

2024 COUNTRY REPORT AZERBAIJAN







Azerbaijan, like Armenia, devoted much of the year toward a final resolution to the longstanding conflict between Baku and Yerevan. Also in 2024, Baku deepened ties with Central Asian states as well as with China, while becoming a larger component of world energy markets. Late in the year, Baku hosted the COP 29 climate conference.

Key Points:

- Azerbaijan pursued peace negotiations with neighboring Armenia this year.
 In August, it withdrew its goal of a transit corridor through Armenia to its
 exclave of Nakhchivan; reportedly, most conditions for a final document
 have been agreed to. Baku remains committed to the idea that Armenia
 must modify its constitution, to address possible future territorial claims.
- Azerbaijan deepened its commercial and political ties to fellow Organization of Turkic States (OTS) members. Azerbaijan hosted the informal OTS summit in July and deepened economic and infrastructure cooperation with Kazakhstan and Uzbekistan, as part of the ongoing development of the Middle Corridor from China to Europe.
- Baku also increased engagement with the Central Asian governments directly, with 17 visits to Baku by Central Asian heads of state and 16 visits to Central Asian countries by Azerbaijan's leadership. This culminated in the C5+1 summit in Astana this August.
- Baku expanded Azerbaijan's role in energy markets, working to increase gas



exports to Europe, to participate in shipping Turkmen gas to global markets, and to build out green energy corridors that would connect the Caspian region to Europe.

• In November, Azerbaijan hosted the COP 29 international climate conference. Over 100 world leaders attended, and Azerbaijan struck several deals to expand its role in energy and regional infrastructure connectivity.

Chronological Reporting:

Azerbaijan Unveils Baku 2040 Development Plan

In early January, The outline for the development of Baku until 2040 was released. The plan predicted that the population of the city will reach 3.7 million in the next 17 years. It will introduce metrobuses, re-introduce trams, and increase the number of metro stations from 25 to 46. The plan will also relocate petrochemical enterprises from Baku to the cities of Sangachal and Alyat.

Source: JAM News

BP Commits to its Largest Global Investment in Azerbaijan

BP advanced a plan to invest another \$370 million in the first phase of long-term exploration aimed at identifying additional resources and extending the life of Azerbaijan's Azeri-Chiraq Deepwater Gunashli (ACG) field. The five-year program will be implemented by Caspian Geo LLC, which started the acquisition of a new 4D high-definition ocean-bottom node seismic program over the ACG field in the Caspian Sea. According to the operator, BP, this represents the company's largest seismic acquisition commitment globally in terms of area size, cost, and duration.

Source: Offshore Magazine

Serbia and Azerbaijan Sign Military Cooperation Plan

Azerbaijan and Serbia's Defense Ministries signed a bilateral military cooperation plan at the International Military Cooperation Department of the Ministry of Defense. This is set to deepen the defense and security partnership of Baku and Belgrade. In December 2023, Azerbaijan signed a €11 million defense deal with Serbia on the purchase of 48 Serbian-made 155mm/52 NORA B52 self-propelled howitzers.

Source: Defense Mirror, News.Az

Azerbaijani Foreign Minister Meets with SCO Secretary General

Minister of Foreign Affairs of the Republic of Azerbaijan Jeyhun Bayramov



met with Secretary General of the Shanghai Cooperation Organization (SCO) Zhang Ming on February 6 to discuss potential cooperation between Azerbaijan and the SCO. They also discussed Azerbaijan's snap presidential elections on February 7, which were held for the first time in the previously occupied territories.

Source: Trend News Agency

BP Announces Plan to Drill 18 Wells in the Caspian in 2024

BP-Azerbaijan announced its plans to drill 18 wells at the Azeri-Chirag-Guneshli field block (ACGG) in 2024, said Jim O'Liri, vice president of BP for wells in Azerbaijan, Georgia, and Turkey. Of these wells, 12 will be production wells, three will be water-injection wells, two will be gas-injection wells, and one will be part of the deep-gas project. According to O'Liri, in 2023, the company at the ACG block drilled 17 wells, including 9 production wells.

Source: Caspian Barrel

Capacity Expansion Announced for the IGB Pipeline

On February 6, operators of the Interconnector Greece-Bulgaria (IGB) awarded a Bulgarian company with the contract for GMS2 Stara Zagora, which would allow capacity expansion of the IGB pipeline. IGB is an extension of the Southern Gas Corridor, allowing Azerbaijani natural gas to reach Bulgaria. The capacity of the pipeline is anticipated to expand from 3 billion cubic meters (bcm) to 5 bcm by Q4 2025.

Source: Caspian Barrel

U.S.-Azerbaijan Diplomatic Engagement in Munich

On the sidelines of the 60th Munich Security Conference, high-level officials from Azerbaijan met with officials from the United States. President of Azerbaijan Ilham Aliyev met with the United States Secretary of State, Antony J. Blinken, U.S. Special Presidential Envoy for Climate John Kerry, and U.S. Special Presidential Coordinator for Global Infrastructure and Energy Security Amos Hochstein. Also, on the sidelines of the Munich Security Conference, on February 16, Azerbaijan's Foreign Minister Jeyhun Bayramov met with US Assistant Secretary of State for European and Eurasian Affairs James O'Brien. Source: President.Az

Zelensky Meets with Aliyev

On the sidelines of the 60th Munich Security Conference, President of Ukraine Volodymyr Zelensky and President of Azerbaijan Ilham Aliyev met to discuss bilateral relations. Aliyev expressed Azerbaijan's support for the integrity and sovereignty of Ukraine, and he wished peace to the people of Ukraine.



Zelensky thanked Azerbaijan for its assistance to Ukraine's energy systems and war reconstruction projects.

Source: First Channel News

Aliyev Embarks on First Visit to Türkiye Following Reelection

On February 18, Azerbaijani President Ilham Aliyev embarked on a two-day trip to Türkiye. During the visit, Aliyev held meetings with his Turkish counterpart, President Recep Tayyip Erdogan, to discuss enhancing bilateral relations and furthering cooperation between the two countries. The two leaders signed several agreements in the tax, veterinary, and higher-education sectors.

Source: TRT World

EU Commissioner of Energy Attends Baku Meetings, Announces Energy Expansion

On March 1, European Union Commissioner for Energy Kadri Simson arrived in Baku to attend the Ministerial Meeting of the Southern Gas Corridor Advisory Council and the Green Energy Advisory Council. There, she announced that the EU was ready to increase gas supplies from Azerbaijan to 20 billion cubic meters by 2027. While in Baku, Simson and her Azerbaijani counterparts also signed a Memorandum of Understanding relating to wind energy production, and pledged EU cooperation on Azerbaijan's green energy transition.

Source: Aze.media, European Commission

Azerbaijan-Iran Commercial Rail Transit Up 28%

Gholam Hossein Valadi, the director of Iran's North Railway Administration-2, announced on February 28 that from March 2023 to February 2024 the amount of goods transited by rail between Azerbaijan and Iran had increased 28%. Tehran and Baku have had historically rough relations in a number of areas, including last year's controversy surrounding a shooting at Azerbaijan's embassy in Tehran.

Source: Aze.media, MEHR News Agency

The European Union Calls Azerbaijan a Reliable Partner

Azerbaijan President Ilham Aliyev said that being called a reliable partner by the European Union is a "big advantage" and a "big responsibility" while he held talks with NATO Secretary General Jens Stoltenberg. "The European Commission calls Azerbaijan a reliable partner and a pan-European gas supplier. This is, of course, a big advantage and also a big responsibility," Aliyev said during a press conference with Stoltenberg. The two discussed energy security during their meeting, and Aliyev noted that Azerbaijan was exporting natural gas to eight countries, six of which are NATO members.

Source: Anadolu Agency



The European Court of Human Rights Announces Rulings from Azerbaijan

The European Court of Human Rights (ECtHR) announced six rulings regarding 10 human rights-related applications from Azerbaijan on March 14. The court deemed the convictions and defamation of Eldaniz Guliyev, Elnur Magerramli, Nazim Mamedov, and others, unlawful and ordered compensation.

Source: JAM News

Russian Peacekeepers Departs Karabakh

On April 17, Kremlin spokesman Dimitry Peskov confirmed that Russian peacekeepers were beginning to depart from the long conflict-engulfed Karabakh region. Since then, footage circulated online that showed Russian forces departing. Under previous agreements, the roughly 2000 peacekeepers had been slated to remain in the region until 2025 and had performed some post-conflict tasks since the region's turnover in September 2023.

Source: <u>JAM-News</u>, <u>Interfax</u>

Aliyev and Putin Hold Talks in Moscow

On April 22, President of Azerbaijani Ilham Aliyev met for one-on-one talks with Russian President Vladamir Putin. Public statements offered during the meeting focused on the 50th anniversary of the Baikal-Amur Mainline railway (BAM), as well as boosting north-south transportation and commerce. The meeting came on the heels of Russia's peacekeepers withdrawing from Karabakh.

Source: President of Russia

Aliyev Visits Germany for Petersburg Climate Dialogue

On April 25, Azerbaijani President Ilham Aliyev embarked on a working visit to Germany. During the trip, Aliyev participated in the High-Level Segment of the 15th Petersburg Climate Dialogue and held talks with German Chancellor Olaf Scholz. Scholz welcomed the progress achieved in border delimitation between Armenia and Azerbaijan and emphasized Germany's willingness to support both sides in finding a lasting solution. Scholz also spoke about Azerbaijan's hosting of COP29, as well as the interest of German companies in investing in green-energy development of the region.

Source: <u>Trend News Agency</u>

EU Allocates more than €2 million to Demining in Azerbaijan

During an event of the European Mine Action Team held in Azerbaijan on May



3, Director–General of the Neighborhood and Enlargement Negotiations of the European Commission Gert Jan Koopman announced that the European Union (EU) will be allocating more than € million towards "mine victim support, mine awareness, [and the] mine clearance process" in Azerbaijan. He further added that 10 European Union member states were contributing to the initiative. Source: Apa.az

President Biden Congratulates Aliyev on Independence Day

On May 25, U.S. President Joseph Biden sent a letter to Azerbaijani President Ilham Aliyev congratulating the latter and the people of Azerbaijan on the occasion of Azerbaijan's Independence Day. In the letter, President Biden emphasized the partnership between the two countries on shared interests, including energy security, regional security, combating terrorism, and showed appreciation for Azerbaijan's humanitarian assistance to Ukraine amidst the ongoing war. Biden also reaffirmed United States' support for Azerbaijan's territorial integrity and sovereignty, and showed readiness to working with Azerbaijan on shared climate goals at COP29, as well as on the peace efforts between Armenia and Azerbaijan.

Source: President of the Republic of Azerbaijan

Azerbaijani President Pays an Official Visit to Türkiye

On June 10, Azerbaijani President Ilham Aliyev arrived in Ankara, Türkiye, for an official visit. Aliyev's visit was planned at the invitation of Turkish President Recep Tayyip Erdogan. Aliyev held a one-on-one meeting with his Turkish counterpart, discussing the expansion of energy, transportation, economic, and trade relations between the two countries, as well as cooperation in defense, military industry, and other fields. The two sides also discussed the expansion of the Baku-Tbilisi-Kars railway's capabilities as part of the Middle Corridor.

Source: President of the Republic of Azerbaijan

New Agreement between SOCAR and Baker Hughes

The State Oil Company of Azerbaijan (SOCAR) and Baker Hughes signed a Cooperation Agreement on June 14 focusing on the assembly, repair, and upkeep of electric submersible pumps in Azerbaijan. The agreement will lay the groundwork to create a new facility to assemble the equipment, with the first 50 out of an expected 150 scheduled to arrive in 2024. SOCAR seeks to elevate its operations and reach new achievements by leveraging strategic alliances, exchanging expertise, and implementing cutting-edge technologies.

Source: Azertag



Azerbaijan reopened its embassy in Tehran after over a year of closure. Following a gunmen attack on the embassy in January 2023, the historically tense relations between the two nations worsened and led to the closure of the embassy, a consulate, and the expulsions of several diplomats on both sides. On July 15, the embassy reopened at a new address.

Source: AP News

Azerbaijan's Green Electricity Output Hits 14%

According to Azerbaijan's Ministry of Energy in June, the total capacity of renewable energy sources in the country is about 21% of installed energy generation capacity in the country. In the first five months of the year 2024, green electricity production was 14% of total electricity production—a marked increase.

Source: Azernews

Chevron Agrees to Assist Kazakhstan to Grow Natural Gas Production

A subsidiary of Chevron, Chevron Munaygaz, agreed to assist the Kazakh state-owned gas pipeline operator and producer, Qazaqgaz, in the interpretation of old seismic data for the Zhalibek gas block. This gas block lies next to a key oil field operated by a subsidiary of the China National Petroleum Corporation. Chevron Munaygaz is already amongst the largest players in the Kazakhstan oil sector and stated it hopes this deal will pave the road for "broader cooperation" between Qazaqgaz and Chevron Munaygaz on natural gas.

Source: upstream

Assistant Secretary O'Brien Visits Azerbaijan

On June 27-28, U.S. Assistant U.S. Assistant Secretary of State for European and Eurasian Affairs James O'Brien traveled to Baku, Azerbaijan. O'Brien held meetings with Azerbaijan President Ilham Aliyev and Foreign Minister Jeyhun Bayramov "to highlight progress in the U.S.-Azerbaijan bilateral relationship and U.S. support toward the conclusion of a peace agreement between Armenia and Azerbaijan." The sides discussed bilateral cooperation in various areas, namely in the development of the Middle Corridor, and energy security within the framework of the upcoming COP29 summit that Baku will host.

Source: U.S. Department of State, President of the Republic of Azerbaijan

Azerbaijan Receives Shipments of Italian Tactical Transport Aircraft

Azerbaijan and Italy broke new ground in their defense cooperation in June. Italian aerospace contractor Leonardo delivered its first C-27J Spartan military transport aircraft to the Azerbaijani Armed Forces this week. The arrival of the C-27J aircraft came after a bilateral deal signed in 2023 for an



undisclosed number of Spartan transport aircraft. According to the ministry, the plane "is capable of performing both defense and civil defense missions in complex geographical terrain and operational conditions."

Source: The Defense Post

Slovenia Starts Receiving Natural Gas from Azerbaijan

On August 1, Azerbaijan's state-owned energy company, SOCAR, announced that it had begun natural gas shipments to Slovenia. "The shipments are carried out in accordance with the memorandum of understanding signed between SOCAR and Geoplin, the largest company in the Slovenian natural gas market, on July 17 this year," SOCAR said in a statement. While the amount of gas shipments was not disclosed, Azerbaijan is expected to have exported approximately 25 billion cubic meters (bcm) of gas in 2024, including 13 bcm bound for Europe.

Source: Interfax

Azerbaijan Drops Demand for "Zangazur" Transit Corridor Through Armenia

In an August statement to Radio Free Europe, representative of Azerbaijani President Ilham Aliyev, Elchin Amirbayov, stated that Baku had withdrawn its demand for a transit corridor through Armenia as part of a final peace agreement between the two countries. According to Amirbayov, Baku might return to the issue at a later date, but for now Azerbaijan had agreed to not "complicate even further the task of finalizing the peace agreement." Since 2020, Azerbaijan has demanded the creation of a corridor through Armenia, linking Azerbaijan to its exclave of Nakhchivan.

Source: RFE/RL

Vladimir Putin Conducts an Official Visit to Azerbaijan

On August 18, Russian President Vladimir Putin traveled to Azerbaijan for a two-day state visit to discuss "further development of the strategic partnership and allied relations" between the two countries. During the visit, Putin discussed current international and regional issues with his Azerbaijani counterpart, Ilham Aliyev. The two sides signed six documents in the fields of export and import promotion, climate change and low carbon development, labor inspection, food safety, quarantine and plant protection, as well as healthcare and medical education.

Source: President of Russia, Trend News Agency

Azerbaijan Formally Applies to Join BRICS

On August 20, Azerbaijan formerly requested membership to BRICS, the intergovernmental grouping formally made up of Brazil, Russia, India, China, and



South Africa. Azerbaijan announced its initial interest in BRICS membership in July. BRICS expanded earlier this year to include, Saudi Arabia, Iran, Egypt, the United Arab Emirates, and Ethiopia.

Source: RFE, BBC

Aliyev Says Azerbaijan and Armenia Close to Final Agreement

Speaking on September 6 at the 50th International Cernobbio Forum in Italy, Azerbaijan President Ilham Aliyev stated that Azerbaijan and Armenia have agreed to 80% of a final peace and normalization agreement. The comments come after Armenian Prime Minister Nikol Pashinyan stated that Baku and Yerevan had agreed to 13 out of 17 articles contained within the draft treaty. Source: RFE/RL

Pakistan Agrees to Sell Azerbaijan Fighter Jets

On September 26, Pakistani military officials announced an agreement to sell Azerbaijan JF-17 Block III fighter jets. The aircraft are a joint product produced by Pakistani and Chinese firms. In recent years, Azerbaijan has purchased other Pakistani aircraft. Baku and Islamabad have historically warm relations. The aircraft appear not to have yet been delivered, but Azerbaijani officials have claimed that they have already integrated them into defense systems. Source: RFE/RL

Azerbaijan and Israel Strengthen Defense Cooperation

On September 26, the ambassador of Israel to Azerbaijan announced on his X page that AS Holdings and its subsidiary, Ari Arms, an international company specializing in the development and manufacture of NATO-standard light arms, signed a Memorandum of Understanding (MoU) with Azersilah, Azerbaijan's state-owned defense company.

Source: News.az, X

BP and Azerbaijan Sign Deal for New Energy Source

In a first for the country, Azerbaijan signed a deal with energy giant BP that will utilize virtual power plant technology. The Shafag project will swap solar energy generated from the jointly owned Azerbaijan-BP Shafag solar plant for electricity to BP's Sangachal oil terminal in the Caspian Sea. This deal is expected to help develop the complex solar plant in the Jabrayil region and eventually boost Azerbaijan's renewable energy supply. A ground-breaking ceremony for the project was held on November 15.

Source: UpStream



Special Assistant to the U.S. President Visits Azerbaijan

On October 21, as a part of his visit to Azerbaijan, Special Assistant to the U.S. President and Senior Director for Europe at the National Security Council Michael Carpenter held a meeting with President of Azerbaijan Ilham Aliyev. During the meeting, Carpenter presented a letter from U.S. President Joseph Biden to the Azerbaijani head of state, which stated that the United States stood ready to support a durable and dignified peace between Azerbaijan and Armenia and encouraged the sides to finalize an agreement this year. Aliyev noted that Armenia's territorial claims against Azerbaijan, based on constitutional grounds, remained a key roadblock to finalizing the peace agreement.

Source: President of the Republic of Azerbaijan

Azerbaijan, China, U.S. Convene Summit at COP 29

As part of the COP 29 climate conference, the United States, Chain, and Azerbaijan convened a joint summit on accelerating actions to cut emissions of methane and other non-CO2 greenhouse gases, major contributors to raising temperatures. At the summit, which featured a number of different countries and multilateral institutions, officials showcased and announced new initiatives. The summit defined three action areas: mobilizing climate finance, new policy, and new scientific mechanisms to measure and study climate change.

Source: <u>U.S. Department of State</u>

North Macedonia and Azerbaijan Sign MoU for Gas Supply

On November 14, in Skopje, North Macedonia's state-owned energy company, Elektranina Severna Makedonija (ESM), and Azerbaijan's state-owned SOCAR signed a Memorandum of Understanding (MoU) on enhancing cooperation in the energy sector. The MoU outlines plans to expand the supply of Azerbaijani natural gas to North Macedonia starting in the 2024 winter season.

Source: Reuters

COP29 Presidency Launches Baku Call on Climate Action for Peace, Relief, and Recovery

On November 15, the COP29 Presidency launched the Baku Call on Climate Action for Peace, Relief, and Recovery (BCCAP), in collaboration with Egypt, Italy, Germany, Uganda, the United Arab Emirates, and the United Kingdom. The initiative, launched by Azerbaijan's Minister of Foreign Affairs, Jeyhun Bayramov, is aimed at addressing climate change, conflict, and humanitarian needs. As a part of the initiative, the Baku Climate and Peace Action Hub was



established as a coordination platform to deliver pledges to mitigate climate challenges.

Source: COP29

Azerbaijan Starts Delivering Gas Supplies to Slovakia

On December 1, Azerbaijan's state-owned energy company, SOCAR, announced the commencement of natural gas deliveries to SPP, the largest state-owned energy supplier of Slovakia. The delivery of gas is according to the short-term pilot agreement signed between SOCAR and SPP on November 13. SPP has stated that it will consider a longer-term deal as it prepares for a possible halt to Russian supplies via Ukraine. With this development, Slovakia becomes the 12th European country to receive natural gas from Azerbaijan.

Source: News.az, Reuters

COP29 Concludes in Baku

On November 24, the United Nations COP29 climate conference concluded in Baku, Azerbaijan. The conference negations had run over time with countries debating the parameters of global climate financing, the system through which richer countries would contribute funds for poorer countries to adapt to climate change and transition to green energy. The result of the negotiations was a plan to transfer \$300 billion annually until 2035, a far cry from the \$1.3 trillion that many believed was necessary. President of the United States Joe Biden released a statement congratulating the parties and the COP29 presidency on reaching this outcome.

Source: BBC, The White House

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Source: News.az, Reuters

Azerbaijan and Saudi Arabia Discuss Trade, Investment, and Green Energy Cooperation

On December 9, Minister of Economy of Azerbaijan Mikayil Jabbarov conducted an official visit to Saudi Arabia. In Riyadh, Jabbarov held meetings with Minister of Energy Prince Abdulaziz bin Salman bin Abdulaziz and Khalid



bin Abdulaziz Al-Falih, Saudi Arabia's Minister of Investment. The discussions focused on cooperation between Saudi Arabia and Azerbaijan in renewable energy as well as means of enhancing their partnership in various energy fields, including energy transformations and technologies.

Source: Azernews, Saudi Press Agency

Azerbaijan and Israel Discuss Bilateral Ties

As a part of his official visit to Israel on December 8-9, Assistant to the President of Azerbaijan and Head of the Foreign Policy Affairs Department of the Presidential Administration Hikmet Hajiyev held meetings with Israeli Foreign Minister Gideon Sa'ar and Israeli President Isaac Herzog. The parties discussed bilateral cooperation between Azerbaijan and Israel, strengthening the strategic partnership between the two countries, as well as the regional developments.

Source: Azernews, News.az

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