THE MINISTRY OF EDUCATION OF THE REPUBLIC OF

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INTERNATIONAL MAGISTRATE AND DOCTORATE CENTER

MASTER DISSERTATION

ON THE TOPIC

“İnternatıonalization of the transport complex of Azerbaijan as a factor in the country’s integration into the global economy”

Nurlan Shahidli Etibar

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Elm andı

Mən, Şahidli Nurlan Etibar oğlu and içirəm ki, “Internationalization of the transport complex of Azerbaijan as a factor in the country’s integration into the global economy” mövzusunda magistr dissertasiyasını elmi əxlaq normalarına və və istinad qaydalarına tam riayət etməklə və istifadə etdiyim bütün mənbələri ədəbiyyat siyahısında əks etdirməklə yazmışam.

AZƏRBAYCANIN NƏQLİYYAT KOMPLEKSİNİN BEYNƏLMİLƏLLƏŞMƏSİ ÖLKƏNİN QLOBAL İQTİSADİYYATA İNTEQRASİYASININ AMİLİ KİMİ

XÜLASƏ

Tədqiqatın aktuallığı: XXI əsrdə dünya iqtisadiyyatının dinamik inkişafında nəqliyyat sektoru sürətlə inkişaf etmiş, mühüm bir infrastruktur kimi formalaşmış və bütövlükdə iqtisadiyyatın ən aktual məsələsinə çevrilmişdir. Nəqliyyat sektoru qloballaşan dünyada ən dinamik strukturlardan biridir. Nəqliyyat sisteminin təkmilləşdirilməsi üçün gələcək perspektivlər dövlətin müəyyənləşdirdiyi əsas prinsiplərdir. Bütün bunlar isə tədqiqat mövzusunun günümüzdə aktuallığını bir daha sübut edir.

Tədqiqatın məqsədi: Tədqiqat işinin əsas məqsədi XXI əsrin qloballaşan dünya iqtisadiyyatında Azərbaycanın tranzit potensialının xüsusiyyətlərini tədqiq etməkdir.

İstifadə olunmuş tədqiqat metodları: Tədqiqat işində induksiya, deduksiya, analiz, sintez, müqayisəli təhlil, riyazi təhlil və digər metodlardan istifadə olunmuşdur.

Tədqiqatın informasiya bazası: Tədqiqat işinin informasiya bazası kimi nəqliyyat sisteminin formalaşması və onun əsas xarakterik xüsusiyyətlərinin öyrənilməsi istiqamətində yerli və xarici kitablar, məqalələr, eləcə də internet resursları çıxış edir.

Tədqiqatın məhdudiyyətləri: Tədqiqatın əsas məhdudiyyətləri bu sahəyə dair statistik məlumatların az olmasıdır.

Tədqiqatın elmi yeniliyi və praktik nəticələri: Tədqiqat işinin elmi yeniliyinin əsasında Azərbaycanın tranzit potensialının və nəqliyyat kompleksinin texniki-iqtisadi əsaslandırılması və qiymətləndirilməsinin müəyyən olunması dayanır.

Nəticələrin istifadə oluna biləcəyi sahələr: Tədqiqatın nəticələrindən və təkliflərindən Azərbaycanın dünyada tranzit potensialının inkişafı ilə yanaşı nəqliyyat infrastrukturunun və tranzit potensialının inkişafı və təkmilləşdirilməsi üçün müvafiq nəzəri tədqiqat və elmi mənbə kimi istifadə edilə bilər.

Açar sözlər: nəqliyyat, nəqliyyat sistemi, qlobal

INTERNATİONALİZATİON OF THE TRANSPORT COMPLEX OF AZERBAİJAN AS A FACTOR İN THE COUNTRY'S INTEGRATİON İNTO THE GLOBAL ECONOMY

SUMMARY

The actuality of the subject: In the dynamic development of the world economy in the XXI century, the transport sector has developed rapidly and has become the most pressing issue of the economy as a whole. The transport sector is one of the most dynamic structures in the globalized world. Future prospects for improving the transport system are the main principles set by the state. All this proves the relevance of the research topic today.

Purpose and task of the research: the features of Azerbaijan's transit potential in the globalized world economy of the XXI century.

Used research methods: Induction, deduction, analysis, synthesis, comparative analysis, mathematical analysis and other methods were used in the research.

The information base of the research: Local and foreign books, articles, as well as Internet resources are used as the information base of the research in the formation of the transport system and the study of its main characteristics.

Restriction of the research: The main limitation of the study is the lack of statistics in this area.

The novelty and practical results of the investigation: The scientific novelty of the research is based on the determination of the feasibility study and assessment of the transit potential of Azerbaijan and the transport complex.

Scientific-practical significance of results: The results and proposals of the research can be used as a relevant theoretical research and scientific source for the development and improvement of transport infrastructure and transit potential of Azerbaijan.

Keywords: transport, transport system, integration

ABBREVİATİON

AZAL Azerbaijan Airlines

DP Dubai Ports

GATT General Agreement on Trade

GDP Gross Domestic Product

ITC International Transport Corridors

TRACECA Transport Corridor Europe-Caucasus-Asia

TACİS Technical Assistance for the Commonwealth of Independent States

USA United States of America

USD United State Dollar

WTO World Trade Organization

TABLE OF CONTENTS

INTRODUCTION

Relevance of the research topic: In the dynamic development of the world economy in the twentieth century, the transport sector has developed rapidly, formed as an important infrastructure and has become the most pressing issue of the economy as a whole. The transport sector is one of the most dynamic structures in the globalized world.

The recent devaluation of the world economy and the sharp fall in oil prices are having a serious impact on the world economy. Especially oil-dependent countries are facing serious problems. In addition, given the current urgency of the issue, it can be said that the transit potential of the Independent Republic of Azerbaijan. The growth of the country's non-oil sector as a result of successful use policy stimulates the development of the country's non-oil sector. This is due to Azerbaijan's location at the junction of NORTH-SOUTH and EAST-WEST international transport corridors, favorable geographical location and ongoing transport infrastructure programs and projects. The development potential continues to grow. The future prospects for the improvement of the transport system are in the basic principles set by the state.

Statement of the problem and learning level: Features of the development of transport and its role in economic development were researched by various theorists, including Nazarenko VM, Nazarenko KS, Nikolaeva DS, Fonatova OV, Vilkova NG, Kokin AS, Levikov GA, Chinenov MV, Finnveden G, Åkerman J., Fischer TB, Flyvbjerg B., Gschösser F., Wallbaum H., Keys Madrid C., Hickey GM, Bouchard MA and others. Local theorists, including Aliyev EA, Nasibov M. and others played an important role in the study of this area. However, the current situation in the transport sector shows that there are some gaps in this area.

Purpose and objectives of the research: The purpose of the study is to study the characteristics of Azerbaijan's transit potential in the globalized world economy of the XXI century.

In accordance with the purpose of the study, the following tasks were set and fulfilled:

- Determining the place and role of the transport system and transit potential in ensuring the sustainable development of the national economy;
- Analysis of the transit potential of Azerbaijan and the development process of transport infrastructure;
- Substantiation of the role of Azerbaijan's transit potential in the world's main system of international transport corridors;
- Analysis of prospects for improving Azerbaijan's transport infrastructure and increasing transit capacity, etc.

Object and subject of the research: The subject of the study is the assessment and development features of the position of Azerbaijan's transit potential in the system of geopolitical and geoeconomic relations of the countries' transit potential, and the object of research is Azerbaijan's transit potential and transport sector.

Research methods: The methods of analysis and synthesis, as well as induction and deduction, were used in writing the research work. Thus, as a method of analysis, the subject was taken up in full and then broken into chapters and analyzed separately. Then, through the synthesis method, these chapters are combined in the economic system. Economic facts about diploma work have been collected, systematized and investigated through the induction method. Then, through the deduction method, the theoretical findings, general principles, and, in other words, the necessary recommendations for practical activities are identified based on these facts.

Research database: Database of the research in the formation of the transport system and the study of its main characteristics. Legislative and normative documents of the Republic of Azerbaijan, materials of the State Customs Committee, the State Statistics Committee, the State Tax Service were used during the research. In addition, information was obtained from the works of economists, foreign literature, articles and journals, and sites according to keywords.

Research limitations: Requires more practical information.

Scientific novelty of the research: Scientific novelty of the research are below:

- Feasibility study and evaluation of Azerbaijan's transit potential and transport complex;
- Determining the features of the development of Azerbaijan's transit potential between the countries of the world;
- Identification of the world's major international transport corridors and their economic significance;

Scientific and practical significance of the research: The practical significance of the research is that the analysis and research provisions reflected here can be used as a relevant theoretical research and scientific source for the development of Azerbaijan's transit potential in the world, as well as the development and improvement of transport infrastructure and transit potential in Azerbaijan.

CHAPTER I. THE ROLE OF TRANSPORT SYSTEM İN THE İNTEGRATİON OF THE NATİONAL ECONOMY İNTO THE GLOBAL ECONOMY

1.1. Transport complex in the global economy

Transport itself is an integral part of the industrialization process, belonging to the infrastructure sector. This factor is of great importance both as a classic factor in the development and deployment of productive forces, as well as in the comprehensive deepening of international economic relations. It is rightly noted that transport plays a "bridge" role in the development of society (Grant-Muller S., Mackie P., Nellthorp J., Pearman A., 2017: 14).

Considering the need for the construction of transport, especially railways, and the availability of strong capital for the development of society, Marx showed at that time that without the concentration of capital, the world would be without railways.

Even during the colonial period, the search for new types of raw materials in those countries, transportation, the proximity of the processing industry to fuel, energy, raw materials, delivery of finished products to consumers and hundreds of other problems required the development of transport.

The development of transport does not mean only the process of transportation of goods and passengers. Transport itself is almost entirely a product of heavy industry and determines the development of other areas.

As a result of the development of this transport factor, it became possible to organize production in countries with large territories. İn Canada, USA, Brazil, Australia, Russia and other such countries, the development of new resources was carried out only as a result of the development of transport (Janse P., 2005: p.19).

As a result of the development of transport, specialized processing enterprises have been established at the expense of raw materials imported from hundreds, maybe thousands of kilometers away.

Thus, transport, which is the main infrastructure, plays an almost barometer role in the development and transformation of the world economy, in the interaction of producers, sellers and buyers, in changing the geographical division of labor. Under the influence of R&D, there have been radical changes in transport as well.

The study of the transport system is usually based on three indicators (Button K.J., 2018: p.24):

1. Transport network as a whole.
2. Operation of transport.
3. Main cargo and passenger transportation.

The world transport network (hub) means the development of transport as a whole, the current state of its individual types.

It examines the dynamics of transport development on the one hand, and the current state of various types of transport networks on the other.

It is clear from the demonstrated indicators that there is a sharp difference in the length of the different modes of the single transport network. Thus, the length of the oldest mode of transport, railways and shipping rivers and canals, has remained almost constant.

Roads, which are considered to be newer types of transport network. Pipeline transportation and airways have increased significantly.

The second key aspect of the world transport system is the work of transport. The decisive factor in the work of transport is the volume and structure of passenger transportation by freight.

The volume of cargo can also be calculated in two ways: by the total mass of cargo transported. In the early 1990s, this figure was more than 100 billion tons; with

the turnover of the transported cargo. For example, the volume of cargo carried may be large, but the distance may be short, or vice versa.

It takes into account not only the volume of cargo, but also the distance of transportation, which is calculated in tons / kilometers. This figure was 7 trillion tons / km in the 1950s and 50 trillion tons / km in 2000 (İnrest, 2015: p.26).

The history of railway transport is not so ancient. The emergence of this transport began during the Industrial Revolution. The first railway was opened in 1830 in England on the Liverpool-Manchester line.

That same year, the first railroad was built in the United States. This road connected the cities of Chariston and Augusta. The first railway was built in France in 1833, in Germany and Belgium in 1835, and in Russia in 1837 (26 km between St. Petersburg and Uarskoe Selo) (İnrest, 2015: p.28).

The first railway in Azerbaijan was built in 1878-1879 between Baku and Balakhani. In 1880, the part of the road leading to the oil fields was put into operation (Baku-Balakhani-Sabunchu-Surakhani). At that time, the need to export Baku oil to the Black Sea ports increased. Therefore, the construction of the Baku-Tbilisi railway began with the funds of oil industry entrepreneurs and was launched in 1883.

Thus, in 1900, the Baku-Derbent line was connected. In 1908, the Tbilisi-Yerevan-Ulukhanli-Norashen-Julfa railway was built, in 1941 the Alat-Julfa line, and later other roads were built. At present, the length of railways in Azerbaijan is 2008 km (including 1111 km of electrified roads) (İnrest, 2015: p.34).

Thus, the construction of a tense railway began in those years. Between 1850 and 1900, 800,000 km of railways were put into operation in the world. In 1920, the length of the railway was 1.2 million. km. Of course, all this had a strong impact on the formation of the world economy.

However, with the development of other modes of transport, the development of railway transport weakened from the 1920s to the 1970s. As a result, its share in freight and passenger traffic around the world has decreased. In addition, the

expansion of the railway network, the transition to new technology, the transition to electrification, mechanization and automation systems, the use of computer technology, the transition to high-speed trains, etc. increased.

Thus, by the second half of the 1990s, the situation in railway transport had stabilized. By 2000, the length of railways in the world was about 900,000 km on the example of 67 countries. Despite such stabilization, railway construction is underway in some countries, while in others, the existing railway is being demolished and reduced.

In a country as large as Russia, the length of the railway was 225,000 km in 1970-1980, but now it is 160,000 km. It consists of 70,000 km of underground and other lines. The total cargo turnover in Russia is 1.2 trillion. t / km (Mortberg U, Haas J, Zetterberg A., 2013: p.54).

One of the most progressive directions in the recent construction of the railway is the transition to high-speed highways. The use of express passenger trains traveling at a speed of 200-300 km per hour has increased. The first organizers of such roads were Japan and France. Later, such roads were built by Germany, Italy, the United States (between Washington and New York, Los Angeles and Las Vegas), the Republic of Korea (between Seoul and Busan) and China (Jha M.K., 2013: p.61).

Road transport has its own place in the global transport system. Thus, this transport system can be used by a larger part of the population and has a relatively short range of average use. These modes of transport are more suitable for connecting different regions, cities, countries and regions. One of the main characteristics of this mode of transport is that it is more dominant in national transport. However, it also plays a significant role in international transportation. This transport is one of the most flexible factors used in economic development. It should be noted that the first car was created in the late XIX century.

In the twentieth century, this type of transport has become widespread. In 1900, there were only about 6,000 cars in the world. In the 1950s, their number was 62.3

million, in the 1960s 103 million, in the 1970s 246.4 million, in the 2000s the number of trucks was 140 million, and the number of passenger cars was 460 million. pieces have been (Hickey G.M., Bouchard M.A., 2013: p.19).

Thus, the introduction of the car into everyday human life has led to dramatic changes in the economy, social spheres and the environment as a whole. Suffice it to say that none of the other modes of transport can pass without the direct involvement of cars. Therefore, the integration of the transport system as a whole takes place through road transport.

One of the main indicators characterizing this type of transport is the length of roads. It is clear that developed countries have a greater advantage here as well. Thus, about 85% of the total length of road transport in the world belongs to these countries.

By 2019, the total length of roads in the world with improved pavement was 12.7 million km. The total cargo transported by these roads is 20 billion tons per year. In the example of 29 leading countries, the total freight turnover is 3247 billion t / km. Developed countries play a key role in the length of roads and freight traffic, as well as in paved roads.

The length of highways has not increased so much in recent times. However, improvements in roads have led to increased quality changes, such as the removal of hard surfaces. Thus, in the 1950s, about 50% of all roads were paved, but now this figure is 90%. Here, too, the share of highways (two-way roads) is growing. Such a road was first built in the United States in 1914, in Germany in 1921, and in Italy in 1924. Currently, such roads exist in many countries.

In addition, the so-called road density indicator is used here. That is, the indicator of the length of the road per 1,000 km2 also reflects the development of road transport. According to this indicator, Belgium (4700 km); Japan (3000 km); Netherlands (3350 km); Germany (1800 km); Switzerland (1800 km) is further ahead. In countries with large areas, this figure is lower. As with other modes of transport, freight and passenger traffic is commonly used.

The passenger turnover amounted to 10,000-11,000 billion passenger km. According to this indicator, road transport takes the first place.

The volume of car fleets is also important in the development of road transport. Therefore, it is necessary to demonstrate these indicators.

Thus, on the eve of the First World War, there were 350,000 cars in the world's car fleet, 46 million in the Second World War, 300 million in 1975 and 950 million in 2019. The main place is occupied by cars, the second by trucks, and the third by buses.

It is clear from the indicators that the top 7 countries are still in the top 7. Developing countries such as China, India, Brazil and Mexico are as different here as in some other areas. The position of the United States has changed recently. Thus, in the 1950s, the world had more than 60% of the car fleet, but now this figure is about 30%. Of course, these indicators show the level of automation in the country.

Shipping or sea transport is older than rail and road transport. Today, it still plays a significant role in the world transport system and the economy as a whole.

There are two forms of linear and tram transportation in international shipping. Linear shipping is carried out by carriers in sustainable geographical directions of world trade. Its peculiarity is that ships make regular entrances to certain ports according to a pre-announced schedule. The cost of transportation is paid by the consignee on the basis of tariffs set by the carrier and published in special periodicals. Often these tariffs are regulated by the shipowners' association.

The line transport market is characterized by high levels of concentration. In addition to cartel agreements between firms, which lead to the monopolization of individual lines, the states themselves can prevent access to the market. For example, states agree on the sharing of certain lines (based on the principle of parity, tonnage, volume of cargo or freight earned) and provide their partners with appropriate port concessions. Such a policy allows states to prevent third-party service providers from entering their foreign services market.

Ships operating on linear routes, as a rule, transport valuable goods packed in containers. The international container transport market is characterized by oligopoly. At the beginning of 2019, 25 leading carriers controlled 84% of the world's container volume, including 16.8% of Maersk Line (Denmark), 9.8% of Mediterranean Shipping Company (Switzerland) and 6.6%. and Cma-GCM (France) (Button K.J., Verhoef E., 2020: p.144).

The market of international transport services provided in ports is also characterized by a high level of concentration. The four leading companies - Hutchison Whampoa (Hong Kong), PSA International (Singapore), APM Terminals (Denmark) and DP World (UAE) - account for 44.2% of port operations (Button K.J., Verhoef E., 2020: p.57). However, competition at the local level can be very strong. It should be noted that one of the main problems of container transportation is their imbalance. Thus, a container that arrives at the consignee's location is not always shipped backwards.

Unlike linear transport, ships are operated on an irregular basis during the organization of tram transport. They move from one direction to another, depending on the demand for tonnage, and mainly transport bulk cargo. In tram shipping, the size of the freight is determined by agreement between the carrier and the shipper. Trump's transportation is characterized by a high level of competition in the world market, and they are usually cheaper than linear transportation.

The current normative documents of the International Maritime Organization are mainly aimed at ensuring the safety of shipping, environmental protection, responsibility of carriers, etc. issues. At the same time, the liberalization of international trade in maritime transport services is still in its infancy. Negotiations during and after the Uruguay Round did not yield significant results. As a result of the talks, only 32 countries agreed to allow foreign carriers to enter their transport markets and apply the national regime. The EU, the United States and most developed

countries did not. Restrictions on foreign capital, discriminatory ports and tax collection, and the registration of foreign-owned vessels remain widespread.

In addition, the entry into force of the General Agreement on Trade in Services (GATT) on the introduction of a more favorable regime for maritime transport services to foreign suppliers is expected after the end of a new round of negotiations with the World Trade Organization (WTO). Although maritime issues are on the agenda of the Doha Round, the sector's vital importance to the national economy and increased competition from foreign suppliers will hamper the achievement of agreed decisions.

Since the second half of the twentieth century, many developed countries have become increasingly dependent on remote countries for fuel and raw materials. Most of the products of these countries were consumed far from production. All this, in turn, required further development of maritime transport. The process of globalization in the world economy has also had a strong impact on the development of maritime transport.

Suffice it to say that 98% of total foreign trade in the United Kingdom and Japan, and 90% in the United States is directly involved in maritime transport. It is safe to say that up to 80% of international economic relations in the world are served by shipping. In terms of value, the share of maritime transport in world freight turnover is 60-62%.

In 1950-1970, the cargo in the form of solution (oil, etc.) was 41-55%, but after the 1990s, coal, iron ore, bauxite, grain, food, machinery, etc. the specific gravity of transportation has increased.

Geographically, 45% of sea freight falls on developed countries, 51% on developing countries, and 4% on transition economies. As can be seen, the role of DDCs, especially in newly industrialized countries, has increased significantly in recent years.

As for the role of individual oceans in world maritime transport, it should be noted, albeit briefly, that the Atlantic Ocean has a higher specific gravity for five centuries since the great geographical discoveries. This is due to many natural, economic and historical factors. Factors such as the morphology of the coast, the large number of bays and ports also play a role.

In many coastal countries, high levels of urbanization, overpopulation and high socio-economic development have led to an increase in seaports on the shores of this ocean. It is in the Atlantic Ocean that shipping has formed in several directions.

Routes between the United States and Western Europe, the Mediterranean, and the North and Norwegian Seas carry large amounts of cargo.

Interestingly, since the beginning of the XIX century, there has been a competition among shipping companies in this ocean under the name "Blue Ribbon of the Atlantic" (for a shorter period of time to cross the ocean). For the first time in 1819, the American ship Savannah covered 28 days, and in 1838, the British ship Great Western covered the distance between Europe and America in 14.5 days. In 1938, the British ship Lusitania sailed for 4 days and 20 hours, in 1938, the French large passenger ship Normandy sailed for 4 days and 3 hours, in 1948, the British ship Queen Mary sailed for 3 days and 12 hours, and finally in 1952. The American ship United States passed 3 days and 10 hours (Lundberg K., Balfors B., Folkesson L., 2010: p.51).

The Pacific Ocean is the second largest shipper. About 25%, so far, this ocean lags far behind the Atlantic Ocean. However, it should be noted that there are 30 countries with a population of about 2.5 billion people on the shores of this ocean. Many large ports of the world have been established here as well, and they have strong lifting capacity.

The Indian Ocean is the third largest shipper by about 15%. About 1.5 billion people live on the shores of this ocean. There are 30 countries with a population of In

this ocean, cargo transportation from Europe to Asia and Australia via the Suez Canal plays a key role.

Although the Indian Ocean lags behind the Atlantic and Pacific Ocees in terms of cargo traffic, it is ahead of them in terms of oil transportation.

The Arctic Ocean does not play a significant role in world shipping.

Air transport accounts for about 1.5% of world GDP (Вилкова Н.Г., 2018: p. 55). Since the 1960s, passenger traffic has grown by an average of 9% annually, and freight by 11%. If the main object for maritime transport is cargo, the main object for air transport is the passenger. About 70% of the air transport services market is passenger transport, 28% cargo transportation and 2% postal transport (the share of postal transport continues to decline).

In the field of cargo transportation, aviation is mainly used to transport perishable food, flowers and low-value valuables.

The geographical distribution of international air flows is usually uneven. Airlines in developed countries carry 75% of passengers and 60% of cargo. Asia-Pacific airlines are growing rapidly, with at least 25% of the world's market share, while developing regions lag far behind.

Due to the high technological and capital capacity of the aviation industry, it is characterized by concentration processes. However, in most countries, cross-border airlines are prohibited by law. Therefore, one of the main trends in the market of air transport services is the creation of international strategic alliances. The positive networking effects of resource sharing allow alliance members to save on transportation costs. The members of the Alliance coordinate their activities quite closely while maintaining their independence in terms of property rights and implement a number of common programs. The most common of these programs is the code-sharing scheme, on the basis of which only one company operates flights (operator), and the other partner agrees to sell tickets instead. In this case, the flight is denoted by two codes: the joint operation of the operator and the partner Airlines

allows air carriers to save on scale (one flight is performed instead of two parallel flights), and to demonstrate its presence in the market in the absence of a flight operator.

Air transport service providers in developing countries are in a more difficult position. Many of them have to modernize their aviation equipment, organize modern air traffic control systems, build new runways and so on. There is a lack of financial and human resources for. All this prevents them from developing their aviation even at the national level. There is also a negative factor. This is due to the fact that the environmental requirements of the air fleet of some developing countries do not meet the requirements of developed countries. In addition, operators in developing countries, as a rule, can only join regional alliances, because the implementation of cooperation with these carriers does not benefit the participants of mega-alliances.

1.2. İnternationalization of the transport system as a factor of integration into the modern world economy

Transport is the most important and uninterrupted part of international economic relations. Along with other economic elements, the transport factor is very important in the development of integration processes between the countries of the world. It has long been known to science that transport plays a "pillar" role in the economic development of the world. However, the further expansion of economic ties between the countries of the world in the late twentieth and early twenty-first centuries has led to the discovery of new transport problems.

Vehicles provide the movement of goods and services from supplier to consumer in the international market. Functionally, transport is directly integrated with the circulation process and serves it directly. It is impossible to imagine the processes of circulation of goods and services outside transport. At present, transport and international transport, which are considered an important element of the system of international economic relations, play an important role in the economic infrastructure

of all countries. Transport connects the country's two separate economic sectors, agriculture and industry, and brings the country's economy together as a whole (Кокин А.С., Левиков Г.А., 2015: p.69).

The harmonious functioning of foreign trade, international transport, industry and other service sectors functionally depends on the timely transportation of goods and passengers, the continued operation of transport enterprises. The main task and activity of transport is to carry out transportation processes. Transportation processes are an important condition for the implementation of production processes. Produced and manufactured products are transported and delivered to places of consumption (consumers). Thus, the production process stops. Transportation activity means that the production process continues in the circulation process. The peculiarity of the term transport is that it is formed from the Latin word trasporto, which means to bring, take, change places. The main feature is to transport any cargo and person, passenger from one place to another. Transport does not produce any product, but, depending on its purpose, provides important and necessary services to citizens, society and the state in general. Although transport does not have the property of creating material production, it participates in this process as a cost entity and, from this point of view, acts as a serious factor in the formation of the final price of a product.

Transport in the sector of foreign economic activity. In each of the DDCs, the transport sector is seen as an important factor in maintaining independence. That is, transport has already become one of the most dynamic and active structures in the globalized world. Naturally, our country, located at the crossroads of West and East, with its unique geographical and geopolitical conditions, has been connected with the processes taking place in the field of transport of the world economy.

In addition to economic factors, the transport factor is also important. Transport not only carries out cargo and passenger transportation operations, but also plays an important role in attracting natural and labor resources to production, in the

development of productive forces, in the effective organization of the production area, in the settlement of the population, in the formation of cities and villages. Today, about a hundred million people around the world work in many areas of transport. Especially in the late twentieth century, the entry of a modern group of independent countries on the political map of the world and the independent integration of these countries into the world economy has increased the economic efficiency of transport by influencing the intensification of international freight flows. Improving the efficiency of interstate economic relations and regulating the flow of goods requires improvement in all areas of transport in accordance with international standards. Regardless of the location of states, states strive to earn high incomes by exporting their industrial and agricultural products to the world market in more efficient ways.

However, the rapid development of scientific and technical progress in the XXI century, as in other sectors, has spread to various areas of transport, increasing its scientific and technical capacity. The economy of the 21st century requires every country in the world to produce competitive, specialized products on the world market, and in the field of transport requires a car with a high load capacity and intensive traffic.

The development of transport has been one of the influential elements in the development of production and the formation of productive forces in connection with the development of society, and has been constantly improving. In the development of transport and the formation of its areas, attention has always been paid to the development of various areas of transport as a result of the study of different regions of the globe, seas and oceans and the need to provide access to those places. If during the development of society the development of productive forces was considered important for the production of material goods, the development of transport was required for the transportation of manufactured goods. Therefore, while horses, oxen, and carts were the main means of transportation when primitive tools were used in production, modern advanced areas of transport were developed that met the demand

for transportation of manufactured products between countries and played a more active role in shaping the world economy.

The development of transport in the world is not only the transportation of goods and passengers, but also the employment of hundreds of millions of people, the involvement of rich natural resources in land and water, the settlement of the population, the formation of cities, towns, villages, major industries and transport. nodes are of great economic importance in the development of ports.

Transport services in the world market. In international economic transactions, transport services ensure the movement of goods between two or more countries. These transport services differ depending on (Чиненов М.В., 2018: p.102):

1. Type of transport: water (sea and river), land (railway and road), air (aviation), pipeline, mixed
2. From the subject of transport operations (cargo, passengers, luggage)
3. Transport characteristics of the goods; dry (coal, ore), sown (grain, cement, phosphate), filtered (oil and oil products, vegetable oils)
4. Periodicity of transportation (permanent and non-permanent)
5. Border crossing procedure (container, ferry, etc.)
6. Transmission type (direct, indirect, etc.)

International transport services are purchased and sold in the international transport markets as a specific commodity and differ depending on the type of transport, the geography of transportation and the type of cargo transported.

In a broader sense, international transport services include a variety of operations in addition to direct transportation activities; transportation of cargo from the consignor's warehouse to the nearest cargo terminal, its loading on main vehicles, reloading to other types of transport at intermediate points, unloading at the destination point, temporary storage of cargo from the intermediate point, re-documentation of transportation documents.

The costs associated with carrying out the relevant transport operations and the costs of transporting the goods by the main modes of transport constitute the full transport costs of the owner of the cargo. Thus, in addition to cargo owners and carriers, various economic entities are involved in the international transport process (including cargo terminal operators at ports and stations). During international transportation, especially during the transportation of finished products and semi-finished products, the cargo is repeatedly transferred from those engaged in transportation to terminal operators, then to re-carriers, etc. pass. At the same time, the subjects responsible for the cargo are changing.

In order to protect their commercial interests, cargo owners instruct freight forwarders to carry out operations with cargo, for example: unloading cargo, storage of cargo, registration of cargo documents, etc. The owner of the cargo may also entrust the contract of carriage, freight settlement, etc. to the forwarders.

In many countries around the world, a well-developed network of intermediary organizations allows cargo owners to enter into contracts directly with forwarding companies at each point of interest. Such contracts may also be concluded with the general forwarder to whom all transportation is entrusted. The general freight forwarder may also conclude contracts with different types of transport on behalf of the cargo owner.

1.3. The world's major international transport corridors and their economic significance

In addition to the importance of international transport corridors in the diversified development of production in a market economy, the territorial organization of productive forces, the formation of domestic and foreign economic relations, it has been in the spotlight. In general, the role of transport corridors between the countries of the world in the development of trade and other features in a globalized economic environment is great. In an environment where global development seeks to strengthen the position of developing countries under the influence of globalization, the state influence of world politics is a major factor, along with the world's military and political potential, economic factors are the main economic resources. Ownership of transport corridors creates new opportunities for public policy and develops their competitive advantages.

In connection with the development of domestic transit, it should be noted that the international transport corridor, unlike sea transport, requires interstate cooperation. Such an action plan eliminates customs barriers, stimulates economic cooperation, and provides a basis for the development of more secure transport between transit countries and integration processes. There is a large-scale interregional transit potential (passenger and freight) connecting major markets and centers within the integrated monitoring networks of regional transport networks around the world.

The active development of the modern transport corridor system around the world began to develop in the 1970s. Transport corridors form the core of the global economy. International transport corridors play an important role in the development of the international transport and logistics system and the growing role of infrastructure in trade and economics. There are two types of transport corridors (Finnveden G., 2014: p.61):

- National;

- international.

International Transport Corridors are part of the national and international transport system, providing significant freight and passenger traffic between countries located in different geographical areas. This includes all types of transport belonging to the transport complex, statistical facilities, as well as technological, organizational and a number of other structures. Geoeconomic spatial paradigm is used in international transport corridors. Therefore, it is important to follow the legal methods of the regulated transport system. Also, the international transport corridor is the transportation of goods and passengers by water and land, crossing the borders of two or more countries.

In general, there are 3 types of economic activity of international transport corridors as a transit feature (Finnveden G., 2014: p.72):

1. Transit corridor
2. Trade corridor
3. Development corridor

International transport corridors play an exceptional role in expanding economic and trade relations between countries over long distances. One of the key factors for the existence of an international transport corridor is the delivery of goods and passengers to their homes in the most convenient ways in the transport corridors surrounded by highways. When you look at the map, there are generally major north-south and east-west international transport corridors. Here, the main Europe-Caucasus-Asia (TRACECA) and other transport corridors connect the countries economically. Of course, the existence of international transport corridors contributes to the economic growth of the country's population, increasing cooperation between countries in the framework of projects, the positive impact of revenues on budget growth, and most importantly, the transit of goods, passengers by rail and other modes of transport. earns income. The obtained economic benefits are used to increase the country's potential at the national and international levels, to create

infrastructure, to improve the transport system and other socio-economic purposes. In addition, international transport corridors increase competitiveness between countries, which has a comprehensive positive impact on the global economic environment.

International transport corridors around the world are classified according to their intensity and distribution as follows (www.acsc.az):

- Within the European Union (TRANSEUROPEAN NETWORK-Transport)
- Pan-European transit corridor system (especially Central and Eastern Europe)
- East-West (Europe-Caucasus-Asia — TRACECA)
- Within NAFTA (North America, Mexico, Canada)
- North-South international transport corridors

North America operates mainly in the international transport corridor in the form of the NAFTA agreement between Canada, the United States and Mexico.

All these international transport corridors regulate the activities of individual continents and countries in the form of projects.

In addition, in the national transport corridor, transport activity occurs in cities close to the country. For example, the Boston-Washington corridor (in America) or the TOKAYA corridor in Japan (www.azerbaijan.az).

TACIS - EU Program focused on infrastructure development (including communications);

TRACECA has been the main transit function of the region since 1993. The goal is to create a "Eurasian corridor." INOGATE is, in fact, a branch of TRACECA, which envisages the creation of a pipeline system that will transport energy to Europe (in operation since 1997).

EATKK - serves the realization of the transit function of the region by implementing the general conceptual program of the Eurasian transport and communication corridor.

The international transport corridor, which is shaped as a transport system in each country, such as infrastructure projects, is of great economic importance. Thus, cooperation in the development of transport infrastructure projects to other investment-oriented countries is growing, new railways and factories are being built, and systems are being formed that bring new economic benefits in both land and water sectors.

The concept of international transport corridors constitutes the rapid and safe development of passengers and cargo. This is achieved especially when moving to simplified rules and customs, the actual procedure of sanitation and other border clearance of passengers and goods as its main part; The application for all types of customs services and fees has preferential rates (25-50% reduction). Transport corridors collect important information about the availability of goods, especially play an important role in the development of information infrastructure, the need for vehicles, goods and their safety allows to control the passage.

World transport differs by region and country in terms of the quantity and quality of cargo and passengers. This is particularly the case between developed countries in the Northern Hemisphere and developing countries in the Southern Hemisphere. Freight traffic in DDCs is characterized by the highest level of technical support and communication. The "northern" countries account for 80% of the total length of world transport, freight and passenger turnover. Up to 80% of the world's car fleet and up to 60% of all types of ports (sea, aircraft) belong to these countries.

Azerbaijan is actually located at the crossroads of two huge transport corridors. Participating in these corridors, Azerbaijan not only increases its economic independence, but also has the opportunity to enter European and world markets through alternative transport routes. All this shows that Azerbaijan, located at the crossroads of international transport corridors, is an important strategic center for all types of transport. Our republic further strengthens its geopolitical position by forming a multipolar transport and communication network.

CHAPTER II. ASSESSMENT OF TRANSPORT INFRASTRUCTURE AND TRANSIT POTENTIAL OF AZERBAIJAN

2.1. Development concept of the transport system of the Republic of Azerbaijan

The development of the transport system is of great importance for the Republic of Azerbaijan.

Along with energy, communications, education, and health, which are the infrastructural areas of the country's economy, transport plays an important role in achieving social, economic, foreign policy, and other state priorities by meeting the basic needs of society.

After gaining independence, the Republic of Azerbaijan has entered a new stage of development of the transport system (www.azerbaijan.az).

The country's economy has moved to the next stage of rapid development, which has led to the creation of a legal framework for transport in a market economy, strong student-oriented activities that reflect the requirements of a market economy.

The dynamic development achieved in all spheres of public life in our country in recent years has significantly increased the geopolitical importance of our republic. Along with all this, it has become necessary to take an active part in the ongoing socio-economic processes in the global economic space, to have effective access to foreign markets, to have a competitive national industry. Globalization, rapid integration, sustainable development, etc., which occupy the world agenda in modern times. The issues are especially relevant for our country.

Today, the transport sector has a special place in the rapid and comprehensive development of the country's economy. This sector covers the activities in the field of production, distribution and consumption of goods and services and has an undeniable role in all economic activities. According to the latest World Bank reports, the share

of transport costs in the initial price of the product is currently 5 percent in developed countries, 4.25 percent in developing countries, and an average of 4.8 percent worldwide. In particular, the annual volume of the Asian transport market alone is about $ 200 billion (www.stat.gov.az). Thus, the reduction of transport costs and, as a result, the reduction of the cost of delivery of manufactured goods to consumer markets leads to increased competitiveness and the development of other economic sectors, including industry and the national economy.

The expansion of economic ties between the countries of the world and the acceleration of integrative processes have confirmed that the transport system is one of the main pillars of the national economy of each country. Clarifying the socio-economic nature of transport services, researchers have long proved that this system is an important condition for large-scale reproduction. In this regard, in the current context of large-scale radical reforms in the economy, it is very important to formulate and implement a policy that accurately takes into account the characteristics of transport, its role in economic and social processes. Therefore, the sustainable development of the transport system requires large-scale capital investment, construction and reconstruction of a large number of major transport hubs.

It should be noted that transport not only carries passengers and cargo, but also plays an important role in the development of productive forces, the rapid involvement of natural resources and labor resources in production, settlement and optimal location of productive forces in the area. Improving the efficiency of economic relations between the countries of the world and the implementation of favorable regulation of cargo flows requires improvement in each area of transport in accordance with international standards. Regardless of their geographical location, countries strive to bring their products to world markets in more affordable ways and to be more efficient. From this point of view, the fact that the Republic of Azerbaijan, located at the crossroads of transport corridors of international importance, has a

favorable transport system creates favorable conditions for the implementation of mutually beneficial economic relations with many countries around the world.

In order to make the most of the favorable conditions, as well as to ensure the integration of the national transport system into the international transport system, the areas of rail, sea, road, air, including urban transport should be extensively analyzed and ways of more efficient use identified. At the same time, the formation characteristics and capacity of transport hubs in modern conditions should be thoroughly studied. In general, in order to establish efficient transport links, improve transport management, make the transport sector, transport and transit services one of the main sources of budget revenue, the transport system by economic regions of the country, specific features of each economic region, opportunities for participation in domestic and international cargo transportation. it is necessary to clarify perspective opportunities. In this regard, the "Strategic Roadmap for the development of logistics and trade in the Republic of Azerbaijan" is very important. The document, developed in collaboration with local and foreign experts, is particularly noteworthy in terms of clarifying the potential of our country, as well as the study of relevant best practices and ways to apply this experience.

At present, along with all spheres of life in the country, special attention is paid to the systematic and comprehensive development of the road industry. As a result, today the renewal and modernization of the road industry of our republic is deepening, construction programs aimed at increasing the strength and power of our state, improving the welfare of our people are being successfully implemented.

Over the past years, all planned infrastructure projects and social programs in Azerbaijan have been implemented at a high level, including the reconstruction of the road sector, construction of new roads and overhaul of existing roads, which are important areas of social infrastructure. Numerous overpasses, bridges, tunnels, underpasses and overpasses have been built in the capital and regions.

According to the Decree of the President of the Republic of Azerbaijan No. 1638 dated October 18, 2017, the Azerbaijan State Agency of Motor Roads was established.

The State Agency for Motor Roads of the Republic of Azerbaijan is a public legal entity engaged in activities in the field of control, as well as ensuring the comprehensive conduct of other work related to the development of road infrastructure.

As of 01.01.2020, the State Agency for Motor Roads of Azerbaijan has 17,529 km of public roads, of which 4,385 km are of national importance and 13,158 km are of local importance. 2,670 kilometers of these roads remain in the territories occupied by Armenia. The company has 1299 bridges. 160 bridges are located in the occupied territories (www.stat.gov.az).

One of the important areas of the developed transport system of our country is the railways. The construction and subsequent development of the first railway in Azerbaijan was directly related to oil transportation. The foundation of the railway in Azerbaijan was laid in 1878 and its construction was completed on January 20, 1880. It consisted of the Baku-Sabunchu-Surakhani railway, which was only 20 km long. Since that historical period, the Azerbaijani railway has developed and improved, taking into account the growing demand for freight. At present, the total length of main roads is 2910.1 km, operating length is 2079.3 km, of which 802.3 km are two-way. 1241.4 km or 59.7% of the total operating length of the road is electrified, 837.9 km, ie 40.3% is operated by locomotive traction. 1527.7 km are equipped with automated signaling system (www.stat.gov.az).

Currently, our republic, located in a favorable geographical area, is actively involved in the implementation of all international and regional projects. Azerbaijan has implemented a number of major infrastructure projects to implement major transport corridors such as TRACECA and North-South.

Launched in 2017, the Baku-Tbilisi-Kars railway has restored the ancient Silk Road on steel highways, connecting European and Asian railway networks. The Baku-Tbilisi-Kars railway and the New Baku International Sea Trade Port projects will become key segments of the East-West transport corridor and will make a positive contribution to the development of not only the countries involved in the project, but the entire region.

It is impossible to imagine international economic relations without the participation of maritime transport. Maritime transport is the cheapest mode of transport in the unified transport system compared to other modes of transport (except for pipelines).

Investments are being made in a number of countries around the world to take advantage of maritime trade opportunities. As a rule, the competitiveness of such nodes is determined by three factors (www.azerbaijan.az):

- First, the efficiency of port operations through junctions is adapted to the most advanced practices. At the same time, improving operations, optimizing pricing and investing in new information technology systems play an important role in increasing the efficiency of port operations.
- Second, ensuring and developing ties with remote areas of the country is an important factor. Thus, relations between the hubs and remote areas of the country are usually established through investments in railways, large trucks and the creation of industrial clusters in port areas. Such relationships are further strengthened by partnering with neighboring ports to achieve a "synergy" effect in marketing and operations.
- Third, the availability of value-added services in the port increases trade activity.

A number of global and regional port hubs around the world have evolved into benchmarks that are considered best practices, achieving the development of all three of these factors.

In addition to Azerbaijan's port infrastructure, the development of ports in other neighboring countries can contribute to improving logistics in the country. Therefore, in general, opportunities for cooperation and coordination between Azerbaijan and other countries are being identified in order to improve operational performance. For example, improving the infrastructure in the port of Poti will also help Azerbaijan improve its logistics performance. In addition, some of the improvements in the ports of Aktau (Kazakhstan) and Turkmenbashi (Turkmenistan) may be beneficial for Azerbaijan (www.azal.az).

These include improving customs procedures, expanding port capacity and modernizing infrastructure through technological advances, as well as raising the level of forecasting and reducing waiting times during transshipment. Improving detection and tracking systems at both ports and improving the quality and quantity of logistics services will also be beneficial for Azerbaijan.

Along with port operations in Azerbaijan and abroad, one of the most important issues is the modernity and high carrying capacity of ships. At present, Azerbaijan's merchant fleet in the Caspian Sea has 64 ships with a capacity of about 363,000 tons. At present, the transport fleet of Azerbaijan Caspian Shipping Closed Joint-Stock Company includes tankers, universal dry cargo ships, ferries and RoRo vessels.

One of the important areas of the transport system is air transport. In recent years, 7 airports have been built or reconstructed in the country. At present, there are six international (Baku, Nakhchivan, Ganja, Lankaran, Gabala, Zagatala) and one local (Yevlakh) airports in Azerbaijan.

According to the Strategic Roadmap for the Development of Logistics and Trade in the Republic of Azerbaijan, it is planned to improve the quality of air and passenger transport and increase the number of airports in other regions.

2.2. Transport infracture complex of Azerbaijan and its social-economical indicators

One of the leading infrastructure sectors of the national economy of each independent state is the transport sector. In general, the transport system is of great importance both in creating a reliable guarantee of economic security of the country, as well as in the formation of the country's gross domestic product (GDP). According to the World Bank, the transport sector accounts for 3-5% of world GDP, of which an average of 2-2.5% is public investment (www.stat.gov.az). In particular, the transport system, which includes rail, road, sea and air transport, forms 5-8 percent of the jobs in the world economy. In addition, it is one of the main sources of international transport links and foreign exchange inflows of many countries.

The main task for further strengthening the achievements is to strengthen the transport network that meets world standards in the country, to ensure the sustainable development of transport services and to organize more efficient use of transit potential. This requires effective measures to strengthen the integration of the transport network into the international transport network. It is a fact that transport not only carries out cargo and passenger transportation operations, but also plays a key role in attracting natural and labor resources to the production cycle, developing productive forces, efficient organization of production areas, settlement, urban and rural development. .

Azerbaijan's transport sector means the interaction of transport sectors operating within the country.

In the modern market economy, the development of the transport sector is taking on a new form and content in the economic development of both domestic and world countries. That is, the participation of countries in economic relations based on the "open door" theory gives impetus to the formation of the transport system of countries (www.azerbaijan.az).

Different modes of transport make up the transport complex. The transport complex of the Republic of Azerbaijan carries out transportation, transportation and transport forwarding activities in all types of vehicles, engaged in the design, construction, repair and maintenance of roads and railways, as well as facilities serving them; performing work related to the maintenance of hydraulic structures on pipelines and water transport; Entrepreneurs who produce vehicles, train primary and professional personnel in the system of transport enterprises and conduct research, as well as organize the implementation of other work related to the transport process - individuals and legal entities registered in this area.

In addition, the concept of transport sector is used in the economy. According to the classification criterion determined by the Republican Statistics Committee, the name of the transport sector means the activity of legal entities - enterprises, as well as individuals operating in the field of road transport, the main type of activity of which is transport, regardless of ownership and organizational - legal form. Along with energy, communications, education, and health, which are the infrastructural areas of the country's economy, transport plays an important role in achieving social, economic, foreign policy, and other state priorities by meeting the basic needs of society.

Carrying out economic reforms in the Republic of Azerbaijan, active formation of the commodity market, implementation of the process of economic reconstruction and privatization, as well as the use of opportunities provided by the transit potential of the country, restoration of a new, modern Silk Road to the transport service market. led to changes in the division of labor and a fundamental restructuring of tariff policy.

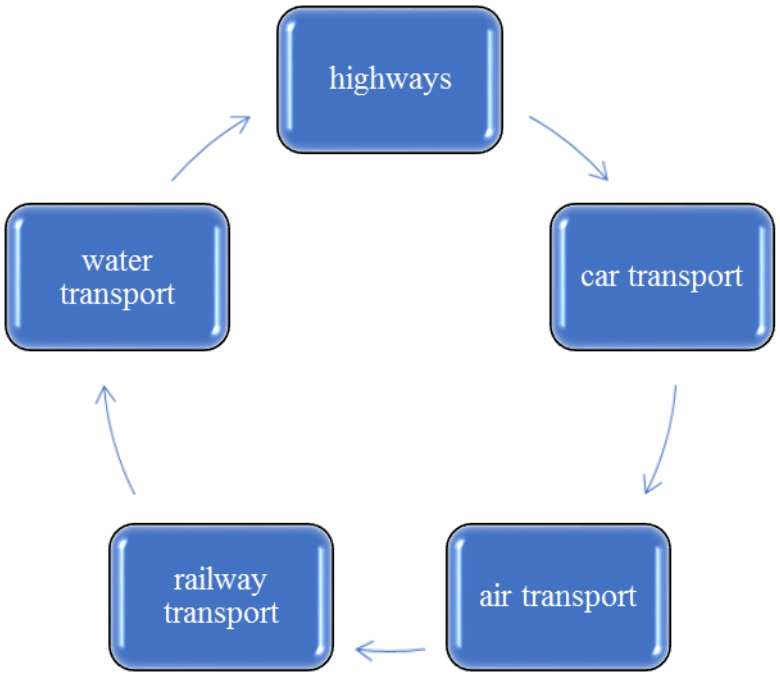
As a system, transport is divided into two subsystems: public and non-public.

Public transport, being an independent sector of the national economy, serves to fully meet the needs of individual sectors of the economy and the population in freight and passenger transportation. Vehicles belonging to this subsystem serve the sphere of exchange and the population. Due to this characteristic, it is often called

highway transport. The concept of trunk transport includes rail, water (sea and river), road, air and pipeline transport. The participation of different modes of transport in freight and passenger transport differs sharply from each other. This is due to the technical and economic characteristics of different types of transport, as well as the location of enterprises and organizations that receive and send cargo, the organization of the transportation process, working conditions, etc. depends.

The main transport and road complex of our country includes highways, car transport, air transport, railway transport and water transport (www.acsc.az).

Schedule 1: Types of transport-road complex



Sources: Aliyev E.A. (2018) Legal regulation of international transportation, p.125

In the context of globalizing economic conditions, these types of transport have positive results and economic efficiency for our country in terms of economic, technical, social and other aspects. Thus, looking at the historical development of the transport sector, we can say:

Railway transport enterprises are part of the railway as structural units of the Azerbaijan State Railway (ASSR). These enterprises are self-supporting enterprises

and provide services for the transportation of cargo, luggage and passengers. ADDY manages the work and activities of railway transport enterprises. ADDY is a state organization and reports to the Cabinet of Ministers of the Republic of Azerbaijan. It operates in accordance with the relevant regulations.

The main responsibilities of ADDY with the status of a legal entity are as follows (www.acsc.az):

- transportation of cargo, passengers, luggage and mail on the railway, development of railway transportation in international relations;
- ensuring the transportation of goods on the route;
- ensuring timely and safe transportation of cargo, passengers, luggage and mail;
- organization and management of freight and commercial work of the railway, organization of loading and unloading of railway means in public places, rendering of transport-forwarding services to consignors and consignees;
- ensuring the protection of state property in railway enterprises.

The property of ADDY is considered state property. This property belongs to him on the basis of full economic power-limited property rights. ADDY exercises the authority to dispose of this property in the manner and within the limits established by law. Air transport enterprises carry out cargo, passenger and luggage transportation by air. These enterprises are part of the Azerbaijan Airlines (AZAL) State Concern.

AZAL State Concern was established by the decree of the President of the Republic of Azerbaijan on April 7, 1992 on the basis of the Azerbaijan Aviation Concern of the former USSR Ministry of Civil Aviation and in April 2008 was transformed into Azerbaijan Airlines Closed Joint-Stock Company. The Company operates on the basis of the relevant Charter. "AZAL" manages the activities of air transport enterprises of the Republic of Azerbaijan engaged in air transport and aviation. The main activity of the company is the transportation of passengers, cargo,

luggage and mail on domestic and international airlines through such enterprises, which are part of it (www.azal.az).

AZAL determines tariffs for passenger, cargo, luggage and mail air transportation in accordance with the legislation, approves the rules of application of these tariffs, as well as determines the rules for issuing discounted tickets for air transportation. It implements a single price and tariff policy. In addition, other responsibilities of the Company include (www.azal.az):

- to ensure the comprehensive development and improvement of civil aviation;
- to implement a unified scientific and technical policy in the field of development of civil aviation;
- to ensure regular flights and safety of aircraft;
- to take measures aimed at the implementation and development of international air transportation, as well as international scientific and technical cooperation on the basis of the principles of equal rights and mutual benefit in the field of civil aviation, etc.

Road transport enterprises were part of the Azeravtonagliyyat State Concern. The concern operated on the basis of the relevant Charter, its main tasks and functions were:

- to develop programs and economic mechanisms to take measures aimed at meeting the needs of the economy and the population in road transport services, full use of production potential and labor resources;
- to implement a unified scientific and technical policy in the field of motor transport development;
- to create conditions for the formation of a free and competitive market of road transport services, etc.

Maritime transport enterprises include the Azerbaijan State Caspian Shipping Company. Caspian Shipping is a state organization operating on the basis of the

Merchant Shipping Code of the Republic of Azerbaijan, as well as international conventions on commercial shipping and the relevant Charter. The Azerbaijan State Caspian Shipping Company, which has the status of a legal entity, is subordinated to the Cabinet of Ministers of the Republic of Azerbaijan. Azerbaijan State Caspian Shipping Company has a number of main tasks (www.cabmin.gov.az):

- Carriage of cargo and passengers between the ports of the Republic of Azerbaijan and foreign ports, as well as between foreign ports by vessels leased from other entrepreneurs, including leased foreign tonnage and own fleet;
- implementation of production, commercial and foreign economic activities envisaged by the legislation of the Republic of Azerbaijan aimed at solving the social issues of the labor collective;
- development, implementation of measures to ensure the safety of sea voyages, minimization of accidents in the fleet, protection and timely delivery of cargo, as well as improving the safety of passengers and the level of cultural services provided to them, etc.

The Baku International Sea Trade Port of the Republic of Azerbaijan plays an important role among maritime transport enterprises. This state enterprise, which has the status of a legal entity, is subordinated to the Cabinet of Ministers of the Republic of Azerbaijan. It is guided by the Merchant Shipping Code of the Republic of Azerbaijan, international conventions on merchant shipping, as well as the relevant Charter.

The main and primary task of the Commercial Port is to serve the public needs of maritime transport for goods and services (www.azerbaijan.az):

- loading and unloading ships, servicing them;
- loading cargo from other means of transport to sea transport and vice versa;
- to serve cabotage and foreign cargo, passenger and mail transportation by sea transport vessels, to carry out tow operations;

- to ensure the safety of navigation of ships in the port area;
- to make payments on the basis of contracts or approved tariffs for work performed and services rendered;
- to compile the schedule of arrival and departure of ships in the port, etc.

For the Republic of Azerbaijan, closer cooperation with individual states or international organizations in the field of transport, including air transport, is very important both for the opening of transport markets and the development of the principles of a market economy of modern countries. At the regional level, these issues have been addressed at various international transport conferences in recent years, such as the European Transport Conference (Crete, March 1994; Helsinki, June 1997), the United Nations Economic Commission for Europe (UNECE) on transport and the environment. Declarations of the Conference (Vienna, November 1997); Ministerial Conference on Infrastructure (New Delhi, October 1996) and the Delhi Conference on the Action Plan for Infrastructure Development in the Asia-Pacific Region for 1997-2006, International Conference on the Development of the Europe-Caucasus-Asia Corridor in the decisions of the Baku International Conference on the Restoration of the Historical Silk Road, which ended with the signing of an agreement on transport (September, 1998); It has been established and adopted for the establishment of the Europe-Caucasus-Asia transport corridor and is reflected in various international legal documents.

During 2019, 524.4 km of new public roads were built, reconstructed, repaired, 12 new bridges were built, 2 were repaired, 2 tunnels and 7 pedestrian crossings were put into operation. In particular, 213.3 km of public roads, 167.5 km of local importance and 380.8 km of roads of national importance were built, reconstructed and repaired in the regions. 12 bridges were built and 2 were repaired on public roads. In Baku, 144.1 km of roads, avenues and streets were built, reconstructed, repaired, 3 overpasses, 2 tunnels, 9 pedestrian crossings were put into operation. During this

period, a total of 702.1 thousand tons of asphalt concrete, 38.6 thousand tons of bitumen and 2 508 tons of fuel oil were used (www.stat.gov.az).

At present, the length of railways in the Republic of Azerbaijan is 2944 km. The operating length is 2122 km. More intensive areas of the railway line, ie 1277.1 km, have been electrified, which is 60% of the total length. Azerbaijan State Railway (ASSR) includes Transportation Process Management Association, Passenger Transportation Production Association, Locomotive Production Association, Wagon Service Production Association, Road Production Association, Electrical Equipment Production Association, Signaling and Communication Union. Economy, Nakhchivan part, etc. enterprises operate.

Pipeline transport in Azerbaijan has developed significantly due to oil and natural gas. Efficient transportation of oil both within the country and abroad requires the development of pipeline transport in all years. Due to oil production in the country, the first oil pipeline was formed in the Absheron region. The total length of the pipeline is more than 1,500 km. 80% of the oil pipeline is concentrated in the Absheron economic region.

Cargo transportation by rail In 2019, 17.1 million tons of cargo and 1.9 million passengers were transported, compared to 2018, a decrease of 21.6 percent and 25.1 percent, respectively. During the year, on average, 374 wagons were loaded and 466 wagons were unloaded per day. During the day, 15.3 thousand tons of cargo was loaded in the northern direction, 4.2 thousand tons in the western direction and 1.8 thousand tons in the southern direction.

The volume of cargo transported by sea amounted to 6.6 million tons, a decrease of 33.3 percent compared to the previous year. 64.9% of the cargo was oil cargo. During the year, 8.55 million tons of cargo was loaded and unloaded at seaports. 94.3% of the processed cargo was international transit cargo. As of January 1, 2020, there were 132.4 thousand tons of imported cargo left to be shipped in ports.

In 2019, 137.6 million tons of cargo and 1666.2 million passengers were transported by road and increased by 7.0 percent and 3.6 percent, respectively, compared to the previous year. 96.2% of passengers used buses and 3.8% used taxis. Cargo turnover increased by 7.0% and passenger turnover by 3.6% (www.stat.gov.az).

In 2019, the number of passengers using metro transport services during the year increased by 3.0 percent to 222.0 million people.

1.8 million or 1.8% more passengers were transported by air transport, 99.5% of transportation was carried out by aircrafts belonging to public sector and 0.5% by private enterprises. The volume of cargo transported by this mode of transport increased by 3.3 percent and reached 127.9 thousand tons (www.stat.gov.az).

45.7 million tons of oil was transported via main oil pipelines. 76.2% of transportation was carried out through the BTC oil export pipeline named after H. Aliyev, one of the main transport infrastructures of the country, and 34.81 million tons of oil was transported through this pipeline during the year. During the period, 5.5 million tons of transit oil was transported via the BTC pipeline.

21.2 billion cubic meters of gas was transported through the main gas pipelines. 31.4% of the transported gas was carried out through the Baku-Tbilisi-Erzurum South Caucasus Pipeline and 6.65 billion cubic meters of gas were transported.

2.3. Analyses of transit potential of Azerbaijan Republic

Diversification of the economy and development of the non-oil sector is a socio-economic priority of the Republic of Azerbaijan. The "Azerbaijan 2020: Vision for the Future" Development Concept also increases its role in the economy until 2020. At present, 70% of the country's economy falls to the non-oil sector. It should be noted that transit cargo transportation is important in the non-oil sector and there are prospects for further development of this sector. The policy of realizing the country's transit potential is successfully pursued by the President of the Republic of Azerbaijan, Mr. Ilham Aliyev. "Azerbaijan is a bridge connecting Asia with Europe. We are now strengthening our transport infrastructure. Large investments are being made in our sea transport and railways. In short, the transport sector will play a major role in the future. This is what other important work in the region is about" (www.president.az).

Azerbaijan's international prestige is growing and its position is strengthening. Emphasizing that global transport projects are being implemented in Azerbaijan, President Ilham Aliyev said that great importance is attached to this area in our country. Today, large infrastructure projects of regional and local significance are being implemented in our country to expand transport and transit potential. One of the largest transport system projects in the region is the Baku-Tbilisi-Kars railway, which provides a more reliable transport link between Europe and Asia through Azerbaijan. The construction of the New International Sea Trade Port Complex in Alat settlement, which is an integral part of this connection, is underway. The canal, which is 7.5 kilometers long, 7 meters deep and 165 meters wide, has already been opened (www.azerbaijan.az). Currently, work is underway at the ferry and dry cargo terminals. The ferry terminal will be ready for operation this year. In addition, work is underway to connect the port to highways and railways. After the commissioning of the Baku-Tbilisi-Kars railway, there will be a new corridor in the world. Implementation of the BTK international project and construction of a railway tunnel

in the Bosphorus will connect the Trans-European and Trans-Asian railway networks, ensure the transportation of goods and passengers directly to Europe and Asia via Azerbaijan, Georgia and Turkey, as well as increase the transit potential of the region. It will serve to accelerate the husband and further development of cooperation, as well as the expansion of foreign economic relations of our country. Along with a favorable geopolitical position, our country has rich underground and surface resources, high human potential, colorful natural and climatic opportunities. All this is already openly acknowledged by world scientists and leading companies. Azerbaijan is also considered by developed countries as the most important and major crossroads in the world. From this point of view, one of the main tasks ahead is to make transit services one of the main sources of budget revenue by ensuring the effective use of the opportunities created by the crossroads. Recent decisions and steps reaffirm and increase the importance of the transport transit system. Since the second half of 2015, very significant events have taken place to expand Azerbaijan's transit capacity, and in August, the first container train arrived in Azerbaijan from China via Kazakhstan. At the same time, serious steps are being taken regarding the North-South transport corridor. During his visit to China, President Ilham Aliyev said: “The transport sector is of great importance to the country's economy. As you know, in recent years, this sector has probably received the largest funding among all infrastructure projects. Because our geographical situation dictates that we must create a modern transport infrastructure within the country, expand our transit opportunities and bring us even greater political and economic dividends.

As we know, the role of Azerbaijan in transit projects is growing. Even during the meetings between officials of developed countries, as well as officials of international organizations and authorized representatives of our country, the great transit opportunities of Azerbaijan were discussed. The North-South transport corridor, the Baku-Tbilisi-Kars railway, the Baku International Sea Trade Port and

other major projects play an important role in increasing the transit potential of our country.

In order to implement state regulation of the processes related to the development of the economy of transit potential, the Transit Cargo Coordination Council (TCCC) was established by the decree of President Ilham Aliyev dated October 21, 2015 (www.president.az). Due to its favorable geographical location and infrastructure, Azerbaijan is one of the countries with the highest revenue potential for transit cargo transportation. However, our country is not able to use the transit potential at the required level. "Location between the West and the East, the rapid development of infrastructure in recent years has led to the revival of the transport sector, ie the expansion of transport opportunities. In particular, the completion of the Baku-Tbilisi-Kars railway has increased the country's transit capacity. In particular, the implementation of electronic documentation helps transport owners and drivers engaged in transit freight to avoid additional costs: “On the other hand, the reduction of tariffs by the decision of the new council accelerates the development of the transit economy. As a result, the international freight sector is increasing its potential as one of the key areas in the non-oil sector. For this reason, the re-reduction of tariffs for cargo transportation, the activities of the Coordination Council, the adoption of important decisions and their implementation will increase our revenues in international cargo transportation.

Although it has great potential in the field of transit and cargo transportation, it is not able to take full advantage of this opportunity at present. The possible transit time of the 4,200-kilometer Europe-Caucasus-Asia transport corridor is less than 14 days. The expansion of trade relations between Asia and Europe creates great opportunities for the development of the Europe-Caucasus-Asia transport corridor through Azerbaijan. In addition, the current state and problems of transport corridors passing through the territory of Azerbaijan are being studied, opportunities to increase the potential of these corridors and increase their competitiveness are being explored.

Relevant work is being done to create an electronic portal of the Coordination Council. The portal provides uniform tariffs for transit cargo transportation by rail, sea, ports and terminals of the country, border crossing procedures, rules of carriage of cargo, receipt of electronic applications for administrative procedures when crossing the state border and the possibility of concluding contracts for cargo transportation, tracking and will demonstrate other issues related to transportation processes. In addition to the above-mentioned work, during the relevant events to promote the work done at the international level, awareness-raising activities are carried out on the advantages of the corridor and the innovations applied.

The development of the transport sector is a priority in the diversification and expansion of the economy. Therefore, a number of large-scale infrastructure projects have been implemented in the transport sector of Azerbaijan in recent years. The construction of the Baku International Sea Trade Port Complex, modern airports, East-West and North-South transport corridors of international importance and the renewal of railway lines play an important role in expanding the country's foreign economic relations. The completion of the Baku-Tbilisi-Kars railway, known as the Silk Road, will further increase the importance of Azerbaijan as a transit country for the transportation of goods between European and Asian countries. The wide potential of trade relations between the founding countries of the North-South International Transport Corridor (Russia, Iran, India), the extensive use of favorable transit opportunities of the Republic of Azerbaijan as a participant in this corridor, as well as the connection of Azerbaijani railways with the Iranian railway network are urgent. By 2021, Azerbaijan's transit potential will reach $ 600-700 million or 300,000 containers (www.acsc.az).

In 2020, the amount of value added in the transport sector amounted to 4738 million manat at current market prices. This shows that compared to 2019, the amount of value added in 2020 increased by 662 million manat (16.3%). The share of value

added in the transport sector in the volume of value added in the economy of the republic was 6.8% in 2019, and the net in 2020 was 6.7%(https: // stat .gov.az /).

Primary on the transport sector Value indicators, ie information on revenues and expenses from transportation, are collected on a quarterly basis, information on other financial indicators related to annual accounts are collected on an annual basis.

The indicator of income of enterprises in the transport sector characterizes the amount of income received from the services provided to the population on freight and passenger transportation in the current period, as well as other transport services provided.

To analyze the amount of revenue from transportation in the transport sector in 2014-2020 Let's use the data of table 2:

As can be seen from the table, in 2014-2020, the volume of revenues from transportation in the transport sector as a whole increased from year to year. The growth rate of revenue from transportation in the transport sector compared to the previous year was 101.9% in 2015, 105.1% in 2016, 104.9% in 2017, 108.8% in 2018, 2019 - 119.3% in 2015 and 116.2% in 2020. This means that the volume of revenues from transportation in the transport sector compared to the previous year was 1.8% in 2015 and 5.0% in 2016. %, 4.8% in 2017, 8.9% in 2018, 19.4% in 2019, and 16.1% in 2020.

Schedule 2: 2014-2020 - Volume of income from transportation in the transport sector, (thousand manats)

	2014	2015	2016	2017	2018	2019	2020
Railway	196 682	201 865	224 315	237 303	231 077	261 435	201 879
The sea	109 711	114 680	98 901	103 339	94 990	161 096	178725
The weather	557 910	617 770	776 843	836 820	829 058	1153 949	1 747341
Pipeline	1 605 903	1 535 106	1 449 865	1 438 109	1 677 770	2 047104	2 303546
oil pipeline	1 445 548	1 359 206	1 248 234	1 194 644	1,326,903	1 515730	1 598097
gas pipeline	162 353	175 800	198 631	246 465	354 867	531 274	604 449
Car	784 628	831 582	917 044	1 021 030	1 127 662	1 314938	1 273879
Tram	-	-	-	-	-	-	-
Trolleybus	-	-	-	-	-	-	-
Metro	28 778	40 707	42 904	43 519	43 305	42 362	45 322

Source: National accounts of Azerbaijan, State Statistics Committee of Azerbaijan, Baku, 2018

As can be seen from the table, in 2014-2020, the volume of revenues from transportation in the transport sector as a whole increased from year to year. The growth rate of revenue from transportation in the transport sector compared to the previous year was 101.9% in 2015, 105.1% in 2016, 104.9% in 2017, 108.8% in 2018, 2019 - 119.3% in 2015 and 116.2% in 2020. This means that the volume of revenues from transportation in the transport sector compared to the previous year was 1.8% in 2015 and 5.0% in 2016. %, 4.8% in 2017, 8.9% in 2018, 19.4% in 2019, and 16.1% in 2020.

Profit (loss) of transport enterprises as a result of services provided to the population is calculated in accordance with the legislation of the country, excluding taxes and other mandatory payments, from the revenues from the provision of services at current prices, minus the costs incurred.

The volume of gross profit in the transport sector in 2020 amounted to 3849 million manat at current market prices. This shows that compared to 2019, the amount of value added in 2020 increased by 568 million manat (11.7%). The volume of net profit in the transport sector in 2020 amounted to 2984 million manat at current market prices. This shows that compared to 2019, the amount of value added in 2020 increased by 822 million manat (1.4 times).

In 2019 and 2020, the share of gross profit in the transport sector was 7.7%, and the share of net profit was 6.5%.

The structure of expenditures in transport enterprises is divided into the following groups:

- costs of raw materials and supplies required for the provision of services;
- expenses for purchase of fuel (gasoline, fuel oil, kerosene, lubricants, petroleum bitumen, diesel fuel) and gas during the reporting period;
- spare parts, tools, devices, laboratory equipment and other expenses required for the operation and maintenance of machines, mechanisms and equipment;

- costs of special clothing (clothes, shoes; gloves) used in the provision of transport services to the population;

- provision of stationery, instructions and forms to employees, provision of catering services to employees (dishes, tables, towels, etc.), technical tests, cash accounting, maintenance of fixed assets;

- other expenses.

Table 1: Dynamics of transportation costs in the transport sector in 2014-2020 (thousand manats)

	2014	2015	2016	2017	2018	2019	2020
Total	**1 411123**	**1 571089**	**1739606**	**1 980343**	**2 146400**	**2,583,043**	**3 408283**
Railway	164 341	187 682	146 555	223 761	201 976	327 501	461350
The sea	100 561	105 150	107 796	118 029	154 817	173 860	162494
The weather	511 986	539080	678 870	772 221	810 522	975 135	1 627498
Pipeline	287 803	335848	445 635	361 412	379 829	390 773	419547
Car	252 181	298079	350 849	416 678	485 411	557 846	635494
Tram	-	-	-	-	-	-	-
Trolleybus	-	-	-	-	-	-	-
Metro	94 651	95450	110 601	99 352	103 745	158 128	106000

Source: https: // stat .gov.az /

As can be seen from the table, in 2014-2020, the volume of transportation expenditures increased from year to year, as did the volume of revenues from transportation in the transport sector as a whole. The volume of expenditures on transportation in the transport sector in 2014 amounted to 1411,122 thousand manat, in 2015 - 1561089 thousand manat, in 2016 - 1561089 thousand manat, in 2017 - 1990343 thousand manat, in 2018 - 2136400 thousand manat, in 2019 2583043 thousand manats per year, in 2020 it was 3407283 thousand manats.

In 2020, the share of railway transport in the total volume of expenditures in the transport sector is 13.5%, the share of maritime transport is 4.8%, the share of air transport is 47.7%, the share of pipeline transport is 12.3%, cars The share of transport was 18.6%, the share of metro transport was 3.1%. This proves once again that the most expensive transport service provided to the population is air transport,

and the cheapest transport service is provided by subway. The share of transportation costs in the transport sector in 2014-2020 was as follows:

Table 2: Specific share of transportation costs in the transport sector in 2014-2020 (%)

	2015	2016	2017	2018	2019	2020
Railway	114.3	78.2	152.8	90.3	162.1	140.6
The sea	104.7	102.4	110.6	130.1	112.4	120.7
The weather	105.3	126.2	113.6	105.2	120.3	166.6
Pipeline	116.3	134.1	81.3	104.8	102.8	112.4
Car	118.7	118.3	118.5	116.8	114.9	120.2
Tram	-	-	-	-	-	-
Trolleybus	-	-	-	-	-	-
Metro	102.2	114.6	89.8	104.6	152.2	66.5

Source: https: // stat .gov.az /

4As can be seen from the table, the share of transportation costs in the transport sector compared to the previous year was 110.7% in 2015, 117.8% in 2016, 108.2% in 2017 and 107.3% in 2018. , Was 120.9% in 2019 and 131.9% in 2020.

Value indicators of enterprises providing transport services to the population are formed on the basis of indicators for different types of transport.

Indicator of the total volume of transport services provided to the population by rail mcharacterizes the total amount of services rendered at railway enterprises for a certain period. This indicator also includes sales of services (goods) provided to third parties.

The growth rate of income from rail transportation was 102.6% in 2015, 110.6% in 2016, 105.8% in 2017, 98.2% in 2018 compared to the previous year. It was 113.1% in 2019 and 76.5% in 2020. This means that the volume of income from rail transport increased by 2.6% in 2015, 10.6% in 2016, 5.8% in 2017 compared to the previous year, and 1 in 2018. , Decreased by 8%, increased by 13.1% in 2019, decreased by 23.5% in 2020.

The indicator of income from cargo transportation by sea represents the financial result of the shipping company's economic activity on cargo transportation. This indicator includes the amount of income from import, shipment and transit cargo transportation.

The volume of income from non-navigation to foreign countries includes the amount of income from the shipment of goods from the country's ports, the transportation of goods to other countries using the country's sea routes, the import of cargo from foreign ports, the transportation of goods between foreign ports using domestic ships, etc. is included.

The income from the carriage of passengers by ships characterizes the amount of income from the carriage of passengers, regardless of the direction. This figure includes the amount paid by the sale of tickets and by passengers on board directly for the passenger.

Revenues from maritime transport amounted to 109,710,000 manat in 2014, 114,580,000 manat in 2015, 97,901,000 manat in 2016, 102,339,000 manat in 2017, and 93,990 manat in 2018. thousand manats, in 2019 - 160 096 thousand manats, in 2020 - 179 725 thousand manats. The growth rate of revenue from transportation by this transport compared to the previous year was 104.4% in 2015, 85.4% in 2016, 104.5% in 2017, 91.8% in 2018, 2019 - 170.3% in the year and 112.3% in 2020. This means that the volume of revenue from maritime transport increased by 4.4% in 2015 compared to the previous year, decreased by 14.6% in 2016, increased by 4.5% in 2017, and in 2018. It decreased by 8.2%, increased by 70.3% in 2019 and 12.3% in 2020.

Income from the carriage of passengers abroad includes the amount of tickets exported from the country's ports, as well as passengers brought into the country from ports belonging to another country, as well as tickets sold to passengers transported from foreign ports to each other.

Expenses for the carriage of passengers and cargo by sea reflect the operating costs associated with the carriage of cargo and passengers, as well as ancillary activities to perform these activities. This indicator represents the costs included in the cost of transportation.

Values related to revenue from maritime transport are obtained on the basis of the quarterly reporting form No. 65.

Revenues from air transportation amounted to 557,911,000 manat in 2014, 617,870,000 manat in 2015, 779,843,000 manat in 2016, 837,820,000 manat in 2017, and 828,058 manat in 2018. thousand manats, in 2019 it was equal to 1 053 949 thousand manats, in 2020 it was equal to 1 647 341 thousand manats. The growth rate of income from transportation by this transport compared to the previous year was 110.7% in 2015, 126.2% in 2016, 107.4% in 2017, 98.8% in 2018, 2019 - 127.3% in the year and 156.3% in 2020. This means that the volume of revenues from air transportation increased by 10.7% in 2015, 26.2% in 2016, 7.4% in 2017 compared to the previous year, and 1 in 2018. It decreased by 2%, increased by 27.3% in 2019 and by 56.3% in 2020.

The indicator of income from passenger transportation by road characterizes the income from all passenger transportation, regardless of the type of communication.

The indicator of income from the transportation of goods, regardless of the type of communication, characterizes the amount of funds received from the transportation of goods, as well as income from vehicles leased under a contract.

Revenues from road transport amounted to 784,626,000 manat in 2014, 831,682,000 manat in 2015, 916,044,000 manat in 2016, 1,020,030,000 manat in 2017, and 1 in 2018. 128 662 thousand manats, in 2019 it was equal to 1 214 938 thousand manats, in 2020 it was equal to 1 273 879 thousand manats. The growth rate of revenue from transportation by this transport compared to the previous year was 106.0% in 2015, 110.1% in 2016, 111.4% in 2017, 110.6% in 2018, 2019 - 107.6% in the year and 104.9% in 2020. This means that the volume of revenue from road

transport in comparison with the previous year was 6.0% in 2015, 10.1% in 2016, 11.4% in 2017 and 10.6% in 2018. , Increased by 7.6% in 2019 and by 4.9% in 2020

The freight cost indicator shows the maintenance costs of the vehicle for freight transportation, as well as for ancillary activities to perform transportation.

Product output in road transport is calculated by summarizing the following:

- Release of products formed as a result of the final information of the national statistical observations classified on all transport services;

- volume of services in the field of economy, which is not observed in the presence of unregistered transport enterprises;

-Evaluation of product output of individuals (individual entrepreneurs).

In transport statistics, the product volume index characterizes changes in the volume of freight and passenger traffic during the reporting period compared to the base period and is calculated on the basis of the average weighted growth rate of revenues from freight and passenger transportation.

Thus, the determination of value indicators for different types of transport is an important indicator for ensuring comparability, management of financial resources, evaluation of efficiency, calculation of profitability.

CHAPTER III. THE COOPERATİON OF AZERBAİJAN REPUBLİC İN THE INTERNATIONAL TRANSPORT CORRIDORS AND THE MAİN DİRECTİON OF THE REALİZATİON OF İTS POTENTİAL

3.1. The role of oil and gas pipelines in the integration of Azerbaijan into the global transport system

The emergence of pipeline transport in the Republic of Azerbaijan took place during the development of the oil industry. In 1878, the first 12 km long oil pipeline was built from the Balakhani fields to the Black City refinery . Baku oil was exported to the world market in 1903-1905 as a result of the construction of the Batumi-Baku oil pipeline. Crude oil has been transported through this 860 km pipeline since 1930.

The first oil pipeline was built in 1865 in the United States (6 km). The first oil pipeline in Russia was built in 1907 between Batumi and Baku. In general, the construction of oil pipelines expanded after World War I, and the construction of gas pipelines expanded after World War II (www.azerbaijan.az).

Pipeline transport has a special place in the transport system of all countries. Its location in the transport system is determined by the extraction of oil and gas in the country, including the processing of oil products. Oil and oil products are transported via the pipeline. Examples include the Supsa-Baku (April 1999), Tbilisi-Ceyhan-Baku (BTC, July 2006), and Novorossiysk-Baku (October 1997) oil pipelines.

Natural gas is transported via the gas pipeline. The Tbilisi-Baku-Erzurum South Caucasus Pipeline (2006) is an example of this. In addition, it should be noted that the water pipeline is also a type of pipeline transport. Water is delivered to the place of demand through the pipeline. The scope of this type of transport covers the territory of a country. Examples are the Shollar water pipeline, two water pipelines from the Kura River to Baku, and the Gabala-Baku-Oguz water pipeline project.

The Republic of Azerbaijan has entered into some international legal acts in the field of transportation of oil and gas products by pipeline and has signed cooperation agreements with a number of countries in this field (www.president.az):

- Agreement on the implementation of the agreed policy in the field of transit of oil and its products through pipelines
- Agreement between the Republic of Azerbaijan and Georgia on cooperation in the oil and gas industry;
- "Energy Charter Agreement"
- Framework Agreement "On organizational principles for the establishment of interstate oil and gas transportation systems";
- Memorandum on cooperation between the Republic of Azerbaijan and Kazakhstan in the transportation of oil to international markets;
- Memorandum on cooperation between Azerbaijan and Greece in the field of natural gas and oil;
- Agreement between the Republic of Azerbaijan and Moldova on cooperation in the field of fuel and energy complex.

Transportation of oil, gas and oil products by oil and gas pipeline means a special form of transport service. Such a service is of great importance from the point of view of providing the country's economy with strategically important energy carriers. It plays a special role both in the field of special international trade relations and in the sphere of international political and economic relations.

Since gaining independence, the Republic of Azerbaijan has undertaken historical work since the early 1990s to implement a conceptual approach to the efficient use of its hydrocarbon resources in the national interest. From this point of view, the "Contract of the Century" signed on September 20, 1994 is of special importance. According to this contract, it is planned to develop and extract large oil fields in the Republic of Azerbaijan. In addition to oil production, its transportation to world markets was also important.

This factor made it important for the Republic of Azerbaijan to take initiatives to build pipelines of international importance for the safe transportation of its oil. In this case, Azerbaijan first involved its allies and neighboring countries, Turkey and Georgia, in these processes. In the early 1990s, discussions began between the State Oil Company and other major companies and companies around the world. This was especially true in late 1999. In October 1998, the Ankara Declaration was signed between Azerbaijan, the United States, Turkey, Georgia, Uzbekistan and Kazakhstan. Thus, the Ceyhan-Baku pipeline was given strong international support for the first time.

But at the time, BP was trying to reduce interest in the project by declaring it inappropriate. It didn't take long. At the OSCE Conference in Istanbul in November 1994, the presidents of Turkey, Georgia, Azerbaijan, Kazakhstan and Turkmenistan signed an official document with US President Bill Clinton, giving more support to the project, which was officially renamed Tbilisi-Baku-Ceyhan.

Thus, on September 10, 2003, construction of the pipeline began. 2 pumping stations in AR, 2 in Georgia and 8 in Turkey, 2 intermediate discharge stations, 1 pressure relief station and one hundred and one small valves were built for the project. The length of the BTC is 1767 kilometers. Of this, 444 km passes through Azerbaijan, 247 km through Georgia and 1,075 km through Turkey. The capacity of the pipeline is 10 million barrels per year and the service life is 40 years. Although BTC's construction costs were initially estimated at $ 3 billion, in the end the figure was more than $ 4 billion. This increase was due to the increase in construction services and the rise and fall in world oil prices, including for energy. The additional costs associated with environmental safety have also had a significant impact on the overall construction cost of this project.

BTC is managed and operated by the BTC Pipeline Company (BTC Co), a subsidiary of the State Oil Company of the Republic of Azerbaijan. The company is

managed by BP, the largest shareholder, known as a corporation formed by eleven shareholders. Azerbaijan has a 30% stake in BTC Co (www.azerbaijan.az).

BTC's financing by Azerbaijan is regulated by a Presidential Decree dated July 30, 2002. The Ministry of Economic Development represents the Republic of Azerbaijan at BTC Co and is funded by the State Oil Fund. BTC oil has been transported since 2006, and on June 2, 2006, the first tanker loaded with Azerbaijani oil departed from Ceyhan. Thanks to this pipeline, Azerbaijan has become a strategic partner of the United States. At the same time, this pipeline coincides with the strategic interests of Turkey, Georgia, the United States, Azerbaijan and many other countries and ensures their national interests.

The Tbilisi-Baku-Ceyhan oil pipeline is a security pipeline for stability, peace, prosperity, socio-economic development and material well-being in the region. The BTC pipeline is a security pipeline for Georgia, Turkey and Azerbaijan.

This pipeline is called the security pipeline of 3 countries, as well as the global energy security pipeline. Let's look at some of the factors that led to the formation of the BTC pipeline. The "black gold" of the Republic of Azerbaijan, which has the richest oil reserves, was previously exported to the world market through several routes: via the Baku-Novorossiysk oil pipeline; by rail on the route Batumi-Baku; Since April 1999, via the Supsa-Baku oil pipeline (sent to European markets via the Bosphorus).

The old Novorossiysk-Baku pipeline often collapsed as it passed through Chechnya, and there were many problems with oil transportation. In 1996, a package of documents was signed with Russia to address this problem.

The main advantage of Ceyhan port is that Ceyhan is the first port of Turkey and can receive large cargo ships. While large ocean tankers cannot float in the Caspian Sea and cross the Bosphorus, they can easily enter the port of Ceyhan. From this point of view, tanker service costs in Ceyhan are much lower than in the Caspian and Black

Sea ports. Another advantage of Ceyhan port is that there are no problems in the Bosphorus when ships go to sea.

3.2.The importance of the new Baku-Tbilisi-Kars railway project in expanding Europe-Asia transport relationship

Baku-Tbilisi-Kars (BTQ) is a railway project commissioned on October 30, 2017. The railway line runs from the Azerbaijani port of Alat via the Georgian cities of Tbilisi and Akhalkalaki to the Turkish city of Kars. This railway connects Azerbaijan and Turkey, thus Central Asia and China with Europe (www.ascs.az).

BTK will create great opportunities for closer transport links not only between the three countries, but also between other countries interested in using the services of this transport corridor. The implementation of the project and the construction of a railway tunnel under the Bosphorus will connect the Trans-European and Trans-Asian railway networks, transporting cargo and passengers directly to Europe and Asia via Azerbaijan, Georgia and Turkey.

With the commissioning of the Baku-Tbilisi-Kars railway, container trains have been able to travel directly from China to Europe and the Mediterranean. Trade volumes in North African ports, major seaports such as Trieste in Italy, Genoa in Italy and Valencia in Spain make up a large logistics flow to Mersin and other seaports in Turkey, which can be used to transport cargo in the opposite direction to Asia. In addition, carriers operating from Central and Eastern Europe to Turkey have already been able to transport a new wave of their trade volumes to Asia using the logistics created by BTK.

It is no coincidence that the first cargo via BTK consisted of 82 containers sent from the Kazakh city of Kokshetau to the Turkish seaport of Mersin. This is the first contribution of the Trans-Caspian International Transport Route (TECR) to the BTK railway. Work is underway to inform Chinese companies operating in the field of cargo transportation and trade and logistics about the logistics capabilities of TBNM

and BTK. Many European and Asian countries are already interested in the logistics capabilities of this railway at the time of its commissioning. The Vietnam-China freight line is also seriously interested in the TBNM + BTQ logistics route. If only China's 4-5 major shipping provinces (export-oriented industrial hubs) show interest in BTK and send their cargo to Europe on a regular basis, this will lead to a jump in transit trade flows.

The Baku-Tbilisi-Kars railway is a project that is economically efficient, sustainable, safe and fully meets environmental standards. This railway connection means the beginning of a new stage in the development of transport. This line, in turn, will expand the possibilities of multimodal transport, as well as increase passenger and freight traffic. The Baku-Tbilisi-Kars railway project is considered to be of great importance not only for the countries of the region, but also for other countries that will join this line. It is said that the railway will increase the flow of freight and passengers between Asia and Europe, make an additional contribution to its tourism potential, and provide a connection between the Caspian and Black Seas. With the commissioning of the BTK railway, both ferry and container carriages will be further developed. This plays an important role in international transportation. The importance of this project will be further enhanced by the launch of the Marmaray project, a railway tunnel under the Bosphorus in the near future. This will make a historic transport route from the farthest east of Asia by rail to all parts of Europe a reality. As the realization of this huge project approaches, the interest of potential carriers in it is growing (www.elshanhajizadeh.com).

Table 3: Credit line financed by Azerbaijan on the Baku-Tbilisi-Kars railway project

№	Credit line	Expenses ($ million)
1	Credit line - total	775,0
1.1	Trans A (25 years, with 1%)	200,0
1.2	Trans B (25 years, with 5%)	575,0
2	Total cost of project contracts	721,2

Source: www.elshanhajizadeh.com

So far, 347 kilometers of the Baku-Georgia border of the Azerbaijani railway have been reconstructed, the second new Poylu bridge over the Kura River has been built and two-way traffic has been provided. It is planned to increase the maximum speed to 140 kilometers per hour on the overhauled lines. Work is underway to completely upgrade the power and communication system, purchase new locomotives and wagons, and establish a central dispatch control system in connection with the transition to alternating current. Thus, the launch of the Baku-Tbilisi-Kars railway will become a new important strategic factor in strengthening the state independence and increasing the economic power of Azerbaijan. All these realistic images will be the political power, strategic value, economic scale of the Baku-Tbilisi-Kars pipeline, its socio-economic contribution to the growth rate of Azerbaijan, the region and the world economy as a whole. The Baku-Tbilisi-Kars railway is the final point of transportation between Europe and Asia. The construction of this project on the historical Silk Road increases its attractiveness for the countries of the region and at the same time is important for the integration of Turkic-speaking countries in this region (www.elshanhajizadeh.com).

3.3. The rol of new port in Alat in the process of integrating the transport system of Azerbaijan into the global transport system

The "Strategic Roadmap for the Development of Logistics and Trade in the Republic of Azerbaijan" sets the task of ensuring the competitiveness of the conditions between the East-West and North-South transport corridors. Extremely important in terms of governance and economic use, as well as geopolitical role. This is not accidental. Azerbaijan's participation in this process, both as a geographical area where transport corridors intersect and as a highly competitive state, has recognized our region as a geographical, economic, communication and logistics center (www.elshanhajizadeh.com). On March 17, 2016, President Ilham Aliyev signed a decree covering the territory of the new Baku International Sea Trade Port in Alat settlement of Garadagh district, preserving the conditions of a typical special economic zone. The Free Trade Zone was connected with the above-mentioned point.

One of the main purposes of the order is to strengthen Azerbaijan's position as a logistics and transport center. The development of the Free Economic Zone will give a big impetus to the transformation of Baku into an international hub. In this regard, he noted the views expressed by President Ilham Aliyev at the opening ceremony of the Baku International Sea Trade Port Complex: “These projects greatly increase the geopolitical importance of Azerbaijan. "Azerbaijan will continue its activities as an indispensable country for regional activities in the Eurasian space."

By the way, Alat International Sea Trade Port was built in accordance with the technical requirements for first-class ports. In this context, it shows that President Ilham Aliyev's state policy and global initiatives to bring state transport infrastructure in line with modern world standards, further increase transit capacity affect the socio-economic development of Azerbaijan.

It should be noted that important work has been done recently to modernize the transport infrastructure, which plays an important role in the development of the economy, especially the non-oil sector, to expand transit opportunities, create a

modern transport infrastructure and increase transit potential. All this brings great political and economic dividends in Azerbaijan, further strengthens its position in the world and in the region, increases the political and strategic participation of our state. In this regard, the President has a crucial role in expanding transit opportunities within the Baku International Sea Trade Port Complex at the junction of the East-West and North-South transport corridors, which is part of the strategy to become a transport and logistics center in the region of Azerbaijan.

The site for the construction of this port was not chosen at random. Thus, Alat settlement is located at the intersection of highways and railways passing through the territory of the republic. With the addition of waterways, there is a basis for the area to become an international transport hub with great potential for export. Thus, Azerbaijan, which has an important geostrategic position in the Eurasian space, multifaceted economic and trade relations, marks the beginning of a new, modern stage in the development of modern maritime transport.

To create a rich transit potential for the new port to manage Azerbaijan's North-South and East-West international transport corridors, to cross the Caspian Sea efficiently, quickly and safely, allowing it to enter and leave the country, as well as to act as a strategic transport hub for transit cargo. ensure. This complex will increase the functions of a direct loading point for the Baku-Tbilisi-Kars railway. Thus, the concentration of cargo flows into the country in the new port complex along the corridors of the North, South, East and West, from where the Baku-Tbilisi-Kars railway line is the basis for the formation of a residential and sustainable logistics chain in Europe or in the East will appear.

It should be noted that it is planned to create a free economic zone in the surrounding areas, including the territory of the new port, which will provide the port with wider transit and transportation opportunities as an important transport hub. That is why the President of Azerbaijan Ilham Aliyev signed the Law "On Alat Free Economic Zone" dated May 18, 2018, which defines the legal regime of operation,

development and management of the Alat Free Economic Zone (www.elshanhajizadeh.com).

The newly created economic zone serves the formation of a transport and logistics zone. The advantage of creating such an economic zone is that Azerbaijan, as a transit country, will be able to expand its capabilities and achieve more cargo transportation into the country. Given the recent growing interest in the export of goods from Europe and Turkey to Asia in Azerbaijan, the creation of a new economic zone will expand Azerbaijan's opportunities. The new economic zone will also increase government revenues and budget revenues. Let me note that this step will also have a significant impact on employment development. Because attracting new investments means creating new jobs.

Once the investments are made, the need for local raw materials will increase. In addition, the new economic zone will provide employment for economists. From this point of view, this is a very important issue. Free economic zones will also provide ample opportunities for some of the stocks to be exported to the domestic market. This, of course, is very important in terms of eliminating dependence on imports and marketing local products. The zone will have a great positive impact on the development of the Azerbaijani economy as a whole.

The law provides for high independence of the Alat Free Economic Zone. Most of the free economic zones created in the world so far have not been able to operate effectively in the post-Soviet space, especially in Russia. The draft law on the Alat Free Economic Zone is based on the model of the Jabalali Free Trade Zone, which was established in 1985 in Dubai and has established itself as one of the most successful free economic zones in the world.

According to experts, a model of a free economic zone similar to Dubai is planned to be implemented around the New Baku International Sea Trade Port. The main purpose of the law is to make the Alat Free Economic Zone more attractive for foreign companies and investors by creating the most favorable tax, customs,

licensing, visa and other regimes for economic entities. action opportunities are created. Business entities operate under a special regime. As in the free economic zone in Dubai, a one-stop shop is planned in Alat (www.elshanhajizadeh.com).

3.4. "North-South" International Transport Corridor and Azerbaijan's economic benefits in expanding its use

One of the main features of the globalized world system and the period of integration processes is the restoration, restoration and re-opening of historically existing transit routes. The transport corridor is important. The use of the North-South transport corridor, which is mainly seen as an alternative to the TRACECA program, allows transit cargo to reach several times faster than the road through the Suez Canal, while further expanding economic and political ties between the South Caucasus, Central Asia and Iran. promotes the creation of important conditions for

Due to its geographical position, Azerbaijan is located at the intersection of two huge transport corridors. The full-scale commissioning of these transport lines will be important in strengthening Azerbaijan's independence and increasing its economic power. The East-West Corridor through Azerbaijan - TRACECA is the smallest route connecting Europe and Asia. This route, which is already being implemented, will transport millions of tons of cargo every year. In the future, its role will increase in passenger transportation. However, another global transport route through its territory - the South-North Corridor - is also important for Azerbaijan. This route will increase the speed of cargo transportation from the Middle East and Southeast Asia to Europe via Iran and Russia. It is three times shorter than the transport route from India to Europe via the Suez Canal. If this transport route, which includes rail, water and road lines, is launched, it is expected that an average of 15-20 million tons of cargo will be transported from the South of the planet to Europe every year. The opening of this corridor will provide an alternative transport option for the Arab countries of the Persian Gulf to Europe, will be important for pilgrims to travel to Islamic holy places,

especially Mecca and Medina, and will alleviate the intensity of the use of traditional routes (www.ascs.az).

Russia is showing more interest in the opening of the South-North corridor and makes its implementation one of the main priorities of its transport strategy. To this end, Russia intends to establish a consortium to build a 300-kilometer railway connecting the Azerbaijani city of Astara with the Iranian cities of Anzali and Rasht. Initially, the project is estimated at around $ 600 million. Russia hopes that along with the socio-economic significance of this line, it will bring favorable political dividends to increase mutual trust between the countries. From this point of view, the comprehensive participation of Azerbaijan, which has become an important transit point, as one of the key figures in the project and its support in its implementation, will be politically, socially and economically beneficial. According to the research, the main dividends of Azerbaijan in the implementation of this project are (www.azerbaijan.az):

- Increasing and modernizing the global importance of the transport system;
- Mobilization of transport infrastructure as one of the alternative routes to visit Islamic holy places;
- Enhancing tourism opportunities and ensuring affordability;
- Increased mutual trust with neighboring countries;
- Economic and social quality, etc.

The Agreement on the Establishment of the North-South International Transport Corridor between the Russian Federation, the Islamic Republic of Iran and India was signed on September 12, 2000 in St. Petersburg and entered into force on May 21, 2002. On the same date, a protocol on the establishment of the Coordination Council was signed at a joint meeting of transport ministers of the member countries in accordance with the Agreement held in St. Petersburg. The Secretariat of the North-South Corridor is located in Tehran.

After the creation of the North-South international transport corridor, it attracted the attention of many countries and aroused interest in this corridor. Subsequently, the Republic of Belarus, Armenia, Kazakhstan, Tajikistan, Kyrgyzstan, Oman and Syria joined the Agreement. Our country received a positive response in 2005 to the official note issued by the Republic of Azerbaijan on December 21, 2001 to accede to this Agreement, and finally in accordance with the Law of the Republic of Azerbaijan No. 984-IIQ signed on September 20, 2005 "North-South". The North-South International Transport Corridor, established on the basis of the Coordinating Council of the North-South International Transport Corridor, was signed on October 5 by the Republic of Iran, the depositary of the North-South International Transport Corridor. The agreement, which is very important for Azerbaijan, entered into force on the 30th day.

The main goals of the North-South agreement for our country include (www.azerbaijan.az):

- To increase the efficiency of international transport links in the organization of transit freight and passenger transportation
- Work to create conditions for the entry of railway, road, sea, river and air transport services into the international market between the member countries of the corridor
- Assistance in increasing the volume of international transit traffic
- Ensuring traffic safety
- Adherence to the implementation of the agreed and adopted transport policy.

Recently, President Ilham Aliyev signed a decree on "Acceleration of work on the North-South International Transport Corridor through the territory of the Republic of Azerbaijan", which is considered a key step in the implementation of the transport corridor project.

It should be noted that the main transport corridor in Russia is Buslovskaya - St. Petersburg - Moscow - Ryazan - Kochetovka - Rtishevo - Saratov - Volgograd -

Astrakhan, and from here to Iran there are 3 main transit routes. In the future, along with the Trans-Caspian and Eastern routes of the North-South Corridor, cargo transportation will be carried out in the direction of the Western route. According to the project's infrastructure, the western route connects with Astrakhan and Makhachkala in Russia, through Azerbaijan through Samur to Astara, and from there through the new Astara-Rasht-Qazvin railway to Iran. The fact that all three routes continue through Iran and extend to the Persian Gulf and India shows the geopolitical and geoeconomic significance of the project.

It is exceptional that the volume of transit traffic on these routes will ultimately depend on the most favorable technical, operational, tariff and other conditions. Experts believe that the option of the North-South corridor passing through the territory of Azerbaijan is more attractive. Thus, the short distance, less time spent on various transportation, the existing transport infrastructure and the presence of a transit country play a key role here. The total length of the North-South international transport corridor passing through Azerbaijan is 511 kilometers. According to forecasts, the volume of transit cargo is expected to be 3 million tons in the first stage, 5-8 million tons in the second stage and 15 million tons in the third stage. Given Azerbaijan's geopolitical importance as a geographical and potential transit country, Azerbaijan's participation in this population project is important. , the restoration and development of the existing transport infrastructure has already begun, and in this regard, the recent decree signed by President Ilham Aliyev will undoubtedly create conditions for further acceleration of the work.

In general, the use of rail for the transit of the vast majority of cargo through Azerbaijan through the North-South transport corridor is considered, which is a key factor in the transportation of large volumes of goods by one mode of transport, faster and longer distances. Therefore, the necessary work is being done and projects are being developed and implemented to attract more of Azerbaijan's road transport complex to the international corridor, in particular, to make full use of the

opportunities of road transport and the Caspian Shipping Company. In accordance with the economic interests of the Republic of Azerbaijan, including the economic interests of Azerbaijan in the connection to the "South" transport corridor and the active participation and expansion of its use in the transportation of goods and passengers through the corridor,

- Wider involvement of transit cargo
- To increase the total cargo volume and increase revenues,
- Development of transport infrastructure of our country,
- The creation of new jobs, in turn,
- It will create conditions for the solution of many social problems.

It should be noted that the interest of rapidly developing countries such as China and India in the North-South transport corridor is a key factor in increasing the importance of the project. It is already known that the new route for the transportation of various cargoes from India will start in Mumbai, India, pass through the Iranian port of Bandar Abbas and deliver to the Russian port of Astrakhan or Baku. As a transit country and one of the main factors of economic importance, this point is especially important for Azerbaijan.

Basically, the delivery of cargo from India and Southeast Asia from the Iranian port of Bandar Abbas to Baku via the Trans-Caspian route is of great economic importance. According to estimates, it is planned to transport 10-15 million tons of cargo on this route per year, and Azerbaijan can earn $ 250-300 million a year in economic benefits from transit. Azerbaijan has comprehensive prospects for this. It is expected that the transportation of goods from Southeast Asia to Europe via the Western route of the corridor will be 10-15 percent cheaper and will cover a distance of 800 kilometers less than the transportation of goods through the Suez Canal. In addition, research shows that the duration of transportation will be reduced by 20 days, which will ensure more reliable delivery of goods to the apartment. In this regard, the operation of the Western route of the North-South transport corridor is of

greater strategic importance for Azerbaijan. Analysts are confident that the opening of the Western route of the North-South transport corridor will be a big step towards the realization of Azerbaijan's strategy to become a major transit and logistics hub in Eurasia (www.elshanhajizadeh.com).

Currently, the operation of the Russia-Iran, Azerbaijan-Turkmenistan-Kazakhstan ferry lines in the Caspian Sea, the presence of seaports and railways with the necessary infrastructure is one of the main factors facilitating the implementation of the North-South corridor project. That is to say, the fact that both the South Caucasus and Central Asia have rich natural resources and extensive markets increases not only the economic benefits, but also the political significance of the North-South corridor. The implementation of this project, which took place in the era of globalization and is very important both economically and politically, will not only increase Azerbaijan's economic transit potential, but also lead to further intensification of economic ties and mutual integration processes in the Eurasian continent, including the South Caucasus. Given the importance of Azerbaijan's participation in this project for our country, reflecting the favorable geographical position of our republic and its potential as a country with transit potential, it will give an important impetus to the restoration and development of existing transport infrastructure. If we look at the world experience, the transit potential is assessed not only economically, but also as a political factor that determines the place of the state in the international arena. At the same time, quality transit services are one of the factors that play an important role in the formation of the state budget. Research shows that the world's Austria, Germany, Saudi Arabia, the Baltic states and others. A number of countries, such as the United States, have been able to use their advantageous geographical location to make transit a major source of revenue for their national budgets. In general, the desire to have transit potential and to use this potential is one of the strategic goals of almost every dynamically developing state in the modern world. This is due to the fact that transit operations, in addition to

increasing foreign exchange earnings, also contribute to the achievement of the following other positive results, and the following factors are the main reasons for increasing Azerbaijan's economic benefits in the North-South International Transport Corridor and its expansion (www.elshanhajizadeh.com):

- increasing political prestige and credibility;
- expanding opportunities to use the existing potential of the transport system in the country;
- hanging new jobs, increasing investment and national income
- increasing the efficiency of the country's transport system;
- Improving the approach to transport in the country and developing the executive system.

Azerbaijan's economic benefits from the North-South International Transport Corridor and its expansion will lead to the diversified development of the non-oil sector, increase revenues from cargo transportation, and strengthen the country's geopolitical and geoeconomic position in the international arena.

CONCLUSION AND RECOMMENDATION

As it is known, the transport sector is one of the factors playing an exceptional role in the development of human society. For centuries, the development of transport has been accompanied by the processes taking place in society and has played an irreplaceable role in the development of industries and the formation of productive forces. Transit of transport is the delivery of goods and passengers from one country to another through a third country or from one point to another through intermediate points. Of course, the direction of transport at the international level is through transport corridors and transit countries In addition to increasing economic benefits, it allows the population to grow in the geopolitical arena. International projects for the reconstruction and development of transport infrastructure are also being implemented in areas or countries with significantly high transit potential. The development of the social sphere, the development of transport and information technology give a great impetus to the development of geopolitical and geoeconomic relations in the countries.

Determining and implementing the development directions of the country's transport system is possible in the presence of extensive and high-quality statistical information. For the successful integration of the country's transport into the international transport system, there must be concrete figures on the development of the transport sector of the republic and forecasting its development directions. An extensive information network should be created for the development of infrastructure, intensification and planning of transit traffic, development of intermodal and multimodal transport in the areas of international transport corridors passing through the territory of the republic. At the same time, the reconstruction of transport infrastructure, Since the renewal of transport fleets is one of the important stages in the development of the transport sector, the needs of information users in this area must be met. Therefore, the creation of a unified information system for the transport and road complex should be one of the priorities and should be based on

complete and accurate statistical information. Concerning transport statistics statistical and administrative sources are used to collect information.

NA comprehensive study of the activities of the intelligence sector requires the application of different approaches to it. Thus, at present, the principles of institutional and functional approach are applied in the preparation of statistical information to ensure the completeness of data in transport statistics. These approaches are also called core activities and field methods.

Primary on the transport sector Value indicators, ie information on revenues and expenses from transportation, are collected on a quarterly basis, information on other financial indicators related to annual accounts are collected on an annual basis.

The indicator of income of enterprises in the transport sector characterizes the amount of income received from the services provided to the population on freight and passenger transportation in the current period, as well as other transport services provided.

In 2014-2020, the volume of revenues from transportation in the transport sector as a whole has increased year by year. The level of this indicator is 3283599 thousand manats in 2014, 3341800 thousand manats in 2015, 3508772 thousand manats in 2016, 3678120 thousand manats in 2017, 4005562 thousand manats in 2018, 4780684 thousand manats in 2019. , In 2020 amounted to 5549692 thousand manat. The growth rate of revenue from transportation in the transport sector compared to the previous year was 101.8% in 2015, 105.0% in 2016, 104.8% in 2017. , 108.9% in 2018, 119.4% in 2019, 116.1% in 2020. This means that the volume of revenues from transportation in the transport sector in 2015 compared to the previous year 1 , 8%, 5.0% in 2016, 4.8% in 2017, 8.9% in 2018,

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The volume of expenditures on transportation in the transport sector in 2014 amounted to 1411,122 thousand manat, in 2015 - 1561089 thousand manat, in 2016 - 1561089 thousand manat, in 2017 - 1990343 thousand manat, in 2018 - 2136400 thousand manat, in 2019 2583043 thousand manats per year, in 2020 it was 3407283 thousand manats.

In 2020, the share of railway transport in the total volume of expenditures in the transport sector is 13.5%, the share of maritime transport is 4.8%, the share of air transport is 47.7%, the share of pipeline transport is 12.3%, cars The share of transport was 18.6%, the share of metro transport was 3.1%. This proves once again that the most expensive transport service provided to the population is air transport, and the cheapest transport service is provided by subway.

In the republic in modern times Which is the most common mode of transport in Europe The role of railway transport is great. The analysis shows that although the volume of passenger transportation by rail decreased from year to year in 2007-2016, its volume increased very little (0.4%) in 2017 compared to 2016, and in 2018 compared to 2017. - decreased by 25.2% in 2018 and increased again in 2018-2020.

Compared to 2007, in 2020 the volume of passenger transportation by sea increased by 21.4%. In 2007-2020, the average absolute increase in passenger traffic by sea was equal to 300 passengers.

The volume of passenger traffic by air decreased by 8.5% in 2008 compared to 2007, by 38.3% in 2009, by 33.4% in 2010, and by 8.6% in 2014. 4.8% per year, 9.0% in 2016, 17.2% in 2017, 19.1% in 2018, 29.7% in 2019, 54.6% in 2020 The

main reasons for the decline in passenger traffic in the country in 2007-2014 were the decline in tourism due to the presence of expired Soviet-made aircraft in the country, the entry of foreign airlines into the transport services market, their superior position, etc. . can be shown.

Road transport is considered to be the fastest growing mode of transport in the transport sector of the republic. Road transport is the transportation of passengers by buses or taxis on international routes or within the country. The share of road transport in the total volume of passenger traffic in the transport sector increased to 84% in 2007, 83.2% in 2008, 83.9% in 2009 and 86.5% in 2010. to 87.4% in 2014, to 87.6% in 2015, to 87.9% in 2016, to 88.0% in 2017, to 2018 88.0% in 2019, 88.5% in 2019, and 88.2% in 2020.

The analysis shows that the share of bus transportation in the total volume of passenger traffic by road has dominated in all years analyzed. Thus, the share of passenger transportation by bus and taxi in the total volume of passenger transport by road in the country in 2007–2020 was 96.8% and 3.2%, respectively, in 2007, 96.7% and 3, respectively. , 3%, 96.6% and 3.4% in 2009, 96.5% and 3.5% in 2010, 96.4% and 3.6% in 2014, in 2015 96.4% and 3.6%, 96.3% and 3.7% in 2016, 96.3% and 3.7% in 2017, 96.2% and 3.8% in 2018 %, In 2019 it was 96.2% and 3.8%, in 2020 it was 96.1% and 3.9%.

The development of transport infrastructure is carried out in parallel with the growing demand for economic recovery and economic development in the country.

Transport infrastructure should be modernized on the basis of the following principles:

- giving priority to overcoming, improving and developing the shortcomings of existing production areas rather than new constructions;
- attraction of maximum resources to priority projects and acceleration of their implementation by all means, including attraction of foreign capital for this purpose;

- stimulating private sector participation;
- saving economic resources through the construction of multi-purpose facilities;
- interconnection of infrastructure development of different types of transport;
- specialization of large facilities with infrastructures, prevention or restriction of competition between them;
- Sufficient provision of transport land reserves for the future development of support networks.

The main directions of development of the border crossing system, which is one of the important parts of the support transport network, are as follows:

- optimal determination of the location and number of border crossings in various types of transport communications; abolition of inactive border crossing points in exchange for the nationalization of overcrowded border crossing points and increasing their capacity;
- development of unified transport and customs technologies that ensure the maximum speed of compliance with the necessary rules when crossing the state borders of the Republic of Azerbaijan for goods, passengers and vehicles.

The priority directions of infrastructure development of different types of transport are as follows:

- Railway transport - reconstruction of obsolete transport sectors in order to increase the volume of transport, modernization of existing infrastructure and railway facilities.
- Maritime transport - expansion of the port complex in accordance with the perspective development scenarios of foreign trade, increase of carrying capacity to ensure the export of liquids and containerized cargo;
- Road transport - reconstruction of roads in transport corridors passing through the territory of the country, modernization of inter-district roads,

improvement of the system of organization and regulation of traffic; Renovation of motor vehicles in accordance with international standards in terms of technical and environmental requirements, creation and application of standardization and certification systems in road and urban passenger transport;

- Air transport - optimization of the number of international airports, transition to a single system of reference airports, technical modernization of the air traffic control system in accordance with modern and international requirements.

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APPENDIX

List of tables

List of schedules