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## **AZERBAIJAN, IRAN TO CREATE JOINT INDUSTRIAL ZONE**

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23.08.2019

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AzerNews (22 August 2019)

Azerbaijan and Iran are interested in the implementation of mutually beneficial business projects in order to stimulate trade volume.

Both countries particularly aim to achieve noticeable progress in cooperation in the non-oil sphere.

Iran and Azerbaijan intend to create a joint industrial zone, said Mohsen Salehinia, Iranian Deputy Minister of Industry, Mine and Trade.

Speaking at the opening ceremony of a new industrial zone near Ahwaz, Iran, he pointed out that the industrial zones created in the border regions with neighboring countries are usually more efficient.

So, the negotiations on the creation of industrial zones are held with Azerbaijan and Turkey and agreements have already been reached, Salehinia added.

Noting the development of Azerbaijani and Turkish economies, Salehinia said that Iran holds economic relations with both countries.

He stressed that mutually beneficial cooperation relations with Azerbaijan are increasingly developing, adding that taking advantage of this opportunity will bring great benefits to both countries.

Salehinia also noted that favorable conditions will be created in this industrial zone to facilitate investment and start the production process.

Currently, there are 900 free trade and industrial zones in Iran. Azerbaijan has five industrial parks - Sumgayit, Garadagh, Mingachevir, Pirallahi and Balakhani, as well as three industrial districts - Neftchala, Masalli and Hajigabul. In addition, work is underway to launch the Sabirabad industrial zone.

Iran also intends to develop ties with Azerbaijan in the insurance sector, and there is a plan to create a joint investment fund.

Iran attaches great importance to the expansion of economic relations with Azerbaijan. This year, the trade turnover between Azerbaijan and Iran is expected to exceed \$600 million.

Trade between Iran and Azerbaijan amounted to \$400 million last year. Over the past years, food products, construction materials and other goods accounted for the largest part of the turnover. In subsequent years, the structure of trade will change, and its basis will be finished products. The industrial products will enter the trade turnover between the two countries.

The Azerbaijani-Iranian relations have developed and reached a new stage over the past four years as a result of mutual efforts. So far, more than 150 documents have been signed between the two countries. More than 1,000 Iranian companies are registered in Azerbaijan in industry, construction, services, communications, trade, transport, agriculture and other spheres. Iranian investments in Azerbaijan exceed \$3.4 billion.

Iranian companies successfully operate in Azerbaijan. Two countries cooperate within the joint car production plant in Neftchala Industrial Zone, joint pharmaceutical plant Caspian Pharmed in Pirallahi Industrial Park, Khudaferin and Maiden Tower hydro power plants, etc.

Recently, Iranian Trade Center opened in Baku to support trade relations between the businessmen of the two countries and help them solve their problems.

The trade turnover between the two countries is planned to reach \$2 billion in short term perspective. Reaching the \$2 billion milestone in trade turnover within 7-8 years can be regarded as success for both countries.

Iran sees Azerbaijan as a hub to reach larger regional markets. The cooperation on transportation between Iran and Russia through Azerbaijan is crucial in the realization of the International North-South Transport Corridor project. The construction of the Qazvin-Rasht-Astara (Iran)-Astara (Azerbaijan) railway, which is the main component of the North-South transport corridor, is underway.

Azerbaijan plans to build four terminals in the Iranian city of Astara. These terminals include oil and grain terminals, a terminal for processing containers and a general-purpose terminal.

A cargo terminal was built in Irans Astara with the support of Azerbaijan in the first quarter of this year. The Azerbaijani side took the terminal for a 25-year lease. The capacity of the terminal, built as part of the North-South project, is 2 million tons annually, and it is planned to be increased to 5 million tons in the future.

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