THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN

AZERBAIJAN STATE UNIVERSITY OF ECONOMICS

INTERNATIONAL GRADUATE AND DOCTORATE CENTER

MASTER DISSERTATION

on the topic

"EVALUATING OF EAST ZANGAZUR REGIONAL INDUSTRIAL DEVELOPMENT: ANALYSIS ON INDUSTRIAL DEVELOPMENT AND EMPLOYMENT"

Safarov Bakhtiyar Akif

BAKU – 2022

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Elm andı

Mən, Səfərov Bəxtiyar Akif oğlu and içirəm ki, “Evaluating of East Zangazur regional industrial development: Analysis on industrial development and employment” mövzusunda magistr dissertasiyasını elmi əxlaq normalarına və istinad qaydalarına tam riayət etməklə və istifadə etdiyim bütün mənbələri ədəbiyyat siyahısında əks etdirməklə yazmışam.

ŞƏRQİ ZƏNGƏZUR İQTİSADİ RAYONUNDA SƏNAYENİN İNKİŞAFININ QİYMƏTLƏNDİRİLMƏSİ: REGİONDA SƏNAYENİN İNKİŞAFININ VƏ MƏŞĞULLUĞUN ANALİZİ.

XÜLASƏ

Tədqiqatın aktuallığı: Bu mövzunun aktual olmasının səbəbi sözügedən regionda müxtəlif sahələr üzrə ağır və yüngül sənaye , həmçinin kənd təsərrüfatının inkişaf potensialının yüksək olmasıdır. Bunun səbəbi regionun yerləşdiyi təbii-coğrafi ərazisi, bununla yanaşı ərazilərdəki əkinəyararlı torpaqların, faydalı qazıntıların müxtəlif növləri ilə zəngin olmasıdır. Keçmişdə həmin ərazilərdə olan sənaye müəssisələri və kənd təsərrüfatının müxtəlif sahələrindən bəhs edən kitablar regionun ölkə iqtisadiyyatının inkişafında böyük rolunun olacağının nümunəsidir.

Tədqiqatın məqsədi: Tədqiqatın məqsədi Şərqi Zəngəzur iqtisadi rayonunun sənaye potensialının təkmilləşdirilməsi, ərazidə mövcud olan resurslardan daha səmərəli istifadə yollarının tapılması, həmçinin təbii coğrafi mövqeyə uyğun olaraq əhalinin məsgunlaşdırılması ilə bağlı araşdırma aparmaqdır.

İstifadə olunmuş tədqiqat metodları: Tədqiqat zamanı sistematik yanaşma metodundan, empirik tədqiqat, müqayisəli təhlil, qruplaşdırma metodlarından və başqa yardımçı metodlardan istifadə edilmişdir.

Tədqiqatın informasiya bazası: Tədqiqat zamanı Azərbaycan Respublikası Prezidentinin sərəncamları, Strateji Yol Xəritələri, dövlət proqramlarından, qanun və normativ hüquqi aktlardan, rəsmi orqanların məlumatlarından ,elmi əsərlərdən və nəşriyyat məlumatlarından istifadə edilmişdir.

Tədqiqatın məhdudiyyətləri: Tədqiqatın həyata keçirildiyi ərazilər uzun müddət işğal altında olunduğundan, sonrasında ciddi zərər gördüyündən həmin yerlər haqqında kifayət qədər araşdırma aparılmayıb.

Tədqiqatın elmi yeniliyi və praktiki nəticələri: Dissertasiya işinin tədqiqi nəticəsində regionda sənayeni inkişaf etdirmək, əhalinin məskunlaşma və məşğulluğu ilə bağlı problemlərin həlli üçün həyata keçirilə biləcək tədbirlər, rayonun sənaye potensialından səmərəli istifadə edilməsi, regionda rəqabət qabiliyyətli sənaye firmalarının inkişafı üçün imkanlarla bağlı təkliflər və proqnozlar verilmişdir.

Nəticələrin istifadə oluna biləcəyi sahələr: Dissertasiya işində əldə olunan nəticələrin Şərqi Zəngəzur iqtisadi rayonu ərazisində, həmçinin bu rayonlarla sıx bağlı olan işğaldan azad edilmiş digər rayonlarda tətbiqi nəzərdə tutulmuşdur.

Açar sözlər: Şərqi Zəngəzur, sənaye, istehsal, kənd təsərrüfatı

EVALUATING OF EAST ZANGAZUR REGIONAL INDUSTRIAL DEVELOPMENT: ANALYSIS ON INDUSTRIAL DEVELOPMENT AND EMPLOYMENT

SUMMARY

The actuality of the subject: The high potential for heavy and light industry, as well as agricultural, in many domains in the region is the reason for the urgency of this problem. This is due to the region's natural and geographical position, as well as its abundance of arable lands and numerous sorts of minerals.

Purpose and tasks of the research: The study's goal is to look into how increase the East Zangazur economic region's industrial potential, as well as how make better use of the area's existing resources and settle people in line with their natural geographical position.

Used research methods: The research used systematic approach, empirical research, comparative analysis, grouping methods and other ancillary methods.

The information base of the research: During research, decrees of the President of the Republic of Azerbaijan, Strategic Road Maps, information of government agencies, scientific works and publishing information were used.

Restrictions of research: Insufficient research has been undertaken on the study areas since they have been under occupation for a long time and have been seriously damaged.

The novelty and practical results of investigation: Proposals and projections for the growth of industry, solve settlement and employment issues and effective utilization of the region's industrial potential in the region were produced as a result of the research.

Scientific-practical significance of results: The dissertation's findings are meant to be used in East Zangazur economic region, as well as other liberated regions that are closely related to these regions.

Keywords: East Zangazur, industry, production, agriculture

ABBREVIATIONS

CNPC	China National Petroleum Corporation
CNOOC	China National Offshore Oil Corporation
FDI	Foreign Direct Investment
GDP	Gross domestic product
OJSC	Open joint-stock company
SME	Small and medium-sized enterprises
SSC	The State Statistics Committee
S/S	Substation
STP	Scientific and technical progress
UK	United Kingdom
USA	The United States of America
USSR	Union of Soviet Socialist Republics

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INTRODUCTION

Relevance of the research topic: One of the primary reasons for the importance of this issue is the tremendous potential for expansion of heavy and light industry, as well as agriculture in a variety of disciplines, across the region. Because of this, there are a number of possibilities. In addition to this, the region's natural-geographical area has a large amount of arable land as well as enormous woods, as well as a wide variety of minerals Books written in the past about the numerous industrial and agricultural operations in those regions show how important the region will be to the economic growth of the nation. Economic dependency on oil should be reduced, import-substituting goods produced, and new competitive products entered into the global market if the region's potential is appropriately recognised. It is necessary to construct the fundamental infrastructure that will enable people to reside and live in these areas as a following stage. Another challenge is identifying the area's great potential for growth in industry and different areas of the economy. When faced with this predicament, attracting local and international investment in order to maximise the exploitation of this potential means beginning a new chapter in the country's development at a time when the economy is less dependent on oil. It goes without saying that several advantages, exemptions, and incentives for firms in the area must be provided in order to attract local investment. Achieving economic and political stability in the area is also necessary for attracting both local and international investment. Taking a glance at the major indicators of these places' economic potential, we can observe that the region's infrastructure has been completely demolished as a consequence of Armenia's looting and exploitation. It is possible, however, that the infrastructure may be swiftly rebuilt if the region's current resources are used to assist in the restoration.

Statement of the problem and learning level: The East Zangazur economic region, which is currently the object of research, has been kept under control for a long time. For this reason, the region has not been able to develop despite its rich

natural resources and favourable natural-geographical position. The region has good land resources, but they were damaged during the occupation. Infrastructure and residential buildings were destroyed in the region. There is a need for large-scale financial investments in the development of infrastructure in the area, as well as the creation of various industries However, this is a very difficult issue for a post-war country, as well as at a time when the world economy is suffering from a pandemic. Military specialties and Armenian provocations in the region, which have taken place and are still taking place in some parts, make it difficult to attract investment to the region. In this regard, Z.M. Although Mammadov, Rashid L, Osmanova S, Gasimova EN, Mammadova LH, Guliyeva SH and others have conducted research in their books and articles. However, because of its lengthy occupancy, the East Zangazur area has not been thoroughly investigated, and there is a need for more study in that region.

Purposes and objectives of the research: The study's goal is to make recommendations to improve the industrial potential of the East Zangazur economic region and make better use of available resources in the area, as well as to provide employment in the region and settle the population in accordance with the region's natural geographical location.

During the research, the following tasks were assigned.

• Collection of information on industry development

• Examine the role of industry in the economy.

• Evaluation of the East Zangazur economic region's industrial potential and infrastructure

• Assessment of the East Zangazur economic region's resource potential and natural geographical position

• Investigate options for creating jobs in the region.

• Analysis of developed countries industry

• Determining the industrial development directions of the East Zangazur economic region

• To give recommendations for the development of new infrastructure in the region.

Object and subject of the research: The object of research is determined in 3 directions. The first direction is the heavy industry of East Zangazur, the second is the light and food industry, and the third is the transport and infrastructure. The subject of research is the existing natural and geographical position, minerals, agrarian resources, current steps and projects in these areas.

Research methods: The systematic approach method, SWOT analysis, empirical method, comparative analysis, calculation method, analysis and synthesis, and grouping methods are all expected to be used during the research.

The SWOT analysis will identify the current condition of the industry, its strengths and weaknesses, as well as its opportunities and threats in the East Zangazur economic region.

The industrial potential of the East Zangazur economic region will be analysed as a whole in a systematic approach.

The empirical method is based on the utilization of statistical data from the World Bank data, Statistics Committee, the Ministry of Economy, the Azerbaijan Geographical Society, and journal articles.

Using a comparative analysis approach, it is intended to compare the data of the regions I analysed in East Zangazur.

The grouping method is designed to classify data from the East Zangazur economic region based on characteristics related to heavy industry, light and food industries, and infrastructure.

Research database: During the study, the President of the Republic of Azerbaijan's decrees, Strategic Road Maps, state programs on socio-economic development of the regions, and other laws and regulations related to economic

development, statistics of the Central Bank, Statistics Committee, and other government agencies, both local and foreign Scientific works, articles, textbooks of specialists and scientists were used

Research limitations: Because the investigated locations have been occupied for a long time, there hasn't been enough research done on them, and the data are insufficient. Along with this, serious damage has been done to the region. In the big districts of the region, living areas and infrastructures were scattered and arable areas were damaged. Because the region's infrastructure has not been fully rebuilt, certain regions have not yet been cleared of mines, and access has not been restored owing to enemy provocations, there is insufficient information to do research and acquire accurate numbers in the region. As a result, the utilization of pre-occupation study and data was very common.

Scientific novelty of the research: Following the findings of the study, we can conclude that the East Zangazur economic area, as well as its component regions of Kalbajar, Gubadli, Zangazur, Jabrayil, and Lachin, have significant potential for the development of industry and agriculture in particular, the Kalbajar region promises great opportunities for the development of the mining industry and tourism industry. These areas are distinguished by extensive raw materials and natural resources. In light of these resources, it may be predicted that the East Zangazur economic zone will grow substantially in the near term after the completion of the first restoration work. The production of new values in these sectors will result in the establishment of a large number of new employment opportunities. As a result, the population density in our main cities, particularly in Baku, will decrease to a steadier level.

Scientific and practical significance of the results: Economic studies in the region has led us to believe that if the potential in these regions is effectively used, substantial progress will be made in decreasing the country's dependency on foreign oil. An essential part of the region's infrastructure is a raw material base, which is critical for the manufacturing of competitive goods that can compete with imports,

and in certain cases, can be branded and shown across the globe. Our duty is to figure out how to make the most of these resources.

CHAPTER I. THE STRUCTURE OF INDUSTRY AND ITS ROLE IN THE ECONOMY

1.1. The primary variables influencing the industry's development

Industry, which comes from the Latin term Lâ industria, refers to any kind of activity or business venture. The term "industry" refers to the process of converting raw materials into finished goods via the use of human labour and machines. The term "industry" refers to all of the acts that are taken to change raw materials into a structure, as well as the instruments that are needed to carry out these operations.

The industry is composed of four primary components:

Natural Resources: Resources including such coal, petroleum, gas, and water are examples of raw materials that may be discovered in nature and utilised to generate the energy necessary in production.

Labour: Intellectual power and physical work are the two sorts of labour. More manual work is required in the industry. Furthermore, as technology advances, the kind of labour that is demanded of employees becomes more straightforward.

Capital: There are a number of needs for the raw material to be processed and utilised, all of which may be satisfied with the current capital. These requirements include cars, equipment, factories, and transportation infrastructure.

Management: It is necessary to bring raw resources and capital together in order to assure efficiency. Anyone who has the necessary resources can make do in a free market economy.

Industrial structures may be divided into categories based on a variety of factors.

a) Industrial structures organised in accordance with the elements of production

b) Industrial structures depending on the products that are manufactured

c) Industrial structures depending on the types of establishments

d) Industrial Structures and Development in the Region

e) Structures of the City's Industrial Sector

f) Industrial structures classified according to their location and purpose

g) Other Types of Classification

a) Industrial structures organised in accordance with the elements of production

- **Industrial buildings that are geared toward the production of raw materials:** Examples of this sort of business include the iron and steel industry, which is located near coal mines, and the oil and soap industry, which is located near olive and sunflower growing areas.

- **Industrial structures that are geared toward labour (labour force) include the following:** Factories such as weaving, carpeting, and woodworking are included in this category.

- **Those who consume goods and services in a market-oriented industrial structure:** They are industrial facilities located in close proximity to consumer markets, such as those for alcoholic beverages, cigarettes, food, and apparel.

- **Industrial constructions that need the use of specialised facilities include:** Science and scientific labs, research institutions, consulting firms, and industrial structures with significant computer capabilities are examples of such establishments. They are even situated in areas that are both climatically and culturally appealing to the public.

- **Industrial buildings that do not have a preference for where their establishments should be located, particularly those which do not have transportation issues:** These are creatures that are capable of establishing themselves in almost any environment. The number of industrial kinds that belong within this category has expanded significantly in recent years, particularly as a result of technology advancements. For example, just 20% of the manufacturing sector in the United States is reliant on specific inputs such as energy and raw materials to function.

- **There are several types of industries, each with its unique personality:** Examples are the leather business, which is hampered by the odour it creates and the need for additional water, and the war industry, which is hampered by its strategy and secrecy. The placement of such enterprises necessitates the adoption of certain policies.

b) Industrial structures depending on the products that are manufactured

- **The industry of consumer goods:** Construction of industrial facilities for the production of commodities that are intended for direct consumption. In this area, you'll find anything from food to all forms of booze to cigarette products to textile and garment industries, among other things.

- **Products in the intermediate product sector:** In this business, raw materials are partially processed before they are transformed into final goods. Sectors included in this category include those in the chemical and paper industries as well as rubber, leather, plastic, forest resources, and fertiliser.

- **Industries involved in the production of investment goods:** An example of this business is one which manufactures the tools and equipment that are used in the manufacturing of an item or goods that may be employed as capital in the manufacturing process at the same time. The areas of engine, vehicle, electronics, machinery, and shipbuilding are included in this classification.

c) Industrial structures depending on the types of establishments

- **Small Industry:** Small industrial estates, industrial bazaars, and craftsmen are all included in this group. These businesses employ less than 10 people, and their engines are less than ten horsepower. With its emphasis on dexterity and customization, this line of work doesn't require a lot of capital.

- **Organized Industry:** The factories in question are massive industrial structures that have been built with great resources and that create in vast numbers. There are more than 10 persons working in their structure, and the engine surpasses ten horsepower (the conditions specified above have a higher statistical significance).

Organised industrial areas, on the other side, are used as a stimulant for industrial concerns at all levels of government, from the local to the regional to the national. When structured industrial zones are established, manufacturers are provided a number of benefits, including low-cost infrastructure, land, and tax exemptions, construction credits, to encourage them to locate their operations in these areas.

d) Industrial Structures and Development in the Region

- **Product Processing Industry:** This sort of enterprise goes through a number of steps of processing basic agricultural goods. The product processing sector removes the intermediary phases that exist between the agriculture and the factory, saving time and money. It significantly cuts transportation costs while also increasing the proportion of additional value generated that goes to farmers.

- **Supporting Industry:** This industry manufactures components for large-scale regional industrial buildings. For example, components of various electrical gadgets may be manufactured in such enterprises in rural locations.

e) Structures of the City's Industrial Sector

- **Main Industry**; It covers things that are purchased and eaten outside of the city. It may be classified into two categories: light industries and heavy industries.

- **Light industry**; Manufacturing facilities that do not rely on combustible fuels for power and instead run only on electricity are included in this classification. Clothes manufacturers, including those engaged in the production of clothes and laundry products; headgear manufacturers; food manufacturers; candy manufacturers; and chocolate producers.

- **Heavy industry;** Industrial buildings that manufacture steel and iron are the most passive and dangerous of the major industrial categories, according to the World Health Organization. A fraction of heavy and idle industries relies on water transportation to function properly. As a consequence, large-scale constructions, sometimes known as waterside industry, have sprung up along the water's edge. On

Manbattan Island in both Philadelphia and New York, these kind of structures account up more than 75% of the waterfront space.

- **Service Industry:** includes things that are consumed inside a city.

f) Industrial structures classified according to their location and purpose

- **Structures that manufacture on a limited scale;** workshops and laboratories which produce manual labour on a small scale are all included in this category.

- **In this category are industrial buildings that produce on a medium size;** for example, assembly plants, weaving and yarn mills, paint factories, automobile plants, and semi structures are all included.

- Massive industrial facilities that produce on a large scale; Heavy and idle industries, such as steel and iron mills, make up the majority of the sector. Due to the weight of the raw material, the manufacturing machinery are carried to the raw - materials location.

g) Other Types of Classification

- Traditional industry: leather, textile, etc.

- Modern Industry; mechanical industry, chemical, etc.

- The newest industry; electronic industry, atom, etc.

- State-owned enterprise

- The private sector

In the United Kingdom, this categorization was established as follows:

- Extractive industries; It is the industry that is concerned with the extraction of goods that exist naturally in the environment, such as coal, salt, oil, and lime. Most of the time, it is situated outside of the settlement borders.

- Manufacturing Industry; It is the industry responsible for the transformation of raw resources into final items. The building is situated inside the community.

- Service Industry; Industries that are involved in the production and transmission of services such as electricity, water, and gas fall under this category. They are formed as a result of the existence of a settlement on the land.

Industrial activities in a given region are shaped by a variety of elements, including their location, their capital, their raw materials, their transportation, their energy, their market, and their work force. These circumstances, which are required for production, serve to govern the industrial sector and its activities.

Location; In the industry, the location of a company is quite essential. The selection of a site is critical both in terms of deciding the cost of the items produced and in terms of the stage of creation of an object. The condition of the land on which the manufacturer is situated, on the other hand, is quite essential. Other issues arise as a result of exposing items constructed on productive agricultural land to abuse, as well as opening the surroundings of objects to other uses in the future. The closeness of industrial locations to elements that influence raw materials, transportation, energy, the labour market, and the workforce gives benefits in many aspects of the manufacturing process.

> *A site of establishment or a closed area is the term used to describe the functional use of land that has been set aside for the development of workshops and factories. Use zones are areas outside of these zones that are nevertheless allocated for industrial production activities but are not classified as such. Zones for the development and use of industrial facilities are used to refer to both kinds of functional zones.* (Doğanay A., 2012: p.22).

Capital; This is the most critical and fundamental condition for every industrial plant. Agriculture, mining, and transportation all contribute to the industry's financial resources, which are augmented by cash collected from other sectors. The money market is responsible for the flow of capital to and from numerous businesses. This is an area in which banks play a major role. Additional funds are provided to the industry from the money obtained through tourism in other areas. Capital was naturally drawn to any location where there was industrial activity or migration.

Raw materials; Following the acquisition of money, the first industrial facilities to be built in the globe targeted the location of their facilities near raw resources. However, as a result of the changes that have occurred throughout time,

this disease has been more disregarded. Raw materials began to be transported as a result of the development of transportation technologies. All sorts of chemicals that are generated on the basis of soil, that is, that are obtained from nature in some manner, are recognised as raw materials for industrial production, particularly in agricultural operations.

Transportation; Initially, it was only available via land and water, but later on, railways, airlines, and pipelines were put into service to deliver it. Container transportation has risen to the top of the priority list, particularly in sea transit. The transportation industry has progressed significantly in recent years, particularly in terms of moving products without degradation and on schedule. Transportation should not be viewed just in the context of the industrial sector. As a consequence, cities that have grown up around industry and the economic activities that have developed as a result, such as commerce, tourism, education, and health, have contributed to the development of transportation while also being reliant on it. The cost of transportation has been steadily declining over the last many years.

Energy; Energy resources are required for a variety of tasks during a person's life. Energy resources play a significantly larger role in manufacturing operations than they did before. The energy consumption rose as a result of the machinery employed in industrialisation and the development in the number of commodities and products. Industrial waste, noxious gases, radioactive waste, and synthetic items are all harmful to the environment's air, water, and groundwater supplies. The rapid usage of fossil fuels has a negative impact on the environment. The only way to prevent further degradation and destruction is for renewable energy sources to be introduced as quickly as possible.

Market; Deliveries of materials generated in the manufacturing business are required to reach the customer. A critical component of the continuation of productive activity is the availability of market opportunities. Market circumstances that are unfavourable suggest that the produced items are not sold and that the manufacturing

facility is not operating continuously. In addition to market circumstances, the type of the market plays an essential role in determining its performance. Highly densely populated, economically prosperous places with strong buying power and consumption tend to be more efficient and favoured market areas than other types of markets. As economic growth progresses, the quality of the market improves in tandem.

Labour; It is one of the essential aspects in the building of industrial facilities as well as the transition from development to commercialization. It is critical for industrial facilities to have a diverse workforce that includes both skilled and unskilled workers.

> *Following the Industrial Revolution, the establishment of huge contemporary industrial cities is a given. So, since the nineteenth century, mechanisation and automation in industrial operations have coincided with an increase in the pace of population growth in cities. In this way, portion of the working population stayed in the industrial sector, which resulted in the development of industrial towns and cities, particularly in industrially advanced nations such as western and central Europe, the United States, Japan and Russia.* (Göney,1995: p.201).

Subsistence issues in the countryside and towns, which had become overcrowded as a result, were transformed into a work force during the industrialization, and the severe effects that may have resulted from this development were avoided. The work issue is less successful than it was in the past when it comes to situating an industrial facility. Robots and computers, as a result of technological advancements, have also decreased the number of employees required. This development also resulted in an increase in the number of unemployed people. Aside from that, depending on the advancement of cars, the everyday movement of employees may need them to go vast distances.

Economic development policy debates used to revolve on structural problems. The "old school" of development economists acknowledged the crucial role that structural change played in the process of development. Workers from traditional

agriculture and other primary sectors, they felt, should be shifted to "modern" industries, in order to increase the economy's saving and investment rates, hence boosting economic development. The sooner labour shifts away from traditional agricultural and low-productivity informal companies and into the modern sector, the quicker economic development will be achieved. Not all current activities, of course, must be carried out in industrial settings.

It has been shown in Chile, for example, that non-traditional agriculture may be a vital component of growth. Modernisation of traditional agriculture, in addition, has the potential to be a significant source of productivity gains in the future (as with the green revolution). The increase of industrial activity has, on the other hand, traditionally been associated with rapid growth in the first place;

As a consequence of economic globalisation, the value of manufacturing, especially exportable manufacturing, has witnessed a significant growth in value. Rapidly expanding emerging economies have been able to grow at rates that are significantly higher than those of their predecessors in recent decades (for example, Britain during the Industrial Revolution, the United States during its catch-up with Britain in the late nineteenth century, or Europe's recovery following World War II). This is due to the fact that global markets have almost endless demand for the manufactured items produced in emerging countries. Due to the fact that local terms of trade always swing against non-tradable, non-tradable expansion is self-limiting and discourages further investments and economic progress. Furthermore, as nation after country has realised, export-led growth that is focused on primary goods has significant drawbacks and restrictions. Developing countries that export manufactured goods are not restricted in this way as long as they are able to capitalise on new opportunities that are in high demand in the markets of richer countries.

1.2. Analysis of the resource potential of industrialized countries

In both advanced and developing worlds, the industrial sector might be regarded to be the most important sector. This industry is one of the most influenced by innovation and has the greatest productivity for its openness to worldwide competition and extended planning horizons. The manufacturing industry is at the focus of recurring economic discussions in wealthy nations such as Germany, Switzerland, as well as the United States, and in relatively impoverished countries such as Cambodia and Bangladesh. When it comes to industrialisation, developed economies are debating how to overcome the 'deindustrialization' phase, while emerging nations are debating how to speed up the industrialization process. Nations such as the Japan, United States, and Germany, together with China, continue to be the world's most significant industrial manufacturers, notwithstanding the global financial crisis.

In this part, we will discuss the pathways taken by different nations in the growth of industry and the economy, as well as the obstacles they have faced and the decisions they have made.

CHINA

The country of China was a semi-feudal society with a non-nationalized economic model and a poorly developed industrial sector prior to the Chinese Revolution. Within a relatively short period of time after 1949, industrialisation took place throughout the republic, with the output of industrial items increasing by many orders of magnitude and branch structures expanding by several orders of magnitude. (Həbibzadə E., 2007: p32)

Extraction. The coal mining sector in China has grown dramatically in recent years, thanks to a combination of factors. "Potential coal reserves were estimated to be 3,200 billion tonnes, with 850 billion tonnes of coal reserves having been examined." (Həbibzadə E., 2007: p. 33). The deposits are unevenly dispersed around the nation, with about 80 percent concentrated in northern China, and the country's

biggest field is situated close to the town of Datong (Shanxi Province). Overall, there are many more than 100 big coal mining centres in China.

Energy. China's industrial complex suffers from a number of weaknesses, one of which is the energy and oil sector of production. However, despite the presence of abundant natural resources, the growth of extractive sectors has historically lagged behind that of processors. China's energy reliance on foreign suppliers is increasing as the country develops. At now, imported oil accounts for around 32 percent of total oil consumption in China, and if the current growth rate is maintained, the percentage of oil imports in total oil consumption might double by 2010. It has been confirmed once again that the United States, Japan, and European nations dominate the market in the Middle East, putting China's attempts to obtain access to the region on hold. As a result of these circumstances, China has been compelled to take a relatively limited amount of free "risk" sectors which have not yet been seized or are of no interest to anyone else, as well as to provide items to the marketplace that nobody else is providing.

> *According to official figures, China exported $1.5 billion worth of goods to the Middle East in 1990. 50,000 Chinese labourers and servants were employed in the area at the same time, mostly in the construction industry. Chinese exports to Arab nations around the Persian Gulf were $2.26 billion in 1994, according to the World Trade Organization (WTO). (Həbibzadə E., 2007: p 35)*

China's major state-owned companies, including CNPC, CNOOC, and PetroChina, are active in the international energy market. In recent years, they have significantly increased their oil exploration and production in the North Africa, Southeast Asia, Middle East, Australia, Russia, Indonesia and Azerbaijan. The increase of their operations is largely owing to the fall in energy output in China itself.

Metallurgy. Because of its abundant raw material resources, China has a strong foundation for the growth of the metallurgical sector. In recent years, large-scale

geological work has been carried out to identify new sources of ferrous and magnesium ores, oil, coal, and other raw materials, as well as to define and clarify the limits of existing deposits of these and other raw materials. Chinese iron ore deposits (after Russia and Belgium) are the world's third largest, while proven magnesium ore resources (after Australia) are the world's second largest.

Nearly every province and autonomous area in China has at least one ferrous metallurgical plant. The metallurgical sector, on the other hand, has a low degree of technological sophistication and relies heavily on imported equipment. This region is home to more than 70 percent of businesses that do not have any kind of treatment facility. Alloys for the aerospace sector and nuclear particle accelerators are among the many varieties of steel that are melted in China. There are more than a thousand different types of steel melted in China. The nation also produces high-quality concentrates of antimony, tin, tungsten, mercury, and molybdenum, all of which are in great demand elsewhere. The nation, however, does not meet its demands for aluminium, lead, and zinc and has to import those metals from other countries.

Mechanical engineering. Modernization and economic transformation in China stalled in the second half of the twentieth century, as the country experienced its second Scientific and technological progress (STP) in global history during this period. His primary research interests were in microelectronics, informatics, and biocenology.

China has had a difficult time adapting to STP technological advances. The advancement of a large-scale development of science and technology was hampered by a lack of financial resources, a fairly low scientific potential (which was primarily weakened during the Revolution), and a relatively low level of education and cultural development among the general population. Chinese scientists, however, developed and implemented an eight-year plan for development of science in the late 1970s, which included comprehensive studies and research in the fields of microelectronic devices, a younger generation of computer systems, as well as computer engineering

and genetic engineering, for the period 1978-1985. It quickly became apparent that this strategy was much too broad and would be impossible to accomplish in the existing environment for a variety of reasons.

Over the course of many discussions and talks with experts across the world, including Japan, Russia, the United States, and Western Europe, it was determined that there are 12 important areas in which science and technology development should be focused. Today, China's primary scientific technology development challenges are as follows:

- the expansion of the national economy;

- a rise in the number of available productive forces;

- The conversion of scientific and technological advancement into a significant component in industrial growth is a major accomplishment;

- by every means necessary, raise the technological level of traditional industries;

- making social production more efficient is a good thing;

- Production of high-quality, competitively priced items for the international marketplace.

An emphasis was placed on the advancement of scientific apparatus and technologies in seven key areas. STP's key focus areas include biotechnology and computer science as well as automation, energy, space, and laser technology.

Food supply, illness prevention and treatment, energy generation, waste-free manufacturing – these are just a few areas where biotechnology research and development is focusing its efforts at this point in time.

In the information technology field, the primary emphasis is on the development of technologies that allow for the major improvement and broad use of "smart" computer systems, which are becoming more common. Technology such as modern measurement, computing, and communication techniques are being developed; research is being conducted in the fields of prospecting data and mineral exploration, weather prediction and quality control, as well as the improvement of techniques for

processing and determining the degree of pollution of agricultural, forest, and industrial products.

The "Torch" programme, which allows for the construction of areas and centres for the creation of new technological and scientific innovations across the nation, will play a significant role in the execution of the chosen plan, which will be implemented in phases. In this context, large scientific and industrial centres with an area of several square kilometres, on the territory of which are situated Scientific Research Establishments, relevant industrial enterprises and companies and firms for the implementation of innovative technical and scientific technologies, are referred to as "technological corridors." Such districts were constructed in Beijing, Tianjin, Shanghai, Shenyang, Wuhan, and Nanjing (a total of more than 30 districts) after the implementation of the programme (August 1990).

Chemistry. In spite of having a local raw material basis, the chemical industry is unable to supply all of the country's demands. Polymer manufacture is a relatively recent phenomenon, but it is gaining traction quickly. An extensive textile industry is supplied by chemical fibre manufacturing, which is second in the world only to the United States. This sector is concentrated mostly in the coastal regions of China (Shanghai, Beijing, Nanjing, Lanzhou). China produces both synthetic and natural rubber. It's no secret that the pharmaceutical sector has grown enormously. Shanghai is home to half of the country's total pharmaceutical output.

Light and food industries. Too far, textiles and food production in China has accounted for 21% of total industrial output. Western, North, Central, and South America are home to the majority of companies in this industry. The paper, sugar, oil, and dairy industries are concentrated in the northeast; cotton processing and cattle production are concentrated in the northwest; and the food sector is more established in the southwest than in the north or north or north or west. More than 65.5 thousand companies are involved in the food business, and there are over 23.3 thousand in the textile industry. However, the production and processing of raw materials is

concentrated on: wool and hemp in the north, and silk and hemp in the south. China's light industry has a long history. It was a major part of the Chinese economy even before the revolution.

Agriculture. In 1949, agriculture contributed for over 70% of China's social output and national wealth, according to the United Nations Development Programme. Despite the fact that agriculture lost some of its prominence throughout the years of post-revolutionary prosperity, it remained the economic backbone. It is the largest provider of raw materials to the light industry in the world (70 percent). "There are 313 million individuals who are working in rural regions," says the report. "There are around 850 million individuals, including family members." (Həbibzadə E., 2007: p.36) This is six times higher than the rates in Russia, France, Germany, England, Italy, Japan, and Mexico, among other countries.

Regarding agricultural output, China is a global behemoth that ranks among the world's most productive nations. Agricultural production is growing more dependent on the availability of arable land. “Of the world's arable land, only 224 million hectares can be utilised, while the total area of arable land is around 110 million hectares, accounting for approximately 7 percent of the world's arable land.” (Həbibzadə E., 2007: p.36). Only 21% of China's land is considered extremely productive, according the Chinese categorization. These are China's northeaster plains, the mid and bottom Yangtze River basins, the Zhejiang River delta, as well as the Sichuan Basin. It's because of this bountiful land that they may harvest twice a year, even three times in the deep south of China.

Wheat, rice, maize, gooseberries, millet and soybeans are the country's principal food crops, accounting for 3% of the nation's diet and making up the bulk of the country's agricultural output.

Technical plants. Roughly a quarter of the country's grain crop is rice, which is cultivated on about 20% of the country's arable land. The Yellow River Valley is home to the majority of the world's rice production. More than 10,000 types of rice

have been cultivated in China throughout the course of its long rice-growing history. Wheat, the country's second-largest grain crop, was first domesticated in the sixteenth and seventeenth century. No other nation now harvests wheat at such a high level as China, which also grows a significant number of sweet potatoes.

The development of industrial crops in China is essential in light of the current situation. Wheat, cotton, fruits, and vegetables are more lucrative to produce because of the set pricing system, even though China is the third biggest cotton producer in the world. Oilseeds, the primary source of edible oils, are widely grown as well. Peanuts, rapeseed, and sesame seeds from Shandong Province are the most common.

In terms of tea production, China not far behind the United States. Tea was first employed as a medication in the fourth century AD and became popular as a beverage in the sixth century. For the time being, the vast majority of green and red teas (there is no such thing as "black tea" in China) are being exported virtually entirely. Tea is cultivated in the provinces of Zhejiang, Hunan, and Anhui.

Livestock. Population size and intensive use of land and water resources are reflected most prominently in the development of farm animals, which plays a very minor role in the overall development of the country. Two sorts of cattle have developed in China throughout the course of history. In the plains where agriculture is prevalent, pigs and birds are the primary livestock raised. Another is closely tied to farming and is an accessory activity. The western areas are characterised by extensive cow rearing, which includes nomadic and semi-nomadic herds. In example, the output and consumption of cattle products per capita in the United States are both quite low. The large proportion of working animals in Chinese cattle breeding, as well as the slow growth of dairy cattle, are distinguishing characteristics of the country's cow breeding.

Transport. Until 1949, China's transportation infrastructure was severely lacking. Trucks and rickshaws were used to convey around 60% of the total freight

volume. The first railway, which was just 10 kilometres long, was constructed in Hebei province in 1881.

In the present day, China has a very well transportation infrastructure, which comprises trains and highways as well as pipelines, river and sea transports as well as civilian air routes.

> *When the Chinese railway network reached 22,000 kilometres in length, only 11,000 kilometres were really in operation. At the moment, the length of China's extant railroads exceeds 70,000 kilometres (kilometres). In terms of rail transportation, China now ranks sixth in the world. (Həbibzadə E., 2007: p 38)*

INDIA

In many ways, India's post-World War II economic development model was strikingly similar to China's — a combination of near-autarky, industrialization, and governmental dominance over the economy. Historically, development was equated with industrialization, with the industrial sector concentrating largely on basic items such as steel and equipment. As a development engine, private money was considered inefficient, and it was supposed to have a predisposition for monopolisation, according to this perspective. As a consequence, government control was seen to be very important. The method to development that was adopted was import substitution. Industrial licencing, the reserving of vital areas for state intervention, limitations on foreign direct investment, and labour market reforms were some of the measures used in developing countries.

In the 1980s, policy changes began as the selected approach proved ineffectual, bureaucratic, and favourable to rent-seeking behaviour. Imports of capital goods were increased, the tax system was simplified, and industrial restrictions were reduced as the initial steps. Although the adjustments in the 1980s became less constant than in China, they only became widespread and systematic in the 1990s, following a severe economic crises of the previous decade. According to Rodrik and Subramanian (2004) and DeLong (2001), the acceleration of economic development started in the

1980s, and the reforms and changes in attitudes that occurred during that period are considered to be important factors in India's present success. When it came to resource allocation in India, the role of the state remained critical throughout the 1980s, and it was not until the 1991 economic reforms that the market took over as the primary driver. Department of Economic Affairs, 2006). Reforms implemented in 1991 and later included the abolition of quantitative restrictions on the importation of raw materials, intermediates, and capital goods, the reduction of tariff levels, the relaxation of rules preventing large corporations from expanding existing units and constructing new ones, and simplification of the licencing system controlling internal production. As a result of these reforms, the public sector was broken up, foreign currency debt was reduced, and tax reforms were implemented. Regulated industries like agriculture were mostly untouched by the changes to labour laws. As a whole, India's approach to liberalisation differs from that of the Washington consensus. To yet, only limited trade liberalizations and relatively sluggish privatisations have been liberalised, with no capital account reforms.

During the previous 40 years, the Indian economy has undergone significant structural upheaval. Agricultural value added as a proportion of gross domestic product (GDP) decreased by more than half between 1965 and 2005, dropping from 45 percent to 19 percent. The agricultural sector continues to employ a significant share of the workers, despite structural changes. The growth of the services sector, which has increased its proportion of GDP from 35 percent in 1965 to 54 percent in 2005, has occurred at the same time as the growth of the economy. There have been no substantial changes in the manufacturing portion of the economy (16 percent in 2005 compared to 14 percent in 1965), in contrast to several rapidly developing emerging nations (especially in East Asia) (Department of Economic Affairs, 2006). During the period 1965 to 2000, the proportion of textiles and clothing in manufacturing value added decreased from 25 to 13 percent. The World Bank published a report in 2006 stating that Manufacturing value added was 19 percent in

2000 (about the same as it was in 1965), with machinery and transportation equipment accounting for approximately the same share (up from 10 percent in 1965). Chemicals accounted for approximately the same share (up from 10 percent in 1965), with most of the increase occurring in the 1990s.

In the 1980s and 1990s, GDP growth in India was rather strong, with annual compound growth rates of 5.8% in the 1980s and 5.4% from 1990 to 2002. The fastest-growing sectors in the economy are manufacturing and services. Between 1980 and 2002, manufacturing value-added expanded by 6.6 percent per year, whereas services grew by 7.1 percent per year, and agriculture grew by 2.8 percent per year. Throughout the 1990s, services expanded at a fast rate.

Trade flows have increased as a result of the fast development of the economy. There has been an almost fourfold increase in the trade-to-GDP ratio in India from 1991/92 to 2001/02, for example. Services exports grew by 275 percent, while goods exports grew by 145 percent during the same period (Kelkar, 2004). The manufacturing sector's share in goods exports has grown steadily but significantly over the last several decades. In 1962, manufacturing accounted for 43% of exports; by 2003, that figure had increased to 75%. More over a third of all items exported from the country in 2003 were food products (World Bank, 2006). Manufacturing exports rely heavily on light sectors, such as textiles and clothes. Another important export is precious stones. Exports of chemicals, including medicines and dyes, as well as automotive components, have lately grown significantly in India.

High GDP growth in India has been accompanied by a major decrease in growth volatility. It's been 24 years since 1980 and the GDP growth standard deviation has dropped to 1.9 percent, as the output mix has shifted and agriculture's importance has declined.

Using national poverty criteria, the percentage of poor people in the general population decreased from 45.7 percent to 27.1 percent in rural areas and from 40.8 to 23.6 percent in urban areas between 1983 and 1999–2000, according to official

figures. From 44.5 percent to 26.1 percent, the country's overall poverty rate has decreased. Disparities across regions, on the other hand, have grown dramatically. The impact of reforms has been to deepen gaps in per capita expenditures across states, with formerly better-off states increasing at a quicker rate than poorer ones. Southern and western nations have consistently performed relatively better than the rest of the country because they have been able to take advantage of the opportunities presented by globalisation and the market economy. However, in some other states, deficiencies in human resources and governance have led to lower post-1990 rates of growth than the rest of the country. Furthermore, regardless of the fact that disparity has evolved more quickly in urban areas than in rural ones, disparities in per capita spending between rural and urban areas have grown. Improvements in inequality after reforms in India, however, have been modest when comparing, for example, to transitional countries because of the slow rate of liberalisation.

It was determined that the early 1990s changes had a different influence on manufacturing businesses based on location and technical level, among other things. When it comes to industries close to the technological frontier, liberalisation increased advancement, profitability, and growth, while it decreased these characteristics in industries further away from the frontier. Furthermore, pro-labour labour rules at the state level stifled innovation and development across all sectors, and the effect of these regulations got greater as the economy became more liberal. The impact of structural changes has differed depending on the condition of affairs. Established manufacturing clusters and coastal regions have benefited from private sector investments in quest of more efficient locations, despite the fact that state-owned enterprise has been less inclined to invest in such areas. A major reduction in government involvement in industrial ownership and regulation of industrial site has resulted as a consequence of reforms, while the predominance of private sector industrialisation has increased, which is likely to result in increasing regional disparity (Lall and Chakravorty, 2004). Trade liberalisation, on the other hand, has

resulted in a reduction in wage disparities in industry. Wages increased in sectors that saw considerable tariff reductions as compared to the overall economy. The fact that tariff reductions were bigger in sectors with such a higher percentage of unskilled employees, and that these sectors had a rise in relative earnings, meant that these unskilled workers have seen a rise in revenue compared to skilled workers (Mishra and Kumar, 2020).

There is no doubt that reforms have had a positive impact on the Indian economy. Growth has been robust and more consistent than in previous years. The service industry has risen rapidly, both in terms of production and exports. Along with the rise of the economy, so has the level of poverty. India's economic development is nevertheless hampered by a number of obstacles. There are a number of factors that have hindered growth, including an inefficient legal system, many regulations, a low savings rate, a lack of FDI, particularly for small businesses, and high tariff levels that limit domestic competition and hinder the development of potential exporters.

Emerging nations now have less policy freedom than they did decades ago, despite the fact that some well-planned government engagement may look reasonable in light of previous success stories. However, governments continue to play a crucial role in supporting long-term economic development, especially growth that helps to relieve poverty in developing countries. Besides maintaining the stability, well-functioning organizations, and appropriate laws, other key government actions include talent creation, technical aid, innovation funding, infrastructural facilities, and the provision of a variety of public goods. All of these elements have an impact on the economic and trade success of a nation. Therefore, fast economic progress has the potential to alleviate poverty. Because of fast growth, income inequality may increase, but it's not a necessary consequence. In addition to the skills bias of technological growth in an economy, it is dependent on the human capital building strategies and the nature of income and spending plans. In addition to promoting job-creating enterprises and small and medium-sized enterprises (SMEs) and strengthening

domestic ties, disparity can be reduced through subsidised access to education, subsidised housing, equitable taxation, or economic asset redistribution, such as land reforms, among other measures.

1.3. The significance of industry in the socioeconomic development of regions and the creation of employment opportunities

A substantial benefit of industrial development on a region's infrastructure and settlement is the enhancement of infrastructure and settlement conditions. Furthermore, the expansion of industry in the area and the establishment of new industrial structures have the following beneficial consequences on the socio-economic development of the region;

1) Increasing the number of people employed: Growth of industry in the area generates favourable circumstances for the expansion of manufacturing and the establishment of new industrial businesses. This, in turn, results in the establishment of new employment opportunities.

2) The introduction of new competing products onto the market: One of the most pressing problems facing the nation is satisfying a significant amount of the demand for certain items that are imported from other countries. The growth of industry creates the conditions for the production of locally manufactured import-substituting commodities, which are then exported.

3). Investor interest in the area has increased: If a region has a high potential for industrial growth, local and international investors' interest in the area will rise, opening up new development prospects elsewhere in the region.

The process of urbanization's industrial site selection; It is a crucial factor in ensuring that the impairment of the country's population is evenly distributed and that regional disparities are avoided.

Within this concept of settlement policy, it is vital to identify the locations where companies may meet their requirements and grow freely, the locations where they

cannot meet their needs and develop freely, and the locations where settlement is forbidden.

While interregional balance is no longer an issue as a consequence of the rise of globalisation, interregional competition has taken hold. When it comes to this rivalry, areas that distinguish themselves by building on their strengths and investing in high-tech information-intensive and high-intensity projects are at the top of the heap. Industrial activity that can compete on a global scale rises to prominence in this process. It is not only the proximity of the Industrial Zones to resources that determines their efficacy, but also the formation of social and institutional coordination among the many stakeholders involved.

The use of information technology in commercial and industrial processes has increased to unprecedented levels. This is thought to be a natural consequence of the global competition that we see today. Competing developments have become important when working with social, economic, and institutional systems. As a consequence, development is now based on the generation of new information and the use of new technologies. For example, successful industrial zones work with a wide range of stakeholders to share and produce information in order to achieve their objectives, such as establishing channels of cooperation between institutions for marketing and coordinating with universities, research centres, and technology transfer centres.

Furthermore, in today's market, it is important to establish networks of cooperation with other small-scale businesses that are capable of offering flexible manufacturing and innovative solutions. Building Industrial Zones and local networks has become more important in the development of local economic strength and the attainment of international integration. As a result, local manufacturing could be coordinated, and the road to success for investors in Industrial Zones on the worldwide market was established. Industrial zones have developed in line with the globalisation of the world economy. Some of the global factors driving development

in Industrial Zones include guaranteeing global competitiveness, producing innovation, and learning from one another.

There are a variety of factors that impact the selection of industrial building locations.

The availability of natural resources: Because civilizations created to meet their most basic needs prior to the industrial revolution there was no viable means of transporting their products across places. Wherever the raw material is produced, it is subjected to processing. With the development of an excellent transportation network in the 18th century, raw materials could be transferred to places with favourable geographical characteristics and fit for marketing. Consequently, when deciding where to locate an enterprise, the location of the raw material is no longer a key element to take into consideration. Aside from this, companies that depend on subsurface raw resources, such as mines and coal, are established in areas where the raw materials may be found.

Topographic characteristics of the land: The land slope, which has a direct influence on production and transportation routes, is the most important topographic feature used in industrial site selection. Flat land is preferred in order to prevent stifling output. Smelting furnaces, for example, are situated on slopes because they need a lot of wind circulation. For transportation options, the natural slope has a considerable influence on the roadways and rail lines.

Productivity-related human resources: The need for manufacturing workers has increased as a consequence of industrialization. Employees will be in close proximity to their workplace in this scenario, which is a guarantee.

1.4. An examination of the attractiveness of investment for the growth of industry in the country.

Recently published research has shown that the process of investing involves many different aspects, and as such, it is one of the most essential elements

influencing a country's socioeconomic development. Azerbaijan's business and investment environment has grown significantly in recent years, and tax policy has played an important role in this development. One of the most serious concerns facing the country's economic growth is the fundamental upgrading of the country's Tax Code in terms of international requirements, the adoption of progressive tax norms in this field, the concentration of tax law on transparency, and the stimulation of industrial companies. It is necessary to resolve conflicts in numerous articles of the Tax Code and then improve the current regulatory environment in this field in order to encourage investment in manufacturing and industrial firms. Legal, financial, tax, and credit frameworks must be improved in the investment environment, taking into account national interests and international experience. Azerbaijan's standing in the world economy might improve if it increased foreign direct investment in response to global issues. To increase its share of foreign investment, Azerbaijan may also consider targeting a group of small businesses on the condition of collaborative involvement.

According to this Strategic Roadmap, the country's economic development may be accelerated by attracting money, preserving investors' rights, and enhancing laws that encourages participation by any organisation. It is generally established that the parameters of investment usage vary. Investment in fixed assets for industrial and post facilities have risen in proportion to the growth of the country's production facilities. The bulk of fixed asset investments in recent years have been made in manufacturing facilities. Furthermore, although the structure of economic fixed asset investments is dominated by industrial output, a structural assessment of these investments indicates that the mining sector has a greater share of investment in this area.

As can be seen, the global economic crisis has had a significant impact on foreign direct investment in Azerbaijan's industrial enterprises. Creating improved infrastructure in the nation in terms of investment activity, entrepreneurial growth, and economic activity is one of the most important concerns in this sector, as it will

help to offset the consequences of the effect. Enhancing banking, finance, credit, insurance, consultancy, and other services in this manner should be one of the most important priorities, as should ensuring that they have a high degree of regional development. Not enough is being done to improve the country's strategic plans for recruiting foreign investment in local industrial enterprises, as well as to evaluate the phases involved in attracting and developing foreign investment. A strategic analysis should be carried out by the company during the investment attraction process in order to generate the necessary and critical information base about the factors that will influence the attractiveness and development of an investment, as well as its surrounding environment and other relevant factors. A number of options are available to economic organisations for evaluating the positive and negative aspects of attracting and absorbing investment via this feature.

Today's environment needs the fulfilment of a number of activities in order to increase the investment attractiveness and profitability of industrial companies. First and foremost, the investment potential of industrial firms must be increased by enhancing management and production economic efficiency. Meanwhile, new approaches to depreciation policy are essential, as is a reduction in the tax burden on industrial enterprises. One of the key objectives of tax reform is to provide favourable circumstances for businesses. This provides the private sector of the economy with the authority to reduce its tax burden with the support of the government, allowing it to thrive. As part of the appropriate state regulatory mechanism, it is proposed that the company be reimbursed for a portion of the tax on increased profits by increasing the efficiency of its production. The state regulatory method under consideration comprises the use of a regressive scale in the taxation of current income of market participants who operate effectively.

Increased investment attractiveness can only be achieved by broadening the scope of investment tax credits, which is another critical step. Using an investment tax credit, the firm may pay taxes over a longer period and within a specific time frame,

as well as pay the interest and loan amount accrued over time in instalments. Industrial enterprises that have no financial obligations to the government or counterparties may take use of the state's investment tax loan strategy of economic control on a number of different levels. Parallel to this, it is necessary to establish the mechanism for lengthening loan terms and cutting interest rates in the event of a rise in tax payments, in order to make use of the right of industrial businesses to acquire loans for capital expenditures. All of these governmental investment policy efforts are aimed at increasing the personal investment potential of the enterprise's owners and employees. In addition, expanding investment opportunities and increasing the quantity of money and bonds attracted are also critical goals. Therefore, it is necessary to develop state-level regulatory mechanisms to address this issue.

Debt instruments have their own set of benefits when it comes to drawing investment into the real estate market. When bonds are used, the interest payments on the bonds are often included in the cost of the product when it is purchased. The management of the company has entire authority over the organisation. The terms and conditions of the duties are clearly established in advance, which makes tax and financial planning simpler and more efficient. When it comes to distribution of profits from industrial firms, creditors are exempt from participation. There are, without a question, certain unique weaknesses in the system. Therefore, bond liabilities demand ongoing inflows of cash to meet their repayment obligations. This necessitates the use of trustworthy sources. Implementing a system of proper state regulation is necessary to increase the role of the securities market in delivering long-term investments to the real sector of the economy and therefore expanding its influence. It is critical to reduce the tax on the issuance of securities as well as to provide tax breaks to individual investors who hold shares in investment vehicles. The establishment of uniform standards for the calculation and application of taxes on the income of investors in the securities market is also mandated. These include the process of issuing shares, the prohibition on purchasing shares prior to registration, and the

issuance of licences for secondary market activities prior to the placement of the securities on the market. Simplifying the process of registering securities with the state may also be considered useful in certain circumstances. When investors engaging in the relevant market are subjected to stringent and transparent accounting standards, this has the potential to have a considerable impact on the securities market. At the end of the day, there is much that can be done to create the conditions for broadening the variety of financial instruments that are accessible on the stock market, such as the restoration of the government bond market and development of the mortgage and other securities markets.

It is possible that an integrated state investment strategy will assist industrial enterprises in becoming more desirable to investors. A systematic and consistent representation of all of the hurdles to the active participation of prospective investors, as well as the tools and procedures of a particular economic strategy to eliminate those barriers, should be included in the model. as a result of which:

- The public and potential investors should be made aware of the institutional changes that will be implemented in the nation, as well as the behaviours that will be changed as a result of these changes. Specific dates should be provided.

- The establishment of mechanisms to provide true, rather than just legal, protection of property rights should be completed as soon as possible, in order to foster a favourable investment environment.

- There must be an examination of the state's processes for making business-oriented decisions, as well as an alteration to their structure. Decisions must first be offered for debate, their business impact evaluated, and the findings made public before they can be implemented.

- The government should not be given the authority to make secret judgments that might have a negative influence on a company's income and expenses.

- It is necessary to combine state investment stimulus initiatives with other economic policies such as budget-tax, monetary, and bank credit policies.

- Corrections should be made to investment-related legislative changes, and justifications should be provided for the enactment of new laws. Improving the attractiveness of investments may be addressed in part via public investment programmes. As a result of this.

- The allocation of human capital resources should be focused. As a consequence, the worth of human capital in the economy is defined by the amount of money that is invested in the person. Human capital has made major contributions to the development of the global economy. Increased investment in human capital may result in the continuation of a country's economic development. This means that the quality of education must be improved at all levels of the educational system, and that education must be suited to the demands of a current market economy, with particular focus placed on the growth of technical education in the nation.

- It is necessary to develop and put into effect state-run processes for evaluating investment bids.

All of these initiatives have the potential to increase the competitiveness of the national economy. The ultimate goal is to ensure the long-term health of the country's economy, reduce poverty, and provide new employment opportunities.

CHAPTER II. EXAMINATIONS AND ANALYSES OF THE MAJOR INDUSTRIAL GROWTH DIRECTIONS IN THE EAST ZANGAZUR REGION

2.1. Analysis of the region's resource potential for heavy industrial growth in the East Zangazur

In the 44-day Patriotic War, focused reforms and large-scale measures have considerably improved our state's financial and military capacity, building the framework for a spectacular triumph. A large number of large-scale initiatives are presently underway to repair the liberated territories, ensure their future development, provide the necessary infrastructure, and return the residents to their ancestral homelands. Reconsidering the partition of the freed territories in order to assure their equitable development via the appropriate use of the abundant economic potential, natural resources, and broad tourist prospects available in these regions are among the conditions. Zangilan, Gubadli, Jabrayil, Lachin, and Kalbajar regions must be integrated into one economic region because they are surrounded by the Zangazur mountain range and cover a large area stretching from Lachin and Kalbajar to Nakhchivan, the eastern part of the Zangazur plateau. Historical and cultural links bind the Zangilan, Gubadli, Jabrayil, Lachin, and Kalbajar regions together. As a result, the East Zangazur economic region was established on July 7, 2021, in line with the Decree on the New Division of Economic Regions in the Republic of Azerbaijan signed by the President of the Republic of Azerbaijan on July 7, 2021.

Table 1: General information about East Zangazur Economic Region

Districts that are part of the economic region	Jabrayil, Kalbajar, Gubadli, Lachin and Zangilan districts
Area	7.47k m^2
Population	343.5k
The main sectors of the economy	Agriculture, industry, tourism
Natural resources	Gold, mercury, marble, facing construction stones, copal, perlite

Source: https://economy.gov.az/article/sherqi-zengezur-iqtisadi-rayonu/31896

Nagorno-administrative Karabakh's districts of Lachin, Kalbajar, Gubadli, Zangilan, Jabrayil, Aghdam, and Fizuli, as well as their surrounding areas, have a significant raw material base, according to the World Bank. All kinds of minerals are mined in these areas: gold, copper (including mercury), iron (including marble), chromite (including perlite), lime (including agate), agate (including quartz), and construction materials (including limestone). The following resources are found in this region: tuff, chakmakchay, construction sand suitable for sawdust production, Garacalli clay appropriate for production of bricks, volcanic ash appropriate for cement production, clay, limestone, sand-gravel, jasmine, chalcedony, and forest resources, to name a few. In addition to the Vejnali deposit in Zangilan and the Gizilbulag deposit in Agdara, there is also the Zod deposit in Kalbajar, all of which have significant industrial potential. By attracting new natural resources, Azerbaijan has the potential to assure the growth of the western region, the expansion of the mining industry, and the development of the metallurgical complex. The expansion of metallurgy in Azerbaijan, as well as the development of a number of other sectors, has the potential to expedite the growth of the military industrial complex. I believe that the future exploitation of minerals may be separated into three classifications: nonferrous minerals and their metallurgy, construction materials, and rare metals. This is based on a quick glance. For example, nonferrous metals and construction materials are examples of traditional economic sectors, and the availability of available resources will enable new forces to emerge in these areas. In addition, investigation and geological study on the occurrence of rare metals in the area, which are frequently employed in high-tech applications, may be carried out.

On four different fronts, we can assess a region's economic potential: abundant water supply, abundant electrical power, industrial recreation options, and the processing of abundant resources. In our research, we will examine these resources in detail for each area on a unique and distinct basis.

Kalbajar

The Kalbajar area is distinguished by its abundance of ore, non-ore, and mineral springs. The efforts of Azerbaijani geologists have resulted in the discovery of a number of gold deposits (such as Agduzdag, Galaboyu, Soyudlu, Gizilityan, Zarqulu, Azibir, Gazikhanli, and others), perlite, molybdenum, chromite, tungsten, copper, cumin, mineral dyes, pearl stone There is economic potential in the Suyudlu and Agduzdag fields, and the resources may be utilised to establish a gold industry in the Kalbajar area. The Soyudlu field, on its own, has about 112.5 tonnes of gold reserves. (Sevinj Osmanova, 2020). This amount is 1.5 times more than the entire gold reserves of the nation.

Kalbajar's economy relied heavily on medical and agricultural tourism prior to the capture of the province by the Turkish military. Although Kalbajar is rich in natural resources, above - the economic potential was so little that it could not be confined to these areas. Despite the fact that the region's economy was well-positioned for economic diversification at the time, for many subjective reasons, these regions were not fully developed. The ideas to build stone quarries and tile-making factories in Kalbajar have never been executed, regardless of the fact that the town contains excellent clay that is appropriate for tiling and exceptionally suitable ground for farming. For most of the Soviet era, Armenians looked for gold in so "Zod Pass," on the Goycha side of the pass, and on the contrary direction of the pass, on our side. In the vicinity of the Soyudlu River, a village for geologists and construction workers was established. Because there was no gold found on our side after a period, the exploratory effort on our end was put on hold. Armenians then crossed the border to Kalbajar by building tunnels under the border fence. In response to the Armenians and their friends in prominent positions throughout the Soviet government to exert pressure on Azerbaijan, the Armenians started transporting our gold-rich raw materials via tunnels in the Soviet Union. Illegal pillage continued to be practised under the occupation. A number of rich mercury resources have also been discovered

in the Kalbajar area, including Aghgaya, Agyatag, and other sites. In the location known as Shorbulag, where a community was established, a mercurial plant was established. This endeavour, on the other hand, was subsequently halted. During the invasion, Armenian thieves stole our gold and mercury and took them back to their country. The 44-day Patriotic War, which culminated in the freeing of Kalbajar, created a slew of chances and pathways to a promising future. In Kalbajar, where there is an abundance of both land and water, it is hard to quantify all of the wealth that exists.

> *The dedication of Shamil Askerov (Dalidag), director of the Kalbajar Museum of History and Ethnography, and the assistance of geologists enabled the collection of 79 minerals, precious stones, 36 types of rocks, and other valuable exhibits from the region prior to the occupation of the region, which are now displayed in the museum. It was known that a few of them had big and valuable reserves in the area. They include deposits of obsidian, travertine, marble, basalt, tuff, gabbro, and other minerals. Simply said, the large obsidian deposit in Kalbajar (also known as "camel's eye" by the locals) is one of the most productive deposits in the world of culture. Aside from that, the Kecheldagh field near Kalbajar produced 10 tonnes of obsidian in 1987, which was sent to the Netherlands. (https://www.azerbaijan-news.az/index.php/az/posts/detail/ilham-eliyevin-yaratdigi-yeni-kelbecer-231934)*

These places also include endless tuff mines of various colours, including white, white-yellow, and white-blue. Kecheldag is likewise a perlite deposit that is absolutely devoid of any other minerals. At night, the sun gleamed like gold and shone brightly. This location was also known to our forefathers as "Golden Mountain." It is also accurate that Chinese Pottery Company in Armenia at the time was able to function only because of the raw materials provided by this source. In particular, the area, which was rich with tellurium, silver, copper, chromium, selenium, and other important resources, had an enormous amount of industrial reserve capacity.

Because of the variety and quantity of natural resources available in Kalbajar, the city has a significant industrial potential. In the nation, the execution of large-scale building projects, as well as the expansion of the construction industry, has boosted the need for construction materials, resulting in the establishment of a strong and sophisticated industrial complex in this sector. Large-scale building projects will be carried out in the freed territories, increasing the significance of the construction sector in general. The presence of a substantial raw material base for building materials in the area, together with a rising demand for such goods, provides a suitable environment for the formation of construction materials manufacturing firms in Kalbajar.

Zangilan

The emancipation of the area has resulted in a rise in the agriculture equipment, as well as for other types of machinery and services in the region. Consequently, the construction of a joint service facility for trucks and agricultural equipment in the Karabakh area by KamAZ OJSC and Ganja Automobile Plant Production Company is of particular significance in this regard. Taking into consideration the fact that the project will be carried out in line with the agreement of understanding signed in July this year by representatives of Russian firms among Ganja Automobile Plant Association and KamAZ OJSC, it should be said.

> *The Araz Valley Economic Zone Industrial Park will have a total land area of 1.5 hectares, which will be used for the establishment of the regional service centre. In addition to the selling auditorium, banking and finance department, service agency, management departments, offices of fix zone masters, and an office building for spare parts warehouse, the area will include service frames for trucks and agricultural machinery, repairers, a car wash, and parking spaces for visitors. At the facility, which will offer repair services for agricultural equipment such as tractors and combines, as well as other vehicles and trailers, it is expected to generate 36 new employment in conjunction with KamAZ. (https://president.az/az/articles/view/53330).*

It was in 2014 that the joint project between "KamAZ" OJSC and the "Ganja Automobile Plant" Production Association was established. There are now 8 KamAZ types being manufactured there, with more than 1,000 vehicles having been built to far (https://president.az/az/articles/view/53330). A long-term strategy for the growth of collaboration is also being developed. Consequently, with the assistance of the Russian bank, it is planned to establish a leasing firm in the future, as well as local spare parts warehouses and upgrading current service centres to match contemporary requirements. In addition, Jalilabad, Ismayilli, and other nearby areas. Imishli's service centres will be up to date with current technology.

The Aghdam Industrial Park was founded on May 28 by a decree of the President of Azerbaijan, and it is expected to play a significant role in developing the area into one of the ’s productive centres while also boosting employment in the region. In order to establish a suitable investment atmosphere for enterprises in the park, work is now being carried out in phases, with the formation of a social zone having already been finished. In addition to mine clearance, power and water supply infrastructure have been erected on 74 hectares of the 190 hectares that have been designated as the park's territory. For the purpose of supplying water to the building site in the industrial park, a subartesian well was sunk to a depth of 350 metres. A 10 kV electricity line has been installed in the area, as has a 630 kV transformer station, which will serve the area. Buildings for the Ministry of Economy include a container-style office, a dormitory, a medical facility, as well as a store, a pharmacy, and a cafeteria, all of which are located inside the park. An ATM from Kapital Bank OJSC has also been erected in the park, and types of financial will be added in the following days. (https://president.az/az/articles/view/55435).

The agricultural processing, industrial, social, and technological zones that will be built in the Jabrayil region will function on a 200-hectare plot of land that will be part of the industrial park. In this area will be constructed a logistics and trade hub, warehouse complexes, retail and wholesale services, a truck park, customs facilities,

fueling stations, and automobile and other equipment maintenance facilities, among others.

A container village for 150 people will be developed in the social zone adjacent the industrial park, which will be accessible by public transportation. Construction engineers and employees will live in residential buildings on the campus, and all other essential infrastructure will be housed in office buildings for park management and inhabitants, administration buildings for residents, and office buildings for park management and residents.

2.2. Evaluation of the region's social and industrial infrastructure in relation to the supply of living and employment

Karabakh and East Zangazur's rehabilitation will open up new economic prospects for Armenia. Thus, the elimination of the war's repercussions, the restoration, rehabilitation, and reintegration of regions cleansed of the enemy into the country's economy would be one of the primary objectives of spending for 2022-2025. Our countrymen who returned to their hometowns this year will need to continue these actions on a far greater scale in future years, and we need to fund measures to re-invigorate the economic activity in these areas. While this is going on, the state will foot the bill for damage to civilians, state property, infrastructure, and businesses outside the combat zone caused by the enemy's constant barrage of artillery. State budgets are expected to offer enough investment possibilities in the medium future. Amounts are allocated to assist the public investment program's efforts, particularly in freed areas. To ensure that all initiatives intended to improve the efficiency of labour in the freed areas are executed in a coordinated way, the Strategy Action Plan establishes a single conceptual framework on which they will be based.

Among the first projects to be performed in the freed regions was the restoration of the roadway connecting Sugovushan settlement in the Tartar region with Talysh hamlet in the same region.

As a result of its strategic location, the city of Sugovushan was one of the first big villages to be freed during the Russian Civil War. With the involvement of President Ilham Aliyev, a new roadway was officially inaugurated on October 3, 2021, the first anniversary of Sugovushan and Talish's freedom from the Soviet Union. "The road's overall length is 28.5 kilometres, its width is 9 metres, and it has two lanes in each direction. The distance between Tartar and Sugovushan village is 21 kilometres, while the distance between Sugovushan and Talish village is 7.5 kilometres." (https:// president.az /az/articles /view/53310). The road building work was completed to a high standard of quality and in line with the requirements of building standards and regulations. According to the proposal, bus routes have been constructed along the route, and other infrastructure essential for the regular management of traffic has been constructed. Moreover, it should be remembered that the highway connecting Sugovushan and Talish was constructed in the 1970s on the orders of National Leader Heydar Aliyev in conjunction with building of the Sugovushan reservoir. But it had been under enemy possession for an extended period of time, this route was entirely damaged. This roadway connects the town of Naftalan with the rest of the country. On October 3, 2016, President Ilham Aliyev laid the foundation stone for the Talish-Tapgaragoyunlu-Gashalti-Naftalan highway, which will run from Talish to Gashalti. The construction of a new road connecting Talysh village in Goranboy area with Tafgaragoyunlu village in Naftalan city would help to the socio-economic development of the area while also providing people with a more pleasant mode of transportation. It will be feasible to go in this route from the town of Naftalan as a consequence of the completion of this road, which will also connect to the city of Tartar. Approximately 22 kilometres will be covered by the road system. (https://president.az/az/articles/view/ 53310).

Ahmadbeyli-Fuzuli-Shusha road

In Karabakh and East Zangazur, there are more road developments in the works. One of these is the Ahmadbeyli-Fuzuli-Shusha roadway, which is 81.6 miles long. Ongoing work is ongoing on a key infrastructure project in the Karabakh and East Zangazur economic regions: Ahmadbeyli-Fuzuli-Shusha motorway. This will have a significant impact on local economies. In the freed areas of Khojaly, Shusha, Khojavend, and Khojaly-Zangazur, this route begins at the Hajigabul-Horadiz-Agband-Zangazur corridor. 4 and 6 lane roads are being constructed, avoiding big cities and the famed Topkhana forest. Along the route, seven tunnels are being constructed. The building of a tunnel on the Ahmadbeyli-Fuzuli-Shusha highway to the famed "Isa Bulagi" is under ongoing. (Leyla Rashid, 2021).

Hadrut-Jabrayil-Shukurbayli road

In 2021, the Hadrut-Jabrayil-Shukurbayli road's foundation was built. The project was immediately put into motion after the groundbreaking ceremony. Along a portion of the route between Horadiz and the Jabrayil area, it travels via Shukurbayli and reaches Hadrut, a hamlet in Khojavend region. The road being built has a length of 43 kilometres. In accordance with Karabakh's development strategy, the Hadrut-Jabrayil-Shukurbayli motorway is being developed with four lanes. Khojavend, Fizuli, and Jabrayil districts have been freed. "Hadrut and Jabrayil will be included among the 20 or so communities that the route will pass through." (https://president.az/en/articles/ view /53400).

Horadiz-Jabrayil-Zangilan-Agband road

It was on April 26th of last year when the foundation for the Horadiz-Jabrayil-Zangilan-Agband motorway was laid; As part of the Zangazur corridor, this route is important. The roadway, which is vital to Fizuli's future, was planned from the hamlet of Ahmadbeyli. The roadway is 123.8 kilometres in length. Fizuli, Jabrayil, and Zangilan districts are all included in this route. For the Ahmadbeyli-Fuzuli-Shusha and Shukurbayli-Jabrayil-Hadrut motorways now under development, this route

serves as a precursor. Projected construction includes three tunnels, 23 bridge overpass structures and a total of 50 underpasses along the route." (https://report.az/infrastruktur/horadiz-cebrayil-zengilan-agbend-avtomobil-yolunda-tunellerin-insasina-baslanilib/)

Toganali-Kalbajar-Istisu road

Last year, work on road reconstruction started in the Kalbajar and Lachin areas. In the direction of Kalbajar, the Toganali-Kalbajar-Istisu route is an important road project. The Toganali-Kalbajar-Istisu highway, which connects Goygol and Kalbajar districts, will be 80.7 kilometres long when completed. This road will have 2-4 lanes because of the long-term development plan. After 16 kilometres of construction, the Murovdagh Range rises from 1,900 metres to 3,250 metres above sea level. If the present route is utilised, one will run across several landslide zones in this area. Construction equipment can only go so far in the region where the road is being constructed because of the presence of hard rocks. When descending from the Murovdagh summit using the present route, the same issues develop. A 11.7-kilometer tunnel beneath the Murovdag mountain would be preferable than the construction of a 31.5-kilometer road in a challenging terrain. At 12 metres wide, the tunnel will be able to accommodate two lanes in each direction (Leyla Rashid, 2021).

Kalbajar-Lachin road

A decree "On steps to construct road system in the Kalbajar and Lachin areas" was signed by President Ilham Aliyev on July 28, 2021. For the rehabilitation and restoration of the freed lands, the development of road network in the Kalbajar and Lachin districts was originally allotted 10 million manat from Azerbaijan's state budget in 2021, according to the directive. There will be 72.3 kilometres of road between Kalbajar and Lachin. The road will have three tunnels constructed in it. Tunnels will be 9450 metres long in total. Kalbajar is now working on a number of infrastructure projects aimed at boosting the local economy in all directions, including travel and tourism. Expanding transportation routes in Kalbajar is an effort to boost

tourism and ensuring that visitors have easy access to the region's towns, villages, and mountains in the future. Toganali-Kalbajar road building is now conducted in this route. To make the Toganali-Kalbajar route more accessible, work is being done on the Goygol-Kalbajar tunnel road. Additionally, the development of proper road connectivity between East Zangazur and other areas would improve tourist potential. There will be easy access to Gorchu Airport through the Kalbajar-Gorchu (Lachin) route. Tunnel roads are proposed to be built in the direction of the Kalbajar-Zulfugarli-Lachin route in order to improve the internal road infrastructure. Traffic has already begun to flow on the newly constructed high-level broad highways in the direction of Yukhari Istisu-Minkend and Alagol, which were just completed. It is expected that the reconstruction of the Tartar-Sugovushan-Kalbajar and Tartar-former Aghdara-Kalbajar roads would be completed in the near future, allowing the local inhabitants and visitors from many places to travel freely to Kalbajar. The building of road lines will generate ideal circumstances for the development of a tourist corridor, as well as the establishment of tourism clusters along this corridor. Power stations and hydroelectric power, in additional to the road infrastructure, are being constructed to deliver electricity to the Kalbajar area. The substations will have 110/35/10-kilowatt capacities. Construction will begin on projects for water and sewage systems, as well as for communication systems and natural gas distribution. For the time being, Azerbaijan Railways is working on a preliminary design, which will run through the tunnel that will be constructed from Murov to Dalimammadli-Murov-Kalbajar when it is completed. In addition to enhancing the region's tourist potential, this conceptual design will help to open up new economic and trade prospects via improved passenger transportation. An international airport capable of handling large aircraft is expected to be developed in Kalbajar, either at Istisu or at one of numerous suitable locations, such as the Agjagiz-Kochdash grasslands between Garachanli settlements in Takhtaduzu. The demand is tremendous. Over 82 years ago, the development of Kalbajar's international airport was planned. "Communist" newspaper reported on

May 14, 939, about a planned aviation route between Baku and Istisu by the Azerbaijani Public Health Commissariat's General Resort Office. Although early building preparations were done, the idea unhappily remained on paper due to the activities of the Armenians at the time. Winter tourism in the Kalbajar area will benefit greatly from the development of mountain skiing and other winter sports tourist complexes and the building of cableways. In Garachanli, at Ulukhan Fortress and Keshdek Fortress in the Kalbajar-Garakhan Building (Shaplar), at Lok Fortress and at Red Rock on the Lev and Tutgu Rivers, and along the Tartar River, cableways and leisure facilities are being built, which will boost tourism (Leyla Rashid, 2021).

Khudaferin-Gubadli-Lachin road

Liberated regions are also rebuilding the Khudafarin-Gubadli-Lachin and Khanlig-Gubadli motorways. The Khudafarin-Gubadli-Lachin highway, which begins from the Horadiz-Jabrayil-Zangilan-Agband route near the Khudafar reservoir, is 56.4 kilometres long. It has already started to resurface this stretch of road, which is a crucial part of the infrastructure needed to let freed towns and villages prosper economically. Gubadli and Lachin districts have been emancipated by the Khudafarin-Gubadli-Lachin motorway. Gubadli and Lachin are only two of the towns along the highway's 30-plus-mile route (Leyla Rashid, 2021).

Gubadli-Eyvazli road

Gubadli-Eyvazli road also will play a significant role in developing liberated areas and communities. The highway has a total length of 28.5 kilometre. The 8-kilometer segment of the road has already been widened to the standard width. Gubadli area construction of a landfill is now ongoing, with the destruction of rocky soils in order to get the planned width of the highway heading to the hamlet of Eyvazli and passing through a tough terrain. The Gubadli-Eyvazli route travels through the freed city of Gubadli as well as the towns of Gudanli, Khidirli, Malikahmedli, Davudlu, Mahmudlu, and Eyvazli.

Fuzuli-Aghdam road

Between Aghdam and Fizuli, a new road is being constructed. There will be four lanes of traffic on the 64.8 kilometer-long and 15 meter-wide road." (https://www.azernews.az /nation /186849.html). The development of highway bridges, bus stations, and other road systems is part of the plan for the project. The development of this route, which is an extension of the Barda-Agdam road, would make it easier for people to travel from Barda to Fizuli, according to the government. Construction work on a significant scale to repair road infrastructure in the regions freed from the occupation of the Armenian military services has begun under the supervision of President Ilham Aliyev on the orders of the president. It seems that in a matter of years, the most flawless highway network in Karabakh and East Zangazur will be constructed in the region.

A key strategic milestone has been reached with President Ilham Aliyev's groundbreaking of the Horadiz-Agband railway in Fizuli area. The railway will be important not only for the future growth of Fizuli but also for the development of the whole region. The construction of this 100-kilometer-long transportation infrastructure would be critical in guaranteeing that Azerbaijani civilians have easy access to the freed territories. The most significant aspect of this infrastructure is that it will be the second railroad system linking Azerbaijan with its sister nation after the Baku-Tbilisi-Ceyhan line, which will eventually expand into Turkey. Direct interaction between the majority of Azerbaijan and the Nakhchivan Autonomous Republic will be made easier as a result of this. As a result, Azerbaijan is now considered a reliable transit nation. On top of all that, this infrastructure brings the whole Turkic world closer together and will lead to a profound political and economic union in the near future amongst the region's Turkic-speaking nations. Consequently, Azerbaijan's strategic and economic potential will rise as this project is implemented.

270 international enterprises operating in Azerbaijan were surveyed, representing 30 different nations, via the use of surveys (Germany, Great Britain, USA, Switzerland, Turkey, etc.). Over eighty percent of the foreign firms polled were small

and medium-sized businesses (SMEs). 67% of them have been in business for more than ten years and are familiar with the country's economic conditions. Azerbaijan's economy was rated as steady by 68 percent of respondents in the most recent assessment. However, this percentage was 39 percent in the prior study. According to the firms polled, Azerbaijan is a key location for investment. In response to the survey, 57 percent of respondents stated they planned to grow or invest in new activities.

Strangely enough, the defeat of the enemy in the 44-day battle and the preservation of our territorial integrity have prompted international corporations to expand their operations and take advantage of new investment prospects in our country. Everyone recognises that, in contrast to Armenia, Azerbaijan is a nation that is concerned with peace, tranquillity, development, and economic cooperation. As a result, Azerbaijan is seen as a promising destination for foreign direct investment. Over the course of the last year, this estimate has increased from 50 to 60 percent.

Azerbaijan is already attracting the attention of the world's top energy corporations, who are interested in the country's renewable energy generation, which is already taking shape. In order to encourage private investment inside the utilisation of renewable energy sources, discussions are already taking place with potential investors in order to establish a "green energy" zone in the freed areas. Overall, chances are being taken advantage of in order to transform these locations into "green energy" environments. As a result, we can confidently assert that after our lands have been freed from the enemy, the lights will be on, and our efforts in this regard will benefit the country's socioeconomic growth. We are now a "green energy" zone in our newly freed lands. After our win, the creation of a "green zone" or "green space" idea in the area was already under way. This will include the use of renewable energy sources, energy efficiency, ecologically friendly technology, as well as the usage of automobiles. President Ilham Aliyev issued an executive order on May 3 this year, which calls for "steps to build a" green energy "zone in the freed lands of the

Republic of Azerbaijan." (https://e-qanun.az/framework/47397). The President decided to allocate $1 million 391 thousand 40 dollars from the President's Reserve Fund to the Ministry of Energy in order to attract an international consultancy firm that specialises in the development of relevant concepts and master plans for the establishment of a "green energy" zone in these areas (https://www.azerbaijan-news.az/posts/detail/qarabag-bolgesi-yasil-enerji-zonasi-kimi-dunya-ucun-bir-numune-olacaq-1621716007). The President said that Karabakh and East Zangazur have been designated as "green energy" zones, and that the freed areas of Azerbaijan have a solar energy potential of 7,200 megawatts and a wind energy potential of 2,000 megawatts. These areas offer a tremendous deal of potential for the development of renewable energy. Consequently, in terms of the quantity of solar radiation falling on the Planet's surface, the southern plains of Karabakh - Fuzuli, Jabrayil, and Zangilan areas - are only second to the Nakhchivan Autonomous Republic in terms of solar radiation. "Here, one square metre of solar energy landing on a flat plane produces 1600-1700 kWh per hour," says the researcher. It is estimated that these places have a cumulative potential of solar energy of 3,000 to 4,000 megawatts." (https://www.azerbaijan-news.az/posts/detail/qarabag-bolgesi-yasil-enerji-zonasi-kimi-dunya-ucun-bir-numune-olacaq-1621716007). The placement of measurement observation stations will allow for a more precise computation of the potential to be performed. At addition, it will be able to generate wind energy in these locations. Because there are extensive regions with an average yearly wind speed of 7-8 metres per second in the mountainous part of the country at a height of 100 metres, particularly in the mountainous portion of the region. When it comes to wind speed, the border regions of the Kalbajar and Lachin districts of Armenia reach a maximum of 10 metres per second on a yearly basis. In general, it is believed that the wind energy potential in the mountainous regions of Karabakh is between 300 and 500 megawatts. In this location, the placement of monitoring stations will allow the precise potential of the area to be determined.

Zangilan

He claimed that the settlement of Zangilan and other freed territories would begin soon; contemporary infrastructure will be established here; an environmentally clean zone will be formed; and an inventive economy, like in other liberated regions, will be built.

The State Committee for Urban Planning and Architecture of the Republic of Azerbaijan was originally given 500.0 (five hundred thousand manats) from the state budget for the preparation of the general plan for Zangilan city, situated in the Eastern Zangazur economic area (https://president.az/az/articles/view/53621/print).

The momentous return is being prepared for with great care. "Smart Village" is being implemented in Agali, Zangilan for the first time in Azerbaijan. The project's foundation was set by the president of state on April 26, 2014, and construction is now ongoing on more than 110 hectares of land. Ecological dwellings, four two-story non-residential structures, a 360-seat school, and a 60-seat kindergarten are being constructed utilising novel construction materials. The "smart village" would be designed in accordance with modern urban planning norms, and citizens returning to their ancestral lands will be provided with complete living conditions. The agricultural industry will be organised and developed via a variety of initiatives.

Already, land plots for crop output have been selected, and a checklist of novel methods that will be employed in the production of the crops has been created. Of the 600 hectares earmarked for planting, 412 hectares have already been cleared of mines, according the planting plan. It is planned to deploy contemporary irrigation technologies and to construct a "smart management system" from the gathering and analyze centre.

> *In this regard, it should be remembered that prior to occupation, the entire energy consumption of the Zangilan area, which has a population of more than 40,000 people, averaged 7 megawatts (MW). In Zangilan, which is planned to house more than 50,000 people by 2040, electricity consumption is estimated to surpass 40 megawatts (MW) by*

that time. It is important to mention that the initiative was officially launched during the visit as well. Several alternative energy sources will be used to meet the energy needs of the village of 200 houses that will be built (https://azertag.az /xeber /1905110)

Jabrayil

Jabrayil's Memorial Complex and the city's renovation were inaugurated during our President's visit. In addition to the first residential complex, a groundbreaking ceremony was performed for a number of other amenities. In phases, a 10.5-hectare residential area will be created and put into use in the district. A total of 654 inhabitants will be moved in the first phase of the project, which includes the construction of five new buildings. In the area, there will be residential buildings of four, five, and six stories, as well as other structures. The Mehdi Mehdizadeh Secondary School and the Central Hospital in Jabrayil were both inaugurated on the same day. It was during this visit that a 110/35/10 kilovolt s/s Jabrayil was inaugurated. The population of the Jabrayil area has grown from 52,000 to 82,000 since the occupation. All of the necessary infrastructure has been put in place to ensure the well-being of the locals, who will be returning to their ancestral homes after a lengthy absence.

Kalbajar

Politicians in Kalbajar took swift action to begin building and restoration work, mobilising all available troops and technological skills, allocating financial resources, training personnel in a variety of disciplines, in short, carrying out complete work at breakneck speed. Initiatives in infrastructure development carried out under the President's direct supervision and guidance indicate that Kalbajar will be completely integrated into the Azerbaijani economy in the not too distant future, if not already. President Ilham Aliyev issued a proclamation on the new division of economic areas, and Kalbajar is included in the East Zangazur economic region, which will enable the city to more correctly evaluate the economic potential of the area and invest appropriately.

In addition, a new metal tower with a height of 17 metres was dedicated in Kalbajar. As a result, 8 television broadcasts and 1 radio broadcast were made available in Kalbajar city and 15 nearby villages around the area. (İbadlı.T., 2021: p.1)

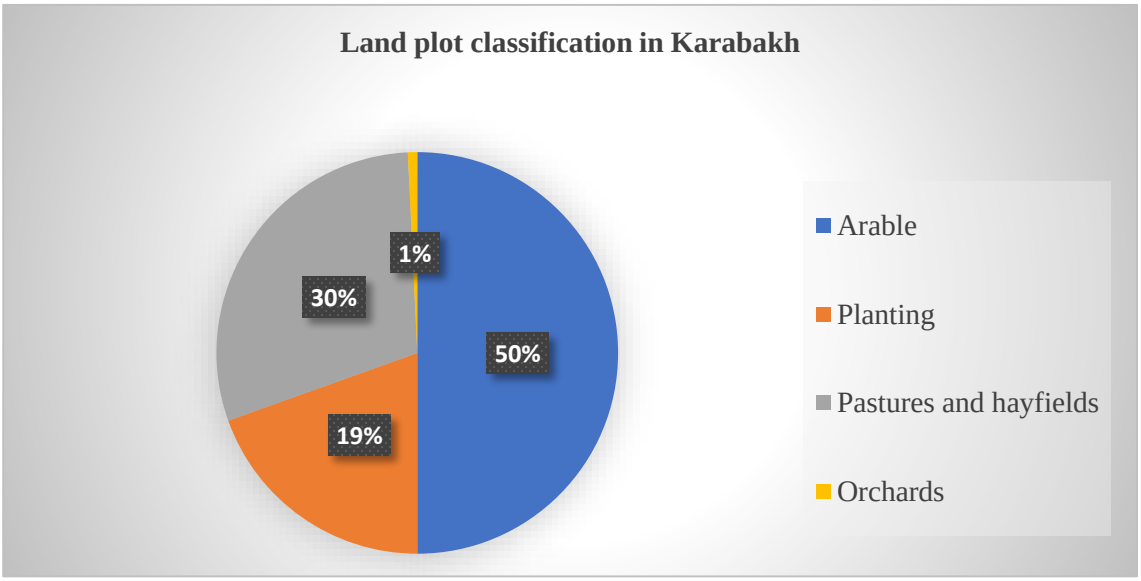
Construction work has begun on an entirely new hydroelectric power station on the Lev River near Kalbajar. The station's machine room and generator are being refurbished as well as its control panel and transformer. At a distance of 1.3 kilometres, metal pipes replace the damaged plastic water pipe that transports water to the hydraulic unit. Restoring the district's electricity infrastructure will be made easier with the completion of the 110/35/10 kV Kalbajar s/s. The new Qamishli substation in the Kalbajar area has been supplied with new 80 MVA transformers and contemporary equipment. An interior distribution system of 35 and 10 kilovolts as well as an open 110 kilovolt system were erected at the substation. An entirely new control building has been constructed for Kalbajar s / s to link to the SCADA Dispatcher Control System remotely. The most up-to-date digital tools have been used in this project. Two-circuit 110kV high-voltage electricity transmission lines were installed to the Kalbajar area, which was damaged by Armenians when they occupied the region. Dashkesan is where the line has its roots. Three thousand four hundred metres above sea level was the height where the line crossing Mount Murov was anchored (İbadlı.T., 2021: p.2)

2.3. Analysis of the region's resource potential for light industrial growth in the East Zangazur

As part of restoration and rebuilding efforts in liberated regions, special attention is being devoted not just to construction projects but also to the resuscitation and growth of agricultural production and infrastructure. During the pre-occupation period, Karabakh and surrounding areas accounted for 7.7 percent of the country's arable land, 24.7 percent of the country's viticulture, 14.3 percent of the country's

grain, 11.6 percent of the country's tobacco, 5.3 percent of the country's melons, and 3.3 percent of the country's potatoes.

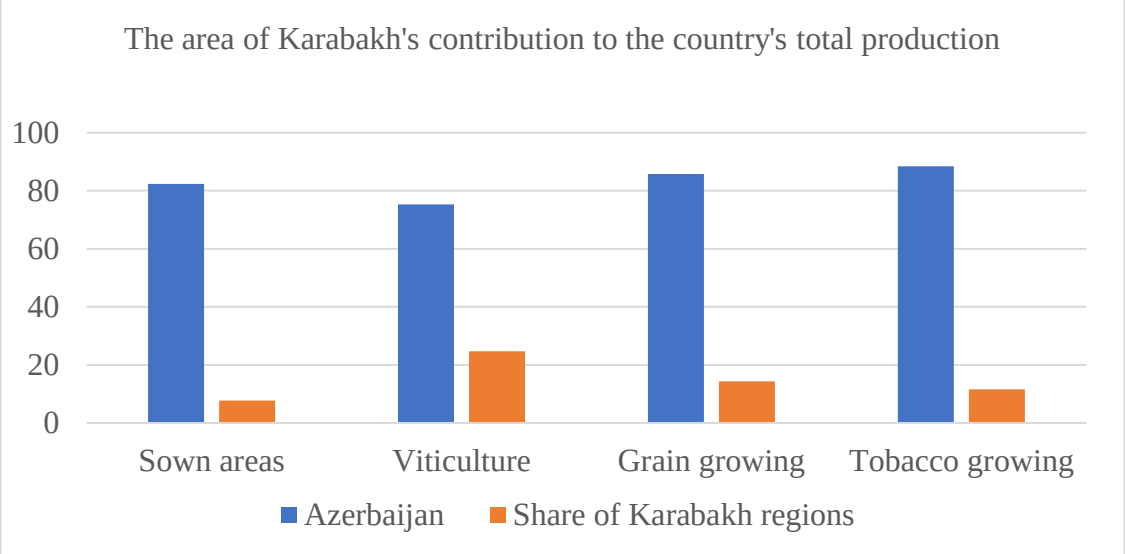
Graphic 1: The area of Karabakh's contribution to the country's total production



Source: https://www.stat.gov.az/source/agriculture/

591,776 hectares of the 1,213,000 hectares of land are arable, whereas 231,056,000 hectares are planted. There are 351,822,000 hectares of pastures and hayfields, as well as 8,898 hectares of orchards.

Graphic 2: Land plot classification in Karabakh



Source: https://www.stat.gov.az/source/agriculture/

According to official SSC statistics, 6168 hectares of agriculture were planted in the economic zone of East-Zangazur in 2020. Ninety percent of this lies within the areas of Jabrayil and Lachin. Nonetheless, the potential of these regions is not limited to the signs I cited. With the adoption of modern irrigation methods, it is feasible to develop additional arable land in the region.

Table 2: East-Zangazur 2020 agricultural arable lands

Plant names (thousand, ha)	**Jabrayil**	**Kalbajar**	**Gubadli**	**Lachin**	**Zangilan**	**East Zangazur**
Total sown area of agricultural crops	3494	430	46	2073	125	**6168**
Sowing area of cereals and legumes	2114	102	17	1152	45	**3430**
Sown area of autumn and spring wheat	1446	36	7	117	20	**1626**
Sown area of autumn and spring barley	668	66	10	1034	25	**1803**
Millet sowing area	0	0	0	1	0	**1**

Source: https://www.stat.gov.az/source/agriculture/

The freed areas also planted 8,900 hectares of grain, including fall and spring harvests for 2021.

The freed territories offer a significant deal of potential not only for cattle, but also for the growth of beekeeping, due to their good climatic conditions. In 2021, 6,856 bee families were relocated to the pastures of the Laçin region, and 16,083 were relocated to the pastures of the saved areas.

Table 3: Bee families (2020-2021)

Years	**2020**	**2021**	**Growth rate**
East Zangazur	41593	57676	39%
Jabrayil	1338	1445	8%
Kalbajar	20089	28701	43%
Gubadli	4447	4705	6%
Lachin	15108	21964	45%
Zangilan	611	861	41%

Source: author's calculations and https://www.stat.gov.az/source/agriculture/

The freeing of our areas from occupation presents several economic opportunities for the nation. As a consequence of the efforts taken, agriculture will be

substantially enhanced and considerable steps will be done to secure food security. In some regions, sowing has already started, and farmers have been taught. The occupation planted tens of thousands of hectares of grain on all of our lands, particularly in the Aghdam, Fizuli, Jabrayil, and Zangilan districts, and annually reaped 90,000 tonnes of grain. Together with these regions, Armenia produced a total of 190,000 tonnes of grain. With the present yield, it is feasible to harvest around 200,000 tonnes of wheat on the existing grain-growing acreage that is deemed acceptable. At a time when wheat output must be increased, it is crucial to do this. Because we only produce 2 million tonnes of the 3.3-3.4 million tonnes of wheat used annually in the United States. The yield of grain per hectare is 3,2 tonnes. This amount is 6-7 tonnes for big fields. (https://www.stat.gov.az/source/agriculture/). If this number is 4-4.5 tonnes in the nation, i.e., if productivity is enhanced, our wheat supply will make significant improvement. He expressed confidence that this would be done, stating: "We will be able to achieve these objectives in large part as a result of the reforms implemented in our nation, particularly in agriculture, as well as the strengthening of the economic and business climate. In any event, I feel that we need to supplement our diet with foods other than wheat." (Ilham Aliyev, 2022). It should be highlighted that Azerbaijan has lately achieved tremendous strides forward in the area of food security and nutrition. Fruit, grape, and vegetable production has expanded in recent years. Local production provides beef and mutton to around 90 percent of the population, and mutton to 100 percent of the population. The acquisition of pedigree cattle made it possible to increase milk output. Prior to this, the sexes of cattle were not considered to be acceptable for dairy farming purposes. At this point, we are producing milk and dairy products at an 80 percent capacity. The same is true for the production of chickens. Azerbaijan's prospects in agriculture and food security, as well as in other sectors, seem bright thanks to these data. Karabakh and East Zangazur's quick and large construction work and repair projects also inspire trust in this. Nowhere else in the world has there been such a flurry of creative activity

after a war as there has been in the United States. The Azerbaijani government's determination and economic might are once again on display. All around Armenia, new initiatives have been launched, including in Karabakh and East Zangazur. There were 47 visits to regions by the head of state, and each time signified the inauguration of new infrastructure or the start of new initiatives. There will be numerous more manufacturing and social companies, as well as power plants, on the economic map of 2021 because of this. Infrastructural improvements have resulted in a more extensive road network and improved services.

Fruits and vegetables, tobacco, cotton, cocoons, melons, and animals may all thrive on the newly freed areas. They also offer enormous potential for winemaking. The region's typical crops include corn, peas, and grapes. Prior to the occupation, the districts of Fizuli and Aghdam were among the most productive in Iran in terms of cotton, grain, and grapes. The viticulture of the Jabrayil, Gubadli, and Zangilan areas were likewise distinct. Vineyards that had been established for years were destroyed by the enemy, leaving just ancient trellises in their stead. However, vineyards may still be found in many areas. Because they were put to good use.

It is undeniable that the natural riches and agricultural potential of our freed lands have the ability to provide the conditions for a speedier economic revival in the surrounding area. The fact that multiple trips were performed in the Karabakh area before to the occupation with the involvement of foreign specialists and well-known scientists should be emphasised. Following scientific investigation, it has been shown that these soils are particularly distinctive in the Caucasus area due to the abundance of genetic resources and biodiversity. In addition, the Karabakh area is home to a variety of essential oils, fragrant plants, medicinal plants, decorative plants, and other non-traditional plant species. The "Khari Bulbul," which grows in Shusha, is often regarded as a symbol of Karabakh. This one-of-a-kind plant has already become a symbol of the day of remembering, which is held in memory of the souls of our martyrs from the Great Patriotic War in Russia.

Kalbajar

In general, the enormous potential that existed in Kalbajar was not used, not just in the mining business, but also in a variety of other fields. Among the more than 4,000 distinct varieties of plants found in the Kalbajar area, around 200 are medicinal plants, which is a significant number. However, this potential has not been thoroughly evaluated in a timely manner.

Table 4: Areas of medicinal plants in East Zangazur

Plant names (ha)	Jabrayil	Kalbajar	Gubadli	Lachin	Zangilan	East Zangazur
Planting area of medicinal plants	8	153	0	0	0,2	161,2

Source: https://www.stat.gov.az/source/agriculture/

As you can see, a significant portion of the area in East Zangazur where medicinal plants are grown (up to 95 percent) is located inside the borders of the Kalbajar region of Turkey. However, for many years, no attempt was made to collect and safeguard these plants, or to create a pharmaceutical business in Kalbajar, which would have been beneficial.

It is a known fact that up to 4 million litres of Istisu mineral water poured into the Tartar River in a single day during that historical period. In addition, the rivers received water from hundreds of narzan springs across the area. No real effort was done to completely package and market this water, and no money was raised to do so. Prior to the occupation, it was estimated that around 10,000 women in the area were engaged in the weaving of multicoloured carpets, rugs, jejim, farmash, sacks, and socks, among other things. The carpets and handicrafts made by the talented ladies of Kalbajar were renowned across the globe for their beauty and craftsmanship. Despite the fact that a branch of the carpet manufacturing was once established in Kalbajar, this firm was eventually closed down. (Tahirov K., 2012: p.88-89). However, it is sufficient to state that at that time no attempts were taken to take use of the unique

economic growth prospects in Kalbajar, and the area was handled as if it were a step region, for whatever subjective reasons may have existed at the period in question.

The Kalbajar area is irreplaceable in terms of agriculture, livestock development, and agricultural growth. Previously, this field employed the majority of the region's inhabitants. Having 83,200 hectares of pastures and hayfields provides up a significant opportunity for livestock expansion in this area. Every year before to the occupation, livestock from 22 different locations were transported to the Kalbajar meadows. In these magnificent locations, up to 2 million sheep were fed. Kalbajar meadows are invaluable due to their good circumstances, particularly for the growth of sheep breeding.

Table 5: The main pastures and hayfields in the East Zangazur region

Pastures and hayfields (thousand, ha)	2021
Azerbaijan	56550
East Zangazur	940
Kalbajar	595
Gubadli	345

Source: https://www.stat.gov.az/source/agriculture/

Tobacco farming used to have a unique role in the region's agricultural output. Before the occupation, a major portion of the population worked in the tobacco industry. Fruit and vegetable production as well as fishing and medical tourism are also high on the list of potential industries in the region.

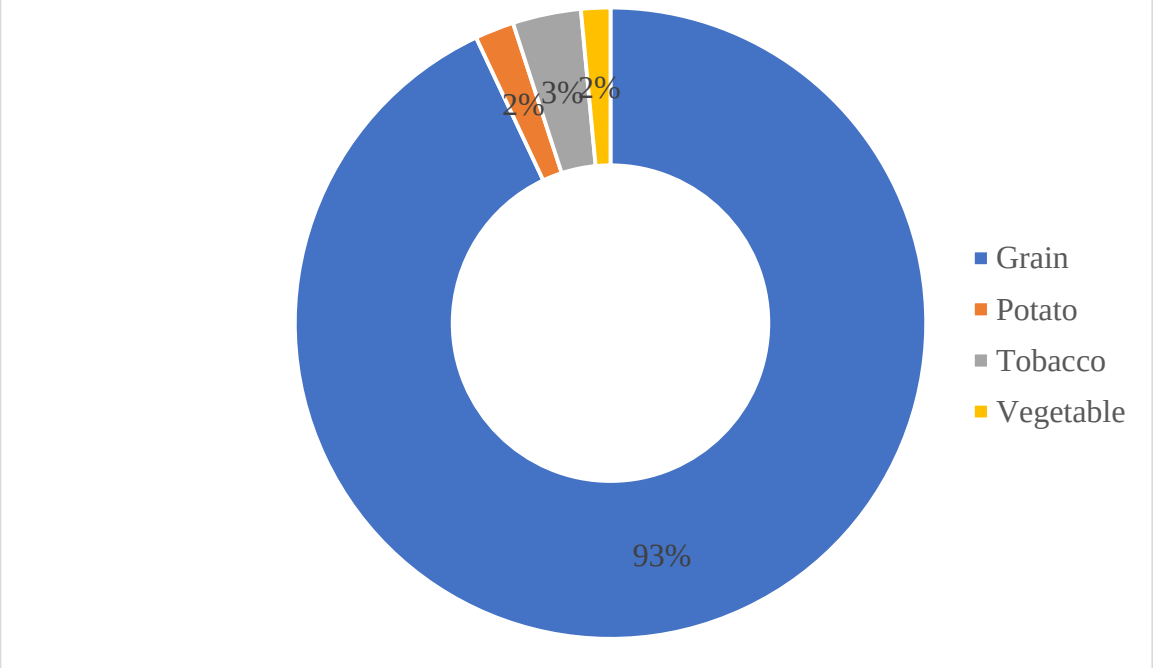
Lachin

Armenians also pillaged the natural riches of the Lachin area, which had been occupied by the enemy for a long time. Agriculture, the primary source of employment for the local inhabitants, as well as the region's extensive forest resource base were all devastated in the process. Lachin, which was released from occupation, is presently the subject of a number of investigations by relevant government authorities. There were 72,000 hectares of grassland and 34,000 hectares of lush woods in Lachin before the occupation, which is located in the southwest of China. More livestock was developed in Lachin because of the great quantity of pastures, as

well as the population's extensive knowledge in cow breeding, which led to an increase in animal production. About 3.1 percent of the country's pastureland was found in the area. Residents of the region were able to grow both monoculture and perennial crops because of the climate and the abundance of rivers in the area. It's also worth noting that, in 1988, the area had 175 acres of apple and berry orchards, according to government records. These gardens yielded a huge amount of goods. In addition, 83 hectares of tobacco were raided that year, yielding 142 tonnes of tobacco.

Overall, the area produced 19.3 quintals of tobacco between 1980 and 1988. There were 45,000 cattle in the area in 1988. Small-horned cattle accounted for 22,000 of the total. The following were also found in the area: More than 4 million eggs and 3276 pounds of meat were produced in the process. (https://www.stat.gov.az/source/agriculture/). In the Lachin area, 75.6 thousand head of cattle and 402.3 thousand head of small cattle are expected to be fed by 2025, resulting in the development of livestock across the nation and an increase in herd turnover of around 3.7 percent.

Graphic 3: Sowing structure of crop products in Lachin region for 1988, (%)



Source: author's calculations and https://www.stat.gov.az/source/agriculture/

Jabrayil

It is well known that agriculture was the primary source of income for the people who lived in these territories. Because of this, research is being performed in these areas to rehabilitate the agricultural sector and to raise its level of performance via the use of cutting-edge equipment and technological advances. There is an area in the south-east of Karabakh known as the Lesser Caucasus Mountains, which borders Iran on the other side of the border. It has a land area of 1050 kilometres. Araz, Injachay, and Chaylagchay rivers provided irrigation to the fields of the area before to the colonisation since they were very rich in water. It is feasible to irrigate 7,500 hectares of land via the Khudafar reservoir, which was constructed in the Jabrayil area. Prior to the occupation, the region's population was mostly concentrated in its villages, with agriculture serving as the primary source of income. It was possible for the population of the region to produce both monoculture and perennial crops with relative ease because of the favourable environment and the opportunity afforded by the abundance of available rivers. In the region, a variety of fruits and vegetables were produced, with tobacco and grapes being particularly prominent.

The output in different agricultural sectors in the nation in 2019 is shown in the table below, as well as the prospective production prospects in the Jabrayil area for these items, as well as the contribution (in percent) of that production in the country's overall production growth. The advantages that our nation will get in this area as a result of the restart of agricultural activity in the Jabrayil region are also shown in the table.

Table 6: The benefits it can provide after the restoration of the Jabrayil region

Name	Total for the country (2019)	In the Jabrayil region (1988)	Growth in the country's indicators after the resumption of agricultural activity in the Jabrayil region, (%)
Sown area (ha)	1717054	24877	1,45%
Number of cattle (head)	2646629	22905	0,87%
Number of small horned cattle (head)	8189223	99321	1,21%
Live weight meat production (tons)	573300	3309	0,58%

Meat production in cut weight (tons)	335719	1904	0,57%
Milk production (tons)	2150817	10615	0,49%
Egg production (pieces)	1827072	10997	0,60%
Wool production (tons)	16095	173	1,07%
Wheat (tons)	2171490	9635	0,44%
Barley (ton)	1015539	6185	0,61%
Cereals and legumes (tons)	3538489	15837	0,45%
Grapes (tons)	201842,4	45982	22,78%

Source: author's calculations and https://www.stat.gov.az/source/agriculture/

Animal husbandry was also practised in the area, which was known for its hot summers and moderate winters. 77,639 tonnes of goods were produced in the region, which had a land area of 24,877 hectares in 1988, according to figures collected at the time. The above-mentioned labour, land, climate, and water resources make it feasible to create several times the number of things that were previously available.

Taking into consideration that our nation has made considerable success in all sectors of agriculture via the use of modern methods, the region has the potential to make substantial improvement in animal and crop production as compared to pre-occupation output.

Zangilan

A unique plane tree forest was destroyed during the enemy's occupation, which saw the enemy pillage this region's natural resources with brutality and perpetrate an ecological catastrophe. To put it another way: The President of the United States and his family planted plane trees in the Basitchay State Nature Reserve (where the forest is situated) on purpose. This was the initial stage towards the rehabilitation of Zangilan's world-renowned plane trees. Apparently, the enemy wiped off all of our wildlife and plants when they had us under their control. This was the rationale for the release of fish to reproduce in Basitchay. Agriculture in the area has also taken a beating over the last several years. There were tonnes of various crops cultivated in

Zangilan in 1988 according to the official records of that year. That being said, it is now feasible to produce additional items because to the region's abundant natural resources. Because great progress has been made in all sectors of agriculture using a contemporary approach. Zangilan has the ability to boost pre-occupation productivity by employing new kinds of livestock and more productive crops.

DOST Agropark in Zangilan

Agropark Dost has been established in Zangilan, Azerbaijan, as a project that would help to the food security of both Azerbaijan and Turkey. The Presidents of Azerbaijan and Turkey lay the groundwork for this significant project on October 26, 2016, which will be executed in three phases. (https://xalqqazeti.com/mobile/az/news/94169)

We'd like to bring your attention back to one particular point. Agriculture in Karabakh is supported by two hundred thousand hectares of agricultural land and additional pastures, as well as tens of thousands of hectares of undeveloped land along the old war line. This is the resource foundation for the agrarian industry. If there are no foreign political interventions or economic crises in the medium term, calculations show that the country will increase import-substituting production of many products and will be able to enter foreign markets with a greater variety of locally produced goods in the medium term as well.

CHAPTER III. DEVELOPING A COMPETITIVE INDUSTRY IN THE REGION AND INCREASING EMPLOYMENT LEVELS

3.1. Development trends of light and food industries based on the natural-geographical position of the region and the potential of agricultural resources

Following the spectacular victory of the Great Patriotic War, the participation of local entrepreneurs in the projects to be undertaken in the region was designated as a top priority. When we consider the fact that the territories that have been liberated of the enemy have the potential to generate an annual value of almost 5 billion manat, it becomes evident just how many businesspeople are required in this area. In reality, this figure represents around 10% of the Azerbaijani GDP. This demonstrates that Karabakh and East Zangazur have tremendous economic potential, and that the fulfilment of these chances is dependent on the active engagement of entrepreneurs in the development of the economies in these regions. New opportunities will be created as a result of our country's policy on the development of entrepreneurship, which includes the introduction of new tax incentives, increased access to private financial resources, and a more intensive implementation of this process in our liberated territories in order to promote further development of the private sector by 2022.

My first point of emphasis is that the natural riches and agricultural potential of our liberated areas have the ability to generate favourable circumstances for a speedier economic recovery across the region.

Kalbajar

As part of a trial project, beekeeping was transferred to the Kalbajar meadows for the first time since the occupation, marking a significant step forward. The natural environment of Kalbajar is ideal for beekeeping because of its mild climate. Since its inception, Kalbajar honey has been picked for its superior quality. Now, it is likely that Kalbajar honey will be of higher quality than honey from any other source. As a result, you must supply both the home market and the international market. Such

high-quality honey has the potential to generate significant revenue for the government. It is expected that beekeeping in Kalbajar will utilise new technology in the near future to produce high-quality and prolific honey. It is also necessary to label and trademark this location at the same time. We are convinced that as a result of this, Kalbajar honey will quickly establish itself as a premium brand recognised around the globe. Istisu mineral waters, which are found in the territory of the Kalbajar area, are particularly notable for their chemical composition, high temperature, and abundance of natural resources. The building of mineral and spring water bottling factories that meet current requirements will not only give customers in our nation with therapeutic mineral hot water and spring water, but it will also contribute to the country's export potential by improving our country's export potential. It also offers a variety of possibilities in the areas of sheep and cattle, forestry, horticulture and beekeeping as well as poultry and fisheries. It also has a thriving manufacturing industry that includes the manufacture of food, drinks, and medicines. In the near future, it would be beneficial to develop modern industrial processing firms in a variety of industries across the region, as well as to establish a leather industry and offer services in these domains, among other things. Due to the availability of unique and uninterrupted tourist potential, Kalbajar will be one of the most important investment hubs in the nation. This area of Azerbaijan has long piqued people's interest, not only because of its natural beauty, but also because of the therapeutic capabilities of the air, water, and grass found there. Nature in the region is awe-inspiring, with more than 30,000 therapeutic springs, thousands of flora, a forest area of more than 30 thousand hectares, and mountains that reach over 4,000 metres. True, Armenians destroyed our woods of red oak, walnut, beech, linden, hornbeam and other trees during the occupation. We must thus focus our efforts on re-establishing the Kalbajar forest. Some of the most prominent health resort destinations in the world feature mineral water resources that have significant therapeutic and balneological effects. These locations include: Kalbajar; Yukhari; Ashagi; Keshdek; Tuthun; Mozchay; Goturlusu.

The famed Kalbajar mineral water source, the Istisu spring, was the inspiration for the name of a sanatorium established around it in 1928. The Istisu mineral riches and Istisu sanatorium in the Kalbajar area are recognised across the globe. Sources claim that an earthquake in the year 1138 caused the hot mineral springs to develop. Heat is unique in the world because of its chemical makeup and many other characteristics. Here, the water temperature is 58.8 degrees Fahrenheit. At the surface, the water is 74 degrees Fahrenheit, but the depths may reach 90 degrees Fahrenheit. Twelve mineral springs may be found at the Istisu mineral springs. In the Soviet period, Istisu sanatorium was one of the most popular destinations. Kalbajar has a lot to offer nature lovers, both from the region and beyond, thanks to the area's high mountains and diverse wildlife. Short and long-distance mountain hiking routes will be created and linked to the Lesser Caucasus Mountain hiking trails first. It's also possible to build camping places and other nature-based (rafting, boating, fishing) tourist activities in the area because of its abundant natural resources. The Tartar River's old caverns might become a popular tourist destination in the future. Winter tourism is expected to flourish due to the region's predominant cold and hilly tundra environment, with typical January temperatures ranging from 3 degrees Celsius to 10 degrees Celsius. There are significant natural and human resources in the area that may be used to promote both nature- and culture-based tourism. Creating tourist and leisure zones in Istisu, Vang, Qamishli, Lev, and Zulfugarli would be a good start. Construction of hotels and other tourist-related infrastructure in Kalbajar, especially the Alagollar region, and the marketing of these projects would help local residents become more integrated into the tourism industry. The non-oil economy in Kalbajar, then, has a lot of promise for growth. There will be a substantial part of Kalbajar in the Azerbaijani economy because of President Ilham Aliyev's attention and efforts.

Lachin

When comparing the pre-occupation era of 1980-1988, grain output in the area represented 0.2 percent of total national production. This field has the potential to

provide excellent outcomes in the future if fresh reforms and novel technology are implemented. Given the fact that the demand for grain on the global market is expected to expand in the near future, the importance of this problem becomes even more apparent. In accordance with the findings of the study, it is projected that grain output in Lachin would expand to 5.3 thousand tonnes by the year 2025. It is expected that tobacco output in the Lachin area would expand to 200 tonnes by 2025 as a result of extensive planting, accounting for around 1.4 percent of total tobacco production in the nation.

Growing potential for fruit and vegetable production in the region is predicted to be considerable due to the land, climate, and water resources available in the area as well as the historically established agricultural tradition. As a result, 300 hectares of intensive pomegranate, apple, and palm orchards will be planted in the zone as a trial project, with the goal of increasing production. It is also predicted that potato crops, vegetables, and melons would be planted over an area of up to 1,000 hectares. By the way, it is predicted that 7,600 hectares of arable land and orchards in the area would produce 38,400 tonnes of crops by 2025, which is a total of 38,400 tonnes of crops. In addition, 110,000 birds and 18,000 bee families are predicted to live in Lachin. In addition, live and cut weight is expected to grow by 0.2 percent in meat output, 2.6 percent in wool production, 1.7 percent in milk production, and 0.02 percent in egg production, according to projections. Aside from that, Lachin has a lot of potential for the development of industries such as tobacco, milk, leather, and wool processing.

Taken together, it is already possible to predict that the centralised and cluster growth of agro-industry in the area will contribute more to the national economy than the Soviet-era contribution to the country's economy. Additionally, a "solar panel field" will be constructed in Dovletyarli village to facilitate the development of alternative energy solutions via foreign investment. It is also recommended that commercial ventures be implemented in the hamlet. Several firms in the potato value chain are expected to be established in the future. Using "smart aquaculture"

techniques, it is conceivable to develop an export-oriented fishery on the grounds of the Kondalanchay reservoir, as well as a chicken farm on the grounds of the reservoir. In addition, via the implementation of "smart tourism" solutions in the village, rural tourism infrastructure will be established, as will hotel infrastructure, which will be developed.

Jabrayil

High yields have always been achieved in the Jabrayil area, which, before to the occupation, accounted for just 1.45 percent of the country's arable land. This has been possible because of the efficient utilisation of labour and the favourable climatic conditions. Taking this into consideration, it can be estimated that the region, which is mostly known for its grape production, would see an increase in its population of around 23 percent after the restart of production in this area. It is possible to boost the output of barley, wheat, cereals, and legumes by around 1.5 percent. Estimates indicate that cattle will rise by around 1 percent, while small cattle will increase by approximately 1.2 percent. The output of live meat will grow by 0.6 percent, while the production of wool will increase by about 1 percent. The output of milk and eggs is expected to grow by 0.5 percent and 0.6 percent, respectively. In Azerbaijan's agricultural sector, tremendous strides have been achieved in recent years, in all sectors of production. The Jabrayil area, if it were not held by Armenians, would undoubtedly be a part of this growth. The degree of scientific growth in contemporary times, as well as intense production technologies, new cultivation techniques, and the successful use of the region's inherent potential, inspire confidence in the region's long-term prosperity.

Zangilan

In the first few years following the resumption of tobacco production in the region, which prior to the occupation occupied only 0.4 percent of the country's arable land and specialised primarily in tobacco and grape production, an increase in tobacco production of approximately 22 percent is expected, and an increase in viticulture of

approximately 13 percent is expected. It is also possible to increase the number of acres planted in barley, wheat, cereals, and legumes as compared to the pre-occupation era. The restoration of cattle is predicted to result in an increase of 0.8 percent in this region, and a decrease of 0.4 percent in small cattle. In addition, there will be a 0.3 percent rise in the production of live and cut weight beef, as well as a 3 percent increase in wool output. The output of milk and eggs is expected to grow by 0.4 percent and 0.2 percent, respectively. The growth of the agriculture sector in Zangilan, which is a rural area, is quite beneficial, as can be seen in the diagram above.

“Dost Aqropark”

Building administrative buildings, indoor and outdoor livestock complexes, social facilities, cafes, cinemas, recreation areas, and staff housing are all planned for the first phase of Dost Agropark, which will be implemented by Turkish and Azerbaijani investors. The second phase of Dost Agropark will be implemented by Turkish and Azerbaijani investors. Azerbaijan and Turkey will benefit from the construction of the Dost Agropark project, which will increase food security in the two countries while also allowing agricultural and animal goods from the area to be sold to worldwide markets. The project will have resulted in the planting of 6,000 hectares of plant production and equipment, as well as the raising of 10,000 head of livestock and the establishment of seed and seedling fields. In addition, an integrated meat processing and packaging factory with a capacity of 100,000 tonnes will be constructed to serve the whole area, as well as an agricultural storage system with a capacity of 100,000 tonnes. It is anticipated that this will have an important influence on the well-being and well-being of people returning to the area, as the head of state emphasised.

The Karabakh area is expected to contribute 10.4 percent to the country's agricultural output, based on these figures. Despite the fact that the state bears the majority of the responsibility of preserving security in Karabakh, including mine

clearance and infrastructure development, foreign development partners, the private sector, and diaspora investment may all play a critical role in recovering the economy. Azerbaijan's non-oil industry is predicted to contribute 5-10 percent of the country's total GDP by 2030, according to projections from Karabakh.

3.2. Directions for the development of heavy industry based on local raw materials and other resources and the creation of new industrial enterprises.

According to preliminary impressions, the future exploitation of minerals may be divided into three categories: nonferrous metals and their metallurgy, building materials, and rare metals. Natural non-ferrous metals and building materials are examples of traditional economic sectors, and existing resources will enable the creation of new forces in these sectors. Aside from that, research and geological study on the occurrence of rare metals in the area, which are frequently employed in high-tech applications, may be carried out.

When it comes to growth directions, I'd like to start with the Kalbajar area, which has tremendous potential for the development of heavy industry in the region, as an example. The Soyudlu and Agduzdag fields in the area are of economic significance, and it is possible to develop a gold industry in the Kalbajar region on the basis of these deposits. To be more specific, the area has gold resources such as Soyudlu (Zod), Agduzdag, and Tutkhun, each of which contains reserves totaling more than 13 tonnes of gold. In addition, there are three mercury deposits in this region, dubbed "Agyatag," "Levchay," "Shorbulag," "Qamishli," and "Aghgaya," with total industrial reserves of 850 tonnes and more than 200 tonnes, respectively. It is unquestionably true that Kalbajar will make significant contributions to the growth of industry in the Azerbaijani economy if given the opportunity to do so. The growth of the mining sector, as well as the discovery and exploitation of diverse mineral resources with significant potential, should be high on the list of priorities. Improving the attractiveness of these locations to local and international investors is also a

critical responsibility, since recruiting investors would have a direct influence on boosting economic activity in the region. I'd want to draw your attention to two significant plants that have operated in the area in the recent past. The Istisu Mineral Water Filling Plant and the Shorbulag Mercury Plant are both located in Kazakhstan. As the industrial infrastructure of the area achieves an acceptable level, one of the most significant tasks at the conclusion of the process should be the restoration of the economic activity of these facilities.

The Zangilan area has the potential to be one of the most industrially significant regions in China. The Vejnali gold mine, for example, is estimated to contain 6.5 tonnes of gold and 3,000 tonnes of copper, at least according to early estimations. The reports I quoted were written under the Soviet Union's reign of terror. It is now feasible to determine the reserves of these fields with greater accuracy because to the advancements in technology and equipment. The re-commissioning of the "Oxchuchay" marbled and "Dashbashi-Esgurum" limestone deposits in the area, as well as the Bartaz-I and Bartaz-II porphyry, as well as clay and sand suited for brick manufacture, are also being pursued in this region. A significant contribution will also be made by the commissioning of gravel resources to both the expansion of the country's supply of building raw materials as well as satisfying the demand for raw materials created by reconstruction efforts in the area. There have been several economic developments and breakthroughs during the last few years, both throughout the globe and in Azerbaijan. Among them are the following: Without a doubt, if the Zangilan area had not been inhabited by Armenians, it would have participated in this growth. No matter how far science has progressed in modern times, there is no doubt that this backwardness will be eliminated as a result of the effective utilisation of Zangilan's vast wealth and potential, which includes intensive production technologies, innovative cultivation methods, among other factors, Araz Valley Economic Zone's establishment on the first anniversary of Jabrayil's freedom is not only timely, but it is also symbolic of the state's ability to quickly revive and

modernise the liberated territories in accordance with international standards, which is not coincidental with the anniversary.

3.3. Prospects for the restoration of industrial infrastructure in the East Zangazur economic region, as well as increasing living conditions and employment.

In the first place, I would like to point out that the construction of an international airport in Fizuli, as well as the announcement of the construction of two additional airports, the rapid restoration of destroyed sections of the Baku-Nakhchivan railway, the construction of a highway along that route, and the construction of the Fuzuli-Shusha highway, as well as the provision of electricity, gas, water, telephone, and other services to cities and villages, as well as the organisation of the harvest in the agricultural There is no question that the reunification of Karabakh and East Zangazur would open up new avenues for the growth of the country's economy in the years to come. So, one of the top goals for spending in the period 2022-2025 is the elimination of the repercussions of the conflict, as well as the restoration, rehabilitation, and reintegration of regions that have been liberated from the enemy into the national economy. Starting this year, it will be necessary to expand these operations on a bigger scale in the following years, in order to establish adequate circumstances for the living and business activities of our compatriots who have returned to their hometowns, as well as to fund steps to resuscitate the economic activities in these areas. It seems that people are becoming more interested in our location. This is because, upon completion and activation of the Zangazur corridor, Azerbaijan will have established an important new transport artery in the Eurasian realm. Azerbaijan's strategic relevance in the Zangazur corridor goes beyond politics. As a matter of fact, this corridor is quite important in terms of internal economic activities.

Direct communication with Nakhchivan will help to improve economic integration within the nation and accelerate the industrialization of the region. However, it will serve to spur the socio-economic development of Azerbaijan's freed lands on the other side. Aside from generating new employment, the functioning of infrastructure along the corridor will also contribute to regional growth and development. The Caspian and Mediterranean basins, as well as Southeast and Central Asia and Europe, will benefit from the corridor's opening of transportation routes between Nakhchivan and the rest of Azerbaijan. Trade between China and Europe is worth $1 trillion at the moment. The vast majority of this traffic takes place at sea. This path is pricey and takes a long time to go. However, there is another path to take. By going via Azerbaijan, these shipments may be delivered 12 days quicker. Ocean shipping accounts for 80% of all global commerce today. The United States is in charge of these highways and bridges. This has led to a state of economic, political, and military confrontation between the two countries. So, rail transport is of particular importance to Chinese commerce. As a result of the 44-day Patriotic War, Azerbaijan has established new realities. As a result, more freight will be able to be transported along the Zangazur corridor. It will be able to expedite freight delivery to European and Middle Eastern nations by using this route to convey goods from Azerbaijan to Turkey. To put it simply, the Zangazur corridor will extend Azerbaijan's transportation options. As a result, commerce in the area will grow and people's quality of life will rise dramatically.

In order to go from Murov to Dalimammadli-Murov-Kalbajar, "Azerbaijan Railways" is now working on a preliminary design for the tunnel that will be constructed from Murov. Besides enhancing the region's tourist potential, this conceptual design is expected to have a significant impact on the expansion of economic and commercial prospects as well as passenger transportation. In the near future, the international airport will be constructed in the Kalbajar area, either in Takhtaduzu near the Istisu sanatorium or between the villages of Garachanli and

Bashlibel, taking into consideration civic, tourist, and military strategies. Work on the building will get underway. President Ilham Aliyev's laying the cornerstone of the Horadiz-Agband railway in the Fizuli area is of strategic significance for the future development of the region and the whole region. Azerbaijani residents will have much easier access to the freed territories thanks to this 100-kilometer transportation infrastructure. The most significant aspect of this infrastructure is that it will be the second railroad system linking Azerbaijan with its sister nation after the Baku-Tbilisi-Ceyhan line, which will eventually expand into Turkey. The Nakhchivan Autonomous Republic and the main portion of Azerbaijan would benefit greatly from the creation of direct ties as a result of this initiative. As a result, Azerbaijan is promoted to the next step of the process as a safe transit nation. As a result of the construction of this infrastructure, the whole Turkic world has come together, and a profound economic and political union between the Turkic-speaking nations of the area is expected to be established in the not-too-distant future. As a result of the execution of this project, Azerbaijan's strategic significance in the area, as well as its economic potential, is increasing. The geological circumstances of Karabakh and East Zangazur, as well as the enormous number of hilly locations in the region, make the construction of railroads very challenging. Aside from that, these locations were mined by the adversary. Trains will continue to ascend to the summit of Karabakh despite all of this. Because of the possibility that Zangilan will become a major transportation and logistical hub for our nation in the near future, we can plainly see how quickly Karabakh and East Zangazur will expand, and how these territories will transform into a flowerbed of development.

The East Zangazur area will likewise rely heavily on Kalbajar as its economic hub. Azerbaijan's financial losses will be dwarfed by the new economic value that would be generated in the newly freed territory. In the process of rehabilitating these places, many new employment will be created. New infrastructure projects will have a good effect on the employment of our residents as a result of their execution. New

employment will be generated through economic growth. As a result of the triumph of our victorious army, the non-oil sector and the Azerbaijani economy would benefit greatly. Entrepreneurs, on the other hand, are very interested in the agro park at the moment. A total of five prospective projects for the manufacturing of different kinds of synthetic carpets, uniforms, unique and individual clothes, polymer goods, solar-powered light poles and special roofs, prefabricated reinforced concrete products are being investigated. More than 1,100 employment will be created as a result of these developments.

It is worth noting that at least half a million IDPs are likely to return to the freed regions, and they are expected to do so gradually over the next several years. The state is anticipated to give inhabitants with houses, land, and a variety of other incentives.

The number of persons employed and the amount of goods produced in these regions will rise when the self-employment programme is widely implemented. Consequently, economic activity and social welfare will rise, and the non-oil sector's share of the economy is expected to rise as a consequence. Growth in GDP, increased budget revenues, and the creation of a huge number of new employment are all signs that this is going to be a positive trend for the country.

Speaking to the Cabinet of Ministers 17 years ago, Mr. President said that the primary objective is to remove the country's reliance on oil: "Our economy would be heavily influenced by the price of oil. Azerbaijan is not an oil nation; thus, we must develop our economic strategy as if there is no oil in Azerbaijan."

17 years of evidence prove that this is more than a phrase. Government efforts to promote entrepreneurship have continued during this time period. In certain locations, taxes have been removed or decreased for entrepreneurs. Economic incentives such as tax breaks and subsidies have spurred tremendous expansion in the agriculture industry. There have been tens of thousands new businesses established in the nation,

hundreds of thousands are employed and millions of tonnes are generated as a consequence. As a consequence, the non-oil sector now accounts for 70% of GDP.

Because to state initiatives on socioeconomic development of regions, as well as policies that encourage entrepreneurship, Azerbaijan was spared the effects of the worldwide financial and economic crises and epidemics. The government was able to keep the manat exchange rate stable despite the fact that the currencies of all of Iran's neighbours had devalued substantially.

Azerbaijan, unlike other nations, did not cut social expenditure in the state budget as a consequence of dropping oil earnings since the non-oil sector had reached this level and could therefore properly compensate for the deficit in the state budget.

What will the implementation of all of these measures in the two newly freed economic zones ultimately bring to our country?

1. The non-oil sector's number of companies will rise dramatically, resulting in more employment and more output. When there is a surplus in the nation, reduced prices might be expected.

2. The development of new production and service facilities will result in a rise in gross domestic product and state budget revenues as well as the preservation of key resources for future generations.

3. To further lessen the country's dependency on foreign imports, local output will expand and non-oil exports will rise.

4. Liberated lands will have a significant impact on the tourist, transportation, logistics, and agriculture industries. One third of the country's total freshwater supply comes from this region, and it will play a significant role in supplying other areas.

5. As a result, the demographics of the nation will change. After the return of refugees from big cities like Baku, Ganja, Sumgayit, and Mingachevir to the freed provinces, the nation's population will be evenly distributed across the country, reducing the strain on cities.

6. In addition to providing significant advantages to the Karabakh and East Zangazur economies, the opening of the Zangazur Corridor will have significant implications for the whole nation. The embargo of Nakhchivan will be removed, a quicker route to Turkey and Europe will be established, and the connecting of this corridor to the Great Silk Road will result in large transit earnings for our nation and an increase in trade possibilities with other countries.

CONCLUSIONS AND RECOMMENDATIONS

As a result of the dissertation research, we feel it is appropriate to adopt the following initiatives to promote the expansion of industry in the area while also addressing issues related to population settlement and employment:

1. Complete demining of the liberated territories, as well as security in the areas where construction would take place, are all priorities.

2. The renovation and reorganization of primary infrastructure in order to accommodate settlement and industrial expansion. Residential buildings and infrastructure have been severely damaged or destroyed in several parts of the area. The repair of vital infrastructure is essential for the establishment of new settlements and the establishment of industrial enterprises.

3. Modern approaches are being used to reevaluate the natural raw material potential of the area. Before the occupation, there were several signs of the region's raw material potential. If this data were to be re-evaluated utilizing modern technology and research procedures, there would almost certainly be a significant increase.

4. Restoration of transportation infrastructure in important locations of logistical significance, construction of one integrated national transportation network, and establishment of strong ties with other parts of the country are all priorities. The building of an international airport in Fizuli, the announcement of the construction of two further airports, the quick repair of devastated parts of the Baku-Nakhchivan railway, the construction of a highway on the same route, the construction of the Fuzuli-Shusha highway, the provision of power, gas, water, telephone connections to towns and villages, the organization of the harvest in the agricultural sector, and other activities indicate that a significant recovery in this region will occur in the near future. No doubt, the restoration of Karabakh and East Zangazur will open up new avenues for the growth of the country's economy in the coming years. So, one of the top goals for spending in the period 2022-2025 is the elimination of the repercussions

of the conflict, as well as the restoration, rehabilitation, and reintegration of regions that have been liberated from the enemy into the economy of the country. Starting this year, it will be necessary to expand these operations on a bigger scale in the following years, in order to establish adequate circumstances for the living and business activities of our residents who have returned to their hometowns, as well as to fund steps to revitalize the economic activities in these areas in the next years.

It seems that people are becoming more interested in our location. It is because, upon completion and activation of the Zangazur corridor, Azerbaijan will have established an important new transport artery in the Eurasian area. The Zangazur corridor is not just important from a political standpoint in Azerbaijan. This corridor is very important, first and foremost, in terms of the internal economic activities that take place along it. The capacity to speak directly with Nakhchivan will help to improve economic integration inside the nation and accelerate the industrialization of the country's capital. On the other side, it will serve as a catalyst for the socio-economic development of the Azerbaijani lands that have been freed. It is anticipated that the functioning of infrastructure along the corridor would result in the production of new employment and the growth of the surrounding area. In addition to expanding transportation options between Nakhchivan and the rest of Azerbaijan, the corridor will link the Caspian and Mediterranean basins as a whole, as well as Southeast and Central Asia and Europe in a larger sense. The corridor will be completed in 2018. At the moment, the value of bilateral commerce between China and European nations exceeds one trillion dollars. The vast majority of this traffic is conducted by water. There is a high expense associated with this route, as well as a lengthy travelling timeframe. However, there is another way to go. By travelling via Azerbaijan, these shipments may be delivered 12 days sooner than they otherwise would. In general, nowadays, shipping accounts for 80 percent of all global commerce transactions. The United States is in command of these highways and has complete authority over them. There are thus contemporary economic, political, and military tensions between China

and the United States as a result of these circumstances. The Chinese government devotes particular attention to rail commerce as a result. Furthermore, throughout the 44-day Patriotic War, Azerbaijan has established new realities. As a result, more freight will be able to be sent along the Zangazur corridor in the future. Through the use of this corridor, it will be feasible to send freight to nations in Europe and the Middle East as quickly as possible by carrying cargo from Azerbaijan to Turkey. Shortly put, the Zangazur corridor will significantly increase the number of transportation options available to Azerbaijan. This will help to enhance commerce in the area while also helping to raise the living standards of the local inhabitants.

5. In order to attract international investors and local entrepreneurs to the area, economic circumstances must be created that are conducive to their arrival. This includes the implementation of particular kinds of concessions and exemptions in the territory.

Aside from that, I'd want to point out that, as part of a trial project, beekeeping was transferred to the Kalbajar pastures this year for the first time since the occupation. The natural environment of Kalbajar is ideal for beekeeping because of its mild climate. Since its inception, Kalbajar honey has been picked for its superior quality. Now, it is likely that Kalbajar honey will be of higher quality than honey from any other source. As a result, you must supply both the home market and the international market. Such high-quality honey has the potential to generate significant revenue for the government. It is expected that beekeeping in Kalbajar will utilize new technology in the near future to produce high-quality and prolific honey. It is also necessary to label and trademark this location at the same time. We are convinced that as a result of this, Kalbajar honey will quickly establish itself as a premium brand recognized around the globeIts mineral waters, which are found on the land of the Kalbajar area, are particularly notable for their chemical composition, high temperature, and abundance of natural resources. The building of mineral and spring water bottling factories that meet current requirements will not only give customers in

our nation with therapeutic mineral hot water and spring water, but it will also contribute to the country's export potential by improving our country's export potential.

It is anticipated that Kalbajar will have a significant impact on the growth of industry in the Azerbaijani economy. The growth of the mining sector, as well as the discovery and exploitation of diverse high-potential mineral resources, should be high on the list of priorities, among other things. Improving the attractiveness of these locations to local and international investors is also a critical responsibility, since recruiting investors would have a direct influence on boosting economic activity in the region. For the sake of this discussion, I'd want to point out two significant plants that have operated in the area in the past. Plants for filling mineral water in Istisu and mercury production in Shorbulag. As the industrial infrastructure of the area achieves an acceptable level, one of the most significant tasks at the conclusion of the process should be the restoration of the economic activity of these facilities.

Finally, the implementation of all of these measures in the two newly emancipated economic zones will result in the following benefits for our nation.

1. It is expected that the number of enterprises in the non-oil sector would expand dramatically, resulting in an increase in both employment and output. Therefore, there will be an oversupply of goods in the nation, resulting in decreased pricing for the general public.

2. The creation of new manufacturing and service facilities will result in a considerable rise in the volume of gross domestic product and state budget income, while strategic resources will be maintained for future generations as a consequence of the expansion of the economy.

3. Due to the growth in local production, the country's non-oil exports will grow in importance, and the country's reliance on imports will be decreased even more.

4. As a result of the liberation of these regions, significant development will be accomplished in the tourist, transportation, logistics, and agricultural sectors. As a

result of the area's water resources, which account for one-third of the country's total, it will be able to make significant contributions to the water supply of neighboring areas.

5. The demographic balance of the nation is expected to improve. The return of refugees from big cities such as Baku, Sumgayit, Ganja, and Mingachevir to freed regions would result in a more evenly distributed population across the nation, easing the pressure on urban areas and making cities less crowded.

6. In addition to providing significant advantages to the Karabakh and East Zangazur economies, the opening of the Zangazur Corridor will have significant implications for the whole nation. The embargo of Nakhchivan will be removed, a quicker route to Turkey and Europe will be established, and the connecting of this corridor to the Great Silk Road will result in large transit earnings for our nation and an increase in trade possibilities with other countries.

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