azpromo

Export and Investment Promotion Agency
of the Republic of Azerbaijan

INVESTMENT PROJECTS IN AZERBAIJAN

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Agriculture

FRUIT FARM PROJECT

PRIMARY INFORMATION

Project definition
The Farm presently yields approximately 2000 tons of fruits, and as certain trees progress through their initial maturity stage, this output is anticipated to reach 2,500 tons within the next 7-8 years. Emphasizing premium varieties allows for the export of around 70% of the final produce, leading to increased profit margins.

Key benefits for investors

- The Farm currently has unused capacity, both in terms of available land and in terms of yield optimization;
- The Farm presently primarily sells directly at the gate, yielding suboptimal margins. Strategic, modest investments have the potential to unlock fresh sales channels, substantially enhancing profitability.
- Presently, approximately 70% of the Farm's produce is exported to CIS countries, while the remaining 30% is predominantly supplied to local markets, particularly in Baku.

Sales orientation
70% to CIS countries
30% to local markets

Raw materials
Tree plants have been purchased from France, Italy and Turkey.

Location
Sheki city

Main products
Peaches, nectarines, apricots and plums.

Landuse
Total area: **98 ha**
Free area: **10 ha**

Project type
Brownfield

ECONOMIC INDICATORS

Annual production capacity
2 thsd tons

Investment
5,1 mln USD

Permanent employment
15 full-time employees, **120** at harvest time

Average annual revenues
1,4 mln USD

Equity IRR
12.8 %

Payback period
6.7 years

BENEFITS

- Crop subsidies with a base rate of approximately **120 USD.**
- Irrigation systems are available with a **20%** down payment and a **40%** discount, complemented by a **40%** interest-free loan.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from land tax and certain taxes.

MODERN GREENHOUSE COMPLEX PROJECT

PRIMARY INFORMATION

Project definition
The project involves developing a technologically advanced facility for agricultural production in the Absheron region, covering an area of 10 hectares, aimed at enhancing crop yield and sustainability under controlled environmental conditions. Although the investor has the flexibility to grow any kind of fruit or vegetable in this state-of-the-art facility, focusing on the cultivation of the Absheron region tomato is identified as the most profitable and effective product for investment.

Location
Absheron region

Project concept
Construction of a modern greenhouse complex

Area of the economy
Agriculture, Greenhouse

Main potential products
Tomatoes, berries, etc.

Landuse
10 ha

Project type
Greenfield

ECONOMIC INDICATORS

Annual production cost
11,6 mln USD

Investment
7,1 mln USD

Annual average profit
5,2 mln USD

Payback period
(construction period included)
3.3 years

BENEFITS

- Crop subsidies with a base rate of approximately **120 USD.**
- Irrigation systems are available with a **20%** down payment and a **40%** discount, complemented by a **40%** interest-free loan.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from land tax and certain taxes.

MODERN ANIMAL HUSBANDRY COMPLEX PROJECT

PRIMARY INFORMATION

Project definition
The project focuses on developing a state-of-the-art animal husbandry complex in the Beylagan region, spanning 5,939 hectares, aimed at enhancing livestock productivity and welfare with contemporary farming practices.

Location
Beylagan region

Project concept
Construction of a modern animal husbandry complex

Annual production capacity
25 thsd tons

Area of the economy
Agriculture, Animal husbandry

Landuse
5,9 thsd ha

Main product
Red meat

Project type
Greenfield

ECONOMIC INDICATORS

Construction period
2 years

Investment
43 mln USD

Annual production cost
10,2 mln USD

Annual average profit
5,2 mln USD

Profit including annual average depreciation
1,9 mln USD

Payback period (construction period included)
8.5 years

BENEFITS

- Approximately **60 USD** subsidy for each calf born via artificial insemination.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from **land tax** and certain taxes.

MODERN POMEGRANATE COMPLEX PROJECT

PRIMARY INFORMATION

Project definition
The project entails the development of a cutting-edge pomegranate complex in the Kurdamir region, sprawling across 237 hectares, aimed at boosting the agricultural economy through the integration of pomegranate cultivation with horticulture.

Location
Kurdamir region

Project concept
Construction of a modern pomegranate complex

Infrastructure
Modular power station

Area of the economy
Agriculture, horticulture

Landuse
237 ha

Main product
Pomegranate

Project type
Greenfield

ECONOMIC INDICATORS

Annual production
4,7 thsd tons

Investment
22,8 mln USD

Annual production value
2,7 mln USD

Payback period
16.3 years

Annual average profit
1,3 mln USD

Construction completion period
1 year

The initial fruit ripening period
3 years

BENEFITS

- Crop subsidies with a base rate of approximately **120 USD.**
- Irrigation systems are available with a **20%** down payment and a **40%** discount, complemented by a **40%** interest-free loan.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from land tax and certain taxes.

MODERN ANIMAL HUSBANDRY COMPLEX PROJECT

PRIMARY INFORMATION

Project definition
The initiative entails establishing a contemporary animal husbandry complex in the Gobustan region, spanning 1,556 hectares, designed to boost the agricultural and animal husbandry fields with state-of-the-art practices and infrastructure to improve livestock management and productivity.

Location
Gobustan region

Project concept
Construction of a modern animal husbandry complex

Annual production capacity
Milk Production: **8,5 thsd tons**
Meat Production: **43,3 tons**
Sale of Calves: **200 heads**
Organic Fertilizer Production: **6,7 thsd tons**

Area of the economy
Agriculture, Animal husbandry

Main products
Milk, organic fertilizers, red meat

Landuse
1,6 thsd ha

Project type
Greenfield

ECONOMIC INDICATORS

Construction period
1 years

Investment
13,3 mln USD

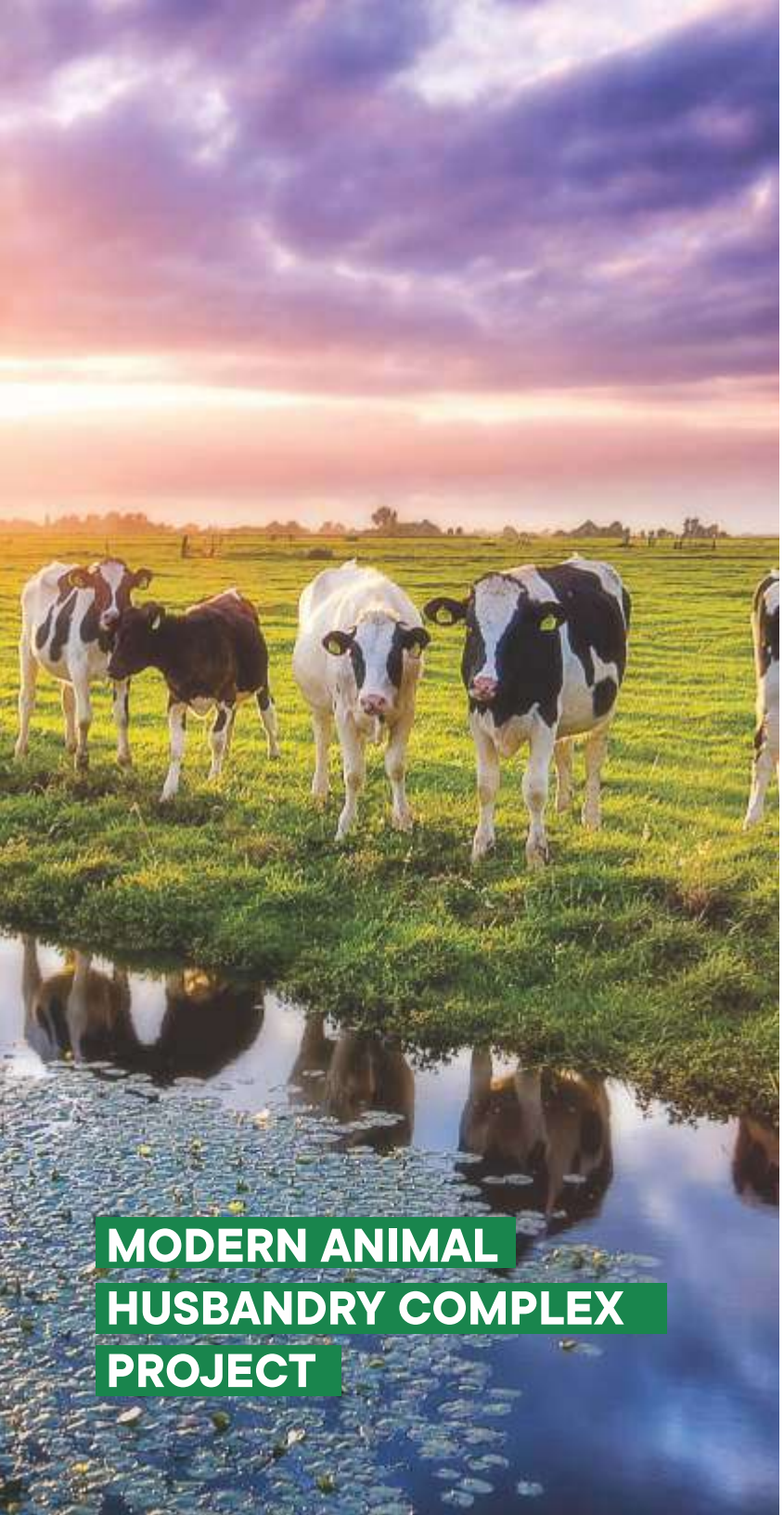
Annual production value
4,7 mln USD

Annual average profit
1,9 mln USD

Payback period (construction period included)
6 years

BENEFITS

- Approximately **60 USD** subsidy for each calf born via artificial insemination.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from **land tax** and certain taxes.



MODERN ANIMAL HUSBANDRY COMPLEX PROJECT

PRIMARY INFORMATION

Project definition
The project aims to create a modern animal husbandry complex in the Sheki region, sprawling over 4,046 hectares, to enhance the agriculture and animal husbandry sectors through the introduction of advanced farming facilities and practices, thereby improving livestock care and productivity.

Location
Sheki region

Project concept
Construction of a modern animal husbandry complex

Annual production capacity
Milk Production: **14 thsd tons**
Meat Production: **72,2 tons**

Area of the economy
Agriculture, dairy production, animal husbandry

Landuse
4 thsd ha

Main products
Milk, red meat

Project type
Greenfield

ECONOMIC INDICATORS

Construction period
2 years

Investment
29,9 mln USD

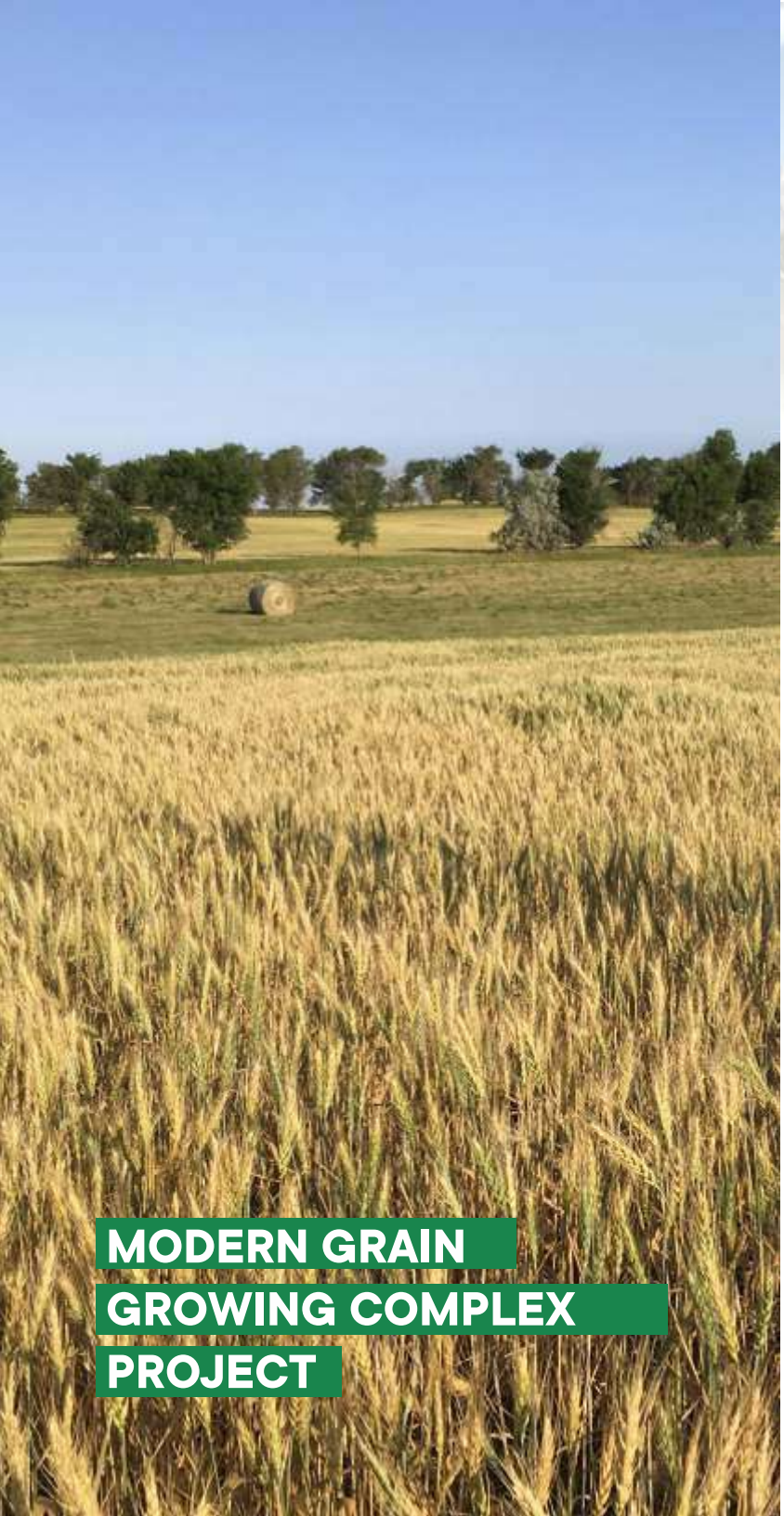
Annual production value
9,9 mln USD

Annual average profit
4,2 mln USD

Payback period (construction period included)
9,9 years

BENEFITS

- Approximately **60 USD** subsidy for each calf born via artificial insemination.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from **land tax** and certain taxes.



MODERN GRAIN GROWING COMPLEX PROJECT

PRIMARY INFORMATION

Project definition
The project entails the establishment of a modern grain growing complex focused on food wheat production in the Zardab region, encompassing 2,570 hectares, aimed at boosting the agriculture and cultivation sectors through the implementation of advanced agricultural practices and technologies.

Location
Zardab region

Project concept
Construction of a modern modern grain growing (food wheat production) complex

Annual production capacity
19,6 thsd tons

Area of the economy
Agriculture, cultivation

Landuse
2,5 thsd ha

Main product
Wheat

Project type
Greenfield

ECONOMIC INDICATORS

Construction period
2 years

Investment
36,5 mln USD

Annual production value
5,4 mln USD

Annual average profit
2,9 mln USD

Payback period
(construction period included)
10,2 years

BENEFITS

- Irrigation systems are available with a **20%** down payment and a **40%** discount, complemented by a **40%** interest-free loan.
- A 5-year subsidy of approximately **60 USD** per ton is offered for food wheat from farms using modern irrigation, delivered to Azerbaijan's State Reserves Agency and flour mills.
- Crop subsidies with a base rate of approximately **120 USD.**
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from land tax and certain taxes.

YEVLAKH PILOT AGROPARK PROJECT

PRIMARY INFORMATION

Project definition

The Yevlakh Pilot Agropark was established in the framework of pilot project called "Integration of medium-sized farms into agro-industrial clusters." The Yevlakh Pilot Agropark marks the country's inaugural endeavor in establishing an agropark with the active involvement of small and medium-sized farmers. Various supportive measures initiated by the government aim to foster entrepreneurship within the Yevlakh Pilot Agropark. This includes the development of both external and internal infrastructure using state funds, provision of investment incentives to residents, and adoption of a unified administrative process. The goal is to construct a contemporary agro-industrial complex within the pilot agricultural park, facilitated by the organization of cluster activities.

Location

Yevlakh Pilot Agropark
1,2 thsd ha area divided into parcels
1 thsd ha planting of fodder crops and sugar beet
269 ha cotton and grain growing
141 ha processing and social zone
50 ha processing zone
9 ha social zone
11 ha breeding broiler egg production factory
71 ha of protection strips and 3 000 head of beef cattle complex

Products to be produced

- Dried fruits
- Fresh-fruit processing
- Frozen fruits & vegetables
- Meat products
- Dairy products
- Baby foods
- Seed processing
- Animal feeds
- Pasta
- Canned products
- Fertilizer production
- Packaging products

Landuse

2,8 thsd ha

Main products

Fodder crops, sugar beet, cotton

Project type

Greenfield

ECONOMIC INDICATORS

Sales market

Internal and external market

Project concept

Integration of medium-sized farms into agro-industrial clusters

Number of jobs

500 people permanent, **1000** people seasonal

Value of the project

60,5 mln USD

Note: The project can be divided into parcels for investors.

BENEFITS

- Crop subsidies with a base rate of approximately **120 USD.**
- Irrigation systems are available with a **20%** down payment and a **40%** discount, complemented by a **40%** interest-free loan.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from land tax and certain taxes.

CONSTRUCTION OF A WINE PRODUCTION FACILITY

PRIMARY INFORMATION

Project definition
In the Kurdmashi village of the Ismayilli district, Azerbaijan Republic, a project is underway to establish a modern winery spanning 1 hectare. The objective of the project is to achieve an annual production capacity of 5 million standard bottles of high-quality wines. Equipped with state-of-the-art production technology sourced from leading countries, the project aims to produce a diverse range of wines including White, Red, Rosé, and Sparkling varieties. The utilization of Italian and French grape varieties further underscores the commitment to delivering premium and competitive products across various market segments. To facilitate construction and operations, the project intends to leverage state subsidies, investment incentives, and other planned support mechanisms.

Village Vineyard History
The Kurdmashi village of Ismayilli district boasts a rich history of viticulture, with existing vineyards covering 116 hectares and valued at 8 million euros. These vineyards cultivate a diverse array of high-quality grape varieties such as Chardonnay, Cabernet Sauvignon, Columbard, Merlot, Viognier, Riesling, Grenache, Montepulciano, Mauvedre, and Marselan. The vineyards are equipped with cutting-edge irrigation systems, agricultural machinery, and a "Climate Station" to optimize growing conditions. Currently, the vineyards provide permanent employment for 60 individuals and offer seasonal employment to 100-120 people. Additionally, plans are in place to expand vineyard cultivation to prospective areas totaling 70 hectares, ensuring sustained growth and development within the region's wine industry.

Location
Ismayilli District, Kurdmashi Village

Type of activity
Wine production

Landuse
1 ha

Main products
White, Red, Rosé, and Sparkling wines

Project type
Greenfield

ECONOMIC INDICATORS

Annual production
5 mln bottles of wine

Investment
10 mln USD

Payback period (construction period included)
5,5 years

Equity IRR
22.3%

Sales Markets
10% internal market
90% export oriented

Annual average income
3 mln USD

Tourism & Real Estate

CASPIAN DREAM LINER REAL ESTATE PROJECT

PRIMARY INFORMATION

Project definition
Caspian Dream Liner is the inaugural construction project on an artificial island within the nation. The facility will include swimming pools on both the deck and bow sections, distinguishing it as a unique architectural endeavor expected to enhance global tourism recognition.
The project specifications include a single building comprising 11 floors with a total of 246 apartments. Apartment sizes will range from 55 to 660 square meters. Each apartment will be delivered fully furnished and equipped. Parking facilities will be available both at ground level and underground.

COMMUNITY BENEFITS

- One of the most competitive real estate development projectsin the CIS market
- The project has no alternatives in the Azerbaijani market
- The work on the project is carried out by international experts, including Crocus Group, Jacobs, OneToOne and many others.
- Special package offers for investors, including development options
- Annual growth in asset value is up to **10%**
- Turnkey rental business - passive income with a payback from **8% per year**

Location
Baku city, Azerbaijan

Type of activity
Real estate development
Pool of assets acquisitions

Landuse
4,5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Construction area
60,000 m²

Investment
210-250 mln USD

ROI
40-45%

Investment range
From 80 mln USD

MIAMI RESIDENCE REAL ESTATE PROJECT

PRIMARY INFORMATION

Project definition

Miami Residence constitutes another significant Sea Breeze initiative, founded on the "city within a city" concept. This development is meticulously planned, transcending the typical residential complex to offer a multifaceted environment conducive to living, relaxation, and work.

The project encompasses 7 buildings, each with 10 floors. The number of apartments is yet to be announced. These units will vary in size from 40 to 236.7 square meters and will be delivered in a black box condition, allowing owners to personalize their spaces. Parking will be provided on both ground level and underground.

COMMUNITY BENEFITS

- One of the most competitive real estate development projectsin the CIS market
- The project has no alternatives in the Azerbaijani market
- The work on the project is carried out by international experts, including Crocus Group, Jacobs, OneToOne and many others.
- Special package offers for investors, including development options
- Annual growth in asset value is up to **10%**
- Turnkey rental business - passive income with a payback from **8% per year**

Location
Baku city, Azerbaijan

Type of activity
Real estate development

Landuse
4,5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Construction area
167,000 m²

Investment
250-290 mln USD

ROI
35-40%

Investment range
From 30 mln USD

OASIS CRESCENT REAL ESTATE PROJECT

PRIMARY INFORMATION

Project definition

Oasis Crescent is a unique crescent-shaped artificial peninsula surrounded in the Caspian Sea. This amazing place will house an innovative real estate complex for a comfortable life, luxurious holidays and large-scale events.

The hallmark of the peninsula will be the Five Stones project - a complex of buildings with apartments, world-famous hotels and a large congress center.

COMMUNITY BENEFITS

- One of the most competitive real estate development projectsin the CIS market
- The project has no alternatives in the Azerbaijani market
- The work on the project is carried out by international experts, including Crocus Group, Jacobs, OneToOne and many others.
- Special package offers for investors, including development options
- Annual growth in asset value is up to **10%**
- Turnkey rental business - passive income with a payback from **8% per year**

Location
Baku city, Azerbaijan

Type of activity
Real estate development

Landuse
50 ha

Project type
Greenfield

ECONOMIC INDICATORS

Construction area
1,000,000 m²

Investment
2 bln USD

ROI
30-35%

Investment range
From 40 mln USD

WAVE RESIDENCE REAL ESTATE PROJECT

PRIMARY INFORMATION

Project definition

Wave Residence is a modern multi-story building in urban style resembling a wave rapidly rising up to the roof - straight to the outdoor pool. At the very top of the building there is an outdoor swimming pool with sun loungers.

The view from above of the resort city, shimmering with all the lights, is simply breathtaking, and the view of the Caspian coastline is relaxing and allows you to enjoy relaxing in your personal outdoor pool.

COMMUNITY BENEFITS

- One of the most competitive real estate development projectsin the CIS market
- The project has no alternatives in the Azerbaijani market
- The work on the project is carried out by international experts, including Crocus Group, Jacobs, OneToOne and many others.
- Special package offers for investors, including development options
- Annual growth in asset value is up to **10%**
- Turnkey rental business - passive income with a payback from **8% per year**

Location
Baku city, Azerbaijan

Type of activity
Real estate development

Landuse
5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Construction area
200,000 m²

Investment
400-450 mln USD

ROI
35-40%

Investment range
From 40 mln USD

FIVE STONES REAL ESTATE PROJECT

PRIMARY INFORMATION

Project definition

Five Stones is a new project by Sea Breeze, located on the Oasis Crescent man-made peninsula. This is a complex of modern urban buildings overlooking the majestic Caspian Sea, which gives it a special authenticity.

Along with five buildings with apartments, JW Marriot and Hilton hotels are located right on the seashore with personal access to the beach. Five Stones is a project for progressive people who value a high lifestyle and absolute comfort. The green area of the complex has a children's playground and bicycle paths. There are also underground parking, a SPA, a gym and restaurants at the disposal of residents.

COMMUNITY BENEFITS

- One of the most competitive real estate development projectsin the CIS market
- The project has no alternatives in the Azerbaijani market
- The work on the project is carried out by international experts, including Crocus Group, Jacobs, OneToOne and many others.
- Special package offers for investors, including development options
- Annual growth in asset value is up to **10%**
- Turnkey rental business - passive income with a payback from **8% per year**

Location
Baku city, Azerbaijan

Type of activity
Real estate development

Landuse
5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Construction area
104,000 m²

Investment
260-290 mln USD

ROI
45-50%

Investment range
From 50 mln USD

AGRO - ETNO VILLAGE PROJECT

PRIMARY INFORMATION

Project definition
The project owner plans to construct a resort complex at a main touristic checkpoint in the country. The development will include a hotel (main building), a SPA center, chalets in three different categories, and yurts (ethnic camps). It is also planned to produce 350-400 kilograms of honey annually, 6 tons of grapes annually, and 2 tons of hazelnuts annually.

- A group of experts will be engaged in the implementation of sustainable project management practices
- Experts specializing in the realm of hospitality and hotel management will oversee the day-to-day operations of the project throughout the entire year

Location
Shamakhi (Chukhuryurd village)

Infrastructure
Beekeeping facility, grape yard, hazelnut garden, horse farm, fishery, lavender rows

Main facilities
Hotel & spa, chalet and cottages, yurt camps and the lake.

Site products
Honey, grape, hazelnuts

Project type
Greenfield

ECONOMIC INDICATORS

Permanent employment
80+ people

Investment
8,2 mln USD

Investment made
1,7 mln USD

Payback period
(construction period excluded)
4.6 years

Construction completion period
2 years

BENEFITS

- Crop subsidies with a base rate of approximately **120 USD.**
- Irrigation systems are available with a **20%** down payment and a **40%** discount, complemented by a **40%** interest-free loan.
- Approved list of equipment eligible for agricultural subsidies.
- Agricultural producers exempt from land tax and certain taxes.

KARABAKH HOTELS & RESORTS PROJECT

PRIMARY INFORMATION

Project definition
The project "Karabakh Hotels and Resorts" contains the business concept of building hotels and engaging in hotel activities in line with the tourism potential of Shusha city and the tourist regions of Kalbajar and Lachin. Without reinvesting in fixed assets, the operation of the hotels and resorts, which will be built with modern equipment, is anticipated as ten years. The total investment cost, including land preparation that is essential for the construction of the hotel complex, construction of additional buildings and warehouses, and the placement of equipment, is predicted to be 4.3 million USD.

Location
Karabakh region

Type of activity
Tourism and hospitality

Project concept
Construction of modern hotels & resorts in Karabakh region

Project type
Greenfield

ECONOMIC INDICATORS

Equity
78.2%

Investment
4,2 mln USD

Debt
21.8%

Discount rate
22.2%

Equity IRR
34.8%

BENEFITS

Subsidies and State Support

- Up to approximately **300 USD** portfolio with a approximately **270 USD** state guarantee.
- Max approximately **3 mln USD** per business.
- Max **15%** annual interest, up to **7-year** term, with up to **36 months** grace period.
- State guarantee up to **90%** of loan, interest subsidy covers **10%** for up to **36 months.**

For 10 years (starting from January 1, 2023)

- **0%** corporate tax, property and land tax, VAT on imports of technological equipment;
- **20%** discount on utility services (electricity. natural gas, water supply and wastewater discharge service) consumed monthly;
- Subsidization of the mandatory state social insurance fee;
- Exemption for dividend incomes of stakeholders and stockholders;
- Provision of loans with state guarantee and subsidization of loan interest.

VAGON REAL ESTATE PROJECT

PRIMARY INFORMATION

Project definition
The project entails the development of a mixed-use complex within a 4,5-hectare area located in the heart of Baku. This comprehensive development is designed to include eleven residential apartment buildings, two commercial office spaces, and a single shopping center.

COMMUNITY BENEFITS

- Located in the center of Baku, offering excellent access to all amenities.
- Rare, large-scale opportunity to develop real estate in the center of Baku.
- Annual growth in asset value is up to **10%**
- Designed to transform the urban landscape of Baku with luxury and commercial spaces.

Location
Baku city, Azerbaijan

Landuse
4,5 ha

Type of activity
Real estate developement

Partnership Models
- Outright Sale
- Turnkey
- Joint Development

Project type
Greenfield

ECONOMIC INDICATORS

Equity
50%

Debt
50%

Construction area
168,156 m²

Investment
97 mln USD

ROI
30-35%

Investment range
From 50 mln USD

DARNAGUL RESIDENTIAL COMPLEX PROJECT

PRIMARY INFORMATION

Project definition
Within the framework of this investment project, the construction of a new residential complex is planned in the territory of Baku city. The residential and business complex built as part of the investment project will consist of 16 level residential buildings, an 18-level business center, a shopping center, and an underground parking area capture approximately 19,000 m2. There will also be a kindergarten with 100 seats, a school with 528 seats, at the area of 5000 m2 and as well as sport facilities. Planned number of residential apartments is 1200 units.

COMMUNITY BENEFITS

- The project significantly upgrades Baku's infrastructure, introducing a multifaceted complex with ample parking.
- The project enriches the community by integrating educational facilities and recreational spaces.
- The project fosters economic development and enhances community cohesion by creating housing and employment opportunities.

Location
Absheron

Type of activity
Construction

Project type
Greenfield

ECONOMIC INDICATORS

Equity
78.2%

Investment
65 mln USD

Debt
21.8%

Discount rate
20.3%

Equity IRR
36%

PRIMARY INFORMATION

Project definition

Global hypermarket chains offer products for homes, apartments, summer cottages, gardens, and offices. These hypermarkets include show rooms, household equipment, construction materials & tools, professional services, and furniture, accessories, and home textile.

Services

- Design and Architecture: Features top architectural firms for client consultations.
- Estimators: Offers precise cost estimations for construction or renovations.
- Turnkey Delivery: Provides companies ensuring on-time project completion.
- Real Estate Services: Showcases leading agencies with a range of properties.
- Construction Companies: Introduces new real estate projects with transaction support.
- Banks: Includes top banks for real estate loans and services.

Landuse

An area of **40,000 m²** will be built in two floors on the territory of **4 ha** of land, **2 ha** of which will be designated for the area

Segments introduced in one hub

- Household Equipment
- Show Rooms
- Professional Services
- Furniture, Accessories and Home Textile
- Construction Materials & Tools

Project type

Greenfield

ECONOMIC INDICATORS

Payback period
5 years

Investment
17 mln USD

Annual rental profit
6,9 mln USD

Annual rental income
11 mln USD

Chemical Industry

POLYSTYRENE PRODUCTION PROJECT

PRIMARY INFORMATION

Project definition
The goal of the project is the construction of a polystyrene production plant. The widespread use of polystyrene is due to its low cost, ease of processing, and great variety. Polystyrene is not considered hazardous to the environment. Waste polystyrene and its copolymers are collected in the form of obsolete products, as well as waste of its copolymers, and their disposal is carried out.

Local demand
4,4 thsd tons

Raw materials
Styrene (produced from ethylbenzene)

Location
Sumgait Chemical Industrial Park

Main product
Polystyrene

Landuse
7,5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Annual production capacity
4,3 thsd tons

Investment
21,6 mln USD

Number of workplaces
30 people

Construction completion period
45 months

Equity IRR
9.97%

Payback period
(construction period excluded)
9.7 years

BENEFITS

For residents of industrial parks for 10 years:
- **0%** customs duty on hardware, technological equipment and structures imported by residents.

For 10 years:
- **0%** corporate tax;
- **0%** property and land tax;
- **0%** VAT on imports of technological equipment.

POLYVINYL CHLORIDE PRODUCTION PROJECT

PRIMARY INFORMATION

Project definition
The goal of the project is the construction of a polyvinyl chloride production plant. The project for the production of polyvinyl chloride from ethylene is based on ethylene raw materials produced in the country.

Local demand
20 thsd tons

Raw materials
Ethylene: **9,1 thsd**
Chlorine: **11,5 thsd tons**

Location
Sumgait Chemical Industrial Park

Main product
Polyvinyl chloride

Landuse
7,5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Annual production capacity
17.4 thsd tons

Investment
29,7 mln USD

Number of workplaces
30 people

Construction completion period
45 months

Equity IRR
30.8%

Payback period
(construction period excluded)
4.1 years

BENEFITS

For residents of industrial parks for 10 years:
- **0%** customs duty on hardware, technological equipment and structures imported by residents.

For 10 years:
- **0%** corporate tax;
- **0%** property and land tax;
- **0%** VAT on imports of technological equipment.

MELAMINE PRODUCTION PROJECT

PRIMARY INFORMATION

Project definition
The plant will produce melamine for construction, coatings with high durability, decorative laminates, concrete additives, fire retardant materials, paper components, and coloring solutions for automobiles and household items. Additionally, it will manufacture packaging plastics for various products using diverse fillers

Local demand
17,5 thsd tons

Raw materials
Carbamide: **50 thsd tons** (available locally)

Location
Sumgayit Chemical Industrial Park

Main product
Melamine

Landuse
7,5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Annual production capacity
17.5 thsd tons

Investment
23,6 mln USD

Number of workplaces
30 people

Construction completion period
45 months

Equity IRR
37%

Payback period
(construction period excluded)
4.3 years

BENEFITS

For residents of industrial parks for 10 years:
- **0%** customs duty on hardware, technological equipment and structures imported by residents.

For 10 years:
- **0%** corporate tax;
- **0%** property and land tax;
- **0%** VAT on imports of technological equipment.

PROPYLENE OXIDE PRODUCTION PROJECT

PRIMARY INFORMATION

Project definition
The plant will produce propylene oxide that can be utilized in the manufacture of polyurethane plastics, propylene glycol, and glycol ethers, demonstrating a dedication to innovation while upholding environmental and safety standards.

Local demand
13,3 thsd tons

Raw materials
Propylene: **9,7 thsd tons**
Hydrogen peroxide: **7,8 thsd tons**

Location
Sumgayit Chemical Industrial Park

Main product
Propylene oxide

Landuse
7,5 ha

Project type
Greenfield

ECONOMIC INDICATORS

Annual production capacity
13,4 thsd tons

Investment
19,5 mln USD

Number of workplaces
35 people

Construction completion period
45 months

Equity IRR
23,7%

Payback period
(construction period excluded)
6 years

BENEFITS

For residents of industrial parks for 10 years:
- **0%** customs duty on hardware, technological equipment and structures imported by residents.

For 10 years:
- **0%** corporate tax;
- **0%** property and land tax;
- **0%** VAT on imports of technological equipment.

MODERNIZATION AND RESTART OF THE ALUMINA FACTORY

PRIMARY INFORMATION

Project definition
Existing alumina refinery has an annual production capacity of 480 000 tons/year. With the restart of the Refinery "Azeraluminium" LLC will minimize the import of alumina and will reduce the production costs and bring additional profit.
The factory was closed due to the aging of the components of the production equipment and the limited sales opportunities resulting from the outdated production method. The investment project seeks to boost efficiency and diversify sales by modernizing equipment and updating production methods.

Location
Ganja city

Project concept
Modernization and restart of the alumina factory

Aim
Modernization of alumina refinery plant and reducing of production cost

Annual production capacity
480 thsd tons

Raw materials
Alunite (sourced from Ganja and Dashkasan deposits)

Main product
Aluminium oxide

Project type
Brownfield

ECONOMIC INDICATORS

Energy consumption
40 Mwh

Investment
105 mln USD

Implementation period
3 years

Payback period
(construction period included)
7 years

IRR
19%

BENEFITS

For investment promotion certificate holders for 7 years:
- Exemptions on **50%** income tax;
- Exemptions on **50%** profit taxes.

For investment promotion certificate holders for 7 years:
- **0%** property taxes;
- **0%** land taxes;
- **0%** customs duties;
- **0%** VAT on imported equipment.

- **Note:** The aforementioned project is of strategic nature
- **Note:** Payback period calculated excluding benefits

Renewable Energy

PRODUCTION OF ENERGY FROM ALTERNATIVE SOURCES

PRIMARY INFORMATION

Project definition
Azeraluminium LLC plans to build a plant to produce electricity from renewable energy sources (wind and solar), which will supply electricity to the company's projects

Location
Ganja city

Project concept
Production of energy from alternative sources with total planned production capacity up to **400 MW.**

Project concept
Majority portion of electricity is used in electrolysis process vduring which primary aluminum is being produced. This is a non-stop process 24/7.

Project type
Greenfield

ECONOMIC INDICATORS

Annual electricity consumption
800m kw/h

Investment
250 mln USD

Implementation period
3-5 years

Payback period (construction period included)
25 years

Equity IRR
20%

BENEFITS

For investment promotion certificate holders for 7 years:
- Exemptions on **50%** income tax;
- Exemptions on **50%** profit taxes.

For investment promotion certificate holders for 7 years:
- **0%** property taxes;
- **0%** land taxes;
- **0%** customs duties;
- **0%** VAT on imported equipment.

Note: The aforementioned project is of strategic nature

100MW SOLAR POWER PROJECT

PRIMARY INFORMATION

Project definition
Nobel Energy plans to construct a solar power plant to produce renewable energy in Jabrayil region, Azerbaijan. After constructing 100MW Solar Power Plant in Jabrayil, Nobel Energy plans to deliver 90% of produced energy to the dedicated customer within NEQSOL holding by signing bilateral agreement with the predetermined commercial entity.

Demand
Supply of **90%** of the generated energy to the consumer of the NEQSOL holding.

Production
Renewable energy

Location
Jabrayil region

Regional demand
Sale of **10%** to the national network

Landuse
100,2 ha

Project type
Greenfield

ECONOMIC INDICATORS

Production capacity
180 GWh/year

Investment
75 mln USD

Permanent employment
50+ on an ongoing basis

Total assets
70/30 debt-to-equity ratio

IRR
13%

Payback period (construction period included)
10 years

BENEFITS

For investment promotion certificate holders for 7 years:
- Exemptions on **50%** income tax;
- Exemptions on **50%** profit taxes.

For investment promotion certificate holders for 7 years:
- **0%** property taxes;
- **0%** land taxes;
- **0%** customs duties;
- **0%** VAT on imported equipment.

Note: The aforementioned project is of strategic nature

Mining

FILIZCHAY PROJECT: POLYMETALLIC DEPOSIT

PRIMARY INFORMATION

Project definition
Filizchay is one of the largest polymetallic deposits in Europe. The scoping study is based on underground mine and ore processing capacity of 4,000 tons per day with an expected life of mine for the 30 years, including 3 year development period.

- Hosts a massive sulfide, polymetallic mineral deposit
- The mineral deposit contains potentially economic concentrations of copper (Cu), lead (Pb) and zinc (Zn) metals

Location
Balakan district

Main products
Ore, iron ore concentrate, hot briquetted iron

Annual production capacity
4 thsd tons

Project type
Brownfield

ECONOMIC INDICATORS

Equity
43,8%

Investment
980 mln $

Debt
56,2%

Construction completion period
3 years 6 months

Payback period (construction period included)
11 years

Distribution of equity
51,9% - state funds
49,9% - investor

BENEFITS

For investment promotion certificate holders for 7 years:
- Exemptions on **50%** income tax;
- Exemptions on **50%** profit taxes.

For investment promotion certificate holders for 7 years:
- **0%** property taxes;
- **0%** land taxes;
- **0%** customs duties;
- **0%** VAT on imported equipment.

Note: The aforementioned project is of strategic nature

Heavy Industry

"QARABAG STEEL" PROJECT

PRIMARY INFORMATION

Project definition
The Qarabag Steel project is conceived as a forward-looking endeavor aimed at establishing a leading position within the steel manufacturing industry. It encompasses the development of advanced production lines for the fabrication of steel profiles with diameters ranging from 13-51 mm and 51-152 mm, addressing a significant demand in both domestic and international markets.

Market insights
Market analysis reveals a robust demand for steel profiles, quantified at 86,100 tons for 13-51 mm profiles and 159,900 tons for 51-152 mm profiles. Current domestic production satisfies only a fraction of this demand, highlighting a substantial market opportunity for the project. The competitive landscape includes a few key players, with the project poised to capture a significant market share through strategic investments in production capacity and quality.

Location
Aghdam Industrial Park

Employees
94

Landuse
5 ha

Annual production capacity
230 thsd tons

Project concept
Establishment of a steel production plant

Main products
Steel pipes, steel profiles

Project type
Greenfield

ECONOMIC INDICATORS

Equity
50%

Debt
50%

Sales orientation
40% for local market
60% for export

Value of the project
19 mln USD

Required investment
9 mln USD

Investment made
10 mln USD

BENEFITS

For residents of industrial parks for 10 years:
- 0% customs duty on hardware, technological equipment and structures imported by residents.

For 10 years:
- 0% corporate tax;
- 0% property and land tax;
- 0% VAT on imports of technological equipment.

Light Industry

CONSTRUCTION OF A NEW COTTON YARN FACTORY

PRIMARY INFORMATION

Project definition

The construction of the new spinning mill will remove the barrier in moving up in the value chain and enable the textile industry in the Republic of Azerbaijan to become more specialized and gain importance in the international market.

It is planned to purchase modern equipment from Europe for the new enterprise and produce certified yarn according to the latest standards. In the next stages, vertical growth is planned further along the value chain. The factory is planned to be built in the "Araz Valley Economic Zone" ("AVEZ"), which provides special financial benefits and government subsidies.

The main products are seedless raw cotton, cotton seed, technical cotton, cotton oil, auxiliary products, etc. The company's products are mainly exported to Türkiye, Tajikistan, Iraq, and Kazakhstan. During the 2021-2022 season, the company cultivated 25.520 hectares of area and harvested 78.685 tons of raw cotton. All the raw cotton seed produced from raw cotton are 33.196 tons and 39.139 tons respectively.

A new cotton yarn factory is currently being planned to be built in Azerbaijan.

Location
The Araz Valley Economic Zone (AVEZ), Jabrayil region of Azerbaijan

Project concept
Establishment of Spinning mill

The actual processing capacity of raw cotton of the enterprise
550 tons/day

Main products
Seedless raw cotton, cotton seed, technical cotton, cotton oil

Project type
Greenfield

ECONOMIC INDICATORS

Estimated production
8,9 thsd tons of yarn
2,2 thsd tons of by-product

Investment
55 mln USD

Annual required amount of cotton as a raw material
11,2 thsd tons (will be provided by the subsidiary company)

Payback period (construction period included)
5 years

BENEFITS

For residents of industrial parks for 10 years:
- **0%** customs duty on hardware, technological equipment and structures imported by residents.

For 10 years:
- **0%** corporate tax;
- **0%** property and land tax;
- **0%** VAT on imports of technological equipment.

KRAFT PAPER PACKAGING PROJECT

PRIMARY INFORMATION

Project definition
The establishment of a new manufacturing facility, in collaboration with other investors, aims to initiate the production of kraft paper bags for packaging in Azerbaijan. This endeavor seeks to cater to the unexplored domestic market and explore potential export opportunities in the region. Project plans to set up a plant with total capacity of 80-100 mln. pieces per annum and gradually increase production up to 120 mln. pieces during the next 7 years.

Market insights
The Project will be able to satisfy approximately 50% of the demand of the Azerbaijani market for multilayer kraft bags. It is also planned to export products to the regional markets, which will enable the use of the plant's equipment at 70-80% of its capacity. Most of domestic corporate consumers of the kraft paper in Azerbaijan are currently purchasing kraft sacks and bags from abroad. Main imports are coming from Türkiye, Russia and Ukraine.

Local demand
120 mln pieces

Raw materials
Kraft paper, glue, film and dye

Location
Sumgait Chemical Industrial Park
Total area: **1.2 – 1.5 ha**
Production area: **4,412 m²**

Main products
- Kraft paper sacks
- Kraft paper bags

Project type
Greenfield

ECONOMIC INDICATORS

Production capacity
80-100 pieces per annum

Investment
15,1 mln USD

Permanent employment
80+ people

Payback period (construction period included)
5.5 years

Equity IRR
18.1%

BENEFITS

For residents of industrial parks for 10 years:
- **0%** customs duty on hardware, technological equipment and structures imported by residents.

For 10 years:
- **0%** corporate tax;
- **0%** property and land tax;
- **0%** VAT on imports of technological equipment.

azpromo

Export and Investment Promotion Agency
of the Republic of Azerbaijan