

The collaboration of Azerbaijan within the integration process

In the process of integrating Azerbaijan with the world, our republic collaborates widely with foreign companies, and joint stock institutions. In this direction, foreign countries' institutions and companies such as Chevron, Mc. Dermott, ExxonMobile, MI Drilling, Bp, Statoil, Engineering, Azercell, Ramstore, Tekfen, Total, Siemens, Azfen, CDC, Acip functioned actively. The development of ownership and involvement of local and foreign investment are priority fields of Azerbaijan authority and government. Significant works have been done in improvement of business environment in order to increase the activity of foreign companies in our country, to create new joint stocks, to enlarge work volume of existing institutions.

Norwegian Statoil Company has participated in working out the resources of the Caspian Sea in Azerbaijan since 1992. The activity of the company consisted of organizing the export of natural gas from our republic to international markets through pipeline. Statoil Company has become the operator of Azerbaijan gas provision. Moreover, Statoil Company has a share of 8.56 per cent in exploiting Azeri-Chirag-Gunashli oil deposit, 8.71 per cent in Baku-Tbilisi-Ceyhan, the biggest construction project as a foreign investor, participated with a share of 25.5 per cent in gas export project from Shahdeniz deposit western direction from the Caspian Sea. Statoil carried out charitable and contribution projects to social, humanitarian and economic development of our republic.

French "Total" Company has an active part in exploitation of oil-gas deposits of the Caspian Sea in Azerbaijan and Kazakhstan, and carrying out economic projects since 1993. For provision of transporting opportunities of fuel export "Total" Company got a participant share of 5 per cent in the use of Baku-Tbilisi-Ceyhan oil pipeline. In the exploration of Shahdeniz gas deposit it has been an active proponent of SOCAR, one of members of the Concern. In 1997 Elf Akiten and Total, the biggest oil

companies in France, participated in Lankaran-Daniz oil-gas exploration project, Lankaran-Talish and Absheron fuel structure project. Since 2003 in the exploitation of Shahdeniz structure, "Total" company has had 10 per cent participant share¹. Besides, in the frame of various international programs numerous activities have been realized for the improvement of social condition of population.

Azercell Telecom Company was established in 1996. This institution started functioning as a communications operator due to joint attempt of Ministry of Communications of AR, and Dutch Tintur Holding BV firm. Azercell has realized active investment projects, highly qualified communications services. It has representatives in Ganja, Nakhchivan, Guba, Shaki, Massali, Sabirabad, Sumgayit and other towns and regions. Azercell Telecom paid attention to the contribution in humanitarian field, and development of culture. "Ramstore" Company, a trade center of wholesale and retailer of industry and food products, was established in 1996. Azfen, joint venture engineering, construction, installation and Refinery Company, was instituted in 1996 in our republic. Azfen is a joint-venture constituted by SOCAR and Tekfen, a leading contractor of Turkey (Tekfen Construction and Institution) and between these companies. Azfen, joint venture could adjust successfully construction market in Azerbaijan, and undertook projects of various volumes.

ZM Engineering LTD was founded in 1997. This institution dealt with the sale of equipment, installment of heating and supply systems, constructing engineering devices, carrying out projects, services. ZM Engineering LTD is representative of Demir Dokum, Honeywell, Willo, Alfa Laval, Sus-temair, Giakomini, Rehay companies in Azerbaijan. The projects realized by the institution included "Ganglik" ("Youth") Health Center, Odlar Yurdu University, Tuberculoses Clinic No 1, school complexes, and others.

"Turkish-American Medical Center" Company boasting with the modern medical apparatuses was founded in 1998. In the company work the doctors who practiced in the USA, Germany, Austria, Turkey, Russia and other medical institutions, serves medical aid besides diagnoses, use modern treatment technology.

¹ *Использовать новые возможности в Азербайджане и Казахстане*, total, 2005, p. 8–10.

“Azeri AI Drilling Fluids” institution was founded by two partner organizations- State Oil Company of the Azerbaijan Republic and AI LLC American Company on January 31, 1997. “Azeri AI Drilling Fluids” provided the construction of plant and devices, use of local raw material in order to dig wells, supply fluid in the use of completeness and maintenance works, services related to them, teaching local engineers how to use digging fluids, and technology in SOCAR and Western oil Company. The activity of “Azeri M I Drilling Fluids LLC” joint stock institution completely based on financial and technical provision of SOCAR and M I LLC Company. This company carried out some works in Caspian aquatory and land. “Azeri M I Drilling Fluids LLC” was one of the largest and biggest institutions in our republic running with digging matters. This institution succeeded in digging process involved in various projects in land and sea in Azerbaijan². The company realized necessary chemicals for digging wells and comprehensive engineering and technical support related to them. Taking into account features and difficulties of digging works implemented in the Caspian Sea “Azeri M I Drilling Fluids LTDLC” got ready in high level and using engineers with big experience carried out the projects prepared by engineering group in Baku office of M I LLC Company. In order to meet demands of digging process in the sea, services are required. So, “Azeri M I Drilling Fluids LLC” provided shipping powder and bentonite in mass through BM Promork and SRS harbour provision deposits, preparation, storage and shipping of solution and liquids used in digging process. Lokbatan factory used accurate devices and the quality of any product used adjusted to the standards of the USA Oil Institute. The provision center of all operations of “Azeri M I Drilling Fluids LLC” BM implemented in the sea and the land was situated in Lokbatan. The institution provided to deliver dry and liquid products such as powder, bentonite, digging solutions and well solution to the digging field and provision deposit in the harbour. By the initiative of M I LLC Company joint system of engineering (IFE) was founded and combined the following sections: digging solutions, well completion solutions, “Filtration” service, Svako control and recycling of wastes. Business Group Company provided the students studying on tech-

² Drilling FLUIDS LTD, *Texnologiya, mühəndis xidməti, ətraf mühitin mühafizəsi, yüksək nailiyyətlər*, B. 2007, p. 5.

nical directions in Azerbaijan, Turkey and USA universities with scholarships, and supported the activities of programmes giving chance of studying abroad. In 2004 Business Group organized trainings of more than 47 thousand hours for employees working in the company. "Azeri M I Drilling Fluids LLC" and Svako section together controlled the amount of hard particles containing boring solution by sieve, hydrosklon, cleansing boring solution, centrifuge, and devices and provided collecting wastes expelled from boring solution and recycling. "Azeri M I B M" installed "Safeguard special vacuum collection system" in the boring device.

In 1998 the representation of Siemens society, Germany started in Azerbaijan. Siemens has installed sale connections and offers customers a range of unique products and services related to fields such as information and telecommunication technologies, technique, industry, power engineering, transport, medical engineering and light engineering. Siemens Company in Azerbaijan worked in fields like power engineering, information technologies, telecommunication and medicine. Moreover, Siemens participated not only in improvement of various fields of the industry of the country, but also in bidding meeting demands of local market, was engaged in selecting potential customers, oversaw fulfilling orders and besides, focused on qualifying the employees³.

SHELL Company started in 1999, Azerbaijan supported SOCAR and Bp on the program of Inam perspective structure. SHELL Company in our country cooperated in the frame of preparation project of natural disasters of UN Development Program and participated in social investments in education, orphology, health fields. This foreign company taking into account ecological and social environment issues since 2000 participated in all the conferences on the dialogue among non-governmental organizations and transnational corporations, and cooperated with government and societies in fulfilling various programs in industry field⁴.

Citizens Development Corps (CDS) foreign company has started overseeing small and medium businesses more efficiently and developing in

³ Azərbaycan iqtidai cərəyanları, Rübük buraxılış, Avropa Ekspert Xidmətiç Brüsselç 2000–2001.

⁴ İqtisadiyyat və audit N4, 2000, p. 1.

this direction⁵. The function of CDS in the republic was directed to the provision of economic rise by forming strong private sector. This institution also served to improve businesses in the USA and Azerbaijan by forming ownership relations. CDS made essential services to owners in our republic, placed common professional consultants to different business fields in local enterprises, carried out training programs of high level business. CDS prepared high level preparation programs for local enterprises conducting series of seminars of “Providers’ lesson”. The objectives of seminars were to organize trainings on various themes of local enterprises in order to cooperate successfully with international oil companies. Seminars of “Providers’ lesson” in CDS served to increase business relations among foreign oil companies and Azerbaijani enterprises. In order to research the demands of oil companies, CDS tightly cooperated with Bp, ExxonMobile, Statoil, Acip, Chevron and others.

Keeping relevance with world standards MCDermott Caspian Constructor Inc. enterprise applied its experience and knowledge in constructing and installing marine devices. In order to fulfill successfully engineering and construction works in land and sea, the company prepared world-scale systems, procedures, programs of quality provision and overseeing quality. Industry power of MacDermott Caspian Constructor Inc. MacDermott Caspian Constructor Inc. was placed in Baku Deep Jack Factory named after Heidar Aliev. Relevant to high international standards loyal to MKKI, the company constructed new offices, maintained workshops and got appliances for ABAS allocated more than 22 million dollars for reorganization of BDOZ infrastructure and modernization⁶.

Developing cooperation with BDOZ, MKKI instituted joint enterprise with the factory. New company Caspian Offshore Fabricates LLC (COF LLC), according to the contracts made with ABAS presented its experience in demanded technology and leadership field fulfilling various construction works for preparation of superstructure and managing the construction and projects of buildings for services⁷.

⁵ EXXON Mobil, *neft sənayesinə sərmayə, cəmiyyətə yardım*, B. 2006, p. 2–3.

⁶ İRAY, Mc Dermott Mc Dermott, *Xəzərdəki potensial imkanlar*, B. 2004, p. 4.

⁷ H.Əliyev və Azərbaycan neftin inkişafı, 1997, p. 16.

MacDermott Caspian Construction enterprise cooperated in the field of production, digging and residential platforms, installing Baku Deep Jacket Factory, as well as constructing submarine oil and gas pipelines. For realizing Azeri-Chirag-Guneshli international project Baku Deep Jacket Factory constructed enormous appliances of 17 thousand tones. For covering submarine oil and gas pipes Azpetrol and Yupek pipe-covering joint enterprise produced big sized pipes. In the field of construction works by Amek/Tekfen/Azfen companies meeting international technical demands modernized in a construction-installation field appliances of 25 thousand tones were constructed. Sipem company on installing prop blocks of Bosshelf-platform, pipes and prop canopy in Baku Deep Jacket Factory, Amek/Tekfen/Azfen companies participated in the field of transporting and installing a digging prop canopy, prop blocks and superstructure modules in the sea. Azfen/Tekfen Consortium on Upper modules of compressor and irrigation platforms in our country, and installation of Caspian Boring Construction Trust, Azpetrol and Yupek pipe-coating institutions alliance on the extension of Sangachal terminal made cooperation relations with enterprises and organizations in Azerbaijan in the direction of functioning submarine pipe lines in pipe-coating factory in our republic, and on installing residential platforms for Farmadul Emtunga-sea platforms in our republic⁸.

In the projects realizing in the direction of economic development, numerous local enterprises were involved such as Azertunel, Enkotek, Metalqanaqsinaq (Metalweldingtrial), Azerbaijan Electronics, Azfen, Dostlug (Friendship), Sadaf LTD, Shahdagh and other companies. These measures were crucial support for the economy of Azerbaijan, and made a suitable condition for the state-of-arts production complexes meeting international standards.

“CCIC” company made a tight contact with a number of engineering and service fields functioning in Azerbaijan. The construction of Baku-Tbilisi-Geyhan oil and South Caucasus oil pipelines was relied on Azerbaijan Company of Consolidated Constructors Internal Company in 2002. “CCIC” company cooperated with foreign and joint enterprises such as Azercell, Azerkorpu, Azeronline, AzPetrol, Baku Engineering Com-

⁸ *Consolidated Constructors International Company Azərbaycanada*, B. 2007, p. 1–2.

pany, Best Com.Group, Bakond, Lubkin, Cenay, MediClub, Petrochum, Santral Eleccric. “CCIC” company providing more than 2700 local employees with a job had professional and safety trainings relevant to their high standards. Social and investment programmes were inseparable integral part of the functioning of the company in our republic. It made a financial support in displaying talented youth in the traditional mugham festivals, mending of organ of century-long age belonging to Azerbaijan National Music Academy, a match for Tennis Cup by SOCAR, chess, jui-jutsi, traditional mini-football match among mass media employees. National bowling team for the participation in international bowling, holding the fifth championship on jui-jutsi⁹.

“CCIC” company turned its social investment policy to do long-termed aid to internally displaced population, refugees. It made a financial support for the construction of one hundred houses in the amount of one million dollars, schools, hospitals, bath-houses, transformation settings, water barrels, pipe station as well as residential settlement for internally displaced population, refugees settled in Saatli region. It provided internally displaced people settled in Saatli, Imishli, Shaki and Yevlakh with 7500 tents in the amount of 300 thousand dollars. In general, the value of social and cultural events held by “CCIC” company in Azerbaijan exceeded one million 500 thousand dollars¹⁰.

In 2003 “Shevron” and “Exonmobile” Companies participated in projects related to oil deposits of the Caspian in Azerbaijan and their investment share was 10 billion dollars. “Exonmobile” Company, USA contributed the construction of two exploration oil-gas wells to oil industry of our republic, financial-technical aid to the construction of “Oghuz” and “Nakhchivan” blocks. The construction of new DSS-20 floating boring setting (FBS) by “Exonmobile” Company and Maersk Contractor foreign enterprises completed in late 2003(4). “Exonmobile” Company participated in four agreements on share division of production in Azerbaijan sector of the Caspian Sea. The company is the operator of Nakhchivan and Zafar Torch blocks. “Exonmobile” participated in tow more production blocks

⁹ Azərbaycan iqtidai cərəyanları, Rübük buraxılış, Avropa Ekspert Xidmətiç Brüsselç 2000–2001.

¹⁰ *Dövlət idarəciliyi: nəzəriyyə və təcrübə*, 2007, p. 71.

being the operator of the other companies. The share of "Exonmobile" was 15% in Araz-Alov-Sharg (Araz-Fire-East) deposit, 8% in Azeri-Chirag-Guneshli deposit. This foreign enterprise also participated in the construction of a new boring setting possessing the ability of functioning in deep waters and by name Heidar Aliyev. This boring setting is a state-of-art appliance functioning in the depth of one kilometer and possessing the ability of conducting boring works in the depth of more than nine kilometers. Boring works started in two wells in Zafar Torch perspective structure late 2003 were realized with a new oil setting. The expansion Programm of Sangachal Terminal (EPST) started on February 20, 2002 with the purpose of building one of biggest terminals in the world. A technical training center in estimate of 12 million dollars was established in Sangachal terminal for technical and vocational training of local staff working in Azeri-Chirag-Guneshli, Baki-Tbilisi-Geyhan and Shahdeniz projects. In main building of this training center 4000 people had an opportunity of having training in operation and boring technique. Numerous local specialties had training in London by Kellog Brown and Rut Company for the purpose of taking experience in the field of projecting sea settings.

For Central Azeri (CA) platform whose weight of amount of works held by MMKI Company in 2005 was 15,500 tonnes included preparation, collection, tuning, and putting in operation of joint boring/residential/production board (superstructure). CA platform is a primary joint board on ACG deposit. Extraction of oil from "Central Azeri" started on February 13, 2005¹¹.

The works carried out by MacDermott (MKKI) Company included modernization of "Israfil Huseynov" pipe distribution ship and "Academic Tofig Ismayilov" diving-research ship, transportation of pipe lines, construction of highway gas pipes of 30 inches with the length of 186 km. till the coastlines near Shagachal terminal in "Central Azeri" deposit. The contract about BP Shahdeniz deposit, project Phase 1, construction of marine pipe lines with British Petroleum Exploration (Shahdeniz) LTD (BP SHD) started in 2006. The works by MKKI on the contract for the construction of pipe lines included projection of ditches, boring, also, provision, construction, and operation of three marine pipe lines of 92 km. long from "Alfa" platform till Sangachal terminal. According to the contract,

¹¹ MacDermott Caspian Constructors, İNK, B. 2005, p. 2.

the works included placing pipes in the ditches and constructing pipe line sections for oil export lines of 30 inches from Sangachal terminal till coast line for Phase 2 project¹².

Phase 2 project, “Western Azeri” and “Eastern Azeri” superstructures were realized in 2005-2006 on the contracts held for ABAS by MakDermott Company. The works by MKKI included preparation, collection, tuning, and putting in operation of “Western Azeri” and “Eastern Azeri” joint boring/residential/production board (superstructure) of approximately 15,500 tonnes. The construction of pipelines was realized in 2006. the contract included projection, construction and preliminary operation of oil export pipeline of 178 km. long from the previous area till “Central Azeri” platform. The works included the construction of pipelines of different diameters from 6 inches to 30 inches, 90 km. long in “Azeri” deposit between “Western Azeri” and “Eastern Azeri” platforms¹³.

The cooperation of state structures, enterprises in Azerbaijan with international organizations, humanitarian bodies, foreign companies in public, economic, industry, culture, education, health, communications, transportation, information and other fields created a situation for world integration¹⁴. International relations policy encouraged by our state taking into account integrity of our republic to world unity is to ensure independence and safety of our country. The cooperation of Azerbaijan with international organizations, foreign companies in realizing social, economic reforms and projects made it possible to allocate foreign investment, foreign investment on the economy of our republic.

Streszczenie

Autor przedstawia główne obszary współpracy Azerbejdżanu z innymi krajami w ramach procesów integracyjnych, analizując przypadki korporacji takich jak: Chevron, Mc.Dermott, SHELL, Ekson, Mobil, BP, Statoil, Tekfen, Total, Siemens

¹² İRAY, Mc Dermott Mc Dermott, *Xəzərdəki potensial imkanlar*, B. 2004, p. 4.

¹³ Şahdəniz Qaz İxracı Layihəsi, Gələcəyə doğru, Gələcəyə doğru, ümumi icmal, B. 2007, p. 2.

¹⁴ *Azərbaycan: Tam də Vostok vstreçается s Zapadom*, otçet o realizacii Cелей тысяçелетия в области Развития для Всемирного Саммита, 2005, МЭР, 2006, p. 8–10.

czy Asip. Prezentuje tu najważniejsze fakty dotyczące współpracy Azerbejdżanu i wymienionych firm w dziedzinach: ekonomii, nauki i techniki, informacji i komunikacji oraz kultury i praw człowieka. W tekście są rozpatrywane także ogólne informacje na temat poszerzania współpracy Azerbejdżanu z firmami zagranicznymi w ramach programów współpracy międzynarodowej oraz aktualnie trwających projektów społeczno-ekonomicznych.

Słowa kluczowe: Azerbejdżan, współpraca zagraniczna, integracja międzynarodowa, poszerzanie współpracy, rozwój społeczno-ekonomiczny

Абстракт

В статье раскрываются основные направления сотрудничества компаний зарубежных стран с предприятиями Азербайджана в процессе интеграции. В этом аспекте исследуются связи с такими компаниями, как Shevron, Mc.Dermott, SHELL, Ekson, Mobil, BP, Statoil, Tekfen, Total, Siemens, Asip. Автор здесь приводит факты, касающиеся результатов сотрудничества Азербайджана с этими предприятиями в экономической, научно-технической, информационно-коммуникативной, культурной, гуманитарной сферах.

В статье обобщается опыт расширяющихся связей Азербайджана с зарубежными компаниями в реализации интеграционных программ, социально-экономических проектов на современном этапе.

Ключевые слова: Азербайджан, иностранные сотрудничество, международная интеграция, расширять сотрудничество, социально-экономическое развитие