hall was nearly non-existent. The majority of TRACECA exchange goes through the Azerbaijan-Georgia portion, which is the busiest segment in the hall. So far, in any case, the TRACECA could reasonably be named an "OILCECA" ("Oil Corridor Europe, Caucasus, Asia"), given that practically 70% of load that goes along this course comprises of oil and oil products. Hence, the accomplishment of TRACECA depends, in addition to other things, on expanding and enhancing the kind of merchandise imported/sent out between part states in the medium term and furthermore the EU and China in the long haul. The key worries with the TRACECA course, particularly as to the shipment of non-oil freight, are cost and consistency. There are huge deferrals brought about by stacking/emptying tasks, outskirt intersections, traditions leeway, police checkpoints and lines along this course. The course crosses various nations, and consequently various diverse fringe and traditions checkpoints. In this manner there is a chain of reliance as far as timing. From numerous points of view, this interdependency is a positive advancement, especially for the landlocked nations in the district. Be that as it may, if the systems, needs and transport approaches of the flanking states are not synchronized, this association could turn into an obstacle. This issue requires a "superior view"- not just of the national and territorial segments of the TRACECA arrange, yet in addition of the entire inventory network, from Europe to the Caucasus and from Central Asia to China. The latest ADB CAREC think about on six CAREC halls in Eurasia uncovers that CAREC Corridor 2, which begins in the Mediterranean and goes by means of Azerbaijan to China's Xinjiang Province, is a standout amongst the most erratic as far as timing. At the point when there are no deferrals, the street transportation along this passageway has moderately high normal speed (40,5-49,4

km/h). However, visit delays decrease the normal speed to 19,3-16,1 km/h; in this way conveyance time is unpredictable. The time engaged with essentially stacking and emptying payload results in loss of over 12 hours for each 500 km of travel. Moreover, CAREC Corridor 2 has one of the most noticeably terrible exhibitions among rail transportation courses: the normal speed is between 3 to 9 km/h, when determined over the length of the entire course and the season of conveyance. These issues must be considered and tended to in a convenient manner so as to improve the productivity and adequacy of TRACECA hallway later on.

Azerbaijan's vehicle foundation incorporates 29000 km of highway, more than 2100 km of railways, 3 global airplane terminals, and a few provincial air terminals. The Baku International Airport is the biggest airplane terminal in the locale and the Baku Sea Port is the biggest ocean port on the Caspian Sea. All fragments of Azerbaijan's vehicle industry are developing quickly.

The vehicle of oil and gas is required to become quickly throughout the following couple of years as largescale oil ventures come onstream. The as of late finished Baku– Tbilisi– Ceyhan pipeline, with a limit of 1 mln barrels for every day, is now close limit. The legislature is assembling new pipelines and growing the limit of existing ones.

Shipping has delighted in a normal yearly development rate of practically 20% since the mid 90s. Azerbaijan will grow its transportation armada generously in the following 5 years, with an arrangement to manufacture another port and shipyard in Alat. It has connected for 27 additional licenses for its boats to go through Russian inland conduits to achieve the Black Sea (Volga– Don) and the Baltic Sea (Baltic– Volga). In July 2008, Qarabag, another Caspian ship with higher load conveying limit, was added to the armada.

Aviation has gotten over \$200 mln in total interests as of late. The Baku International Airport is an advanced airplane terminal equipped for taking care of the biggest traveler and freight planes. Azerbaijan is one of only a handful couple of

nations of its size that has four homegrown carriers: Azerbaijan Airlines (AZAL), Turan, Imair, and Silk Way.

Rail transport is likewise developing, to a great extent because of the expanding volumes of oil in travel the nation over. To satisfy its desire to be a key travel nation and a significant player in provincial exchange coordinations, Azerbaijan is redesigning its current street and rail foundation. Doing as such would in like manner drive the development of the non-oil area, particularly farming which utilizes 41 % of the populace and records for 7 % of total national output (GDP). At first look, with the volume of imports being generally equivalent to that of fares, the present traffic stream in the nation has all the earmarks of being adjusted. In actuality, be that as it may, the traffic is intensely imbalanced, particularly from the perspective of gear use. Barring the fare of oil and oil based items, Azerbaijan imports much more than it sends out. Its job as a travel nation likewise adds to the substantial unevenness as its traffic design is influenced by the import– send out examples of neighbors that course their products through its vehicle organize. The majority of Azerbaijan's inbound traffic comprises of hardware and parts utilized in oil and gas investigation and extraction, just as apparatus, development materials, gadgets, and buyer merchandise. These are by and large sent eastbound from Turkey through Georgia or southward from the Russian Federation. The vehicles and rail wagons utilized in inbound transport (e.g., for conveying overwhelming hardware and oil gear) are regularly exceedingly specific and not appropriate for conveying outbound traffic like horticultural wares. For instance, penetrating channels made by Sumitomo in Japan for British Petroleum (BP) are delivered to the Port of Nakhodka in Siberia, and after that stacked onto particular rail wagons and transported over the Russian Federation to Baku. These specific wagons all arrival void back to Nakhodka. Additionally, unrefined petroleum—a noteworthy fare and travel freight—is stacked into oil tank wagons on which for all intents and purposes no other kind of payload can be reloaded for their arrival to Azerbaijan from Georgian ports. The World Bank's January 2007

Consulting Services for Restructuring and Revitalizing the Railway of Azerbaijan—Marketing Report gives instances of this extreme traffic lopsidedness:

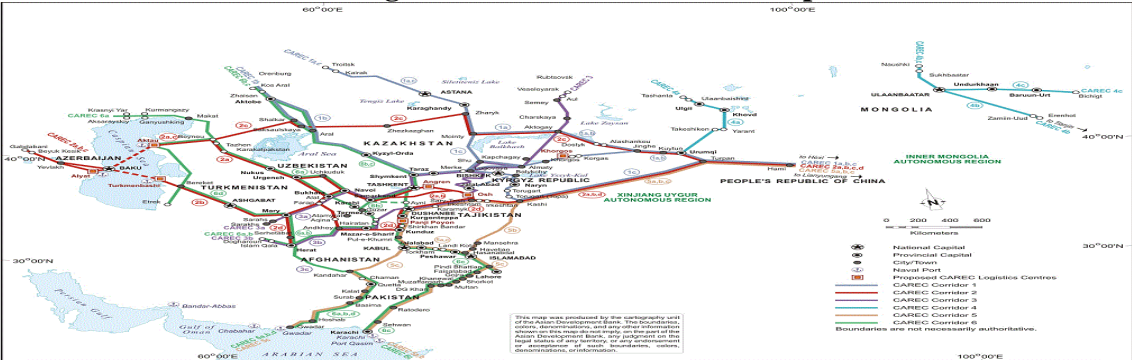
In the Russian fringe crossing station of Yalama, five cargo trains (around 280 wagons) move toward every path on an ordinary day. The proportion of stacked wagons voyaging southward is roughly twice as high as those voyaging northward.

In the Georgian fringe crossing station of Boyuk-Kesik, 17 cargo trains (around 850 wagons) move toward every path on a run of the mill day. The proportion of stacked westward wagons surpasses those eastward by eight to one.

Azerbaijan's 29000 km of thruways are deliberately critical to its neighbors in giving dependable travel courses. Azeri highways give an effective connection between the Caspian Sea and the Black Sea, just as between the Russian Federation and Iran. The major interstates for worldwide traffic are the east– west parkway that associates Baku by means of Alat, Ganja, and Gazakh to the Georgian fringe and the north– south thruway that keeps running from the Russian outskirt through Samur, Baku, and Astara to the Iranian fringe. Both roadways are around 500 km long.

The normal yearly day by day traffic map exhibits obviously the significance of Azerbaijan's highway system to travel traffic. In acknowledgment of its basic travel job, ADB will before long give Azerbaijan an advance to restore the M2 thruway fragment from Gazakh to Georgian fringe—a vigorously voyage segment of CAREC Corridor.(www.carecprogram.org/uploads/Transport-and-Trade-Logistics-Azerbaijan).

Figures 3: CAREC Corridor Map



Source: www.carecprogram.org

Trucks convey the vast majority of the household load and a lot of the global payload in Azerbaijan. Prevalent worldwide paths incorporate the Baku– Bandar Abbas, Baku– Poti, Baku– Moscow, and Baku– Istanbul courses. There is a high lopsidedness of traffic, with import traffic surpassing fare traffic by a wide edge. This awkwardness is reflected in the freight rates. model, the rate for transporting a holder from the Port of Bandar Abbas to Baku is \$2800– \$3000, while that for transporting a compartment from Baku back to Bandar Abbas is around \$1000, about 33% of the inbound charge. The local trucking industry is very little. The absolute number of local trucks is evaluated to be less than 1000. The Azerbaijan International Road Carrier Association (ABADA) has 50 transporter individuals that on the whole work 600 trucks. Twelve of the individuals are little sole ownerships that possess only a couple of trucks. The top local trucking organizations are:

- World Transport with 53 trucks;
- Union with 50 trucks;
- Vanderwal– Baku with 32 trucks;
- Caspian Transport with 30 trucks.

Thusly, the vast majority of the load in Azerbaijan is transported by outside claimed trucks. The dominant part is Turkish-possessed trucks, trailed by those of Russian, Ukrainian, Belarusian, and Iranian proprietorship. The greatest test for the local trucking industry is to overhaul old, out of date gear. Over portion of the business' armada comprises of old Russian Kamaz trucks that are named EURO 2 or beneath. These trucks emanate overwhelming dark smoke wherever they go and are restricted in EU nations. On account of a 5% traditions obligation, a 18% esteem included duty, in addition to grouped help charges, the cost of another European-made truck with humble particulars is around \$200000 in Azerbaijan. This cost is unreasonably high for most local organizations to manage, and financing is hard to acquire. Truck renting, regular in many nations, is certainly not a reasonable choice in Azerbaijan. Not at all like in numerous nations (e.g., the United States [US]), renting

organizations loath tax cuts that can be utilized to diminish rent charges. High loan costs and short rent periods (for the most part 3 years) lead to restrictively high month to month rent installments. ABADA is campaigning the Azeri government to execute measures to support interests in the trucking business.

Since Azerbaijan is landlocked, flying assumes a significant job in its traveler and freight transport frameworks. Its aeronautics division is among the most grounded in the CAREC area. It has three current global airports— Baku, Ganja, and Nakchivan— just as four homegrown carriers—AZAL, Silk Way, Imair, and Turan. Various huge worldwide transporters, including Lufthansa and British Airways, additionally give freight administration to Baku. The monster, all-freight universal aircraft, Cargolux, which has a cozy association with Silkway, covers Baku on its Luxembourg— Baku— Shanghai course. The Baku Cargo Terminal, contiguous the Baku International Airport, is one of the greatest payload terminals in the CIS. It is a class A multimodal coordinations focus finished in 2005. Its structure houses Silk Way Airlines, Imair Air Company, Eurasian Air Services, Lufthansa Cargo, and Panalpina. Azerbaijan is likewise all around served by a noteworthy number of outside bearers. With Dubai and Kuwait ending up increasingly more clogged with travel traffic, the Baku International Airport gives an unhampered travel point to Iraq and Afghanistan. Cargolux use Baku consistently for freight bound to those two nations. Moreover, Baku is utilized via air transporters to serve Azerbaijan's neighbors Uzbekistan, the Kyrgyz Republic, Kazakhstan, Turkmenistan, and Tajikistan, e.g., conveying basic oil industry parts to western Kazakhstan.

2.2. Logistic projects implemented in Azerbaijan and their influence to country's economy

Azerbaijan's 25000 km of highways and parkways assume a focal job in the vehicle foundation of the TRACECA passageway, giving a vital land-based travel course between Central Asia and Europe. About 4577 km of this residential system

are bigger national streets, including 1915 km arranged as global roadways, while 14222 km are littler nearby streets. Since 2000, the offer of motorways in the all out payload throughput of the nation stayed predictable, at about half. In 2010, 222 mln tons of freight was transported, of which 52 % (116 mln) went through streets and interstates. Traveler and cargo transportation through TRACECA alone have contributed \$480 mln to the state spending plan in 2010, of which \$144 mln originated from street cargo transport, and about \$77 mln from travelers transported via vehicles. The freight exchange along the Azerbaijani segment of TRACECA has expanded by 78% since 2000, with a normal increment of 6% every year. In 2010, 51,7 mln tons of products were transported along the East-West TRACECA course in Azerbaijan: 21,7 mln tons by highway (42 %), 20,6 mln tons by rail (40 %), and 9,4 mln tons via ocean (18 %). This conveyed more than \$400 mln to the state spending plan, and represented 23 % of the nation's all out load transport in 2010. 33 % of the TRACECA payload was comprised of travel merchandise, which were principally oil and oil based commodities from Kazakhstan and Turkmenistan. State income from the vehicle of travel payload in 2010 totaled \$151 mln - or 37% of the complete pay from load shipments transported through TRACECA.

Despite the way that TRACECA is a global passageway and the street transportation is the main mode in TRACECA exchange, the greater part of the freight transported by street in Azerbaijan was in actuality conveyed locally. Official Customs information recommends that in 2010, just about 1,3 mln tons of load brought the TRACECA course (out of an all out 21,7 mln) was conveyed by trucks over the Azerbaijan-Georgia border.²⁴ Likewise, most of travelers going in the East-West bearing in 2010 were local travelers. The all out number of travelers drove along TRACECA achieved 223 mln, with 219 mln by highway (98 %), 4 mln by railroad (2%), and 12000 via ocean (0,01%). The all out state salary from payload and traveler transportation by means of TRACECA was roughly \$403 mln and \$77 mln individually.

The second real method of transportation along TRACECA is rail transport. There are two TRACECA rail courses in the South Caucasus connecting Europe, the Caucasus, Central Asia and China: the Baku-Tbilisi-Batumi rail interface, and the Baku-Tbilisi-Poti rail interface. The rail association among Azerbaijan and Armenia, which had an augmentation to Turkey, never again exists, and the line among Armenia and Turkey is obsolete and non-working. The Baku-Tbilisi-Batumi/Poti railroad is associated with the European rail systems by means of the Black Sea rail ship administration in the West (for example Romania, Bulgaria and Ukraine), and the Kazakh and Turkmen rail systems toward the East.

From 2012, the Kars-Akhalkalaki railroad will interface Georgia and Turkey, and the TRACECA rail system will stretch out overland to South East Europe through Turkey. It will likewise approach Turkish ports in the Mediterranean Sea. Together these railroads will establish some portion of a 7000 km long rail connect among Europe and Asia. The Baku-Kars-Akhalkalaki rail route venture will take out the missing connection in Euro-Asian rail transportation and viably make another Eurasian rail hallway through Azerbaijan, Georgia and Turkey extending from China to Europe. Additionally, the finishing of this vital railroad by the mid 2013 is relied upon to support local exchange and travel traffic through TRACECA. When completed, the railroad will process somewhere in the range of 2 and 5 mln tons of payload for each year temporarily, and as much as 20 mln tons of freight and 3 mln travelers every year by 2034. In 2010, the payload transported by rail and ocean by means of the Azerbaijani area of TRACECA comprised 73 % and 80 % of the nation's complete rail and ocean freight throughput, separately. Out of 20,6 mln tons of TRACECA rail freight, in any event 70 % was worldwide shipments moved by Azerbaijan Railways (transport division), with the staying 30% being household rail shipments and other load conveyed by private administrators (non-transport part). Universal freight, including travel, remained at 14,4 mln tons of the vehicle part, of which in excess of 10 mln tons were oil and oil based commodities. When all is said

in done, oil and oil based commodities delivered by rail in the East-West pivot represented 53 % of complete TRACECA rail freight in 2010. The Boyuk Kesik fringe crossing point among Azerbaijan and Georgia is among the primary rail intersections of TRACECA and Azerbaijan's key rail passage to Europe with the biggest rail freight throughput. As indicated by the official information by the ADY, in 2010, around 13 mln tons of cargo was moved by ADY by means of the Boyuk Kesik rail outskirts crossing, of which 10,9 mln was the active traffic. About 93 % (10,1 mln tons) of all cordial load was oil and oil based goods, of which travel oil was 6,6 mln tons. The approaching traffic was part between imports (1 mln tons or 51 %) and travel (979300 tons or 49 %). The travel rail load represented 7,2 mln tons or 66% of absolute freight throughput at Boyuk Kesik, trailed by fares with 3,7 mln tons or 34 %. All in all, the rail travel freight by means of TRACECA's Azerbaijan segment represented 87 % of absolute travel products conveyed by ADY in 2010. The worldwide gathering on the reclamation of the Great Silk Road was held in Baku on September 7-8 1998 on the activity of national pioneer Heydar Aliyev. It was gone to by leaders of 9 nations (Azerbaijan, Turkey, Georgia, Ukraine, Moldova, Romania, Bulgaria, Uzbekistan and Kyrgyzstan), and agents of 13 worldwide associations and abnormal state appointments from 32 nations. The meeting finished with the marking of the Basic Multilateral Agreement on International Transport for Development of the Europe-the Caucasus-Asia Corridor inside the EU's TRACECA program and the reception of Baku Declaration.

The consent to build up the current universal North-South Transport Corridor (NSTC) was first marked between Russia, Iran, and India in Saint Petersburg in 2000. In this way, Azerbaijan, Armenia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkey, Ukraine, Belarus, Oman, Syria and Bulgaria (as an eyewitness) joined the understanding. Azerbaijan authoritatively joined the venture in September 2005. The NSTC's unique course was intended to use the Russian and Iranian ports in the Caspian Sea while crossing from Russia to Iran, especially the ports of Astrakhan and

Ola in the north and Anzali and Amirabad toward the south. As new individuals joined the understanding, two elective land-based courses were included. Presently, there are three elective transport courses in the NSTC. The first and unique course is the focal NSTC course that begins in Helsinki, Finland and experiences St. Petersburg to the Russian Caspian ports of Astrakhan and Ola, so, all things considered it crosses the Caspian Sea to the Iranian ports in the south Caspian (fundamentally Anzali and Amirabad, yet additionally Nowshahr). From Iran, the course proceeds to India through Iran's Persian Gulf ports of Bandar Abbas (Shahid Rajaei SEZ) and Chabahar. There is likewise a conceivable land-based course from Iran to India crosswise over Pakistan, yet this choice is probably not going to be utilized for the time being. The second or the western NSTC course navigates along the western shore of the Caspian Sea crossing Azerbaijan and going to Iran and India. This is possibly the quickest and most limited land-based course connecting St. Petersburg and Helsinki to Bandar Abbas by highway and rail. Be that as it may, it has a missing rail interface among Azerbaijan and Iran (the Qazvin-Rasht-Astara section), which will be talked about in detail later. The third, eastern, NSTC elective goes crosswise over Russia, Kazakhstan and Turkmenistan along the eastern shore of the Caspian Sea to Iran and India (with conceivable augmentation to Afghanistan and Pakistan). This course has as of not long ago had a missing rail interface between Kazakhstan, Turkmenistan and Iran, which was finished in 2011. As per the arrangements of the Basic Multilateral Agreement, a choice was made to set up the Permanent Secretariat of TRACECA Intergovernmental Commission in the city of Baku. The base camp of the Permanent Secretariat were initiated on February 21 2001. By adding to the rebuilding of the noteworthy Great Silk Road, Azerbaijan has assumed an essential job in deciding primary improvement directions. Azerbaijan is directly a member of the Silk Road Economic Belt started by China. A notice of comprehension on joint consolation of the foundation of the Silk Road Economic Belt was marked between

the Government of Republic Azerbaijan and the Government of the People's Republic of China amid President Ilham Aliyev's state visit to China in December 2015.

Authorized on October 30 2017, the Baku-Tbilisi-Kars railroad is intended to reestablish the Great Silk Road through connecting the Trans-European and Trans-Asian railroad systems.

A concurrence on development of the Baku-Tbilisi-Kars railroad was marked in Tbilisi, Georgia, on February 7 in 2007, on the activity of President of the Republic of Azerbaijan Ilham Aliyev. The notable service of the railroad was held in Marabda, Georgia, in November of that year. In July 2008, the initiation function of the Kars-Georgia outskirts stretch of the railroad occurred in Kars. A 504km significant lot of the railroad, which is 850 km long, goes through the region of Azerbaijan. A 263 km-long part goes through Georgia, while a 79 km long area through Turkey. The Baku-Tbilisi-Kars lessens travel time among China and Europe, which makes it more than twice quicker than the ocean course. The railroad, which adds to solidness and security, is required to have a yearly limit of 5 mln tons of cargo at the underlying stage. What's more, the limit will at that point achieve 17 mln tons and considerably more later on.

The development of the undertaking on the notable Great Silk Road builds its engaging quality for local nations and in the meantime gives simple access to the European and world markets for the Central Asian nations – Turkmenistan, Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan, just as Afghanistan. It assumes a pivotal job in building up their exchange relations and boosting and incorporating their economies.

One of the fundamental points of interest of Baku-Tbilisi-Kars venture is that Azerbaijan gets an immediate railroad interface with Turkey through the domain of Georgia. This, thusly, adds to fortifying relations between the two states. Another preferred standpoint is that venture extends up to Nakhchivan Autonomous Republic. It is intended to fabricate a different railroad from Kars to Nakhchivan which will lift

the Armenian barricade of the self-governing republic and guarantee its transportation autonomy.

Made in Alat settlement in Garadagh locale, Baku, under directions of President Ilham Aliyev, the Free Trade Zone, which additionally covers the region of the Baku International Sea Trade Port, will assume a significant job in changing Azerbaijan into a universal transport center point. Aside from assuming a main job in universal load transportation and Europe-Asia coordinations chains, the free trade zone will fundamentally add to advancing the neighborhood creation and guaranteeing the acknowledgment of "Made in Azerbaijan" brand around the world. The Free Trade Zone is required to serve a market with a complete populace of 130.000.000 individuals and covering the Southern Caucasus, Central Asia, Russia and a piece of Turkey.

Azerbaijan assumes a functioning job in making the North-South Transport Corridor as per the "Key Road Map for Development of Logistics and Trade in the Republic of Azerbaijan". This changes the nation into a key transport and coordinations center at the crossing point of two cross-country passageways at the focal point of Eurasia. The North-South Transport Corridor will connect India, Pakistan, Iran, Azerbaijan, Russia and Northern Europe.

Azerbaijan is the main nation on the planet, which has land outskirts with both Russia and Iran, and this geographic area is of essential significance to creating trilateral local participation.

Work to set up the Azerbaijani segment of the North-South Transport Corridor has just entered the last stage. A significant piece of the hallway – a segment extending from the Azerbaijan-Russia outskirt to the Azerbaijan-Iran fringe – is completely prepared for use. Furthermore, Azerbaijan additionally takes part in financing the development of Astara-Rasht-Gazvin railroad in the domain of Iran. Azerbaijan intends to give a \$500 mln advance to Iran for the development of Astara-Rasht railroad and its logistics support.

As per the key guides, Azerbaijan will get the accompanying offers through expanding the volume of travel exchange the district until 2020:

- 40 percent on the Central Asia and Black Sea course;
- 25 percent on the Central Asia and Europe course;
- 3 percent on the China and Europe course;
- 40 percent on the Russia and Iran course;
- 25 percent on the Iran and Black Sea course.

There are likewise plans to incorporate the North-South and Baku-Tbilisi-Kars transport hallways. Azerbaijan is a functioning member in the two ventures. This will profit China, Kazakhstan, Central Asian nations, Azerbaijan, Georgia, Turkey and Europe.

The way toward changing Azerbaijan into a global transport center point proceeds in the accompanying ways:

- advancement of financial, exchange, transport and strategic relations between European, Black Sea, Caucasus, Caspian and Central Asian districts;
- advancement of the most limited multimodal land passageways among China and the EU;
- production of the North-South Transport Corridor;
- fascination of travel payload as a feature of the Great Silk Road;
- extensive improvement of calculated and exchange foundation and Azerbaijan's change into a much progressively appealing center point around there through the administrative upgrade;
- digitalization of the Great Silk Road through Azerbaijan's Digital Transport Network and TASIM ventures;

coordination of relations between various transport territories;

- facilitated arrangement concerning global and household levies on freight and traveler transportation;

- improvement of the planned movement programs on the association of multimodal transportation, and so on;

Azerbaijan has been at the focal point of exchange among Asia and Europe for centuries, as the Silk Road went through Azerbaijan. Today, as exchange streams increment among Europe and Asia, Azerbaijan is rising as a vehicle and logistic center point at the junction of Eurasia. Azerbaijan is a home for the "Transport Corridor Europe-Caucasus-Asia" TRACECA, the worldwide program on formation of a vehicle passageway from Europe to Asia through the Caucasus. It includes the European Union and 14 conditions of Eastern Europe, Caucasus and Central Asia. Its changeless secretariat is situated in Baku, Azerbaijan. It is no big surprise that Azerbaijan has the Program, as the Trans-Caspian East-West Corridor is viewed as the briefest linkage between China and Europe, both in separation and time. The normal length of the hall is 4200 km, and conceivable travel period is around 12 to 14 days which empowers load shippers to have 70 % efficient in correlation with conventional sea shipment. Meanwhile this course gives bounty of chances for rising economies of Central Asia to achieve European markets. Furthermore, Azerbaijan is as of now collaborating with its accomplices on the formation of quicker South-to-North transport hallway. Hypothetically, utilizing the two halls Azerbaijan can pull in extra exchange volume of right around 230 mln tons. As per the Strategic Roadmap for the development of logistics and Trade, Azerbaijan will turn into a vital worldwide logistic center point by 2025. This will require fascination of extra interest in transport foundation, coordinations and exchange. The projection for venture into the referenced parts to be pulled in by 2020 surpasses 3 bln manat. Noteworthy speculation has been made to update the vehicle framework to EU norms. This incorporates 10185 km of developed and restored streets and roadways; the Baku-Tbilisi-Kars railroad line, to interface the Trans-European and Trans-Asian railroad organizes; the new Baku International Sea Trade Port with limit of 10-11,5 mln huge amounts of payload and 50 thsd teu (to be expanded up to 21-25 mln huge amounts of

load and 1 mln teu); the new Heydar Aliyev terminal at Baku International Airport with its state of the workmanship administrations and critical limit with respect to travel travelers, just as the new air load terminal. In addition, Azerbaijan puts resources into creation of calculated focuses in key markets. The main such focus was set up in Aktau, Kazakhstan so as to build fare of Azerbaijani items into the Central Asian market. Legislature of Azerbaijan set high need for further improvement of nation's travel potential. The Logistics Council of the Republic of Azerbaijan on Transit Freight was set up in 2015 with the intend to expand the aggressiveness and adequacy of the travel hallways passing through its region, inclusion of extra travel streams to these hallways, including improvement of transportation quality, diminishing conveyance time and bringing down transport costs.

During january-march months of current year export of country valued 4,5 bln dollars and it means a rise of 1.1 bln dollars or 34 % in respect to the same period of last year. In a given period export on non-oil sector valued 415 mln dollars and it is an increment of 59 mln dollars or 16,5 % in respect to the same period of last year. During the first quarter of current year values of export on non-oil sector are as below:

- Russia, 115 mln dollars (an increment of 17% in respect to the same period of last year);
- Turkey, 99 mln dollars (an increment of 2% in respect to the same period of last year);
- Georgia, 50 mln dollars (an increment of 58% in respect to the same period of last year);
- Switzerland, 33.7 mln dollars;
- Italy, 12.7 mln dollars (an increment of 74% in respect to the same period of last year).

During march of 2019, export on non-oil sector valued 133,7 mln dollars, respectively, Turkey (35,7 mln dollars), Russia (33,3 mln dollars) and Georgia (13,2 mln dollars).

(http://iqtisadiislahat.org/store//media/documents/ixrac_icmali/2019/04_ExportReviw2019.pdf).

The Baku-Tbilisi-Ceyhan Main Export Oil Pipeline has been doing transportation of the Azeri oil from the Caspian Sea to the Ceyhan Port of Turkey, and from that point to European markets by means of the Mediterranean Sea. The BTC pipeline was worked amid the period from second quarter of 2003 to April 2005. The pipeline is 1768 km long. Measurement of the pipeline is 46-42-34 inches. Throughput limit of the pipeline is one mln barrel multi day. Objects of the BTC pipeline incorporate eight siphon stations – two in Azerbaijan (counting Sangachal), two in Georgia and four in Turkey, three scrubber propelling stations (one in Azerbaijan, two in Turkey). Filling the BTC pipeline with oil began on May 6, 2005, and the principal oil tanker loaded up with the oil transported through this line was dispatched on June 4 in 2006. Number of supplies in Ceyhan is seven. Complete stacking limit is 600000 to two mln barrels. Baku-Tbilisi Ceyhan (BTC) pipeline conveys oil from the Azeri-Chirag-Deepwater Gunashli (ACG) field and condensate from Shah Deniz crosswise over Azerbaijan, Georgia and Turkey. It joins Sangachal terminal on the shores of the Caspian Sea to Ceyhan marine terminal on the Turkish Mediterranean coast. What's more, unrefined petroleum from Turkmenistan keeps on being transported by means of the pipeline. Beginning in October 2013, we have additionally continued transportation of certain volumes of Tengiz unrefined petroleum from Kazakhstan through the BTC pipeline. The pipeline that ended up operational in June 2006 was worked by the Baku-Tbilisi-Ceyhan pipeline organization (BTC Co) worked by BP. The pipeline covered along its whole length is 1768 km in complete length: 443 km in Azerbaijan, 249 km in Georgia, and 1076 km in Turkey. The Azerbaijan and Georgia areas of the pipeline are worked by BP in the

interest of its investors in BTC Co. while the Turkish area is worked by BOTAS International Limited (BIL). The distance across of the pipeline is 42 crawls all through a large portion of Azerbaijan and Turkey. In Georgia the pipeline distance across is 46 inches. The pipeline width lessens to 34 crawls for the last downhill area to the Ceyhan Marine Terminal in Turkey. Throughput limit – one mln barrels for each day from March 2006 to March 2009. Since March 2009 it has been extended to 1,2 mln barrels for each day by utilizing drag decreasing specialists (DRAs). On 11 August in 2014, BTC commended the stacking of the 2 blnth barrel of oil at the Ceyhan terminal in Turkey. The BTC pipeline goes through 13 areas in Azerbaijan: Garadagh, Absheron, Hajigabul, Agsu, Kurdamir, Ujar, Agdash, Yevlakh, Goranboy, Samukh, Shemkir, Tovuz, Agstafa; 7 in Georgia and 9 in Turkey. In 2018, BTC spent roughly \$116 mln in working consumption and about \$41 mln in capital use. Since the 1768 km BTC pipeline ended up operational in June 2006 till the finish of 2018, it conveyed a sum of about 3,12 bln barrels (around 417 mln tons) of unrefined petroleum stacked on 4085 tankers and sent to world markets. Amid the year, BTC traded around 255 mln barrels (around 34 mln tons) of raw petroleum stacked on 327 tankers at Ceyhan. The BTC pipeline right now conveys basically ACG unrefined petroleum and Shah Deniz condensate from Azerbaijan. Also, different volumes of unrefined petroleum and condensate keep on being transported by means of BTC, including volumes from Turkmenistan, Russia and Kazakhstan.

The Trans-Anatolian Natural Gas Pipeline (TANAP) is a gaseous petrol pipeline in Turkey. It is the focal piece of the Southern Gas Corridor, which will interface the monster Shah Deniz gas field in Azerbaijan to Europe through the South Caucasus Pipeline, TANAP and the Trans Adriatic Pipeline. The pipeline has a key significance for both Azerbaijan and Turkey. It permits the main Azerbaijani gas fares to Europe, past Turkey. It likewise reinforces the job of Turkey as a territorial vitality center point. The development of the 1,841-kilometer (1,144 mi)- long pipeline began in March 2015, and it was introduced in June 2018. The task was declared on 17

November 2011 at the Third Black Sea Energy and Economic Forum in Istanbul. On 26 December in 2011, Turkey and Azerbaijan marked a notice of comprehension setting up a consortium to manufacture and work the pipeline. In spring 2012, the way toward leading the specialized financial practicality think about was launched. On 26 June 2012, President of Azerbaijan Ilham Aliyev and after that Prime Minister of Turkey Recep Tayyip Erdoğan consented to a coupling intergovernmental arrangement on the pipeline. Also, the understanding was marked by Azerbaijani Industry and Energy Minister Natig Aliyev and Turkish Minister of Energy and Natural Resources Taner Yildiz. The underlying concurrence on authoritative issues among BOTAŞ and SOCAR was marked by Natig Aliyev and Taner Yildiz, SOCAR President Rovnag Abdullayev and BOTAŞ Deputy Director General Mehmet Konuk. The host nation understanding was marked by Yildiz and Abdullayev. On March 17, 2015, both Erdoğan and Aliyev met with Giorgi Margvelashvili, President of Georgia, in the city of Kars in Eastern Turkey to formally establish the frameworks for the pipeline and denoting the work as started. On 12 June 2018, the TANAP was initiated at the blower estimating station in Eskisehir. The function was gone to by the Turkish president Erdogan, the Azerbaijani President Aliyev, the Ukrainian president Petro Poroshenko, the Serbian president Aleksandar Vucic and the Bulgarian leader Boyko Borisov, as likewise by the head of SOCAR Abdullayev, Turkish clergyman of vitality and common assets Berat Albayrak, and the CEO of BP Bob Dudley. On November 21, 2018, Trans-Anatolian Pipeline (TANAP) and the Trans-Adriatic Pipeline (TAP) have been joined along the shores of the Maritsa River at the Turkish-Greek fringe. Because of the joining of these two pipelines, Azerbaijani petroleum gas from the Shah Deniz-2 field can be transported to Italy by means of Azerbaijan, Georgia, Turkey, Greece, Albania, and the Adriatic Sea. The pipeline cost US\$8.5 bln. \$800 mln of subsidizing was affirmed by the International Bank for Reconstruction and Development. The limit of the pipeline is 16 bln cubic meters (570 bln cubic feet) of gaseous petrol every year at introductory stage and would be expanded later up to

23 bln cubic meters (810 bln cubic feet) by 2023, 31 bln cubic meters (1,1 trillion cubic feet) by 2026, and at the last stage 60 bln cubic meters (2,1 trillion cubic feet) to have the capacity to transport extra gas supplies from Azerbaijan and, if the Trans-Caspian Gas Pipeline, from Turkmenistan. Its ability would be expanded by including parallel circles and blower stations as indicated by the expansion of accessible supplies. The pipeline will comprise of 56 inch (1400 mm) funnels until Eskişehir, and 48 inch (1200 mm) pipes from that point. The most extreme tallness of the pipeline is 2700 meters above mean ocean level. The pipeline will begin from Sangachal terminal and in domain of Azerbaijan it will be the development of existing South Caucasus Pipeline (SCPx). From end purpose of SCPx which is in Erzurum it will be proceeded to Eskişehir where it will empty 6 bcm of gas qualified for Turkish purchasers. From Turkey-Greece fringe it will proceed through Greece, Albania and will finish in Italy. The definite course of the pipeline isn't clear. In any case, it was declared that one branch from Turkey would go to Greece and the other to Bulgaria. It would be associated with Trans Adriatic Pipeline. The Turkish government said in March 2015 that a branch from Greece through Macedonia and Serbia to Hungary was additionally underconsideration. The TANAP is worked by SOCAR. SGC holds 58% stake in the task. Turkey's pipeline administrator BOTAŞ claim 30%, while BP gained 12% in the undertaking on March 13, 2015. The TANAP venture organization is headquartered in the Netherlands. At first, Azerbaijan had held a 80% stake, with Turkey owning the rest of. The Turkish stake was partitioned between the Turkish upstream organization TPAO (15%) and the Turkish pipeline administrator BOTAŞ (5%). The universal organizations from the Shah Deniz consortium (BP, Statoil and Total) had an alternative to take up to 29% in TANAP. Notwithstanding, just BP practiced this choice in December 2013. The Turkish government chose then that just BOTAŞ will hold a stake (20%) in TANAP. The Turkish pipeline administrator obtained an extra 10% in May 2014. SOCAR's underlying arrangement was to hold 51% and operatorship of the venture. A few

private Turkish organizations had been keen on the remaining 7%, yet this did not emerge.

Azerbaijan's rail arrange has more than 2100 km of track, of which 828 km are twofold followed and 1270 km are jolted. It is constrained by AR, an administration substance that capacities both as the rail administrator and the rail controller. Rail load is delivered in the two wagons and compartments. The railroad arrange conveys 26,5 mln tons of cargo and over 4,5 mln travelers every year. Oil and oil items represent roughly 54% of AR's cargo traffic, with development materials, metals and metal items, and grains representing 23%, 9%, and 5% of the tonnage moved, individually . AR's traffic is intensely imbalanced. Tank wagons conveying oil and oil items from the Caspian Sea coast westward to the Georgian fringe are returned void. Correspondingly, because of the little measure of fares, wagons conveying arranged import merchandise (e.g., hardware, metal items, and grain) to Azerbaijan additionally return unfilled. Barring oil and oil items, which are moved in particular committed tank wagons to Port Batumi in Georgia, AR took care of 5656420 tons of imported merchandise and 919424 tons of traded products in 2005, the previous surpassing the last by more than multiple times. Besides, the Russian government is working with Azerbaijan and Iran to make a north– south rail interface between the Russian Federation and Iran. This will require:

- Iran to develop another 300 km track from Tabriz to the outskirts on the Iranian side or a rail connect from Tehran by means of Bandar Anzali to the fringe on the Iranian side;
- Azerbaijan to develop a 7 km track from Astara to the outskirts on the Azerbaijan side.

Russian Railways is giving specialized and building backing to Iran and Azerbaijan in this undertaking. When finished, the \$1.5 bln rail rebuilding venture, the new KTB railroad, and the new Russian Federation– Azerbaijan– Iran rail connection will cement AR's basic job in rail travel traffic in Central Asia.

The Baku– Tbilisi– Kars (BTK), or Baku-Tbilisi-Akhalkalaki-Kars railroad (BTAK), wound up operational on 30 October in 2017. This is a territorial rail interface undertaking to straightforwardly associate Azerbaijan, Georgia and Turkey. The undertaking was initially to be finished by 2010. The Baku-Tbilisi-Kars venture is proposed to finish a vehicle hall connecting Azerbaijan to Turkey (and along these lines Central Asia and China to Europe) by rail.(In late 2015, a merchandise train took just 15 days to go from South Korea to Istanbul through China, Kazakhstan, Azerbaijan, and Georgia—extensively less time than a voyage via ocean.) The line is expected to transport an underlying yearly volume of 6,5 mln tons, ascending to a long haul focus of 17 mln tons A multi-sidelong accord to construct the connection was marked by the three nations in January 2005. Because of an absence of subsidizing right now, this venture was pretty much abandoned. However, amid the introduction of the Baku– Tbilisi– Ceyhan pipeline in May 2005, the Presidents of Azerbaijan, of Georgia and of Turkey evoked by and by the likelihood of structure a railroad between their three countries.For the development of the railroad on A georgian area, Azerbaijan is giving a US\$200 mln credit to Georgia, repayable in 25 years, with a yearly loan fee of 1%. A concessional advance understanding for this financing has just been marked between a Georgian state-claimed organization Marabda-Karsi Railroad LLC and Azerbaijan. Azerbaijan again assigned to Georgian government an extra \$575 mln at the rate of 5% per annum. As of September 2007, the State Oil Fund of Azerbaijan has distributed the first US\$50 mln portion of this loan. The European Union and the United States declined to aid the financing oradvancing of the line since they considered it to be intended to sidestep Armenia, supporting rather the reviving of the Kars-Gyumri-Tbilisi railroad, thanks to some extent to weight on the US Congress from Armenian entryways in Washington like ARMENPAC or the Armenia National Committee in America. The EU did later "welcome the new rail corridor".In February 2007 in Tbilisi, Azerbaijan, Georgia and Turkey consented to a trilateral arrangement to dispatch the development of the

railroad the equivalent year. On 21 November 2007, the leaders of Azerbaijan Iham Aliyev, Georgia Mikheil Saakashvili, and Turkey (Abdullah Gül) introduced the development of the railroad at a pivotal function at the Marabda intersection south of Tbilisi, and the primary rails in Turkey started to be laid in July 2008 from Kars.

In November 2014, Turkey's Transportation Minister, Lütfi Elvan, expressed that 83% of the venture had been completed. According to gauges, the railroad line will be equipped for conveying 17 mln tons of load and around three mln travelers by 2030. On 30 January 2015 the primary test train kept running along the new (Georgian) stretch of track among Akhalkalaki and Kartsakhi within the sight of the Georgian Minister of Economy and Sustainable Development, Giorgi Kvirikashvili, and the Azerbaijani Minister of Transport, Ziya Mammadov. As per Kvirikashvili, 'real development takes a shot at 180 km (110 mile) railroad are really finished and each exertion will be made to finish Baku– Tbilisi– Kars rail route works in late 2015.'it was declared in Georgian media that administration would not start before an unspecified time in 2016. The remote clergymen of Azerbaijan (Elmar Mammadyarov), Georgia (Mikheil Janelidze) and Turkey (Mevlüt Çavuşoğlu) held a fifth trilateral gathering in Georgia on 19 February in 2016, amid which they ventured out to the new Georgia-Turkey outskirts crossing at Kartsakhi-Çıldır, along these lines hailing the railroad venture as "noteworthy" and noticing its significance for the locale with regards to the new Silk Road. Seven days before the outside pastors met, a seventh gathering of the Baku-Tbilisi-Kars co-appointment chamber was held in Tbilisi, amid which the Turkish and Azerbaijani transport priests and the Georgian account serve declared that the railroad will be operational in 2017 when take a shot at the Turkish segment is finished. The railroad was formally initiated in the Alat Port of Baku, Azerbaijan on 30 October 2017 by the pioneers of Azerbaijan, Turkey, and Georgia, Kazakhstan and Uzbekistan. Agents of TRACECA, worldwide and money related associations, official assignments of Tajikistan and Turkmenistan were among members of the ceremony. The service had been reported 27 September by the

Azerbaijani and Georgian priests of outside undertakings following the principal trial by a traveler train from Tbilisi to Akhalkalaki. In his discourse at the opening function of the railroad, President of Azerbaijan Ilham Aliyev stated: "The Baku-Tbilisi-Kars railroad is extraordinary significance for the improvement of business and commonly useful collaboration. I am certain that the nations making the greatest commitment to provincial collaboration – Azerbaijan, Georgia and Turkey – will dependably be as one and bolster one another. Such monster extends as the Baku-Tbilisi-Kars railroad further reinforce our solidarity and friendship. The European Union respected the opening of the Baku– Tbilisi– Kars railroad and alluded it as a noteworthy measure for transport interconnections directing the European Union with Turkey, Azerbaijan, Georgia and the Central Asia. In the announcement it is expressed that this rail hallway will guarantee better system, make new business conditions and increment nature of exchange among the gatherings. As further destinations, the railroads is relied upon to give stable merchandise turnover between Azerbaijan, Turkey, Georgia and the nations situated on the opposite side of the Caspian Sea. The arrangement of solid port foundation and transportation of oil and oil items to the world markets are likewise part of targets. Altogether 105 km (65 mile) of new line have been worked among Kars and Akhalkalaki, with 76 km (47 mile) inside Turkey and 29 km (18 mile) in Georgia. The current railroad line from Akhalkalaki to Marabda and on to Tbilisi and Baku has been modernized. Its all out length is 826 km (513 mile) and it will most likely transport 1 mln travelers and 6,5 mln tons of cargo at the primary stage. This limit will at that point achieve 3 mln travelers and more than 15 mln tons of freight. Georgia and Azerbaijan both utilize the Russian wide measure of 1520 mm (4 & 11 27-32 in), and the current segment of railroad line (Akhalkalaki-Tbilisi-Baku) won't be modified. The new tracks, for example the Georgian area from Akhalkalaki to the outskirts station at Kartsakhi (Georgian: and the new Turkish segment from Kartsakhi to Kars, were worked to the standard check utilized by Turkey. The line hence includes a break-of-measure close Akhalkalaki, which regularly requires either

factor check, bogie trade or load reloading. The traveler autos that Azerbaijan Railways requested from Stadler in 2014 (see beneath) will be outfitted with the DB AG/RAFIL Type V arrangement of movable wheelsets to oblige the difference in measure from 1520 mm to 1435 mm (standard gauge). In June 2018, Stadler marked an agreement in Bussnang with the Georgian organization Marabda-Kartsakhi-Railway LCC for the conveyance of a measure evolving office (30 m of extraordinary track) to be introduced in Akhalkalaki. In June 2014, Azerbaijan Railways declared that they had marked a SFr 120 mln (EUR 115 mln) contract with the Swiss firm Stadler Rail AG to supply 3 ten-vehicle variable-measure sleeper trains, with a possibility for 7 more. These were at first to be conveyed between mid 2016 and mid 2017, however in October 2018 the organization expressed that conveyance of the principal set of ten autos will occur amid the primary quarter of 2019.

An invaluable area The New Port in Alat is a transportation center connecting the west (Turkey and EU), south (Iran and India) and north (Russia). Arranged in the region of the districts of Azerbaijan, it will likewise build its network as an effective center thus increment the volume of load being dealt with. Likewise, new port area is connected to existing expressways and railroads, interfacing the port to the inland areas of the nation. There are three worldwide rail courses into Azerbaijan, which all combine at Alyat:

- To the northwest, going through Baku to Russia;
- To the west, going through Georgia to the shores of the Black Sea and Turkey;
- To the south and to the outskirt territory with Iran.

The New Port will be equipped for serving 150 – 160 meter long, 10000 ton limit ships and every single other sort of vessels serving the Caspian Sea. The area empowers a secluded extension of the considerable number of offices for various payload fragments (rail ship, general freight, holder and mass) when load turnover increments.

1st stage of the new port in Alat involves a ship terminal, a general load billet, a Ro-Ro compartment, an administration compartment, railroad lines, different managerial structures, a traditions holding territory, an open stockpiling yard, stockrooms, a holder yard, rail and street access to compartments, a Ro-Ro slope, a traveler administration constructing, an overwhelming lift landing zone and a truck enhancements zone. Task fulfillment dates for phase one have been separated into three phases. The primary stage—the ferry (rail) terminal—was finished in September 2014; the 2nd stage—the Ro-Ro Berth—will be finished in 2016; and the rest of the works in 2017. 60 % of the general work for phase one has just been finished. The lengths of the quays are as per the following:

- General Cargo Quay – 650 m (4 compartments);
- Ro-Ro Quay – 300 m (1 compartment);
- Service Berth – 450 m (different billets).(portofbaku.com/en/about-port-of-baku/)

The compartments are altogether dug to - 7 m Caspian datum.

All immediate travel rail transshipments among Azerbaijan and Europe or Central Asia (onto China and the remainder of Asia) are by means of this ferry (rail) terminal. As of now, if compartments are transported to their last goal on a rail stage (without being emptied and stacked onto a holder vessel) they are exchanged legitimately onto a rail stage and utilize the ferry terminal in the new port. On the off chance that they are emptied from a rail stage and, at that point stacked onto a committed holder vessel, at that point they go to the old port in downtown Baku. With the finish of phase one, all such multi-purpose activities will be done in the new port of Baku in Alat. The fruition of phase one will likewise observe a general load throughput at the new port at Alyat of 10– 11,5 mln tons of general payload and 40000– 50000 teu in holders.

The development of the new port is connected to the expanded stream in potential load and on the speed of development of the different business sections. At

the end of the day, the choice on when to begin the development of phase two and phase three will rely upon existing payload volumes. As a rule, these next stages are probably going to pursue the PPP (or BOT) kind of organization model, whereby a private gathering will probably contribute, develop and work these extensions.

- 1st stage: 10 – 11,5 mln tons of general freight 40000– 50000 teu;
- 2nd stage: 17 mln tons of general freight 150000 teu;
- 3rd stage: 21– 25 mln tons of general freight up to 1 mln teu. (Mr. Eugene Seah, Chief Operating Officer of “Port of Baku”. New Baku International Sea Trade Port in Alat, august 2017, Baku – Azerbaijan).

Insightful asset arranging, control and observing of terminal working frameworks will be executed at the new port. This will empower the proficient utilization of assets to accomplish and keep up a steady abnormal state of load port efficiency, bringing about the fast dispatch of freight. The port will be outfitted with the most recent reconnaissance and interruption location innovation to forestall against any endeavored breaks of port borders. Access control frameworks will likewise be utilized to permit the insurance of outskirt and border work force and resources, to be accomplished with a high level of security and trustworthiness.

Truck center office will be at the transfer of trucking clients at the new port at Alyat. It will comprise of truck organizations' workplaces, a resting territory with an inn, truck wash and corner store to support the trucks, a transport station and different offices to guarantee that the needs of trucking organizations are met and that truck drivers are very much rested to securely and adequately play out their obligations.

This new traditions examination region is arranged with streamlined systems and the most recent checking innovation to lessen the lining of freight for stacking and emptying at the vessel quay territory.

The new seaport plans to accomplish green port status by utilizing different effectiveness advancements to diminish its carbon impression, and will have a program of lessening waste from port activities through material reuse, reusing and

treating the soil. It will be intended to permit the administration, treatment and transfer of all squanders created amid the activities. Suitable waste treatment plans and hardware will be introduced at the port site. Green zones will be made toward the north and west of the port, along the coastline and around the switchyard. These zones will target soil improvement and the control of the nearby microclimate, bringing about an increasingly positive effect on the normal semi-desert scene. Water from the tops of the structures will be utilized to create and to water these tasteful scenes. Positive financial effects will be created, incorporating an expansion in work openings, especially in port and port-related coordinations occupations.

As of now, about 80 % of freight is considered to be transshipment, while 20 % is portal, (for example, fuel, development materials, farming items, etc). This rate split is probably going to change with the beginning of the free zone, imagined to be like the Jebel Ali Free Zone (Jafza), UAE. With it, the Port of Baku will go about as a noteworthy coordinations center point in Central Eurasia, serving both European and Asian markets, just as being a piece of a broad universal logistic organize connecting Europe and Asia. Specifically, Port of Baku will exchange and turn into the significant community for solidification, fixation and dissemination, giving a wide scope of significant worth added benefits in the area to the business sectors of the South Caucasus, Central Asia, Iran, southern Russia and Turkey. There are countless that can be delegated esteem included administrations in the field of logistics. By and large, they fall into two classifications:

- General logistics services, including capacity, stacking and emptying, stripping, unstuffing, groupage, union and circulation;
- Value-Added logistics (VAL), including repackaging, modifying, get together, quality control, testing, fix, on-terminal, auto-adorning, grain stockpiling and disinfecting, news print stockpiling, stockpiling of wares and move and in-compartment piece of clothing get together.

General esteem included administrations, for example, the upkeep, leasing and renting of hardware, cleaning offices, failing, wellbeing, security administrations, workplaces and data and correspondence administrations of different sorts. VAL exercises, specifically, are developing in significance as makers focus on gathering the requests of clients for high caliber particular items. New players in this field of outsider coordinations administrations suppliers will be pulled in to the Port of Baku at Alyat to assume control over pieces of the creation chain (get together, quality control, tweaking, bundling and others) and of the after-deals administrations (counting fix and re-use). Free zone would be in a characteristic position to partake in this coordinations specialty. It will be connected to other Caspian ports by means of high caliber sea associations through the new port of Baku in Alat, and multi-purpose street and rail transport administrations from Alat to Georgia, Iran, Turkey, Russia and southeast Europe, while likewise giving airship cargo administrations from Baku International Airport. The movement in free zone will make an extra volume of load went for fares. Most of these cargoes is probably going to be transported in holders by means of the different multi-purpose types of transport.

CHAPTER 3.IMPROVEMENT PERSPECTIVES OF INTERNATIONAL

3.1. Conception of sustainable development in international logistics management

There are three noteworthy patterns that shape the current worldwide examples of exchange, and these patterns should be pursued near catch extra esteem.

Firstly, macroeconomic components add to developing exchange crosswise over fringes. In most recent two decades, open markets and exchange encouraged development has been a prevailing model for financial development. These patterns have been uniquely sped up by the worldwide understandings to ease exchange, through changes encouraged by World Trade Organization (WTO). Subsequently, exchange has become quicker than the GDP development all inclusive.

Secondly, part and firm dimension factors additionally advance geological dispersion of creation. Organizations, when all is said in done, have been roused to extend activities universally because of two elements. On one hand, they are venturing into new topographies to take advantage of new development openings, particularly in rising and creating markets. Then again, organizations grow creation tasks to exploit minimal effort generation openings. These patterns are reinforced by the improvement of worldwide esteem chains and rising vertical specialization.

Third, large scale and small scale level variables are upheld by improvement of certain driving instruments. Without uncertainty, propels in data and correspondence innovations can be considered as the essential elements. Development of exchange financing and improvement of new financing apparatuses has made the quick extension conceivable. Both in oceanic, overland and railroad transportation, nations around the globe expect to catch an incentive through building up center points, to catch the previously mentioned advantages to the economy. Logistics operation fixates dependent on best practices the world over flag three basic key achievement components to make an incentive from coordinations center points.

Firstly, given that reasonable improvement acquires more advantage a chose store network, making esteem requires equivalent advancement of framework and administrations.

Secondly, coordinations center speculations require clear technique and cautious forthright arranging. Off base limit and income plans can prompt deferrals in development and issues in startup and increase. Given that building a center point above basic volume requires huge ventures with individual dangers, it is essential to direct earlier hazard appraisal. Subsequently, cautious arranging and attainability examines become basic.

Thirdly, commonly, there is no characteristic proprietor from private part to drive all out inventory network improvement in structure for a logistic center points. Divided arranging and advancement at organization level can prompt wasteful aspects while at the improvement period of coordinations points. Furthermore, there is frequently absence of solid household outsider coordinations organizations that see how to upgrade coordinations for whole supply chains, or that have advertise capacity to do it. Nearness of key inventory network parts, for example, traditions and remote direct speculation structure under government control likewise adds to the foundation and improvement of coordinations framework.

3.2. Major gaps in the logistics industry and solutions to logistics problem

Azerbaijan

Azerbaijan's land position permits expanding the exchange limits normally. Proceeded with advancement of the coordinations resources of the nation will give a lift to build its job in territorial and universal exchange. Azerbaijan's good topographical position on both the East-West Corridor and the North-South Corridor offer critical potential to catch both travel exchange and import and fare volumes. A few noteworthy framework extends regarding new port and railroad availability ventures are as of now in progress. With regards to these benefits and points of

interest, various activities will be taken to increase exchange volume through foundation of multi-purpose and multimodal (by different sorts of transport) coordinations framework in the domain of Azerbaijan and making more an incentive from travel exchange and expanding the dimension of cooperation of the private area in coordinations. Current status of Azerbaijan's exchange transportation resources Universal transportation through the domain of Azerbaijan is for the most part done by railroad. In these cargo, the vehicle volume is overwhelmed by imports and fares, with a moderately low transshipment—the shipment of merchandise to a middle goal before transportation to their last goal—proportion. The transshipment proportion for those merchandise going by rail in Azerbaijan was 23 percent in 2015, contrasted and 71 % for railroads in Georgia. Azerbaijan's ports, in any case, are commanded by the travel of merchandise. Most ware streams comprise of dry mass, for example, coal, refined oil items and coke, mineral items, and rural items, and fluid mass, for example, rough oil. Notwithstanding, in both railroads and ports, compartment traffic is generally constrained. In light of the current qualities and openings, Azerbaijan intends to turn into a calculated and exchange center of territorial significance through coordinations focuses productively working with solid relations with different nations in the period post 2025. As a piece of this prospect, strategic and exchange focuses will be built up in Azerbaijan with great relations with the universal markets. The most developed advanced working models will be connected so as to guarantee the productivity of the tasks in these focuses and private segment cooperation in this segment will be further boosted and direct remote ventures will be advanced with the motivation behind quickening the change procedure.

SWOT analyzis of logistics and exchange division;

Strengths:

- execute various significant projects in the state, for instance, development of new port edifices and foundation of railroad relations with the bordering states;
- existence of different concession methods in accordance with the enactment.

Weaknesses:

- little potential for experienced work force in this field;
- low work efficiency;
- money related lack, outdated hardware;
- insufficient dimension of promoting, deal services and vendors;
- foundation of present day plan of action in the ventures;
- low potential burden bearing limit of the boats cruising in the Caspian Basin;
- wealth of the breezy days in the Caspian Sea and little depth in the sea.

Opportunities:

- opportunities to make additional value in the delivering cargos based on building up a free economic zone in the area of new Baku International Sea Trade Port situated in Alat, Garadagh region, Baku city and logistics in the area of Haydar Aliyev International Airport;
- government contributions to advancement of logistics and trade industry;
- reasonable location of the state and potential to transform into logistics and trade center point of provincial significance;
- expanded exchange volume and rivalry in the local and global sphere;
- vicinity to extensive territorial markets;
- Playing a linkage role in the North – South transport corridor uniting Iran with Russia and Iran with Europe by expelling the financial embargos from Iran and foundation of chances to transport products from Iran, India and Pakistan to Europe by this route through Azerbaijan.

Threats:

- stagnation in money related markets;
- probability of debilitating investing because of significant decrease in oil prices;

- the issue of conversion scale steadiness which is one of the fundamental variables for global investors;
- big challenge in the corridor by methods for the transit routes, for example, the Trans-Siberian - Kazakhstan, and Sea cargo that are an option to East – West corridor uniting Europe with Middle Asia and China, just as the linking of the railroads of Iran and Turkmenistan.

(http://ereforms.org/columns/international_north_south_transportation_corridor_azerbaijan_calling_foreign_partnerships-25 (29.03.2017)).

Azerbaijan's vision for the period by 2020 in logistic and exchange part is to accomplish production of included an incentive over the provincial travel cargo notwithstanding pulling in these cargo.

In accordance with the distinguished vital targets, it is proposed to execute seven vital needs covering the accompanying issues by utilizing its key qualities and completely catching the significant chances:

- Strengthen particular endeavors to make the travel passageways crossing the nation's region focused so as to transform Azerbaijan into a local coordinations and exchange center in the long haul;
- Put into task the unhindered commerce zone including the region of new Baku International Sea Trade Port situated in Alat settlement, Garadagh locale, Baku city and dispatch plausibility investigations for expanded number of organized commerce zones;
- Increase volume of exchange and catch higher included an incentive from travel exchange towards expanding Azerbaijani economy.

It is normal that interest in measure of an aggregate of 3160 mln manats will be required utilizing open and private sources so as to understand the activities proposed inside the roadmap which will be given because of open – private financing sources following behavior of particular possibility ponders.

Azerbaijan's long haul vision for the period by 2025 is to essentially improve the coordinations and exchange framework, driven by administrative motivations to turn out to be increasingly appealing in this area in the district and to transform into a significant center.

With the view to transform the nation into a calculated and exchange center point of territorial significance by 2025, works will be performed to boost provincially working organizations to set up their base in Azerbaijan, favorable condition for ventures will be guaranteed and advanced activities and recommendations will be made around there. Along these lines, by guaranteeing solid development in its coordinations division Azerbaijan will change towards turning into a coordinations and exchange place for locally working organizations.

To start with, it will reinforce street and rail associations of Baku International Sea Trade Port to empower consistent mix to the Baku Heydar Aliyev International Airport and local exchange system of the nation. To improve its availability between the districts, street association will be the underlying need, while rail associations will be set up once a specific dimension of volume is come to guarantee financial possibility. As a need inside this coordinations and exchange center, Azerbaijan means to exceed expectations in handling of unique and middle person nourishment, pharmaceuticals, item plastics and manures by 2025. By this period, logistic and exchange division in Azerbaijan would be driven generally by private segment speculations. Toward this path, Azerbaijan will proceed with its endeavors in expanding private segment support, organizing its state-possessed ventures.

Azerbaijan in long haul tries to turn into a territorial logistical center point through its productively working coordinations focuses with solid network to different nations.

As a feature of its post 2025 vision, Azerbaijan would have a solid center points situated in the region of Baku Heydar Aliyev International Airport and facilitated commerce zone incorporated into Baku International Sea Trade Port complex in Alat

settlement (further called new Port of Baku complex). Notwithstanding principle transportation organizations, this center point would suit operational focuses and manufacturing plants of reciprocal coordinations parts, for example, bundling, stockpiling and handling. These organizations will get charge motivating forces and be exempted from traditions obligations, which will offer ascent to a yield arranged outlook and increment in intensity.

Azerbaijan focuses to extend the assortment of effective organizations inside this center point, explicitly towards work escalated products (for example material) and inventive high-innovation items (for example pharmaceuticals and apparatus). Azerbaijan will keep on extending its coordinations arrange into different areas as a feature of its post 2025 vision. Toward this path, it tries to finish development of its second wave coordinations and exchange focuses along the outskirts by this period, and spotlight on boosting coordinations and exchanging endeavors to move into these districts. Azerbaijan, all in all, imagines increment of private division interest in the coordinations area as one of the real targets. Holding the framework under state property and privatizing their activities, Azerbaijan means to build effectiveness and included estimation of its railroads into its economy and to trigger upgrades crosswise over different coordinations chain tasks. So as to accomplish its goals in coordinations and exchange segment, Azerbaijan will incredibly introduce and use progressed innovative foundation in dealing with its calculated activities. It will gather and coordinate information from different sources on points of interest of items and transportation courses, and feed its focal database. Through a clever framework based upon this database, Azerbaijan will measure, investigate, and better oversee diverse activities of cargo adequately and cost-proficiently.

In spite of transportation of travel cargo of 150 mln tons over The East West Corridor, Azerbaijan's offer is little in 2015. While Central Asia and Black Sea area exchange along the hall remained at 9,9 mln tons in 2015, it is required to develop to 13,8 mln out of 2020. The East-West Corridor saw 40 mln tons of Central Asia and

Europe exchange 2015 with anticipated that development should 56 mln tons in 2020. Likewise, yearly exchange turnover among Russia and Iran along the North – South hall (for the most part over the Caspian Sea) was 4 mln tons, and 2,3 mln tons among Iran and Black Sea regions. There is extraordinary potential to build travel cargo and it is determined that the volume of travel cargo to be pulled in to Azerbaijan by 2020 will increment. Because of most extreme utilization of the capability of the referenced hallways, and recreation or improvement of the coordinations foundation and different works:

- Real GDP will develop by a complete AZN 605 mln including AZN 400 mln direct and 205 mln manat backhanded;
- Altogether 18900 new occupations incorporating 10900 here will be opened. The accompanying targets have been recognized so as to accomplish this;
- Increase the offer of travel exchange the area, coming to beneath offers: 40 % of Central Asia Black Sea course 25 % of Central Asia and Europe course 3 % of China and Europe course o 40% of Russia and Iran course o 25 % of Iran and Black Sea course;
- Put into task a Free Trade Zone including coordinations and port administrations;
- Direct effect of coordinations and exchange focus ought to be equivalent to 20 percent of the complete effect from provincial coordinations and exchange center point;
- Increase working net edges of aircrafts by 5 %.

As one of the need zones for advancement of non – oil division, coordinations as a significant factor for interconnection of different areas of economy assumes the job of a main impetus in the advancement of these parts.

The travel cargo will be pulled in to the vehicle passageways crossing the nation, coordinations and exchange focuses will be made in the locales effectively utilizing nation's vital geographic position and the nation's allure will be expanded evaluating

the open doors for new business, work and included qualities in the meantime to become a significant coordinations and exchange center in the district.

In request to guarantee Azerbaijan's aggressiveness in East – West and North – South transport passageways, time and costs spent for import – trade tasks and travel cargo ought to be advanced outskirts crossing strategies ought to be streamlined and other significant advances ought to be taken here, street framework along the worldwide hallways ought to be extended, reproduction and development works ought to be finished and acquired line with global gauges.

Vital roadmap for advancement of coordinations and exchange the Republic of Azerbaijan distinguished vital destinations and pertinent needs for every goal. These could be delegated following:

- Creating positive condition to Increase exchange volume through Azerbaijan;
- Strengthening the main job of Azerbaijan as a territorial coordinations and exchange center point;
- Completing New Port of Baku complex arranged in Alat settlement, Baku – Tbilisi – Kars railroad and Astara – Astara rail route ventures;
- Improving coordinations execution;
- Capture higher incentive from travel exchange;
- Establishing Baku as a provincial business zone;
- Establishing an exchange centered preparing center point;
- Establishing coordinations focuses in Baku and all through the nation;
- Implementing key empowering influences to acknowledge coordinations and exchange goals;
- Increasing private-division inclusion in the coordinations segment;
- Developing a program for improving the investment dimension of private part in coordinations.

3 bln 160 mln manats is required to accomplish the predetermined vital targets. Execution of the activities gave in the strategic roadmap will be financed by virtue of the underneath sources:

- State spending plan;
- Off-spending reserves;
- Funds of National Fund for Support to Entrepreneurs;
- Local spending plans;
- Funds of the nearby offices, foundations and associations independent of their sort of proprietorship;
- Foreign direct venture;
- Credits from the nation's financial framework;
- Credits, specialized and money related help of worldwide associations and outside nations;

CONCLUSION

The aggregate of these types of issues are known under the far reaching division of logistics – the techniques and procedures which are required for a nation to deliver products crosswise over border. Foundation, forms, laws, geographic highlights, political and affordable concerns remains in an underlying spot in characterizing the logistics intensity of the state. Information is produced dependent on two wellsprings of data: a worldwide review of logistics experts working on the work environment (like as worldwide cargo forwarders and express bearers), who give criticism on the nations in which they work and with whom they exchange; and quantitative information on the execution of primary issues of the store network, as the time, cost, and required procedures for importing and exporting products.

Azerbaijan Republic should consider as one of the primary fields for development of non – oil industry, logistics as a pivotal tool for interconnection of different areas of economy indicates a leading force for advancement of these fields. The transit cargos have to be pulled in to the transport corridors passing through the state, logistics and exchange centers will be generated in this region effectively utilizing state's vital geographic position and the country's allure will be expanded evaluating the open doors for new business, jobs and included qualities in the meantime to become a significant logistics and exchange center in the world. In request to guarantee Azerbaijan's aggressiveness to be a logistics hub in East – West and North – South transport corridors, time and costs consumed for import –export tasks and transit cargos ought to be advanced, customs strategies ought to be streamlined and other significant actions ought to be taken in this field, road infrastructure along the worldwide routes ought to be extended.

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